

CHAPTER - VI

SUMMING - UP & CONCLUSIONS



- C H A P T E R - V I -

SUMMING-UP AND CONCLUSION

While tracing a brief history of the development of sugar industry in India, we pointed out that Maharashtra State ranks II to Uttar Pradesh in respect of the area under sugarcane cultivation, the number of sugar factories and the duration of crushing season. If, we consider in terms of average recovery of sugar, it ranks first among the sugar producing states (11.13%). The average recovery percentage in Maharashtra is above an all India average (10.02%). We also noted that Maharashtra State ranks first among all the States in respect of the development of sugar factories in the co-operative sector. 41.9% of the co-operative sugar factories are located in Maharashtra and 91.5% of the total production of sugar is produced in the co-operative factories.

A brief history of development of the sugar industry in Maharashtra reveals that Kolhapur district ranks II to Ahamednagar district in respect of the number of sugar factories and production of sugar. The percentage of average recovery in the district, however, is the highest (11.80%) among all the districts. Within the

District of Kolhapur, Shree Datta Shetakari Sahakari Sakhar Karkhana Ltd., Shirol ranks first among other factories in as much as the average recovery of sugar is concerned (12.17%).

The sugar industry being major industry in the organised sector, the importance of this industry in the rural and industrial economy of the country is self evident. From the point of view of employment, the industry has provided jobs to 2.4 lakhs persons and many more thousands who depend on this industry, directly or indirectly. The forward linkage of the industry is also greater, for the growth of other industries like distilleries, confectionary, biscuits, manufacturing is linked to sugar industry.

In tracing the history and development of Shree Datta S. S. S. K. Ltd., Shirol, we highlighted that the factory was established with a view to exploiting the natural resources especially, the agricultural and manpower resources in the taluka of Shirol. Since, the factory being situated in the rural area, it is expected to absorb the surplus manpower that exists in the agricultural sector, though not wholly at least in part. Accordingly, the factory employs a little less than one thousand workers, inclusive of both skilled and unskilled workers, both white and blue colour workers and both permanently and

seasonally employed persons. Barring a few exceptional cases of highly qualified technical and managerial personnels, the most of the workers in the lower grades are recruited from the surrounding rural areas of the factory. Notwithstanding, the disguised unemployment, which still persist, in the primary sector of the taluka's economy, one cannot deny the fact that the factory provides an employment opportunities to a number of unskilled farmers such as cutting sugarcane, loading and unloading of sugarcane and transport of sugarcane through bullock carts during its production season.

In chapter III, which deals with the broad changes in the socio-economic conditions of the workers that seem to be the concomitants of the rapid industrialization, the major aspects that are dealt with therein, broadly covers :

- 1) The rise of the problems relating to employer - employees relationships and their dynamic character.
- 2) The impact of the II World War on the labourers, particularly on their employment, their standard of living and wage structure.
- 3) The impact of socio-political forces on the employer-employees relationships, attitude of the workers towards

an industry and their organisation into trade unions.

- 4) The impact on their mode of living and their attitude towards commitment to the industrial work and attitude towards the joint family system and lastly,
- 5) The factors that have contributed greatly to the emergence of the present industrial labour force.

This chapter also makes an attempt to analyse critically the problems that have arisen mainly out of the emergence of the industrial labour force during the post-independence period. The most important problems, inter-alia are :

- 1) The problem of growing urbanisation and consequent increasing pressure on public utility services.
- 2) The problem of rampant growth of slums.
- 3) The problem of growing unemployment.
- 4) The problem of growing industrial disputes and accidents.
- 5) The problem of social disorganization.
- 6) The problem of delinking of village ties.
- 7) The problem of family disorganization.
- 8) The problem of growing crimes and immorality.

- 9) The problem of implementing the measures to check adverse effects of industrialisation and enactments of labour laws for maintaining harmonious relations between employers and employees.

Chapter IV and V, which constitute the core of the present dissertation, comprehensively deal with the over all socio-economic conditions of the workers in the factory. Though a large majority of the workers belong to the villages, their mode of living seems to have been largely influenced by modern concept of standard of living. Since, these workers employed in the factory have additional source of income i.e. agricultural, their standard of living has considerably improved, when compared with that of prior to the employment in the factory. Again as a majority of the workers come from the share holders families, their consolidated income have gone-up. As such a considerable improvement in the levels of income and consequently in the standard of living has taken place. Eventhough, this effect could be considered as a salutary effect on both the workers and the cultivators of sugarcane, considered from the point of view of the individuals, an inequitable distribution of income has taken place in the rural areas. The phenomenon of inequitable distribution

of income could be, at least to some extent, attributed to the policy of the Board of Directors to give preference to the members of the share holders' families, while making recruitment of persons to the various departments of the factory. In fact the Board of Directors could have adopted the policy of recruiting the persons belonging to the families having no other means other than toiling on the fields of others. This policy, if pursued from the beginning of the factory, could have helped reduce, though not to a large extent, the disparities in respect of income distribution in the rural areas.

While analysing the economic conditions of the workers we laid stress on the wage structure that presently exists. The total wage received by the workers consists of three main components, viz. Basic pay, Dearness allowance (D.A.) and Bonus. The first component i.e. basic wage is quite inadequate vis-a-vis raising G.P.L. (General Price Level) in the economy. In view of the rampant inflationary trend, dearness allowance have been paid to the workers and have also been revised from time to time, in accordance with the changes in the cost of living index numbers. Despite the revision of the dearness allowance in upward direction, cent percent neutralisation of the rising cost

of living could not be achieved. We, therefore, are of the view that there is a need for the revision of wage scales a fresh. A part of the D. A. will have to be merged with basic wage while revising wage structure of the workers. The third component i.e. bonus paid once in a year, supplements the aggregate incomes of the workers, is inadequate considered from the stand point of the profit earned by the factory. Besides the bonus is linked to the worker's total annual employment and not to actual profit earned by the factory. At present, 20% plus 5% as a reward of the total annual emolument is paid to the workers, since the majority of the workers belong to the lower wage group, the lump-sum received in the form of bonus is meagre, though on the face it, it seems to be high, considered in terms of its percentage to the total emoluments. Though, the aggregate money wages seems to be high, the real wages have been falling contineously. A rapid fall in the real wage of the workers could be attributed to the contineous erosion of the purchasing power of the rupee in the recent years. In view of this fast erosion of the value of the currency, the steps will have to directed towards either raising the level of wages or checking the fast erosion of the value of the rupee.



Though money wages fall short of the aggregate expenditures, they have cultivated the habit of regular savings, but in a majority of cases, the proportion of saving to the total earnings seems to be small. Their accumulated savings are bound to lose their real value in the face of an upward march of general price level (G.P.L.). We are, therefore, of the view that the present interest rates structure applicable to different types of savings are quite inadequate to bring about cent percent neutralisation of the declining real value of the currency in future. Because of the small size of their savings, they are incapable of investing them in real assets such as land, houses, gold etc., whose values have been appreciating disproportionately. Under the present circumstance, there is an urgent need for finding out a proper device through which the real value of savings could be prevented from falling off.

In the study of expenditure pattern, we pointed out that little more than 50% of the workers are in debt. The borrowings of these workers are not for meeting the consumption requirements but for making investment in real assets. The workers who have borrowed have got supplementary source of income and as such they belong to

the class of well-to-do rural families. Further, they borrow loans with a view to expending their earning capacity through acquisition of real sources of income. A monthly deduction of installments at the source is a regular feature of their expenditure pattern. The workers who do not borrow, are just able to meet their both ends. In other words, they are just able to maintain status-quo in their standard of living.

From the study of the expenditure pattern it seems to be apperent that, there is a drastict change in the consumption pattern and consequently in the expenditure pattern after having employed in the factory. This remarkable change is brought about by the working of demonstration effect. The workers' expenditure patterns seems to have been largely influenced, through the demonstration effect, by the expenditure patterns of blue and white colour workers. The relative improvement in the earning capacity has enabled the workers to, though not completely, adjust with higher levels of expenditure of the highly paid workers in the factory. The demonstration effect of the higher wages seem to have been working on the minds of workers under referance. They seem to be aware of glaring inequality in respect of pay

structures of the various categories of the employees of the factory. We, therefore, strongly recommend that the management of the factory should take steps in the direction of an upward revision of the existing pay scales of the workers, so as to all eviate the sense of inequality in respect of wage structure that haunts minds of the workers.

These findings and conclusions maynot be confined to the factory workers under reference, but can be made applicable to the workers in other sugar co-operatives in Maharashtra, whose structures and patterns of organisation are alike.

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