

**AN INQUIRY INTO THE PROBLEMS OF PERSISTENT
INDEBTEDNESS AMONG INDUSTRIAL LABOUR IN KERALA
IN SPITE OF FAIR WAGES, BONUS AND PERKS**

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EXECUTIVE SUMMARY

Debates and discussions on the causes and effects of indebtedness are not uncommon. Classical thoughts on surplus budget to individuals and families have given ways to deficit spending and resultant debt trap today, particularly in the backdrop of globalisation and new economic regime. Indebtedness, a common phenomenon in rural societies particularly among the farmers is now spreading to urban areas affecting those working in the organised sector and self employed, particularly in the aftermath of globalisation. However, a systematic examination of the causes, dimensions and magnitude of indebtedness among those who work in the secondary and tertiary sectors of the economy demand adequate attention. With the presence of strong trade union activities, ILO's guidelines, comprehensive labour laws, regulations and policies at national level, it is believed that workmen in the industrial sector are leading a decent living upholding quality life. A close examination of the economic status of the industrial workers in Kerala revealed that despite fair wages and other perks, majority of them are not free from the clutches of indebtedness. A quick scan on the living conditions of the selected industrial workmen in Thiruvananthapuram explicitly revealed that indebtedness is a common phenomenon among factory workers and the magnitude of debt ranges from Rupees one lakh to Rs.18 lakhs. This has enabled a close and detailed examination of the paradox – indebtedness among workers despite fair wages and other perks including overtime allowances. Accordingly, a proposal for conducting a scientific inquiry into the persistent indebtedness among the industrial workers in Kerala in spite of fair wages, bonus and perks was submitted to Kerala Institute of Labour and Employment in 2017, which was approved for financial support during March 2017.

As a prelude to in-depth examination of the diverse aspects on the issue, we had detailed interaction with veteran trade union leaders in Kerala. Accordingly the issue was discussed with Shri. Anathalavattom Anandan, State President, CITU, Shri. V. J. Joseph, State Secretary, INTUC, and Shri. K P Shankardas, Secretary, AITUC. The discussion was more revealing as it gave us a deep insight into the diverse dimension of the issues including the perception of ILO on labour welfare. Armed with the information gathered, we fine tuned the objective of the study to examine in detail the reasons of persistent indebtedness among industrial workers in Kerala despite having ensured fair wages and living standards. The broad objective of the study is to

examine in detail the reasons of persistent indebtedness among industrial workers in Kerala despite of fair wages and working conditions.

The specific objectives are,

1. To understand the wage structure and various perks offered to the workmen of the selected industrial units and the average carry home earnings of typical workmen per month
2. To understand the income and expenditure pattern of workmen and their families and assess their actual standard of living as per appropriate parameters
3. To assess the dimension, nature and causes of indebtedness among the respondents and the measures taken by them to get relief
4. To redefine the roles and responsibilities of the Dept. of HRM and the leadership of the trade unions of the company in protecting the workmen against indebtedness and ensure a decent living.

The required data and information's are gathered through personal interviews with workers from three identified companies, viz., KMML (Kollam), HLL and Penpol Private Limited (Thiruvananthapuram), along with interaction with trade union leaders, HR managers and personal observation of family surroundings.

Major Findings

The data and information collected were analysed under four heads: Personal profile of the worker, family profile, economic status and indebtedness. The results are discussed in detail keeping in mind the specific objectives of the study. The major findings emanates from the discussion are listed below under five heads:

Wage Structure of Worker

- Average monthly total wage of the worker is Rs. 43,850/- The average take home monthly wage is Rs.20,456/-
- The take home wage reported is less than 50% of gross wage. This is due to mandatory deductions from the company and deductions pertaining to repayment of loan and interest.

- The Gross and Net wages are highest in KMML (Rs. 57863 and Rs. 30838), followed by HLL (Rs. 36770 and Rs. 12654) and Penpol (Rs. 30554 and Rs. 16286).
- Majority of workmen (64%) fall under monthly wage bracket of Rs.25,001 to Rs.50,000. 19% workers fall under monthly wage of Rs.50,001 to Rs.1,00,000.
- It is noted that majority of workmen fall under the income tax net
- Average overtime allowance per month is Rs.16,450/- It is highest in KMML (Rs.18655) and lowest in Penpol (Rs.194)

Expenditure Pattern

We have attempted to gather detailed information regarding the expenditure of the family of workmen with a view to get an insight into the underlying causes of indebtedness. The average monthly family expenditure is Rs. 37827 and the highest is reported from KMML (Rs. 46495/).

- The average monthly expenditure is almost double the take home wage resulting in a deficit family budget. More than half of the expenditure (50.8%) is for education (25.7%) and debt servicing (25.1%). This is followed by food (19.8%), petrol and electricity (8.1%).
- Correlation with gross wage and expenditure on debt servicing, petrol and electricity show significant positive relation, whereas education, communication and food show positive relation. Despite deficit budget the family save through chitty and other sources.
- The average saving of the family is estimated at Rs.2.5 lakh. The lowest saving is reported from Penpol (Rs.1.6 lakhs) and highest in HLL (Rs.2.8 lakhs)
- Correlation with savings and gross wage shows a positive relation, whereas correlation between additional income, over time allowances and savings show significant positive relation, establishing that amount of savings are determined by the additional income, and overtime allowances.

Socio Economic Status of Family

The investigation on the current socio economic status of the family started with the examination of the occupation of the parent of the worker.

- 75% of respondents fathers were employed in the unorganised sector either as farmers, casual labourers and more than 85% of mothers were housewives.
- In the second generation (workers), 36% of the families are having double earning members and 59% families have additional source of income.
- The average size of family is 3.63 with highest family size reported from KMML (3.96)
- Regarding educational background 34% workers possess school education, 49% have higher secondary education, 14% have degree qualification and 2% have post graduation.
- The spouses are also qualified with 29% school education, 26% higher secondary, 32% degree and 7% post graduation.
- It is reported that 6% of spouse posses professional qualification while their counter parts posses only school education.
- There is universal school education among the children of workmen. While 64% pursue higher education, 27% is involved in professional education.
- 30% families have additional source of income, and the average monthly additional income is estimated at Rs.40,000/-.
- Dependency ratio is low (0.17).
- On an average the workers possess 1.12 houses, 1.25 two wheelers and 0.54 four wheelers signifying a relatively good possession of assets.
- 80% of the houses are RCC with all amenities.
- Invariably all houses have telephone/mobile connections with 55% possess smart phones
- Use of mobile phones by spouse and children are common.
- The average area of house is reported as 1384 sq. ft.
- The social status of workmen has visibly under gone drastic upward mobility compared to their parents and the workers' living standard is comparable with middle class.

Indebtedness

The basic objective of this research study is to examine the dimensions, causes and nature of debt of industrial workers in the state. It is found that-

- Workers resort to borrowing from company, societies and banks and in some cases informal money market regularly resulting in a debt trap for the majority (91.4%).

- The average debt of the worker is Rs. Nine lakhs which is three times higher than the national average.
- Borrowing from provident fund and other admissible sources of the company is a regular phenomenon.
- Though salary slips are given to workers, practically they are illiterate in financial management, reflecting their ignorance on various deductions including EMI's.
- Average debt is highest (Rs. 14 Lakhs) among workers in the wage group of Rs. 50001-1, 00,000.
- Primary purpose of borrowing is for building constructions and purchase of vehicles. Majority has more than one house and one vehicle under their control.
- Education expense of children is more prominent.
- Easy availability of loan enables workmen to borrow continuously from diverse sources.
- For maintaining social status workers spend money which is reflected in marriages of children, participation in social functions, use of ICT and other amenities at home
- A minority borrow for repaying debts who are distained to shoulder ancestral debt or indulge in extravagances including alcoholism.
- Workers borrow for asset creation- buying landed properties.
- Increase in consumerism and the motivation for vertical mobility for social status is another major driving force for borrowing.
- By and large, workers are least bothered about indebtedness and they consider it as part of their daily life.

Role of Human Resource Management Division

The HRM division of the company is destined to protect the welfare of the workers and family members by implementing various programmes and projects.

- Companies provide training and awareness programme and counselling sessions periodically to workmen.
- Quality food is provided at subsidised rate.
- Workmen are provided with uniform allowances
- Labour laws, rules and regulations are observed.

- Support to education and health is provided to family members.
- Despite the above, workers consider HRM division as another official organ of the company and they pay little attention to the advice of HR managers on welfare activities.
- Forced by circumstances HR managers are reduced to the level of officers discharging assigned responsibility
- Neither the worker nor the company take earnest effort and personnel interest in introducing new schemes for welfare.

Role of Trade Unions

Kerala is known for militancy in trade union activity. Trade unions play a key role in ensuring fair wages and working conditions to the workmen.

- Senior trade union leaders at state level are fully aware of the conditions of workmen including their living status.
- They are fully aware of the lapses in implementing welfare measures and the need for timely intervention of labour officers in mitigating issues.
- Local trade union leaders give more focus on routine activities.
- The activities of trade union are mainly confined to periodical settlement of wages, bonus and settling disciplinary action.
- All the companies make use of the service of contract labour for a pretty long period. No earnest effort is taken to address the issue related to contract labour.
- It is high time to re-orient the activities of trade union by thinking and acting out of the box keeping in mind the welfare of working class.

Solutions

The outcome of analysis, discussions and observations provide deep insight into the multi dimensional issues related to indebtedness. The issues demand a holistic approach which is highly linked with society, economy and environment. The multidisciplinary approach demands the service of sociologists, economists, environmentalist and psychologists for designing and implementing pragmatic programme. Basically money is not the villain, but how it is managed is a major concern. A strategic approach with active involvement of government, management and

trade unions can address the issue effectively and cherish the dream of labour welfare giving proper weight age to decent work and living. The following solutions can be considered in this context.

Government

- Periodic enactment of rules, regulations and laws will not alone ensure labour welfare. Mechanism should be developed and implemented to ensure that legal aspects are strictly adhered in industrial environment and workmen get benefit out of it.
- Contract workers have neither job security nor other benefits. A minimum period may be fixed for contract labour and on completion of the period they may be given wages and other perks that are applicable to permanent employees. Productivity linked performance can be considered for placing them on permanent basis.
- Bonus may be linked with productivity.
- Separate health care package can be developed for workmen and family members by integrating diverse health care programme in the state, since majority of workmen are outside the ESI net.
- Contributory pension scheme can be introduced by linking retirement benefits of the workers.

Management

The HRM division is vested with the responsibility of implementing diverse welfare measures to workmen. The worker and the family should be treated as a single unit while implementing welfare programmes.

- In the globalised complex society workmen and family members are confronted with diverse issues resulting in mental as well as physical stress and strain. A good counsellor can make significant contribution in mitigating issues. Company can provide service of qualified psychologists as counsellors to address personnel and family issues.
- Family members may be given awareness programme on financial management and family budgeting at periodical interval.
- Members need be given awareness on the use and misuse of ICT facilities.

- Workers should be given periodical up skilling training programmes for career development.
- Company can start incubation centres as part of CSR activities and promote innovations and start-ups with the support of skilled employees, opening new avenues for the youth in the state.
- Promote family get-together and family tours as part of socialisation process with the ultimate objective of strengthening mutual relations
- Undertake social service programme giving focus to local issues where worker and family members can participate.
- A scheme for ‘life after retirement’ should be introduced incorporating finance health and socialisation programme.
- Develop a control mechanism to regulate uncontrolled borrowing, curbing the opportunity for easy availability of loan.
- For developing soft skills, personality and career, separate training programme can be introduced to children.
- Talent mapping can be conducted for family members for suitable career development in future.
- After identifying the linkage effects of the company suitable income generating programme can be developed for family members, enabling them to generating additional income.
- A state scheme called earn while you learn can be introduced for the students.

Trade Unions

Keeping in Mind the issues raised in the society in the backdrop of globalisation, new economic order and changing industrial scenario, the trade unions can play a more proactive role in ensuring the welfare of workmen and their family. Trade unions may view the workmen on a broader perspective incorporation permanent temporary contract and even apprentice workers. Internal trade union leaders should work as a watch dog in implementing welfare programmes and at times should give early warning when the programme derails. Trade unions may give specific focus on;

- Ensuring that all rules and regulations pertaining to labour welfare are implemented properly.
- Create an environment for successful implementation of counselling and awareness programme for workmen and family.
- Conduct periodical family visit to identify economic and social issues.
- Safe guard the workmen and family from falling an easy prey to consumerism and unbridled borrowing.
- Work as a corrective force against alcoholism and drug abuse.
- Inculcate work culture and professionalism among workmen by adopting suitable training programmes.
- Develop mutual benefit programmes to address acute financial problems of workmen and family.
- Action programmes can be developed and implemented to address issues related to aged people in workmen's family.
- Can intervene in public health programmes of family members as and when situation warranted.
- Play the role of a professional mediator of employer and employee and family members as and when economic, social and management issues arise.
- Trade unions should act a lender of last resort in all social and health issues of the workmen's family.

The study invariably shows that the workers receive fair wages compared to their counterparts in other sectors. The very fact that most of the workers fall in the income tax net, stand a testimony to this. However the current status revealed that despite small size of family and additional source of income, sizeable majority continue to borrow and spend leading to a dead trap. Workers in general don't consider this as a major issue. The long run impact is seen in retirement benefits and burden shifted to second generation. There are cases where workmen receive retirement benefits around Rs 75 lakhs, while some managed to get around Rs. 12,000/-. Drain in PF contributions through periodical withdrawal is one of the major reasons. A relook in this state of affairs need urgent attention giving adequate emphasis on financial management and concept of welfare. The stake holders of the company should initiate a dialogue on this and develop a

strategic approach to address the menace of industrial indebtedness. Any attempt taken in this direction will definitely strengthen the decent work and decent living of workers

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Chapter 1

INTRODUCTION

The status of industrial labour in Kerala has long been improved over the years thanks to the welfare legislations and on the strength of historically strong trade union movement. However, a relook on the economic status of industrial workers seem to reveal a different story even after having fair wages, social security and other perks. Though the workers are able to achieve higher standards of living through collective bargaining, the conditions of the workers are deplorable particularly due to indebtedness. It is reported that industrial workers resort to borrowing not only from banks and other approved financial institutions, but also from informal money market which is dominated by money lenders. The borrowed amount together with accumulated interest results in a debt trap which creates a long run impact on the family and industrial climate. The immediate reflection of the persistent indebtedness of the worker is seen in the family, gradually spreading to the work environment, affecting productivity and ultimately the state economy itself. Unless indebtedness at micro level is addressed appropriately it will acquire macro dimension, affecting the society at large. The erosion of labour welfare and security also add strength to this phenomenon. Hence, the problem of persistent indebtedness among workmen needs careful and detailed diagnostic type of examination.

The perspective of the study is from the point of view of labour welfare and the obligations of HRM to ensure decent work (ILO) social security and comparatively good standard of living. Trade union initiate struggles to ensure fair wages and living wages and in Kerala they have succeeded in achieving these to a greater extent. Still one can find that the workmen employed in reputed companies suffer from the syndrome of chronic indebtedness. In this context, a relook on the changing role of the HRM managers or even the responsibility of trade unions becomes necessary. This has been documented elsewhere. Protection of basic human rights, especially in developing nations forces unionization which is instrumental in improving quality life of working class (Ghosh and Geetika, 2007) since in the absence of union the employer may become too paternalistic and dictatorial (Thomas, 2005). However, responsible union play significant role in maintaining cordial relationship with the management. Rapid technological change and pay revisions, undoubtedly changes the working conditions but they lost control over their employment. The structural change of working class and competition intensity, changed the

role of trade union and at the same time the employer also become more skilled and sensitive in managing working class. However, the perception still not changed and the HR managers or labour welfare officers or even the leadership of trade unions are unwittingly ignorant or indifferent to the new circumstances. It is increasingly visible that the periodic increase in wages alone is not going to improve the quality of life of workmen and their families. HRM strategies and the role of the trade union leadership need a rethink on account of changing living standards and financial security of workmen. The present study intends to examine these aspects.

1.1 Objectives

The broad objective of the study is to examine in detail the reasons of persistent indebtedness among industrial workers in Kerala despite having ensured fair wages and living standards.

1.2 Specific Objectives

1. To understand the wage structure and various perks offered to the workmen of the selected industrial units and the average carry home earnings of typical workmen per month
2. To understand the income and expenditure pattern of workmen and their families and assess their actual standard of living as per appropriate parameters
3. To assess the dimension, nature and causes of indebtedness among the respondents and the measures taken by them to get relief
4. To redefine the roles and responsibilities of the Dept. of HRM and the leadership of the trade unions of the company in protecting the workmen against indebtedness and ensure a decent living

1.3 Hypothesis

Indebtedness among the working class is primarily due to its aspirations to lift itself upto the middleclass in social status

1.4 Basic Questions Raised

The present study raises the following basic questions.

1. How do the workmen view the problem of indebtedness and how are they trying to resolve it

2. To what extent is the workers' knowledge about proper management of the family income
3. Are the workers really aware of the dimensions of the adverse impact of indebtedness
4. Does social status consciousness play a role in promoting indebtedness
5. Whether the workmen squander money for personal enjoyment without any concern for security and happiness of the family members
6. In what way do the women workers differ from men in handling their wages and perks
7. Are there workers in the company itself who indulge in money lending as an additional source of income

1.5 Key Variables and Major Concepts Identified

From the research point of view, chronic indebtedness among a section of workmen may be considered as the dependent variable. The causative variables and their statistical correlations are explored in the study

Indebtedness arises mainly because of financial mismanagement. Irrespective of the individual family or institution the root cause of indebtedness is deficit budget and the resultant borrowing. The lack of repayment capacity has a spiralling effect of the magnitude of indebtedness resulting in short run and long run adverse impacts.

1. **Industry:** As per definition in Industrial Disputes Act 1947, Industry means any systematic activity carried out by cooperation between an employer and this workmen. The workmen may be employed by the employer directly or through agent. The employment should, however, be for the production, supply of distribution of goods or services with a view to satisfy human wants and wishes.
2. **Workmen** is defined in the Act as the person who engage themselves in manual/technical jobs in factories working as operator, supervisor, foreman, technicians, and manual labourers
3. **Living wages** as per the Minimum Wages Act 1948 means the wages prevailing in the economically advanced countries which enable workers to live as human being in a civilized society

4. **Fair wages** denotes the wages which lie between living wages and minimum wages. It enables the worker to maintain a standard of living with food, shelter, clothing, prevention of ill health and children's education.

1.5.1 Labour: Definition and Explanation

An important distinction that is popularly made nowadays in all discussions relating to labour legislation is between workers in the organised/formal sector and those in the unorganised/informal sector. The term 'labour' in modern parlance specifically confined to industrial work of the kind done by the 'working-classes (Labour legislation, 2017) It can also be referred to any work, manual or mental, undertaken for money. A.K. Sen distinguished the term 'Labour' and 'labourer'. Labour is the ability to work which can be physical or mental whereas the term Labourer meant for the worker. In classical economics, labour is one of the three factors of production, along with capital and land.

The Industrial Revolution (1750 to 1850) originated in Britain and later spread over the world through colonisation, signifies with changes in production and improvement in agriculture, manufacturing, mining, transportation, and technology which had considerable influence in our social, economic and cultural conditions of all times. The Industrial Revolution witnessed the rising of a middle class of industrialists and businessmen over a feudal land lords. On the work front, working class had increased opportunities for employment in the new mills and factories. However, the condition of workers prior to and after industrial revolution was not different as long hours and menial remuneration resulted in lack of decent standard of living. However the result of IR, is the factory system, which in turn developed towns and cities and saw migration from rural to urban areas.

1.6 Methodology and Study Area

As mentioned, the study focuses on the indebtedness among the industrial labour and its impact on the individual and family. After investigation on the nature and dimension of the indebtedness, diverse impacts of the issues are addressed so as to identify and delineate the causative factors contributing to the issue. A primary survey among industrial workers was carried out using semi structured interview schedule. Further interaction with the representatives

of management and trade union leaders was also conducted along with observations to understand the perception on the issue and the causes arising out of it.

For ease of collecting data Thiruvananthapuram and Kollam districts were taken as the study area. Further these districts have long tradition of industries in the State next to Ernakulam. Many small scale units are established in the Thiruvanthapuram district which has multiple industrial estates and park established by the Government in addition to strong IT & ITES industries concentrated in Tehnopak. Kollam is traditionally known for its cashew and coir industries and deposits of ilmenite. Three medium level industries in these two districts viz., Kerala Minerals and Metals, Chavara, Kollam, Hindustan Latex Limited, Thiruvananthapuram and Penpole Limited Thiruvananthapuram were selected for the study. Of the three, first two are under public ownership where as the third one is under private ownership. Such selection will provide opportunity for understanding the difference among the workers in private and public sector. The industrial units were selected purposively considering the convenience.

1.7 Sampling Unit

The primary sampling unit is the workmen permanently employed in a medium level industrial unit, earning fair wage and all other statutory benefits. It was originally decided to select the workers at random and visiting their houses for collection of data. However the efforts to visit houses and collect information from the primary sample unit failed as the workers or sample units were absent even after prior appointment. The workers are not happy to entertain survey team at their residence. Further, in two industrial units workers were reluctant to co-operate with the data collection and insisted permission from union leaders and management for participating in the survey. Hence, prior permission was taken from the management and with the help of the management workers were identified for the data collection. Thus the officers and management were to be depended on to identify the workers. In the case of English India Clay Company, originally identified for data collection, the workers hesitated to cooperate despite the cooperation of management and trade unions. Hence the research team was forced to suspend the survey and finally shift to another private company called Penpol in Thiruvananthapuram causing delay in data collection. A number of visits were made in the industrial units for data collection. While selecting the sample it was ensured to include the sample units from all gender. As mentioned, only permanent workers were selected for the study. Further, workers

having minimum 10 years of overall service were selected. In all 200 workers were interviewed for collection of data from the three identified industrial units. As part of the primary survey, in addition to the workers, trade union leaders and officers of HR wing were also interviewed.

Secondary data pertaining to indebtedness was collected from the household family survey conducted from NSSO was also used. The data collected is analysed using SPSS. In order to analyse the association of variables, correlation analysis is used, where as variance analysis is done through ANOVA. In addition other statistical tools including percentage analysis is used to present the results in a simple but comprehensive manner.

1.8 Report Orientation

The report is organised into seven chapters, the first chapter being introduction narrate the background, rationale for the study, objectives etc., The chapter two provides the review of related literature which has two parts one detailing the theoretical framework and the other survey of related literature. Chapter three provides the detailed methodology and manner of conduct of survey among workers, trade union leaders and HR wing in the selected industrial units. Labour welfare and industrial environment is discussed in the fourth chapter. Fifth chapter deals with data and analysis, sixth chapter provides results and discussions and the final chapter gives conclusions and solutions.

CHAPTER 2

REVIEW OF LITERATURE

2.1 Introduction

This chapter is divided into two sections: first section analyses the theoretical congruity and also different models of decent work and the second section analyses the related literature

Work has a predominant role in any society not only for human survival, but for the prosperity of nation states timelessly. And, so does the contribution of workmen as well. On account of its organisation and contribution to national income, industrial labour occupies an important place in the economy of India (Datt & Mahajan, 2011). The history of human civilisation has testified that the toiling of numerous people throughout ages has created the cities, farms, industries, armies and infrastructure which have transmuted our life and living. But it is evidently arguable, whether the key force behind economic development, workmen (labourers), has ever been acknowledged adequately. Though, implicitly, entitled to have due share in the pie created by workers, in terms of higher and higher remuneration, working class generally did not appear to have claimed much. Or else, the property-owning class (irrespective of land lords and capitalists) was too powerful to win over. The labour movement and the trade union movement have grown as a response to the challenge thrown by the modern capitalist system.

Prior to industrialisation the mode and intensity of exploitation were low. But, when profiteering started gripping in the post-industrial revolution, the history of labour became the chronicle of manifold labour exploitation. Modern industrialisation, with its impersonal character and loss of cordial relations between the manager and the managed created complex labour problems, which have been channelized through organised movements. However, the relentless efforts of the ILO mandates and constant negotiations by trade unions have ameliorated the situation to a considerable extent. There is a perceptible change in the management orientation towards workers, on social security; decent work situation and social welfare have become priorities of personnel management. Despite all these, working class is in distressed situation owing to the insurmountable level of indebtedness.

On examination of the trajectory of working class status in India elucidates a long and eventful journey of transformation of labour relations. It began with caste, creed and class based workers during the pre-British period. As the working class was not organised, labour exploitation was not voiced much. But the plantation work culture introduced by the British planters enabled the workers to organise themselves. The British rule took some lead role, in consonance with the ILO stipulations, to make better the deplorable conditions of working class. Royal Commission for labour (1931) and Whitley Commissions (1929-31) were notable in this regard.

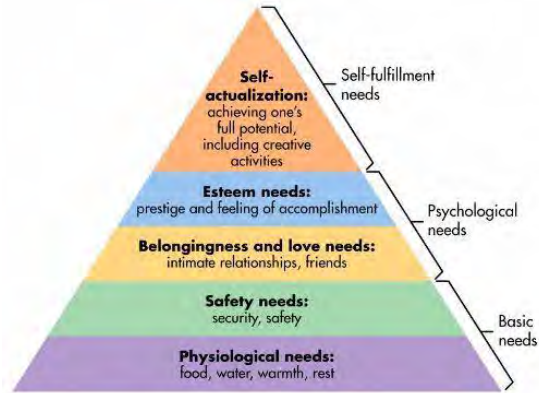
The predominance of public sector accorded many security and welfare measures to the working class during the post-independence period. The private sector also was forced to maintain parity with the public sector. However, in the post-reform period (since 1991) the role of public sector has been dwindling. Both the public and private sectors started giving importance to competitiveness, efficiency, and survival. In the process of essential business redesign, the status of working class has become at stake once again. Though labour welfare unit is functional in every company, as per the national and global standardisation, they are not bothered about how the workers manage with the wage and perks they receive. Perhaps, the perpetual indebtedness is for want of proper advice on financial prudence.

SECTION 1

2.2 Theoretical Congruity of the Study

The preliminary study enabled us to construe two theoretical underpinnings in this study. The one is associated to human motivation and behaviour propagated by Maslow (1943; 1954). The second one is attributed to household consumption function; relative income hypothesis propounded by Duesenberry (1949). With respect to consumption function, we would like to consider the demonstration effect of consumption discussed in the relative income hypothesis.

Maslow's(1943; 1954) theory was contemplated to explain the attitude of the subjects of study to spend more and more, even drenched in perpetual debt, attempting to move up the social hierarchy in the process of meeting their ever-widening needs and aspirations. Maslow's (1943; 1954) *hierarchy of needs* is a motivational theory in psychology comprising a five-tier model of human needs, usually presented in a hierarchical pyramid as follows.



Source: Brooks (2006); p. 56.

People are motivated to achieve certain needs and that some needs take precedence over others. One must satisfy lower level deficit needs before progressing on to meet higher level growth needs (Brooks, 2006). Our most basic need is for physical survival, and this will be the first thing that motivates our behaviour. Once that level is fulfilled the next level up is what motivates us, and so on. When our needs and desires moves on a continuum, we need more resources to cater to those needs. If the income is inelastic to the amount earmarked for planned expenditure, people tend to borrow. The tendency to borrow will be more to those people who have regular and predictable source of income. The industrial workers are not exception.

Dusenberry (1949) theorised that a household's consumption depends not only on its current disposable income, but also on current income relative to the highest level of income previously attained and relative to the income of other households. Households care about their relative standard of living with their neighbourhood (to keep up with joneses) in deciding their own consumption (Gali, 1994). Duper and Liu (2003) content that happiness of an individual to be linked to the consumption pattern of others. It has become an important attribute of people's shared existence. In maintaining tempo with the living standards of others or to maintain one notch ahead of others is seemingly the major trigger of impulsive buying, which, in turn, leads to reckless spending and its consequences. Consumers often purchase products not only for their functional utility, but also for their social meaning to satisfy the peer pressure (Soloman, 1983). The presence of jealousy in human beings instigates them to over consume, disregard of its negative effect on others to do the same thing, if they venture to keep with the joneses (Duper & Liu, 2003).

Christen and Morgan (2005) argues and provides evidence that the income inequality effect on consumer borrowing is a result of conspicuous consumption. Rising income inequality has forced households with smaller income gains to use debt to keep up their consumption level relative to households with larger income gains (Christen & Morgan, 2005). Hence, the household indebtedness might be resulted from the need for consumers to maintain or improve their social position through conspicuous consumption to catch up the consumption pattern of higher income groups. This is evident in selecting educational institutions for children, purchase of vehicles, construction of houses, socialisation, clothing, purchasing personal vehicles, and a host of other important items ultimately depend on what others spend on them. Christen and Morgan (2005) acknowledge that the rising income inequality has strong impact on household debt, especially instalment loans or higher purchase scheme, which is generally used to finance the consumer durables.

2.3 Theories of Labour Welfare

Seven theories, (**Moorthy 1968**) constituting the conceptual framework of labour welfare, have so far been outlined. These are:-

2.3.1 The Police theory of Labour Welfare

This is based on the contention that a minimum standard of welfare is necessary for labourers. Here, assumption is that without compulsion, periodical supervision and fear of the punishment, employers will not provide even the minimum welfare facilities for workers. Apparently, this theory assumes that man is selfish and self-cantered, and always tries to achieve his own ends, even at the cost of the welfare of others. In this theory, the emphasis is unfortunately on fear and not on the spirit of welfare which should be the guiding factor.

2.3.2 The Religious Theory.

This is based on the concept that man is essentially “a religious animal”. Even today, many acts of man are related to religious sentiments and beliefs. These religious feelings sometimes prompt an employer to take up welfare activities in the expectation of future benefit, either in this life or in eternal life. The religious basis of welfare, however, cannot be rational. It is neither universal nor continuous.

2.3.3 Philanthropic Theory.

This theory is based on man's love for mankind. "In Greek, Philos means loving and anthropic means man." So instinctive urge by which he strives to remove the suffering of others and promote their well-being. This drive may be a rather powerful one and may impel him to perform noble sacrifices. This theory thus depends largely on man's love for other, and therefore cannot be universal or continuous.

2.3.4 Trusteeship Theory.

This is also called the paternalistic Theory of Labour Welfare, according to which "the industrialist or employer holds the total industrial estate, properties, and profits accruing from them in trust". In other words, he uses it for himself, for the benefit of his workers, and also for society. Here, too, labour welfare depends on the initiative of the top management, since it has no legal sanction; its value is related to the moral conscience of the industrialist.

2.3.5 The Placating Theory.

This theory is based on the fact that labour groups are becoming demanding and militant, and are more conscious of their rights and privileges than ever before. Their demand for higher wages and better standards cannot be ignored. Psychologically, this theory is unsound, though it has often been acted upon to secure the workers' co-operation.

2.3.6 Public Relations Theory.

This theory provides the basis for an atmosphere of goodwill between labour and management and also between management and the public. Labour welfare programmes, under this theory, work as a sort of an advertisement and help an industrialist to build up good and healthy public relations. Here welfare may tend to become a publicity stunt. Nevertheless, these programmes do improve industrial relations.

2.3.7 The Functional Theory

This is also called the Efficiency Theory. Here welfare work is used as a means to secure, preserve and develop the efficiency and productivity of labour. It is obvious that if an employer takes good care of his workers, they will tend to become more efficient and will thereby step up

production. This theory is a reflection of contemporary support for labour welfare. It can work well if both the parties have an identical aim in views that is, higher production through better welfare.

2.4 The Concept of Decent Work

The concept of decent work was introduced by the International Labour Organization(ILO) Director-General Juan Somavia (ILO, 1999) in his first report to the International Labour Conference in June 1999 in the following words, “The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equality, security and human dignity. Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income; security in the workplace and social protection for families; better prospects for personal development and social integration; freedom for people to express their concerns, organize and participate in the decisions that affect their lives; and equality of opportunity and treatment for all women and men. The promotion of decent work for all is the overarching objective of the ILO. That is the reason for decent work being at the heart of global, national and local strategies for economic and social progress. Today, it is central to the efforts to reduce poverty, and a means for achieving equitable, inclusive and sustainable development. In each of these areas, people throughout the world face deficits, gaps and exclusions in the form of unemployment and underemployment; poor quality and unproductive jobs; unsafe work and insecure income; rights which are denied; gender inequality; exploitation of migrant workers; lack of representation and voice; and inadequate protection and solidarity in the face of disease, disability and old age. The promotion of decent work is a shared responsibility of the ILO’s constituents and the Office.

The notion of decent work emphasizes four main elements, work and employment, social protection, rights at work and social dialogue (ILO, 1919). While the first two components of decent work emphasize on the material forces, other two emphasize on the social relations of workers. The concept of employment refers to work of all kinds and has both quantitative and qualitative dimensions attached to it and it is applicable not just to the workers in the formal economy but also to the workers in the informal economy (unregulated wage workers, the self-employed and home workers). In addition to this it refers to both adequate opportunities and remuneration for work (in cash or kind). This dimension also encompasses safety at work and

healthy working conditions. Decent work also incorporates fundamental rights of workers, thus all those who work have rights at work. Some of the basic rights relate to freedom of association, non-discrimination at work, and the absence of forced labour and child labour in abusive conditions. Social protection is intended to protect against the risks of losing income and defined according to each society's capacity and level of development. The aspect of social dialogue refers to the right of workers to engage in discussions with the employers and authorities over matters bearing on work. It is the means by which rights are defined, employment promoted and work secured.

Decent Work is a strategy to achieve sustainable development that is centred on people. Decent Work is a key element to build fair, equitable and inclusive societies being based around the principles of employment creation, workers' rights, equality between women and men, social protection and social dialogue (Shivani 2010).

The ILO Decent Work Agenda is the balanced and integrated programmatic approach to pursue the objectives of full and productive employment and decent work for all at global, regional, national, sectorial and local levels (Ghai, 2003). It has four pillars: standards and rights at work, employment creation and enterprise development, social protection and social dialogue. The ILO Framework Work Indicators (Ghai, 2003) covers ten substantive elements corresponding to the four strategic pillars of the Decent Work Agenda as follows:

1. Employment opportunities
2. Adequate earnings and productive work
3. Decent working time
4. Combining work, family and personal life
5. Work that should be abolished
6. Stability and security of work
7. Equal opportunity and treatment in employment
8. Safe work environment
9. Social security
10. Social dialogue, employers' and workers' representation

Decent Work is about equal access to employment without discrimination and assurance of a living wage for workers to allow them and their families to live with dignity. It is about social

protection in case of illness, pregnancy or the normal ups and downs of workers' life. It allows people to organise themselves to represent their interests collectively through trade unions and engage in genuine dialogue as citizens and workers.

2.5 Models of Decent Work

There are three models of decent work: classical, transition, and developmental (Shivani 2010). From the decent work perspective, the defining features of these models relate to the work status and sectorial distribution of their labour force or working population; the organization of the labour force into trade unions and other associations; and public expenditure and social security expenditure as a proportion of Gross Domestic Product (GDP).

2.5.1 The Classical Model

The countries in this model are characterized by high per capita income, high share of the labour force in wage employment and high proportion of GDP (Gross Domestic Product) allocated to government and social security expenditure. The classical model countries have a high proportion of their labour force in wage employment (75 to 90 per cent); the great majority is found in services (generally between 60 and 80 per cent) and industry (between 10 and 20 per cent). The problems of extreme destitution in the form of hunger, malnutrition, lack of access to clean drinking water and shelter is negligible although relative poverty defined as the percentage of people with incomes below 50 per cent of median income is more substantial. In these countries trade unions constitute the most important and representative form of workers' organization. A relatively high proportion of workers are trade union members but this population has undergone a decline over the past two or three decades owing to the various sectorial changes in employment, technological advancements and intensifying globalization. Still collective bargaining at enterprise, industry or national level is the most important means of determining remuneration and other terms of employment in most countries. The public expenditure and social security expenditure represent a relatively high proportion of the GDP typically between 35 and 45 per cent. However, this also has undergone a decline over the years a reflection of the shift towards the privatization of social security and of budgetary pressures caused, inter alia, by growing global economic integration. This model includes countries like: United States of America (USA), Norway, Japan, United Kingdom (UK), Denmark, Australia, Netherlands and France.

2.5.2 The Transition Model

The transition countries from the former Soviet bloc are moving from centrally planned to market economies, however they still bear the remains of their earlier existence. The central feature of communist economies is state ownership of mostly all productive assets and property. Thus, practically the entire population is employed in government, in state enterprises or on collective farms. An integral part of their social and economic policy is full employment and compulsory work for all male adults and most women. The state provided a comprehensive social security to all its citizens. All workers are members of trade unions which in turn were controlled by the state and the communist party. The transition countries that emerged from the collapse of communism display significant diversity in their level of development, economic performance and social policy. In particular clear differences have emerged between the Central European states (which have performed relatively well) and the East and South East European states on the other.

The European transition model countries are characterized by a high proportion of their labour force in wage employment (despite their relatively low per capita income). However, the relative importance of the informal economy has increased considerably. Similarly, government expenditure and tax revenue constitute a relatively high proportion of the GDP. The social security system has undergone quite radical changes in line with the overall economy. It has become less comprehensive and generous, more targeted and means-tested and more privatized.

A relatively high proportion of the labour force are trade union members however these numbers have also declined but the unions have become independent of the state and political parties. These unusual features are for the most part legacies of their communist past. The countries in this model are: Czech Republic, Hungary, Poland, Romania and Russian Federation.

2.5.3 The Development Model

The developing countries display far greater diversity in their economic structures than the countries in the two groups discussed above. The economic differences among developing countries are recognized in the various classifications employed by international agencies, such as middle income (upper and lower), low income and least developed countries. Despite these differences, the great majority of these countries share the characteristics of widespread absolute

poverty, extensive under- or unemployment, limited industrialization and dualistic economic structures. There is somewhat similar diversity with regards to the share of the labour force in wage employment, which varies from less than 15 per cent in many low-income countries to between 60 and 70 per cent in middle-income countries. In the development model countries a relatively high proportion of the workforce is found in the informal economy (self-employed, home-based workers, agriculture etc.) - typically ranging between 30 and 50 per cent in semi industrialized countries and 70 and 90 per cent in the least developed countries. The government expenditure as a share of GDP seems less related to GDP per capita in developing countries. The ratio of public social security expenditure is much lower in developing countries than in industrial or transition model countries. The distinguishing feature of most developing countries is extensive absolute human poverty and low human development indicators. The working poor are defined as families with earnings of less than one dollar per day, form between 20 and 50 percent of the employed population in most countries. Moreover, indicators such as malnutrition, infant mortality, access to clean drinking water and adult literacy also bring out the existence of widespread poverty in most developing countries. The proportion of the working population enrolled in trade union tends to be relatively low. Some of the countries in this model are: Lithuania, Kyrgyzstan, India, Philippines, Brazil, Kenya, and Morocco.

SECTION 2

2.6 Survey of Relevant Literature

2.6.1 The Concept of Work and Workmen

Merriam-Webster's Dictionary (2011) defines work (labour) as activity in which one exerts strength or faculties to do or perform something to earn money. It indicates the remunerative component of any physical or mental exertion, which is transferred from one person leading to his exhaustion. There are two rationales for the work to command remuneration. On the one hand it needs some skills, which might have incurred a cost in the process of acquisition, and it leads to the exhaustion of the doer. Secondly, the recipient utilises it to create an addition or for any form of benefit. Workman is a person possessing skills and requirements employed to do some form of manual, skilled, mechanical or industrial work for wages and other benefits. Section 2(s) of Industrial Dispute Act 1947 (Sulphery 2013), defines workman as any person (including an apprentice) employed in any industry to do any manual,

unskilled, skilled, technical, operational, clerical or supervisory work, for hire or reward, terms of employment be express or implied and includes any such person who has been dismissed, discharged or retrenched in connection with, or as a consequence of dispute. It excludes persons employed in army/Navy/Air Force/Police and those employed in mainly managerial or administrative, supervisory capacity and drawing wages of more than the prescribed limit.

The emergence of an understanding of labour as the basis of value is traced from ancient Greek authors to classical political economy and Karl Marx (Theocarakis, 2010). Unlike other factors of production, labour is owned by individuals and operated as per the whims and fancies of the owners of labour power. Karl Marx (1867) is considered to be the most prolific writer on labour and in his perspective, it is central to all production process, as it is the sole source of value. To him labour is the basis of all social life and, in all epochs, independent of any mode of production. Labour power can be taken as a commodity in the sense that it has exchange value and it brings buyers and sellers of labour into market and engage them in trade. When one opts for work, by sacrificing leisure, he is willing to hire out his capacity of labour to those who come to terms with him in terms of pecuniary and non-pecuniary benefits of work. The owner of labour power (Worker) sells it primarily to earn money. Non-monetary expectations (fringe benefits, good working conditions etc.) are only secondary.

Workmen play a vital role in the industrial production of the Nation. The modern approach of human resource management emphasis more on maintaining cooperation of people at work. Securing cooperation of workmen aids to increase productivity and industrial harmony which may foster the industrialisation. Ensuring cooperation is possible only by maintain a satisfied workforce. Traditionally the workers are made satisfied with monetary remuneration in the form of wages, but now the situation is totally different with the introduction of the concept of human resource management. In addition to wages humanitarian consideration to workers plays significant role in maintaining cooperation.

2.6.2 Historical Perspective on Work and Workmen

From time immemorial, man had been engaged in work. But it did not have a connotation of measure of value, except for the means of survival, till the industrial revolution. The concept of labour as a source of social and economic value did not exist in the ancient authors and it was only in the Middle Ages that labour was suggested as a possible explanation of an ethical, but also practical, theory of value. (Theocarakis, 2010). A concept of bonded labour was in existence during the middle ages, which was characterized by a long-term relationship between employer and employee and was usually solidified through a debt or some other means of inescapable obligation (Finn, 2008). Also known as debt bondage, bonded labour is a specific form of forced labour in which compulsion into servitude is derived from debt. Characterized by a creditor-debtor relationship, bonded labour is typically of an indefinite duration and involves illegal contractual stipulations denying any basic rights to the individual to have fair wage, negotiate or choose the employer (Finn, 2008). Quite often the bonded labour phenomenon was ended up in hereditary practices.

During industrial revolution (1700 – 1800) the labour force had been organized and considered to be something that can be bought and sold in the market. Labour assumed a central role in Adam Smith, but it was with David Ricardo that a fully blown labour theory of value was achieved (Theocarakis 2010). Marx gave the concept its philosophical dimension, tying it to a critique of classical political economy (Theocarakis, 2010). The periodical upheaval of capitalism generated a great change in labour relations. Successive waves of commodification emancipated bonded labour turned societies that featured some markets (including markets for slaves) into fully fledged market societies (Varoufakis & Groutsis, 2010). However, the exploitation continued in various means. The ILO's historic pronouncement that 'labour is not a commodity' heralded the various moves to regulate the excesses of industrial labour markets (Standing, 2008). The ILO's policy statement that labours is *not* a mere commodity seems, understandably, self-evident. Unlike commodities, the labour units for hire must, uniquely, remain physically attached to their 'seller' during the period it takes the 'buyer' to use them up. The ILO's mandate was thus to regulate national labour markets so as to give protection to employees, mainly male workers in stable full-time, unionized jobs (Standing, 2008).

Labour has once again become a commodity, with new manifestations, since the 1980s and 1990s in the wake of globalization. Risks to working class self-reproduction in the form of wage decline and withdrawal of state welfare, have pushed workers into becoming entrepreneurs of their own lives, calculating the risks of debt servicing and involuntarily buying services from private utilities and health care providers (Bryan, 2010). In the new regime labour has become more vulnerable. Labour vulnerability and displacement are unfettered impacts of recent competitive changes in the production scenario (Vijayakumar & Pillai, 2008). Lucrative business has become the mandate of modern corporate entities, where they experiment with labour (Vijayakumar & Pillai, 2008). The glorified days of ‘feather bedding’ in public enterprises have now given way to Voluntary Retirement Scheme (VRS), often euphemistically called the ‘golden handshake.’ (Vijayakumar & Pillai, 2008) Non-standard forms of employment (part-time, temporary, casual and self-employed work) are on the rise and ‘a nagging sense of job insecurity’ (Yuji, 2005) pervades everywhere.

As we proceed through the new millennium, business establishments widely use organized management principles and practices, which are taught in formal educational set up. The new generation business practices have polished the commodification view of labour as objectification. Shields and Grant (2010) content that, viewed through the lens of organisation theory, the main employer agenda regarding labour utilisation is that of ‘human resource’ objectification, rather than market commodification. The human resource management department of the company perceives labour as a resource, in line with objectification (Shields & Grant, 2010).

The objectification appears to help companies to leverage labour relations in a manipulative way, whilst the labourers possess collective bargaining power and statutory protective cover.

2.6.3 The Concepts of Labour Welfare and Decent Work

Labour welfare concept is originated from the desire for a humanitarian approach to the sufferings of the working class. Societal and community development is possible only through labour development. The key determinant of industrial relation is labour welfare by realising humanitarian concept. Investments in labour welfare are an asset as it fosters productivity and workers’ efficiency. The presence of labour welfare enables the workers and their family to lead a decent life, and enables them to adjust with the contingencies with regard to work, family and

social life. Welfare focuses on setting up minimum desirable standards and the provisions of facilities like health, food, clothing, housing, medical assistance, education, insurance, job security, recreation, and so on. The core aim of providing welfare to workmen is to maintain a decent life with human value in a civilised society. The absence of welfare benefits may result in intolerable strikes, lockouts, absenteeism, high labour turnover, sabotage etc. which may threaten industrial peace and harmony.

The super structure of welfare is founded on the basic elements i.e. physical, mental, moral and emotionally well-being. The concept of labour welfare covers the workmen, family and society. As the needs of these three dimensions changes the scope of welfare potential and characteristics varies. Therefore, welfare components vary from region to region, industry to industry, time to time and country to country. Establishing minimum level of welfare demands certain level of acceptable conditions and desirable standards such as health, food, clothing, housing, medical assistance, insurance, education, recreation, job security and so on. Welfare measures can be classified as statutory and voluntary schemes (Harilal 2008). Those welfare measures and services enforced for the minimum standard of health and safety of workers, those are enacted by the legislators and the implementation depends on the coercive power of the government are statutory. Voluntary welfare measures are those services and activities undertaken by the employer for the welfare of workmen on voluntary basis.

Welfare measures are intramural and extramural in nature, i.e. welfare measures within the premises and outside the premises of the establishment. Intramural measures (welfare measures within the premises) are provided at the place of work such as washing and bathing facilities, toilets and urinals, rest room, dining room, canteens, drinking water facilities, sitting arrangements, locker facilities, first-aid facilities, uniform and protective clothing, work shift and allowances. Extramural measures (welfare measures outside the premises of the establishment) are services and facilities that the employer provides to his workmen outside the establishment such as insurance, gratuity, pension, provident fund, benevolent benefits, maternity benefits, medical facility, housing facility, recreational facility, cooperative stores, conveyance facilities, child education facilities, training and skill development programme, family planning etc. Before the introduction of welfare and other legislation in India, the conditions of labour were miserable. Exploitation of child labour, long hours of work, bad sanitation, and absence of safety measures, were the regular features of factory life (Harilal 2008). Despite improved wages and

various welfare measures, workers in modern society are not free from the clutches of indebtedness.

2.6.4 Household Indebtedness in India NSSO 70th Round, 2014.

The All-India Debt and Investment Surveys (AIDIS) of the National Sample Survey (NSS) are the primary source of data on various indicators of stock of assets, incidence of indebtedness, capital formation and other indicators of economy. The Key Indicators of Debt and Investment in India, giving estimates of the important indicators of assets and indebtedness of Indian households, and the unit level data were released in December 2014. The present report, namely, 'Household Indebtedness in India' is the second in the series of four reports. This report covers several aspects of household indebtedness, like number of households reporting cash loans, average amount of outstanding cash loan and distribution of outstanding cash dues of households by various characteristics.

The report points out that the Incidence of Indebtedness (IOI) was about 31.4% among the rural households and 22.4% among the urban households. Average amount of Debt (AOD) per indebted household was Rs. 1,03,457 and Rs. 3,78,238 in the rural and urban areas respectively. Land and building together, both in rural and urban areas, accounted around 90% share in the total value of assets at the national level for indebted households as well as for all households. The non-institutional agencies had advanced credit to 19% of rural households, while the institutional agencies had advanced credit to 17% households. In urban India, the institutional agencies played a greater role, advancing credit to 15% of households against 10% by non-institutional agencies. In rural, the share of debt from the institutional credit agencies was 56% against 44% from the non-institutional credit agencies. In urban, the share of debt from the non-institutional credit agencies was 15% compared to 85% from the institutional credit agencies. In rural areas, co-operative societies and commercial banks, together accounted for 50 % of the outstanding cash debt, with co-operative societies (24.8%) accounting for a slightly lower share than the Banks (25.1%). Among the non-institutional credit agencies, 'professional moneylender' was found to be the most important source of finance (28.2%) in rural areas. However, about 75 % of the "total cash debt" in urban areas was from co-operative societies and commercial banks, their respective shares being 18% and 57 %. In the rural areas, nearly 12% of all households opted for short-term and medium term borrowing, whereas 10% of the households

availed of long term loans. In the urban areas, 12% households opted for long-term borrowing, which was highest, followed by medium (8%) and short-termed (5%) loan. Personal security accounted for highest share (20% in rural and 12% in urban) among the types of security against loan followed by 6% in rural and 5% in urban against mortgage of immovable property. In the rural sector, the percentage share of debt for business purposes was varying from 11% to 56% .

2.6.5 Industrial Indebtedness

There is a dearth of literature on indebtedness of industrial workers, signifying an explicit gap in knowledge repository. We examined a few works of previous researchers related to indebtedness, which are presented here. On examining the extent and reason for indebtedness among migrant Cameroon plantation workers, Warmington (1958) notes that indebtedness appears to be a social problem of some importance. The social and family obligations play a crucial role in excessive borrowing. The study found that most of the debts were on purchase on credit. Fand (1959) notes that mortgage debts are associated with increases in residential construction or household conspicuous expenditure.

Peterson (1964) contends that debt is not a bad thing, stating that proper extension of debt performs a vital function in the new environment of essential interdependence of people. It facilitates efficient transfer of funds from savers to investors in the complexity of market economy. The study notes that as an essential element of the modern world, debt must grow for the economy to prosper. However, a serious flaw observed by the author, with respect a huge outstanding volume of mass indebtedness, is that there would be insufficient size of the new debt flotation, not exactly the absolute size of the debt outstanding (Peterson, 1964).

Yeager (1974) argues that when a significant portion of our population has indebtedness in a society, it is an indication of serious problem in personal finance due to it impeding bankruptcy. The study notes that personal bankruptcy will be a threat to aggregate economic stability, when household units have become financially unstable. The research airs its concern, in the American perspective, that since personal consumption expenditures constitute approximately two-thirds of GNP, any disruptive force affecting the consumer's ability to continue to stimulate economic activity by his purchases is likely to have a significant impact on the overall level of economic activity. Tandon(1988) contends that debt settles the gap between income and household expenditure.

In a report submitted to the Department of Trade and Industry, Britain, Kempson, (2002) notes that widespread access to consumer credit has created a situation, where in one in six having five or more types of credit with considerable amount.

Brusky and Magalhães (2006) raise concerns on ample access to credit, as easy access to credit, combined with lack of knowledge or understanding of credit transactions, bad management of personal finances, or an unexpected financial pressure (job loss, illness), can easily lead to default and over-indebtedness. The study delineates two types of indebtedness: active and passive. Active indebtedness is a situation in which the individual actively contributes to creating a situation of over-indebtedness, due to lack of control on financial management. Passive indebtedness is due to unforeseen circumstances that drastically affect the individual's capacity to repay. The study strongly supports the necessity of some mechanism to limit the credit access by industrial workers.

On examining the erosion of middle-class economic security in the new millennium, in the American perspective, Weller (2008) comments that economic security can best be defined as sufficient resources that allow a family to meet any financial emergency. The study finds that personal bankruptcies are a function of negative income growth and positive function of debt composition.

Zhu (2011) finds that household, such as houses and automobiles contribute significantly to be financially overstretched and more susceptible to adverse events of personal bankruptcy. The study attests that personal bankruptcy has grown from a relatively rare household event in the past to a fairly common occurrence today, and people are so contented with nose-deep debt as they are not accountable for their consumption decisions. The study argues for the launch of educational programs to inform the consequences of poor financial planning and ways to avoid consuming beyond their income capacity.

One of the first efforts on the understanding the indebtedness, Dhirendra Prakash Saxena reports that Industrial indebtedness in India is no less than Rural indebtedness in India (Saxena, Dhirendra Prakash, 1977). The indebtedness ranges from Rs.200 to 1000. The debt is carried with them from the native place. The major purpose of loans taken is for agriculture purposes (38%), another reason the marriage of daughters (24%), 22% for starting new business, as new

small cottage units were established where govt also supported these ventures. Other common reasons are repair of dilapidated houses (6%), and purchase of bullock (4%)

Ray S, K (2002) states that the major issue is the indebtedness among the agriculture labour in India. The average debt level has increased from 605 in 1971 to 2294 in 1991. Percentage of indebtedness is increasing and many are in plight from rural to urban areas for livelihood. According to him, industrial labour is more organized than their counterparts in agriculture. But the productivity is low compared to other countries.

Keshav Chandra Gupta (1988) reports on the progress of Pottery Industry in India in UP. According to him industrial workers in India live in debt and die in debt and there is no difference in the case of pottery workers. Due to lack of data no precise estimates are made, but it shows 63% is indebted. 79% have taken loan for own purposes and 11% for parental debts. Major reasons are illness (20%) domestic needs such as marriages and ceremonies (60%) maintenance of life (15%) and construction of house (5%). 40% gave security in the form of own land, jewellery etc., and 60% with no security.

Heller Patrik (2000) in the Book, 'The Labour of Development : Workers and the Transformation of Capitalism in Kerala, India explains the ways in which lower-class mobilization and state intervention have combined to create one of the most successful cases of social and redistributive development in India, and the In contrast to predictions that labour militancy in developing countries threatens to overload fledgling democratic institutions and derail economic growth, The Labour of Development shows that the political and economic inclusion of industrial and agricultural workers in Kerala set the stage for a democratically negotiated capitalist transformation. According to Heller, "when compared to the other Indian states, Kerala's departure from the national pattern is tied to its history of social movements and highlights the significance of understanding sub-national patterns of democratic consolidation and state building." He also demonstrates that the Kerala model has broad ramifications for understanding the relationship between substantive democracy and market economies in low-income countries.

2.7 Conclusion

Industrial workers today constitute functionally a very significant and vulnerable element; they also contribute substantially to the nation's economy. But if we make an overall survey of the living and working conditions of these industrial workers, the need for, and the necessity of welfare services have become necessary to "counteract the handicaps to which the workers are employed, both in their work-life and folk-life, and to provide opportunities and facilities for a harmonious development to the workers' personalities (Tyagi, 1986).

In their work-life, workers have to put in long hours of work in unhealthy surroundings.

The drudgery of factory work continues to have an adverse effect on them even after they knock off for the day. They are also far from their village community. As most of them have migrated from rural areas, they are thrown into an uncongenial environment which is also strange to them.

As a result, they fall a prey to alcoholism, gambling and other vices, which demoralize them and sometimes completely ruin them. The high rate of labour absenteeism in Indian industries is indicative of the lack of commitment on the part of workers, for they want to escape from their environment whenever possible. This absenteeism can be reduced by the provision of good housing, family care, or canteens where healthy; balanced diet is made available in congenial surroundings.

A proper organisation and administration of welfare facilities can play a vital role in promoting better working conditions and living standards for industrial workers and also increasing their productivity, especially in developing countries. It is obvious, however, that the scope of labour welfare would depend on the kind of labour problems in existence and on the types of welfare services which are needed in different situations.

CHAPTER 3

APPROACH TO THE STUDY

3.1 Introduction

Incidents of indebtedness is commonly found among the poor and marginalised, both in urban and rural areas. This is particularly prominent among agricultural labourers which are extended to farmers in India. Kerala is not an exception to this as is evident from farmer suicide. However, indebtedness among industrial workers is not widely discussed and literature on this subject is also limited. Keeping in mind the fact that we are stepping into an almost virgin area of research in industrial sector, we have planned to execute the research study with a thorough homework initiated from the stage of preparation of research proposal itself.

3.2 Preparation of Proposal

To begin with, we had informal discussion with industrial workmen, both in service and retired, on the issue of indebtedness along with observation of their family environment. The discussions revealed that despite job security and reasonably good pay structure, the workmen are not free from the clutches of indebtedness. A multitude of reasons were also cited to support this. Then we moved one step ahead by collecting empirical evidences on the dimensional spread by focusing 14 workers in Travancore Titanium Products and English India Clay Ltd. in Thiruvananthapuram. The data revealed that out of 14 workmen interviewed, 10 resorts to borrowing and the magnitude of debt ranges from Rs. 1 lakh to Rs. 18 lakhs. The average indebtedness is worked out as Rs. 11.93 lakhs. Then we proceeded to cross check the issue with prominent trade union leaders affiliated to major political parties by conducting personal interviews.

The first meeting was held with veteran trade union leader's viz., Sri. Anathalavattom Anandan, CITU on 8-3-2017. Among the other issues facing the industrial labour, the issue of indebtedness causes and nature were discussed with him. His insights on the issue was recorded and corroborated with available literature. The study team also visited Shri V.J. Joseph, State Secretary INTUC on 2-3-2017 and Sri. K.C. Sankardas, AITUC on 10-3-2017 for detailed discussions. The leaders have different views on the present functioning of the trade unions and

the changing role. Workers attitude towards life, the present standard of living, indebtedness among different sections of labour in different classes of industrial establishments, were also discussed. It was revealed from the interactions that social, economic and psychological factors contribute to the state of affairs.

Retired HR managers with proven track record were also consulted on this issue. We found that the problem is highly relevant and needs a scientific investigation. Equipped with the information collected from workmen, trade union leaders and former HR managers, a proposal for conducting an investigation into the problems of persistent indebtedness among industrial labour in Kerala was prepared. We also decided to focus on workmen, trade unions and HR managers in the research study for detailed information on approval of the proposal.

3.3 Pilot Study

As mentioned in the introductory chapter, the present study focuses on the indebtedness among the industrial labour and its impact on the individual and family despite fair wages, perks and other allowances. In order to achieve the objective, the study investigates the nature and dimension of the indebtedness, diverse impact of the issue and delineate the causative factors contributing to the issue. The plan of action intended for the study include collecting secondary information and conducting a primary survey among industrial workers using semi structured interview schedule after the pilot study. Detailed interactions with the human resource management division of identified companies and trade union leaders were held to understand the perception on the issue and the causes arising out of it, in the backdrop of a pilot study.

Based on the interviews and interactions with the trade union leaders, initial interview schedule was prepared. A Pilot study was conducted in three industrial units identified in Thiruvananthapuram and Kollam. A preliminary inquiry was held with groups of workmen from HLL, Thiruvananthapuram and English India Clays Limited (Kochuveli, Thiruvananthapuram) and KMML (Chavara, Kollam). Based on these interactions, a detailed interview schedule was prepared covering various aspects of the issue under investigation. Interviews with 10 workers were carried out on a pilot basis from these units. The pilot study revealed that many workers had incurred debts ranging from Rs.1 lakh to Rs.17 lakh. These industrial units are well established and have been determining wages and perks through settlements with unions once in

3 to 5 years. Employees were paid according to the principle that the increasing prosperity of the organisation should be shared with employees so that they also enjoy corresponding prosperity.

The Pilot survey revealed the need for improvements required in the initial interview schedule and many variables which are relevant are to be incorporated. Based on the pilot survey, the interview schedule was modified by incorporating more relevant questions and also for ease of data collection. Accordingly revised interview schedule was prepared covering personal profile of workers, family profile, expenditure pattern, economic status, details and purpose of borrowing etc.,

Based on the above, three industrial units were identified for the detailed study. They are Kerala Minerals and Metals, the English Indian Clays Limited (EICL) and Hindustan Life care limited (HLL, formerly Hindustan Latex Limited). The units were selected considering the proximity, ownership, and different products. Of the selected units one is private concern (EICL) and the others are under public ownership. Under the public ownership one is with central government (HLL) and another (KMML) is under the state ownership Regarding the products, KMML is producing titanium dioxide which is the major input for many industries such as paint, toiletries etc., The English Indian clay produces the clay for making various products and HLL is involved in the production of various rubber based products such as condoms, gloves and other related products.

3.4 Study Area

For ease of collecting primary data the study area was limited to Thiruvananthapuram and Kollam district. Further, these districts have been recognised as traditional industrial base next to Ernakulam. Many small scale units are established in Thiruvanthapuram, spreading over many industrial estates/parks, in addition to the software industry, which is concentrated in Tehnopak, Thiruvananthapuram. Kollam is traditionally known for its cashew and coir industries. The district has large deposits of ilmenite which is primary raw material for the major industrial unit KMML.

3.5 Sampling Unit

The primary sampling unit is the workmen permanently employed in a medium level industrial unit, earning fair wage and all other statutory benefits. It was originally decided to select the

workers at random and visiting their houses for collection of data. However the efforts to visit house and collect information from the primary sample unit failed as the workers or sample units were absent even after prior appointment. Further, in two industrial units workers demanded the concurrence of trade union leaders and management for participating in the survey. Hence, prior permission was taken from the management and with the help from the management, workers were identified for the data collection. Thus the officers and management were to be depended on to select the workers. A number of visits were made in the industrial units for data collection. While selecting the sample it was ensured to include the sample units from both genders. As mentioned, only permanent workers were selected for the study. Further, workers having minimum 10 years of permanent service were selected. The data collection from English India Clay Company was interrupted due to technical reasons and hence we shifted to another private company called Penpol in Thiruvananthapuram causing delay in data collection. There are 944 permanent workmen in these three companies who have completed minimum 10 years of service at permanent position. 20% of the workmen were selected as sample for the study. In all, 200 workers were interviewed for collection of data from the three identified industrial units. As part of the primary survey, in addition to the workers, trade union leaders and officers of HR wing were also interviewed.

Both primary and secondary data were used for the study. Secondary data pertaining to indebtedness was collected from the household family survey conducted form NSSO was also used. For the primary survey, the workers, trade union leaders and offices of HR wing were also included.

3.6 Data Collection

The interview schedule for workmen in factories was finalised incorporating the chances suggested from the pilot study. For example, the pilot survey examined the gross and net salary of the workers and when we cross checked this figure with the monthly expenditure, a good majority of the households report serious deficits, but the family members reported that they could manage the expenditure within the limit of monthly income. A re-examination of the phenomena of reporting gross income revealed that nobody is reporting the overtime allowances as they believe it do not form part of their monthly income. Hence, a separate question was also included to collect data on overtime allowances as it supports the family income. Likewise, after

making suitable changes the interview schedule was finalised. On completion of the interview schedule, 6 investigators were identified and given a detailed exposure on all questions emphasising the need to maintain an investigative mind while interacting with the respondents. The investigators were also told to crosscheck the information given with the family members/friends of the respondents.

Before starting the formal data collection, industrial units were visited and the survey team met the HR managers and Union leaders. Detailed discussions with the HR managers were held mainly for official permission and sought cooperation for the smooth conduct of the survey. Cooperation from the Union leaders from AITUC, CITU, INTUC and BMS were sought for the successful completion of the survey. Based on the discussions with the HR managers and Union leaders, and also taking into consideration of the inputs from the pilot survey, the target sample of workers were identified as permanent workers having minimum of 10 years of service. It was decided to select the workers at random from the list obtained from the HR wing.

Efforts were made to identify the sample workers for conducting the interviews, from the industrial site itself. Workers were identified and called in with the help of HR staff and interviews were conducted during intervals / lunch time at the resting place in the factory site. Accordingly, snowball sampling was adopted for selection of respondents. As per this method, once a sample unit is identified, other sample units were selected based on the leads or identification given by the selected worker. While identifying the sample unit care was taken to include female workers wherever possible and also to have representation from different functional units in each factory.

3.7 Snowball Sampling: Sample Identification

In snowball sampling a probability method is used to select the initial respondents and the subsequent selection can be achieved following the referrals of the initial respondents. Researchers (Adams et al., 2007; Bryman & Bell, 2011; Saunders et al., 2011; Zikmund et al., 2016; Chawla & Sondhi, 2016) have suggested this suitable sample identification technique, when it is difficult to identify the members of the desired population. Biernacki and Waldorf (1981) endorse that this method is well suited for a number of research purposes and is particularly relevant when the topic of study is sensitive or highly personalised, which require the knowledge of insiders to locate the subjects for the study. A problem inherent in this

sampling technique is that the initial respondents, with whom the researcher has fused a rapport, may identify people from his know circles or intimates, and, thus, leading to bias in sampling process (Zikmund et al., 2016). Employees of personnel department and trade union leaders helped the research team to ensure representation from various strata of employees to overcome referral bias.

Thus, from the three industrial units, survey was conducted among 200 workers as shown below:

Sl.No.	Name of the industrial unit	No. of sample workers
1.	Kerala Minerals and Metals ltd.	74
2.	Hindustan Lifecare Limited	84
3.	Penpol India Limited	42
Total		200

Concurrently, the investigators met the family members of workmen at home through observation of the family environment and interaction with the members additional information's were also collected. The team had interaction with local community also. In Chavara (KMML) the local community approach the workmen family for every public functions and festivals. The community expects liberal contributions from the workers since they have regular income and decent living. There are cases were worker sponsor programmes in festivals connected to religious functions. Workers consider this acceptance as a symbol of social status.

Semi structured interview schedule were used for collecting data from HR officials. The basic objective was to assess the current area of operation and how effectively welfare activities are implemented. The opinion of trade union leaders were also gathered through personal discussions on matters relating to pay perks, working conditions, welfare measures and indebtedness of the workers. In this process we have contacted ten trade union leaders from the three company and five officials.

3.8 Statistical Tools Used

The data collected were analysed by using SPSS. Simple statistical tools like ratios, percentages, averages, standard deviation, co-relation etc were widely used. For examining the priority of borrowing among ten identified variable weight was assigned to each preference. For egg. Ten point weights is assigned to first preference, for second rank the weight assigned is eight. Using the weight a total index is prepared for ranking the purpose of borrowing. The results derived are presented in appropriate tables, enabling easy understanding.

CHAPTER 4

LABOUR WELFARE AND INDUSTRIAL ENVIRONMENT

4.1 Introduction

Labour welfare, by its very nature, “must necessarily be elastic; bearing a somewhat different interpretation in one country from another, according to the different social customs, the degree of industrialisation and the educational development of the worker (**The Royal Commission on Labour Report, 1931**) Limits, therefore, cannot be rigidly laid down for the scope of labour welfare for all industries and for all times. They must be elastic and flexible enough to suit the existing conditions of the workers, and to include all the essential prerequisites of life, and the minimum basis amenities.

Our Constitution, in its Directive Principles of State Policy, refers generally to “the promotion of the welfare of the people.” In its specific application to the working class, the necessity of “securing just and humane conditions of work” for them has been highlighted; but what these conditions actually imply cannot be specified in rigid terms for all times.

In the Report of the Committee on Labour Welfare, 1969, the scope of labour welfare covered “such services, facilities and amenities as adequate canteens, rest and recreation facilities, sanitary and medical facilities, arrangements for travel to and from work, for the accommodation of workers employed at a distance from their homes, and such other services, amenities, and facilities, including social security measures, as contribute to improvement of the conditions under which workers are employed.”

The scope of labour welfare, however, cannot be limited to facilities, within or near the undertaking nor can it be as comprehensive as “embrace the whole range of social welfare or social services.” It follows therefore, that all extra-mural and intra-mural welfare activities as statutory and non-statutory welfare measures undertaken by employers, the government, trade unions or voluntary organisations fall within the scope of labour welfare. It brings under its purview all welfare activities and amenities related to canteen, rest and recreation facilities medical assistance, better health, nutrition and sanitation, travel to and from work, education, housing holiday facilities, and so on. It can also include social security measures which

contribute to workers' welfare such as industrial health insurance, provident fund, gratuity, maternity benefits, workmen's compensation, pension, retirement benefits, etc. which are the species of the larger family encompassed by the term labour welfare.

4.2 Benefits of Welfare Activities

Promotion of sound industrial relation by creating a feeling among employees that they are in no way ignored by the management, so as to increase their co-operation and reduce unrest and conflict will ultimately establish industrial harmony and peace.

Improvement in the workers capacity and efficiency thus leads to higher productivity and reduced wastage and inefficiency in their part.

Motivating employees to remain with the organisation as its dependable permanent workforce by reducing labour turnover and absenteeism with enhanced interest in the job will imbibe in the employees a sense of commitment and loyalty towards their enterprise Improvement in the employees' health and morality by motivating them to be away from alcoholism, gambling, prostitution, criminal activities in slums and so on.

Improvement in the motivation and morale of workers will in turn create a sense of responsibility, self-confidence and self-respect in them. Promotional and social advantage through higher industrial efficiency, harmony and industrial democracy with a satisfied family life, higher standard of living and good status in the society can ensure sustainable business environment.

4.3 Emergence of Labour Legislation in India

Labour legislation in India was largely influenced by humanitarian principles and legislation. During the early period of industrial development, efforts towards workers' welfare was made largely by social workers, philanthropists and other religious leaders, mostly on humanitarian grounds.

The labour movement has been instrumental in the enactment of laws protecting labour rights since 19th century. The history of labour legislation in India can be traced back to the history of British colonialism. In this context, the role of British political economy cannot be underestimated in formulating the labour legislation in India. In the beginning it was difficult to

get enough regular Indian workers to run British establishments and hence laws for chartering workers became necessary. This was obviously labour legislation in order to protect the interests of British employers.

The first permission for establishing a factory was received by a British man in 1612, which was followed by Dutch and the Portuguese from the Mugal Empire. These ventures were mainly joint stock companies which have been called the precursors of the modern multinational, multiproduct business corporations. However, real seeds of factory development was sown in the year 1854 when a coal mine and the first jute and cotton textile mills were established. The introduction of railways in the previous year had given a fillip to the industrial age and by 1860 large scale industry began to develop, chiefly with British capital. Jute industry of Bengal, with headquarters at Dundee in Scotland was the first, later followed by cotton mills in Ahmadabad and Bombay, largely with Indian capital and under Indian ownership, then came mining. These industries provided employment for nearly 700,000 workers. This early phase of industrialization was marked by inhuman exploitation of the workers who were paid a mere pittance and made to work for long hours in insanitary conditions, with hardly any provision for periodical rest or prescribed holidays. Bombay was the pioneer in the formulation of legislation on labour. Some form of trade union organizations came into existence after the establishment of factories in India in the 1870s. The Factories Act was first introduced in 1883 because of the pressure brought on the British Parliament by the textile moguls of Manchester and Lancashire. Thus received the first stipulation of eight hours of work, the abolition of child labour, and the restriction of women in night employment, and the introduction of overtime wages for work beyond eight hours. While the impact of this measure was clearly for the welfare of the labour force the real motivation was undoubtedly the protection of their vested interests. In 1886 May day demonstration in Chicago showed to the workers of the entire world the need to join hands in the struggle against capitalism. In the 1890s, the entrepreneur Jamsetji Tata launched plans to move into heavy industry using Indian funding. The Tata Iron and Steel Company (TISCO), headed by his son Dorabji Tata (1859–1932), opened its plant at Jamshedpur in Bihar in 1908 and became the leading iron and steel producer in India, with 120,000 employees in 1945.

All labour legislations in India under the Government of India Act, 1919 were enacted as the central legislature. As a landmark precursor in the labour legislations, on July 4, 1929 the Imperial Government of Britain constituted the Royal Commission on Labour in India with the

express mandate to enquire into and report on the existing conditions of labour in industrial undertakings and plantations in British India. Recommendations under the Commission led directly to most of the legislation being passed from 1931 onwards. The Bombay Industrial Disputes Act, 1938 was the first to provide for permanent machinery in the shape of an industrial court for the settlement of disputes. This Act was later replaced by still more comprehensive legislation known as the Bombay Industrial Relations Act, 1946. Industrial Disputes Act, 1947 was passed and implemented after this.

4.3.1 Before Independence

The earliest legislative approach could be traced back to the passing of the Apprentices Act of 1850. This Act was enacted with the objective of helping poor and orphaned children to learn various trades and crafts. The next Act was the Fatal Accidents Act of 1853 which aimed at providing compensation to the families of workmen who lost their life as a result of “actionable wrong”. Then came the Merchants Shipping Act of 1859, which regulated the employment of seamen and provided for their health, accommodation, and necessary articles of personal use. The deplorable conditions in which labour worked in the textile mills in Bombay during those days, as testified by the Factory Commission of 1875 was the immediate cause for the passing of the Act. The Act applied to factories employing not less than 100 persons and using power. Under this Act, the employment of children below the age of 7 years was prohibited, while those between 7 and 12 years were not to work for more than 9 hours a day. An hour’s daily rest and 4 holidays in a month were prescribed for children. Adult labour, however, was not protected in any manner. It was found inadequate in many respects. Anyhow; it recognized the right of the government to safeguard the interests of the workers by means of suitable legislation. The movement to improve the working conditions of Indian labour started with the passing of the first Indian Factories act in 1881. Earlier attempts at legislation in this country were mainly aimed at regulation of employment.

The Mulock Commission was appointed by the Government of Bombay. Mill Hands’ Association brought the workmen together on two different occasions in 1884 and presented on their behalf a charter of demands to the Commission. Under pressure from labour, the Bombay Mill Owners’ Association conceded the demand for a weekly holiday.

The Factories (Amendment) Act, 1891 was passed as a result of the recommendations of the Bombay Factory Commission of 1884 and the Factory Labour Commission of 1890. It applied to all factories employing 50 persons or more. The lower and upper age limits for children were raised to 9 and 14 respectively and their hours of work were limited to 7 hours. Women were followed to work for 11 hours in a day with one and a half hours' rest. Provisions relating to better ventilation, cleanliness and for preventing overcrowding in factories were also made. In the meanwhile, voluntary action in the field of labour welfare also made considerable progress. Group efforts came to the forefront. The Amalgamated Society of Railway Servants of India and Burma (1897) started a number of friendly benefit schemes. The Printers Union, Calcutta (1905) and the Bombay Postal Union (1907) introduced mutual insurance schemes, night schools, educational stipends, and so on. The Government of India appointed a Commission in 1907 to study the working conditions of labour in industry and make recommendations. A more comprehensive Act was introduced in 1911 on the basis of the recommendations of this Commission.

The Indian Factories Act of 1911 was also made applicable to seasonal factories working for less than 4 months in a year. The hours of work for children were reduced to 6 per day. The hours of work of an adult male worker were specified for the first time to 12 hours a day. Certain provisions were also made for the health and safety of the industrial workers.

In 1910, the Kamgar Hitvardhak Sabha was established which helped the workers in various ways. The outbreak of the First World War in 1914 led to a number of new developments. The Russian Revolution had a tremendous impact on the attitudes of government and society towards labour. During the war years (1914-18) the number of factories and the number of persons employed therein increased. Wages did not keep pace with the rising prices and profits. The working class became more conscious as a result of the general unrest following the war. The establishment of the International Labour Organisation in 1919 was another important landmark in the history of labour welfare movement in our country. The ILO declared that universal peace can be established only if it is based upon social justice. The formation of AITUC (1920), the first central trade union organisation in our country, also helped in furthering the cause of welfare movement.

As a result of all these developments, the importance of labour in economic and social reconstruction of the world was recognized. All these factors created the background for a new factory law. Following industrial unrest in 1919 and 1920, the Government of India passed the Indian Factories (Amendment) Act, 1922 which was made applicable to all the factories using power and employing not less than 20 persons. Children below 12 years of age were not to work in factories and those between the years of 12 and 14 were not to work for more than 6 hours a day. Children and women were not to be employed between 7.00 pm and 5.30 a.m. The hours of work for adults were limited to 60 in a week, and 11 in a day. Factory inspection was improved by the appointment of full time factory inspectors possessing technical qualifications.

The Royal Commission on Labour under the chairmanship of J.H Whitley was appointed in 1929 to enquire into and report on the existing conditions of labour in industrial undertakings, plantations, mines, and so on. The Commission made an in-depth survey of different aspects of health, efficiency, welfare, standard of living, conditions of work and relations between employers and employees and submitted its monumental report on March 14, 1931. It recommended the enactment of a number of legislations relating to payment of wages in time, minimum wages, need for health insurance for industrial workers, and improvement of working conditions of plantation workers. Most of the recommendations of this Commission were accepted by the government and they constituted the powerful influence that led to the enactment of the Factories Act of 1934.

Apart from amending and consolidating all the previous enactments, the Factories Act, 1934 introduced a number of prominent changes. It drew a distinction between perennial and seasonal factories. The hours of work for children between 12 and 15 were reduced from 6 to 5 per day, while those for women from 11 to 10 in all kinds of factories. The Act also made provision for the improvement of working conditions within a factory. For the first time in factories' legislation, welfares measures were also thought of and provision was made to provide rest sheds and crèches by big factories. A number of committees also were set up by the provincial governments to enquire into the working conditions of labour including the provisions of housing facilities. Some of these committees were: Bombay Textile Labour Enquiry Committee (1937), the Kanpur Labour Enquiry Committee (1937), the Central Provinces Textile Labour Enquiry Committee (1938) and the Bihar Labour Enquiry Committee (1938). These Committees conducted detailed investigations regarding housing facilities available in various industries and

drew pointed attention of the government towards inadequate and unsatisfactory housing conditions of industrial workers.

Another milestone in the field of labour welfare was reached with the appointment of Labour Investigation Committee (Rege Committee) in 1944. The Committee was asked to investigate the problems relating to wages and earnings, employment, housing and social conditions of workers. The Committee went into details of the working conditions, including welfare measures available for workers employed in a large number of industries. The Committee covered different areas in labour welfare such as housing policy, rest and recreation, occupational diseases, relief in the case of old age and death, crèches, canteens, medical aid, washing and bathing facilities, educational facilities, and so on. For the first time in India, this Committee highlighted the importance of welfare measures for workers in improving their social and economic life. It also emphasized the need for strengthening the enforcement machinery for effective implementation of various laws.

In May 1944, the grand Charter of Labour, popularly known as the 'Declaration of Philadelphia', was adopted by the member states of the ILO. Amongst its aims and objects, the Declaration said that labour is not a commodity and that it is entitled to a fair deal as an active participant in any programme of economic development or social reconstruction.

The Second World War brought about far-reaching consequences in all fields of activities. The need for sustained and increased production gave a fillip to Indian industry. The number of factories and factory employees increased enormously. The government took the initiative and actively promoted various welfare activities among the industrial employees. A number of legislations for the welfare of the working classes were also enacted.

4.3.2 Post Independence period

After independence, the labour welfare movement acquired new dimensions. It was realized that labour welfare had a positive role to play in increasing productivity and reducing industrial tensions. The State began to realize its social responsibilities towards weaker sections of the society. The emergence of different central trade union organisations like INTUC (1947), HMS (1948), UTUC (1949), BMS (1955), NLO (1969) CITU (1970), gave a further fillip to the growth of labour welfare movement. Mainly on the basis of the recommendations of the Rege

Committee, the Government of India enacted the Factories Act, 1948. To draft this important piece of legislation, the services of Sir Wilfred Garrett were utilized. He drafted the legislation in detail using his wide experience of Factories' Law. The Factories Act of 1948 came into effect from 1st April, 1949. It is a comprehensive piece of legislation. The Act applies to all establishments employing 10 or more workers where power is used and 20 or more workers where power is not used and where a manufacturing process is being carried out. However, Section 85 of the Act empowers the state governments to extend all or any provisions of the Act to any premise. It contains many important provision regarding health, safety, welfare, employment of young persons and children, hours of work for adults and children, holidays, and leave with wages. The responsibility of administration of the Act rests with the State Government who administers it through their own Factory Inspectorate. The compliance with the provisions of the Act wholly rests on the occupier of the factory, though certain obligations were also imposed on workers. The Directorate General of Factory Advice Service and Labour Institute coordinate the work of enforcement of the Factories Act throughout the country, frame Model Rules and suggest amendments to the Act and the Rules in consultation with the State Chief Inspectors of Factories. The Constitution of India framed a list of Fundamental Rights and Directive Principles of State Policy for the achievement of a social order based on Justice, Liberty, Equality and Fraternity. It is stated in the chapter embodying the Directive principles that "the State, shall strive to promote the welfare of the people by ensuring and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of national life".

The Committee on Labour Welfare (1966-69), set up by the Government of India under the chairmanship of R.K Malavya reviewed at length the functioning of various statutory and non-statutory welfare schemes in industrial establishments, both in the public and private sector, including mines plantations, railways, and made comprehensive recommendations for their improvement. The National Commission on Labour (1966-69) also covered several aspects of welfare services in different establishments and made useful suggestions of their improvement. The above survey of the labour welfare movement shows that there are schemes of two types in the development of labour welfare. Firstly, a movement through voluntary effort by some of the employers and secondly, the legislative movement. In the field of labour welfare the government is now playing a triple role-that of a legislator, administrator and promoter. In spite of all these

efforts, the welfare work in India is still considerably below the standard set up than in other countries. However, it has come to stay as an accepted feature of employment conditions and is bound to make rapid progress in the years to come, especially when the Indian Republic is wedded to the ideal of a welfare state with socialistic objectives.

The Constitution of India, which came into force on January 26, 1950, retained the old division of powers between the union and states as in the previous Government of India Act, 1935. The philosophy of social justice, enshrined in the various provisions of the Constitution, has given a sweeping content of social justice to Indian labour legislation. There are certain provisions in Constitution of India and those are meant for the labour. They include:

Art.19	Right to freedom
Art.23 & 24	Right against exploitation.
Art.32	Right to constitutional remedies.
Art.39	Equal pay for equal work.
Art.41	Right to work.
Art.42	Just and humane conditions of work and maternity relief.
Art.43	Living wage, etc. for workers.
Art.43-A	Participation of workers in management of industries.
Art.136	Special leave to appeal to the Supreme Court.
Art.226	Power of High Court to issue certain writs.

The Constitution guarantees all such fundamental rights concerning labour and ensures that State shall not deny to any person equality before law or the equal protection of laws. Article 19(i) provides that all citizens shall have the right (a) to freedom of speech and expression (b) to assemble peaceably without arms; (c) to form association and unions; (d) to practise any profession or to carry on any occupation, trade and business.

Article 42 relates to economic rights. It provides that State is required to make provisions for just and humane conditions of work and for maternity relief.

Article 43 requires the State to strive to secure to the workers work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities.

Article 43-A provides that the State should take steps, by suitable legislation or in any other way, to secure the participation of workers in the management of undertakings, establishments or other organizations engaged in any industry.

There are Constitutional provisions relating to appeals against the awards of the industrial tribunals etc. Under the Constitution, any person aggrieved by a tribunal's award can, on the violation of Fundamental Right guaranteed by part III, move the Supreme Court or the High Court under Article 32 and Article 226. Another alternate course for aggrieved person is to invoke the Supreme Court's discretionary jurisdiction under Article 136. 91

Under the Constitution of India, labour is a subject in the Concurrent List, where both the Central and State Governments are competent to enact legislation subject to certain matters being reserved for the Centre. Some of the provisions are given below:

4.3.3 Constitutional Provisions

Union List	Concurrent List
Entry No.55 Regulation of labour and safety in mines and oil fields.	Entry No. 22 Trade Unions; industrial and labour disputes.
Entry No. 61: Industrial disputes concerning Union employees.	Entry No.23: Social Security and insurance, employment and unemployment.
Entry No.65: Union agencies and institutions for "Vocational...training..."	Entry No. 24: Welfare of labour including conditions of work, provident funds, employers liability, workmen compensation, invalidity and old age Pension and maternity benefit.

The course of collective bargaining was influenced in 1948 by the recommendations of the Fair Wage Committee, which reported that three levels of wages exist – minimum, fair, and living and stipulated that all industries must pay the minimum wage and that the capacity to pay would apply only to the fair wage, which could be linked to productivity.

1.4 Various Committees in Labour Law Development

Government of India set up a number of Commissions and Committees that effected the social security laws. These are following-

1.4.1 Royal Commission on Labour, 1929

On July 4, 1929 the Imperial Government of Britain constituted the first Royal Commission on Labour in India with the express mandate to enquire into and report on the existing conditions of labour in industrial undertakings and plantations in British India. It was the first of a series of such commissions of labour. It submitted its report in 1931 under the Chairmanship of Whitley. The Commission made recommendation on many facets of labour welfare.

The Royal Commission on labour, 1929, had promised lot in the direction of social security, social welfare, wages, social insurance, industrial relations, industrial adjudication, collective bargaining etc. In sequel to the recommendations made in the Report of the National Commission on Labour, series of labour enactments were passed. First National Labour Commission (NLC) was constituted on December 24, 1966 when Jagjivan Ram was the Union Labour Minister, under the Chairmanship of Dr. Gajendragadkar to study and review the conditions of labour since 1947, the labour legislation and the living conditions of workers.

1.4.2 A.P. Adarkar Committee, 1944

The first document on social insurance was the Report on Health Insurance submitted to the Tripartite Labour Conference, headed by Prof. B.P. Adarkar, an eminent scholar and visionary in 1944. The Adarkar Plan along with various other suggestions were instrumental in the emergence of The Employee State Insurance Act which was passed by the Government on 19th April 1948. The Scheme under the Act aims at providing for certain cash benefits to employees in the case of sickness, maternity benefit, employment injury, and medical facilities in kind, and to make provisions for certain other matters in relation thereto.

1.4.3 First National Commission on Labour, 1966

The first National Commission on Labour was set up on 24th December 1966 under the Chairmanship of Justice P.B. Gajendragadkar. The Commission submitted its report in August, 1969. Its recommendations covered issues like recruitment agencies and practices, employment service administration, training and workers education, working conditions, labour welfare, housing, social security, wages and earnings, wage policy, bonus, workers/employers organisations, industrial relations machinery etc.

1.4.4 Second National Commission on Labour, 1999

The Second National Commission on Labour under the Chairmanship of former Union Labour Minister Dr. Ravindra Varma, was set up on October 15, 1999 to suggest rationalization of the existing labour laws in the organized sector. On June 29, 2002 he presented the report and suggested change in methods, timings and conditions of work in industry, trade and services, globalization of economy, liberalization of trade and industry and emphasis on international competitiveness, and the need for bringing the existing laws in tune with the future labour market needs and demands.

As already stated, India has a history of labour legislation over 125 years. Beginning with the Apprentices Act, passed in 1850, to enable children brought up in orphanages to employment when they come of age, several labour laws covering all aspects of industrial employment have been passed.

The Apprentices Act of 1850 was followed by the Factories Act of 1881 and the first State act was the Bombay Trade Disputes (and Conciliation) Act, 1934, followed by the Bombay Industrial Disputes Act, 1938, which was amended during the war years. This was replaced by the BIR Act, 1946. The Central Government at this time introduced the Industrial Employment (Standing Orders) Act, 1946. In 1947, the government replaced the Trade Disputes Act with the Industrial Disputes Act, which was later modified. This law is the main instrument for government intervention in industrial disputes. After Independence, many laws concerning social security and regulation of labour employment were enacted, such as the ESI Act, 1948, EPF and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, Equal Remuneration Act, 1976 etc.

4.5 History of Industrial Development of Kerala

History of industrial development in Kerala dates back to the era of British colonialism, during which only traditional industries like handloom, mat-weaving, bamboo products, etc., prevailed. Industries like coir, cashew nut, tiles, etc., were also there in the earlier period. It was in the 19th century that the Gujarati traders were invited to Alappuzha by the then Diwan of Travancore Princely State, Sir C. P. Rarnaswamy Iyer (Babu, 2009) consequently, some industries were initiated. Units established thus include: Fertilisers and Chemicals Travancore Ltd., Travancore Sugars and Chemicals Ltd., Ogale Glass Factory and Rayons Perumbavoor. Industries like coconut oil, textiles, etc., were initiated by 1900. The Malabar area was characterised by industries like coconut oil, soap, tiles, beedi, etc. However, Kochi had been facing an industrial slowdown for the past few decades.

4.5.1 Industrialization in Travancore

As far as Kerala is concerned, traditional industries like mat weaving, handlooms, bamboo products, etc. were popular in different parts of the State from earlier times. The Travancore was the front runner in the erstwhile princely regions of Kerala regarding industrialization and it is interesting to note that Travancore was the first State to nationalize trade in commercial crops in 1750 AD itself. The industries of Travancore can be classified into two sub divisions: (i) Factory industries (ii) Cottage industries. Factory industries were only gradually coming to prominence, majority were engaged in the manufacture of tea and one in curing cardamom. The remaining were engaged in the manufacture of tiles, coir yarn, matting, rubber, paper, steel goods and sugar, matches, etc. Among these, the extraction of coconut oil and manufacture of coir yarn attracted greater attention.

The first industry in the State of Travancore was a textile mill at Quilon, established by an American in 1881. This was followed by the establishment of the first coir factory at Alleppey. In 1883 an indigo factory was started by a Dutch family at Kulachal, Northern part of Travancore. Salt manufacturing industries were established in Trivandrum, Karunagappally and Karthikappally. The match factory at Thenmala was also an important business establishment. It was in 1884 that the Quilon Spinning Mill started under a European management. It worked for about 20 years and with the outbreak of First World War it ceased working. The Punalur paper

mill in Quilon District was started in 1887. At that time electricity was not available and water power was used to run the paper plant.

There were numerous cottage industries spread throughout the State such as cotton weaving and coir making, wood and ivory carving, screw pine work and carpentry are well known for their artistic excellence throughout the world. Handloom weaving was the most important cottage industry in vogue. Cotton weaving was quite prevalent throughout the State, particularly in South Travancore. Manufacture of silver and gold threads, lace and embroidery, bell-metal industries, iron industries, screw-pine, mat-weaving, wool-seasoning palm leaf umbrella making, preparing coconut, jaggery, etc. were the major cottage industries.

The Travancore Labour Association, which was established in 1922, was the first labour organisation formed in the princely state of Travancore, which now forms a part of the state of Kerala, India. Centred on the coir industry in the town of Alleppey, it grew from being a body intended to serve the needs of one particular factory to one which represented many workers in what was a substantial business sector in the town

In the 19th century itself hand weaving units were established at Kottar, Balaramapuram, Chirayinkil and Pandalam. The industrial development in the pre-independence era was the mastermind of the then Diwan, Sir CP Ramaswamy Iyer. He attracted local as well as foreign capital for establishment of industry. He tried his best for providing opportunities to Travancoreans to acquire technical know-how and skill. Diwan succeeded in obtaining the best machinery in the world for the industries of the State. Sir C.P. has made several steps to boost the projects of electricity in Travancore. It is generally believed that the decade 1934 to 1944 was the golden age of industrialization in the annals of Kerala history. This is because; it is during this period that several industries were established in Travancore and Cochin areas. The preliminary work on the Travancore Rubber Works was completed in 1934-'37. The Sree Chitra Mills at Alwey established by M/s E.D. Sasson and Co., Bombay, the Government Ceramics concern at Kundara in Quilon District, the Indian Aluminium Company at Alwey, the Travancore Plywood Industries at Punalur and Travancore Ogale Glass Manufacturing Company at Alwey and Travancore Rayons at Perumbavoor were started during this period.

1947-48 also witnessed the establishment of several industries in Travancore-Cochin. It was during this period that FACT was commissioned. Preliminary work on ALIND, Kundara, Forest

Industries at Alwaye and West Coast Industries in Cochin were started. The construction work of Travancore Titanium Products Ltd., at Trivandrum, Electro-Chemical Industries at Chingavanam and the Electrical and Allied Industry at Kundara were also started during this time. The completion of the Hydro Electric Project at Pallivassal gave a boost and favourable climate for the development of these industries.

Like Travancore, Cochin also enjoyed a good position in the field of traditional industries. Since the beginning of 19th century, coir, timber, coconut oil extraction, tile making, handloom weaving were the predominant ones. In Cochin where Sir Shanmugham Chetty had already set a new phase of development, facilities were offered to investors to come forward and organise industrial units. The resources of the state being limited, the Cochin Government could not follow the pattern of industrial development of Travancore. So traditional industries were considerably expanded. New textiles like the Alagappa Textiles, the Cochin Potteries, the Victory Chemicals and Pharmaceutical works; the Tata Oil Mills, etc. were established.

4.5.2 Industrialization in Malabar

Industrial development in Malabar owes much to the Baselmissionaries (a Christian missionary group organized in Switzerland) and their economic activities. Basel Mission came to India with many other Missionaries, with the policy change of East India Company. Since 1834 the Missionary activities flourished in Malabar-Konkan Coast. This process lasted till the beginning of the First World War in 1914. With the outbreak of First World War, Basel Mission activities in India came to an end. Basel mission gave new dimensions to the existing traditional industries such as cloth weaving and tile making by introducing machinery and thus providing a modern factory outlook. This period is characterised by the establishment of factory type of production organization. The Industrial Commission which had existed in the Mission from 1846 was reconstituted with a separate treasury, though it continued to be a part of the Basel Missionary Society. The new Commission was placed under professional management of the Christian merchants.

4.6 Class-Caste Relation in Labour

There is a nexus between caste classes in term of labour in Kerala. Some casts are associated with some particular field of activity. In Kerala, this can be identified very easily especially in

the pre-independence period. For example, Alleppy, which was part of the erstwhile princely state of Travancore, manufacture of woven coir products were mostly in the hands of local entrepreneurs of the famous Ezhava caste, who are held in myth to have brought coconut palms to the region from Sri Lanka when they migrated and for whom the tending of those palms was a traditional caste occupation, or avakasam. Export of products, however, was controlled by traders from Europe (Osella,Osella, Caroline (2000). Similarly many professions such as pottery, weaving jewellery making etc., were identified with caste. However there were also class associations in labour segregation. Some of the menial jobs were identified with lower castes whereas high profile jobs were identified with higher category.

4.7 Structure of the Industrial Sector of Kerala

A quick scan on the industrial scenario reveals that the State has mainly three types of industries viz., Micro, Small and Medium Enterprises, Traditional industries and software and hardware industries.

4.7.1 Traditional Industries

The major traditional industries are handicrafts, handloom, coir and cashew. The handicrafts sector occupies an important place in terms of employment generation. The traditional industries such as cashew processing, seafood processing, coir, ivory carving, bell metal casting, screw-pine and mat-weaving, bamboo and reed-weaving, cane work, coconut shell-carving, and straw picture making etc., are more popular. Most of them are still struggling to survive.

4.7.2 Software Industries

It is hopeful that the State of Kerala could attract knowledge-intensive industries such as Information Technology, Software and Hardware Industries. The establishment of software technology parks in the State has fostered the development of software industries in Kerala. In fact the first software technology park viz., The Techno park was established in Kerala. Now Kochi and Thiruvanahtapuram act as hub of the IT and IT-enabled services in the State. The promotional measure such as start-ups and incubation centres has contributed for the development of software industry in the State.

4.7.3 Micro Small and Medium

The Small Scale sector is the most dynamic, vibrant and promising sector as it contributes considerably to the national income. With the enactment of Micro, Small and Medium Enterprises Development Act 2006, the system of SSI registration has been replaced with the system of Entrepreneurs Memorandum. Also, the earlier concept of 'Industries' has been changed to Enterprises.

4.8 Changing Character of Trade Unions

There has been a substantial change in contemporary unionism compared to that in the thirties or forties. There is a growing gap between leadership and ranks. The political misadventures and moral degradation of leaders and ranks have further harmed the interests of steady union growth. Leaders have direct negotiation with employer, disregard of leadership, frequent change of unions by ranks and having membership in more than one union, lack of communication and dearth of meeting and exchange of ideas, etc have deteriorated the trade unionism in the State.

There is no unanimous opinion among the trade union leaders on the Report of the Second National Commission on Labour, headed by Ravandra Varma. The Unions are also concerned with the possible fallouts of Liberalisation, Privatisation and Globalisation on the Indian working class.

Despite the political divisions, rivalries and other structural weaknesses, there exists unanimity among the unions on major issues in industrial relations which reflected in the process of collective bargaining at the enterprise level. It can be seen that now demands of the workers for better living conditions and earnings have been largely met in the organized sector in all industrial activities. It is in fact reflected in the peace in general industrial climate. The loss days due to strikes for minimum wages have almost non-existent. Now a day's most of the labour struggles are against the closure of industry or similar causes. The militant labour activity have not been visible among the workers except the head load workers. This has led to general lethargic attitude towards Labour unions among working class itself. Their activities mainly revolve around periodical settlements of wages and bonus. While workmen fall an easy prey to the impacts of globalization including ever increasing consumerism, trade unions by and large, remain onlookers to the phenomena.

CHAPTER 5

PRESENTATION AND ANALYSIS OF DATA

5.1 Introduction

In the backdrop of the information gathered and observations made on the work environment of the identified companies namely HLL, KMML and Penpol the survey team was deployed in Thiruvananthapuram and Kollam districts for collecting primary data from the workers who have already completed ten years of service. A total of 200 workers forming 20% of the population were selected for the study. While 84 workmen from HLL participated in the field level data collection, the share of KMML and Penpol were 78 and 38 respectively. The interview schedule was broadly arranged in to the following four sections:

1. Personal profile
2. Family profile
3. Economic status
4. Details on indebtedness

Apart from the above four sections, questions were also included for showcasing workmen's views on the questions relating to the role of trade unions, human resource management and families in the overall welfare of the employees. The results are analysed at aggregate and disaggregate level which are explicit in the tables and charts presented.

5.2 Personal profile

The personal profile of the workers is prepared in terms of gender, age, religion, community, family background represented by occupation of parents, length of service in different capacities, wages, and overtime allowances.

As mentioned in Chapter 3, the study was conducted in Thiruvananthapuram and Kollam districts. A total of 200 workers were selected for the study, based on the availability of workers in the study area. Of the total 200 workers, 42 % was from Hindustan Life Care limited, 19% was from Terumo Penpol limited and the balance 39% was from Kerala Minerals and Metals Limited. The details are given below:

Table 5.1
Distribution of Respondents

Company	No. of workers selected	Percentage
HLL	84	42.0
Penpol	38	19.0
KMML	78	39.0
Total	200	100.0

Source: Field Study

5.2.1 Gender

The sex ratio of the sample workers selected is given below. Of the total no. of workers, 84% is male workers. In KMML all the sample workers are male, as the company employee's mainly male staff considering the nature of operations. On the other hand, in HLL and Penpol, the share of female workers ranges from 1/3rd to 1/5th of the selected workers. Domination of male workers in industrial operation is explicit from the table (5.2)

Table 5.2
Gender Composition (Percentage)

	Company			
Gender	HLL	Penpol	KMML	Total
Male	76	65	100	83
Female	24	35		17
Total	100	100	100	100

Source: Field Study

5.2.2 Religion

As part of profiling the workers, an attempt is made to classify the respondents according to their religious beliefs. Invariably, a domination of Hindu population is seen in all companies followed by Christians and Muslims. However, a company wise analysis shows that Muslims occupy second position in KMML

Table 5.3
Classification According to Religion (Percentage)

Religion	Company			
	HLL	Penpol	KMML	Total
Hindu	85	78	80	81
Muslim	1	8	14	8
Christian	14	14	6	11
Total	100	100	100	100

Source: Field Study

5.2.3 Community

A community wise analysis shows that 40% of workmen fall under general category which includes all forward castes. The highest percentage of workmen belong to other backward communities (46%) followed by SC population (13%). The disaggregate analysis shows that in Penpol and KMML, OBC population is the majority, whereas in HLL, the general category dominates. The role of ST is negligible as they are sparsely populated in these districts.

Table 5.4
Classification According to Community (Percentage)

Community	Company			
	HLL	Penpol	KMML	Total
General	44	46	32	40
OBC	31	49	60	46
SC	24	5	8	13
ST	1			0
Total	100	100	100	100

Source: Field Study

5.2.4 Age

As can be seen from the following table, the average age of the respondents is about 48 years. The average age of female worker is lower by about 3 years. The higher average age is due to the fact that the sample workers selected were from those having minimum 10 years of service. Thus the average age is slightly higher.

Table 5.5
Age of Respondents

Gender	Mean age	Std. Deviation
Male	48.63	8.238
Female	45.33	9.607
Total	48.09	8.543

Source: Field Study

In terms of the companies selected, the average age of workers in HLL is higher compared to KMML and Penpol. But in all the companies the average age is more than 45 years as shown below:

Table 5.6
Average Age of Workers (Company wise)

Company	Male	Female	Total
HLL	52.16	41.50	49.62
Penpol	44.04	51.23	46.57
KMML	47.15	--	47.15
Total	48.63	45.33	48.09

Source: Field Study

Table 5.7
Average Age of Workers (Religion wise)

Religion	Mean No. of years	Std. Deviation
Hindu	47.90	8.56
Muslim	46.60	9.56
Christian	50.50	7.60
Total	48.09	8.54

Source: Field Study

Table 5.8
Average Age of Workers (Community wise)

Community	Mean	Std. Deviation
General	49.80	8.272
OBC	46.77	8.432
SC	47.36	9.206
ST	53.00	
Total	48.09	8.543

Source: Field Study

Religion wise classification shows that average age of workers is highest among Christians (50.50) followed by Hindus (47.90) and Muslims (46.60). The community wise analysis shows that the average age is highest among ST (53) followed by General Category (49.80) and SC (47.36).

5.2.5 Service Details

The mean service years of workers as apprentice or similar category is about 4.5 years, whereas on contract or temporary basis, the average service is 7 years. The permanent service for the selected worker is 19 years. The minimum service in permanent category is 10 years for the sample units and the maximum is 25 years.

Table 5.9
Length of Service

Category	Average No. of years
Apprentice	4.55
Contract	6.80
Permanent	18.59

Source: Field Study

Unlike other establishments, industrial workmen get opportunity to work as apprentice, on contract basis and at permanent basis. The average age of service of workers in different companies is also significantly different from each other, as revealed from the high F values at 10% significant level. It can be seen from the table below that the average no. of years of apprentice service of workers in HLL is 5.94. It is only 2.17 years in Penpol and 4.5 years in KMML. Statistically the average service of workers among companies is different i.e., in each company the service in terms of average no. of years is significantly different.

Table 5.10
Company Wise Average No. of Years of Service

Type of Service	Company	Average Length of Service (Years)	F	Sig
Apprentice	HLL	5.94	4.137	.019
	Penpol	2.17		
	KMML	4.47		
	Total	4.55		
Contract	HLL	8.56	5.753	.005
	Penpol	2.50		
	KMML	7.38		
	Total	6.80		
Permanent	HLL	19.36	2.535	.082
	Penpol	20.05		
	KMML	17.04		
	Total	18.59		

Source: Field Study

The difference in service years with respect to gender is also analysed and given in the table below.

Table 5.11
Average No. of Years of Service According to Gender

Type of Service	Gender	Average Length of Service(Years)	F	Sig.
Apprentice	Male	4.90	3.531	0.064
	Female	2.00		
	Total	4.55		
Contract	Male	6.90	0.626	0.432
	Female	4.67		
	Total	6.80		
Permanent	Male	18.49	0.158	0.692
	Female	19.09		
	Total	18.59		

Source: Field Study

The difference in service for male and female workers selected not significantly different in the case of contract service and permanent service, whereas there is a difference in average length of service in apprentice category in male and female workers.

5.2.6 Average Wage

Average monthly wage of the respondents is given in the table below. The average wage is about Rs.43,882 per month for the entire sample and that of workers in HLL is Rs.36,700 and that of Penpol is Rs.30,554. The highest wage is in KMML which is Rs.57,863. It is also to be noted that the average wage in each company is significantly different from each other. Similarly the average net wage exclusive of overtime is Rs.20,456. The net wage is also highest in KMML followed by Penpol and lowest in HLL. The net wage is also significantly different in each company.

Table 5.12
Company Wise Average Monthly Wage (Rs.)

Company	Gross wage	Net wage
HLL	36770	12654
Penpol	30554	16286
KMML	57863	30838
Total	43882	20456
F	46.06	66.68
Sig	.000	.000

Source: Field Study

The average wage according to the gender is given below. The average wage of male workers is comparatively higher than the female workers. It about 50% more than the female workers. Similarly the net wage also shows considerable difference according to gender.

Table 5.13
Gender vs. Average Wage (Rs.)

Gender	Gross monthly average wage	Net monthly average wage
Male	46447	21714
Female	30977	14131
Total	43882	20456
F	17.320	9.337
Significance	.000	.003

Source: Field Study

Gross wage of workers according to gender and company wise categorization is analysed below. There is no female worker in the KMML. The average wage of female workers in Penpol is higher compared to male workers, whereas the average wage is higher for males in HLL.

Table 5.14
Gender Vs.Gross Wage (Rs.)

	Male	Female	Total
HLL	38948	29801	36770
Penpol	29345	32787	30554
KMML	57863		57863
Total	46447	30977	43882

Source: Field Study

Similarly net wage is also higher in HLL for males and that in Penpol it is higher for female workers as shown below:

Table 5.15
Gender Vs. Net Wage (Rs.)

	Male	Female	Total
HLL	12,845	12,042	12,654
Penpol	15,712	17,346	16,286
KMML	30,838		30,838
Total	21,714	14,131	20,456

Source: Field Study

Stratification of Workmen

The workers were classified into four groups considering the distribution of wage. The first group include workers having wage up to Rs.25,000 per month. The second group is having monthly wage between Rs.25,001 and 50,000. The third group is having monthly wage between Rs.50,001 and Rs.1,00,000 and the fourth group, the wage is above Rs.1,00,000 per month.

In the following table, the percentage of people in each wage group is presented. On an average, about 15% of the workers are under Rs.25,000 category, whereas majority (64%) is in Rs.25,001 to Rs.50,000. Only 1/5th of the sample workers fall in above Rs.50,000 category.

Table 5.16

Percentage of Workers in each Wage Group

Strata (Rs.)	HLL	Penpol	KMML	Total
Upto Rs.25,000	18	35	1	15
25,001 to 50,000	71	65	56	64
50,001 to 100000	11	0	38	19
>100000	0	0	5	2
All	100	100	100	100

Source: Field Study

It can be seen that in KMML, only 1% of the workers are having wage below Rs.25,000, whereas more than 40% of the workers have monthly wage above Rs.50,000. In Penpol for the entire workers wage levels are below Rs.50,000 only. In HLL also about 90% of the workers earn less than Rs.50,000 per month. This limit is only 57% in KMML.

Wage levels for male and female category is shown in the table below; There is no female workers earning above Rs.1,00,000 per month as all are from KMML, where only male workers have been reported. The average wage of female workers is lower in all the wage groups as shown in the table below:

Table 5.17

Gender Wise Average Wage (Rs.)

Wage (Rs.)	Male	Female	Total
Upto 25000	22923	18362	20878
25,001 to 50,000	43102	37308	42281
50,001 to 100000	64837	56000	64372
>100000	105320		105320
All	46447	30977	43882

Source: Field Study

As shown in the table below, the average wage in each wage group is highest for KMML, as it is consistent with the observation that the average wage of workers in KMML is also high. The wage levels in Penpol are the lowest in comparison with other companies. It is also interesting to note that only in KMML wage level higher than Rs.1,00,000 is reported.

Table 5.18
Stratified Average Gross Wage (Rs.)

Strata (Rs.)	HLL	Penpol	KMML	Total
Upto 25000	17,767	22,920	24,000	20,878
25,001 to 50,000	38,173	34,148	42,551	41,281
50,001 to 100000	59,087		66,012	64,372
>100000			105,320	105,320
All	36,770	30,554	57,863	43,882

Source: Field Study

It is also interesting to note the average service and the average wage levels of workers. In the first group, the average no. of years of service is about 16 years. The average service of workers earning Rs.25,000 to Rs.50,000 is about 26 years. It is also to be noted that the average wage of this group is about Rs.42,000, signifies that most of the workers in the group have salary levels close to Rs.40,000/-. The average service of workers earning above Rs.1,00,000 is about 28 years. Thus average wage is related to the length of service of workers.

Table 5.19
Average No. of years of Service and Average Wage

Strata (Rs.)	Total service years	Gross Wage
Upto 25000	15.75	20878
25,001 to 50,000	26.17	41281
50,001 to 100000	27.15	64372
>100000	28.00	105320
All	24.94	43882

Source: Field Study

Thus the average wage levels are comparatively higher for the KMML workers and it is directly related to the total service.

5.2.7 Overtime and Allowances

Over time work has been reported mostly in KMML only. In KMML about 2.26 hours per day is reported as average no. of overtime hours and the remuneration is about Rs.18650/- per month. In HLL and Penpol workers reported that practice of overtime and allowances are very less. The average number of hours is 5 minutes per day or about 6 hours in a month. In Penpol also the situation is not different. It is also noted that there is significant difference among companies regarding over time allocation and the highest being in KMML and the lowest being in HLL.

Table 5.20
Average Overtime Hours and Average Remuneration

Company	Overtime hours per day	Overtime amount per month
HLL	0.05	400.25
Penpol	0.49	194.20
KMML	2.26	18,654.50
Total	1.00	16,450.25
F	66.83	11.52
Sig	0.00	0.00

Source: Field Study

5.3 Family Profile

The concept of nuclear family is very much popular in Kerala. An attempt is made to assess the profile of the family of the industrial workers in terms of size, age, education, occupation income, ownership of mobile phone, relation with workers etc.,

5.3.1 Family size

The minimum and maximum family size of the worker reported is 1 and 6 respectively. As shown in the table about 1% of the families there is only one member i.e., the worker itself. In 7% cases, the worker is survived with either spouse or any other family member. In majority of cases (50%) the family is having 4 members and in 1/3rd of the cases, family size is three.

Table 5.21
No. of Family Members

No. of members in the family	Percentage of family
1	1
2	7
3	32
4	50
5	8
6	2
Total	100

Source: Field Study

The company wise details are given below: In KMML there is no family having less than two members, whereas in HLL and Penpol, there are families having one and two members. However, families having 3 and 4 members are the same in all companies. It is interesting to note that only in KMML the size of the family is more and 22% of the families are having more than 5 members, where as in the case of HLL and Penpol, the percentage is only 2 & 3 respectively as shown in the table. The influence of high density of population in coastal areas may be seen in the case of KMML.

Table 5.22
Company wise Average Number of Family Members (percentage)

No. of family members	HLL	Penpol	KMML	Total
1	2	3	0	2
2	11	11	0	7
3	32	33	31	32
4	52	50	47	50
5	2	3	17	8
6	0	0	5	2
Total	100	100	100	100

Source: Field Study

The table below shows the average size of the family. Largest families are in KMML having 3.96 persons. The average size of the family is 3.63 persons for the entire sample workers. The small size of the family is found in Pnepol and in HLL and the size is 3.42.

Table 5.23
Average Family Size

Company	Average No. of members	Percentage of respondents
HLL	3.42	42
Penpol	3.39	18
KMML	3.96	39
Total	3.63	100
F	10.712	
Sig	.000	

Source: Field Study

The size of the family is statistically different among the companies showing that there is no comparison with the size of the family among companies.

5.3.2 Relationship with Worker

The relationship with members of the family is also attempted. In most of the families, the maximum number of members is four (50%). Only in rare cases, the size of the family reaches six. The first member is mainly spouse. However, in 9% cases, spouse is absent as they are dead or divorced. 91% of the workers first family member is the spouse. Where spouse is absent, in 4% cases, it is parent or children in the family

Table 5.24
Relationship with Workers

	Relationship with Head of household (percentage)					
	Spouse	Daughter	Son	Parents	Others	Total
Family Member 1	91	3	2	4	0	100
Family Member 2	0	50	42	8	0	100
Family Member 3	0	46	42	10	2	100
Family Member 4	0	11	21	63	5	100
Family Member 5	0	25	25	50	0	100

Source: Field Study

In the case of second member, about 92% cases, it is either daughter or son. 8% cases reported parents as the second member. In 10% cases, the 3rd family member is a parent and the share increase in the case of 4th and 5th member of the family suggesting the bondage of the worker with parents. The table also shows the sex ratio comparable with census figures, where female dominates.

5.3.3 Educational Qualifications

Analysis of the education level of the worker shows that cent percent of workers have undergone formal education. About 34% of the workers are having educational qualification up to SSLC, and 49% have higher secondary qualification. Only 14% reported degree as their qualification. A disaggregate analysis shows that in Penpol, 61% of the workers have qualification up to SSLC. Whereas in HLL 25% are degree holders and 4% is having post graduation. Among the workers nobody possesses professional qualifications. The details are given in the table below:

Table 5.25
Company wise Educational Qualification of Workers (percentage)

Company	Educational qualification of worker					Total
	Upto SSLC	Higher Secondary	Degree	Post graduation	Professional	
HLL	25	46	25	4	0	100
Penpol	61	28	8	3	0	100
KMML	32	62	5	0	0	100
Total	34	49	14	2	0	100

Source: Field Study

5.3.4. Education Level of Spouse

Cross tabulation of education level of the worker and the spouse is presented in the following table. Regarding the educational qualification, 29% of spouses are having education back ground up to SSLC and 26% have higher secondary qualification. However, about 1/3rd of the spouses, have degree qualification and 7% have post graduation. In few cases, (6%) the spouse possess professional qualifications.

With respect to the educational qualification of the workers, highest percentage of workers has only educational qualification up to SSLC (34%). It is interesting to note that the educational qualification of their spouse possessing up to SSLC is 36%, higher secondary 927%), Degree (32%) and post graduation (5%). The society's outlook on secured job is reflected here. Marriage relation between professionally qualified people with school level educated employees made possible because of job security and regular source of income.

Table 5.26
Education Level of Worker and Spouse (percentage)

Education level of worker	Education level of spouse					
	Up to SSLC	Higher Secondary	Degree	Post graduation	Professional	Total
Upto SSLC (34%)	36	27	32	0	5	100
Higher Secondary (49%)	29	27	31	7	7	100
Degree (14%)	15	15	37	26	7	100
Post graduation (2%)	0	50	25	25	0	100
Total (100%)	29	26	32	7	6	100

Source: Field Study

5.3.5. Educational level of Children

In the case of workers having qualification up to SSLC, in 27% of the cases, the first child possesses professional qualification such as an Engineering Degree. 3% completed post graduation and 22% has degree qualification. This share is higher in case of worker having higher qualification.

Table 5.27
Education Level of Worker and First Child (percentage)

Education level of worker	Education level of first child					
	Up to SSLC	Higher Secondary	Degree	Post graduation	Professional	Total
Up to SSLC	33	15	22	3	27	100
Higher Secondary	38	10	17	10	24	100
Degree	39	4	13	9	35	100
Post graduation	0	0	33	33	33	100
Total	36	11	18	8	27	100

Source: Field Study

In the case of second child also about 13% having professional qualification and about 6% has post graduation. However, about 65% is studying higher secondary level or below and the average age is also low.

Table 5.28
Education Level of Worker and 2nd child (percentage)

Education level of worker	Education level of second child					
	Up to SSLC	Higher Secondary	Degree	Post graduation	Professional	Total
Up to SSLC	48	19	14	5	12	100
Higher Secondary	42	25	17	5	12	100
Degree	46	8	15	15	15	100
Post graduation	0	100	0	0	0	100
Total	44	21	15	6	13	100

Source: Field Study

5.3.6 Occupation of Spouse

The education level of the worker and the occupation of the family members is also analysed to understand the socio economic status of the family. In 59% of the cases, the spouse is not working or housewife (67%) where education level of the worker is upto SSLC. In 18% of the cases, spouse is employed in private sector and 10% cases, in a PSU or government sector. Unemployment among spouse is highest among workmen whose qualification is upto SSLC.

Table 5.29
Education Level of Worker and Occupation of Spouse

Education level of worker	Occupation of spouse (percentage)					
	No Job	Private	PSU	Student	Others	Total
Up to SSLC	67	18	10	0	5	100
Higher Secondary	58	19	18	0	5	100
Degree	38	23	38	0	0	100
Post graduation	50	25	25	0	0	100
Total	59	19	18	0	4	100

Source: Field Study

5.3.7 Occupation of son/Daughter

The following table shows the education level of the worker and occupation level of the first child. About 72% first child is a student, and it is almost same irrespective of the education level of the worker. 11% cases reported that first child has no job and 12% is employed in private sector. It can be seen that in the case of workers having educational qualification upto SSLC, 20% children are employed with Government sector or in private sector. This percentage is high in the case of workers having higher qualification such as post graduation.

Table 5.30
Education Level of Worker and Occupation of First Child

Education level of worker	Occupation level of first child					
	No Job	Private	PSU	Student	Others	Total
Upto SSLC	5	16	4	74	2	100
Higher Secondary	17	9	6	68	0	100
Degree	5	14	0	82	0	100
Post graduation	0	33	0	67	0	100
Total	11	12	4	72	1	100

Source: Field Study

The unemployed 11% are seeking suitable placement and worker is willing to support him for attaining the same.

As expected, higher percentage i.e., 87% of the second child is a student. Only 6% is working in a private or government sector as shown below:

Table 5.31
Education Level of Worker and Occupation Second Child

Education level of worker	Occupation level of second child (percentage)				
	No Job	Private	PSU	Student	Total
Up to SSLC	7	7	0	86	100
Higher Secondary	7	4	2	87	100
Degree	9	0	0	91	100
Total	7	5	1	87	100

Source: Field Study

The next generations of the workers are pursuing education and succeed in finding out suitable employment in the public and private sector.

5.3.8 Family Background and Average Earnings

In the following table the parent family back ground of workers are given. As stated in the above section, the occupation of the parents of the workers was collected. It shows that the occupation ranges from casual labour to government job. In some cases, it was reported that there was no specific jobs.

Occupation of Father

In order to analyse the family background of workers, occupation of the father was grouped into three categories such as marginalized, unorganized and organized sector. The reported type of occupation of the father of the workers is categories into the three groups as shown below:

Table 5.32
Grouping of Occupation of Father

Marginalized Sector	Unorganised Sector	Organised Sector
No. specific job	Petty Business	Ex-employee
Casual labourer	Politician	Retired Govt
Farmer	Contract job	Retired PSU
Fisherman	Self employed	Retired Private
		Private Sector Job

Source: Field Study

As shown above, the erstwhile family status of the workers can be analyzed with the help of occupation level of the father. As shown in the table, about 40% of the workers reported that they are from marginalized category as their father was a casual laborer or farmer or other petty worker or having no specified job. About 25% of the workers reported that their father was employed in unorganized sector such as private job or doing petty business. About 35% of the workers reported that their father worked in organized sector such as ex-employee of the factory or in Government or similar jobs. The company wise details show that about 40% of the workers reported that their father was in the marginalized category and 35% reported that their father was in the organized sector.

Table 5.33
Occupation of Father (percentage-company wise)

	Marginalised	Un organised sector	Organised sector	Total
HLL	37	20	43	100
Penpol	47	28	25	100
KMML	41	28	31	100
Total	40	25	35	100

Source: Field Study

Table 5.34
Percentage of Workers in Each Category (percentage)

	Marginalised	Un organised sector	Organised sector	Total
HLL	39	35	52	42
Penpol	21	20	13	18
KMML	40	45	35	40
	100	100	100	100

Source: Field Study

Of the marginalized segment of father, 39% of worker is from HLL, 21% in Penpol and 40% in KMML. Regarding organized sector highest percentage is found in HLL (52%), followed by KMML (35%). In both cases parents worked in organized sector as they were previous employees of the company.

A further disaggregated analysis among the three categories reveals that about 11% of the cases, the father had no job at all. It was higher in KMML (about 23%). About 14% of the cases, the father of the respondent was ex-employee of the organization. The respondent is employed as one of parents was the former employee of the organization. However, this practice is prevalent in the case of KMML and HLL where 17 to 18% of workers father employed in the same organization. However in the case of Penpol none of the workers reported such instance. Another major category is pensioners from government or private sector, which is about 24%. 20% reported that their father was engaged in small business, which include petty shops, contractors etc., 11% reported that their father employed as casual labour. Interestingly a small section of respondents reported politics as the area of occupation of their father. Of the total

about 2% of them are still working in private sector. Farming or full time agriculture as the occupation for about 18% of the cases. This is significantly high in the case of penpol where 31% of the respondents reported that agriculture or farming is the occupation of the father. In all, about 40% of the cases, occupation of the father was not in organized sector. About 38% reported that their father employed either in private sector or government sector or in the same company itself. Thus in sizable cases, the parent was having decent job and the socio-economic background of the workers can be considered as fairly good. It is also interesting to note that highest number of workers in Penpol company had reported that about 33%, father is a retired person and about 30%, agriculture is the is main occupation.

The average wage levels of the factory a worker is given in the table below: The average wage of workers is not different according to the occupation of father, i.e., the irrespective of the job of the father, at present the average earnings of the workers is almost same in the three companies. It is to mention that the average wage levels in each group is not significantly different as the workers irrespective of the family background or the occupation of their father.

Table 5.35

Company wise Average Salary According to Occupation of Father

	Marginalised	Un organised sector	Organised sector	Total
HLL	37691	38419	35199	36770
Penpol	29919	29256	33037	30554
KMML	59106	54464	59321	57863
Total	44606	43753	43307	43882

Source: Field Study

As shown in the table below, 40% of the workers' father belongs to marginalised class as they worked as farmer or petty casual labourer and 25% of the workers father belongs to un organised sector and the balance worked in organized sector. As is evident from the table, 65% of the workmen's fathers were from marginalized/unorganized sector. The second generation is comparatively well placed and is drawing fair wages.

Table 5.36

No. of Workers in each Occupation Category of Father

	No. of workers	Percent
Marginalized	80	40
Un organised sector	49	25
Organised sector	69	35
Total	200	100.0

Source: Field Study

Occupation of Mother

In majority of cases, mother is housewife. It is about 90% for the total workers taken together. In KMML it is as high as 99%, and in other companies it is about 85%. Only 5% of the workers reported that their mother was employed and presently retired. 1% of the workers reported that mother was employed in the same company. Limited no. of workers reported that other occupations, such as small business like pan shop, casual labour and farmer.

Table 5.37

Occupation of Mother (percentage)

Occupation	Company			
	HLL	Penpol	KMML	Total
Farmer	1.2	0.0	0.0	0.5
Business	0.0	2.8	0.0	0.5
Casual labour	4.8	0.0	0.0	2.0
Ex-employee	2.4	0.0	0.0	1.0
Housewife	85.7	86.1	98.7	90.9
Retired Government	6.0	11.1	1.3	5.1
Total	100.0	100.0	100.0	100.0

Source: Field Study

A comparison of the occupational background of the parents and the second generation shows that the workmen are better placed with 41% of the spouse employed in different fields, whereas 91% of the mothers of workmen were unemployed.

5.3.11 Additional income

In all 30% of the workers reported that they have additional source of income, which include income from property, interest, earning of spouse etc., The percentage is highest in HLL where about ½ of the workers (48%) reported that they have additional source of income. In KMML the percentage is lowest with 13% and that of Penpol it is 24%.

On an average Rs.40,000 per month is reported as additional income to the family. The source additional income reported is earnings of spouse and other member of the family. The lowest additional income reported is from Penpol.

Table 5.38
Company wise Average Additional Income

Company	Additional Income (Rs.)	% of workers reported
HLL	45,651	48
Penpol	25,737	24
KMML	40,835	13
Total	40,502	30

Source: Field Study

Additional earning members other than worker are also analysed. In 60% of the families, there is more than one earning member and only in 40% cases, the worker is only the earning member. Details of earning members company wise is given below:

Table 5.39
Earning Members

Company	Earning Members				Total
	1	2	3	4	
HLL	23%	44%	20%	13%	100%
Penpol	33%	31%	22%	14%	100%
KMML	64%	31%	5%	0%	100%
Total	41%	36%	15%	8%	100%

Source: Field Study

About 41% of the families, there is only 1 earning member and it is highest in KMML (64%) and lowest in HLL (23%) ie., in 77% cases in HLL there is more than one earning member in a family. In KMML, 31% of the families having two earning members and only in 5% has three earning members. Thus, in KMML there is significantly lower no. of earning members compared to other companies. The additional family income is also lower in KMML. However total family income in KMML is highest mainly due to the higher salary levels of the worker.

Table 5.40
Percentage of non-earning members

Non-earning members						
Company	1	2	3	4	5	Total
HLL	35%	25%	29%	12%	0%	100%
Penpol	31%	28%	31%	11%	0%	100%
KMML	4%	9%	35%	37%	16%	100%
Total	22%	19%	31%	22%	6%	100%

Source: Field Study

The percentage of non-earning members is the highest in KMML, where 16% of the families have 5 non-earning members, 31% of the families have three non-earning members. The non-earning members include spouse and children.

The following table shows the average number of earning and non-earning members. No. of earning members in HLL is the highest and lowest in KMML. As can be seen from the family size, KMML has highest number of non-earning members. The number of earning and non-earning members is significantly different in each company as the F values are high and statistically significant at 1% level.

Table 5.41

Company wise average number of earning and non-earning members

Company	No. of earning members	No. of non earning members
HLL	2.24	1.18
Penpol	2.17	1.22
KMML	1.41	2.55
Total	1.90	1.73
F	21.330	39.866
Sig	.000	.000

Source: Field Study

Dependency Ratio

Dependency ratio of the worker families was also attempted. Dependency ration is defined as the no. of dependents aged 0 to 14 and over age 65 to the total population aged 15 to 64. In the present case we have taken the dependency level on the workers.

Table 5.42

Dependency ratio

Total number	718
0 to 14 and above 65	102
Between 15 to 65	616
Dependency ratio	0.17
No. of workers	200
Dependency ratio	0.51

Source: Field Study

There are about 718 persons as the members of the family and dependent persons ie., those having age between 0 to 14 years and above 65 years, are 102. Thus the strict dependency ratio is about 16%. But if we consider only the workers, then the dependency ratio is 51%.

The Potential Support Ratio

The potential support ratio shows the number of earning members and the number of elderly persons aged 65 or above. It shows the burden placed on the working population (unemployed and children are not considered in the measure) by the non-working elderly population. Based on the details available, the potential support ratio is about 10%, which is comparatively low.

5.4 Economic Status:

Economic status of the workers is mainly analysed in term of asset holding namely no. of houses, area of house, type of ownership, area of land holding, ownership of vehicles, expenditure pattern etc.,

5.4.1. Ownership of Houses

As per the details collected from the workers, almost all workers are having houses and the average number of house is 1.12 i.e., most of the workers have more than one house. The average area of the house is about 1384 sq.ft. which is reasonably good for the middle level income category.

Table 5.43
Company wise Asset Holdings

Company	Average no. of house owned
HLL	1.19
Penpol	1.03
KMML	1.09
Total	1.12

Source: Field Study

5.4.2. Type of House

As per the survey about 12% of the workers reported that they have tiled houses and 80% have pucca RCC houses, which is comparatively high. In HLL the percentage of workers having houses with RCC roof is as high as 83% , 72% in Penpol and 88% in KMML. The tiled house reported is highest in HLL (10%) and lowest in KMML (5%). The overall level of tiled houses

is 12%. 8% of the total workers reported that they have other type of houses, which include other type of roofs such as sheets etc.

Table 5.44
Company wise House Ownership

Type of House	Company			
	HLL	Penpol	KMML	Total
Tiled	10	14	5	12
RCC	83	72	88	80
Others	7	14	6	8
Total	100	100	100	100

Source: Field Study

5.4.3 Ownership of Vehicles

The four wheeler ownership is about 0.54 showing that one in two workers own a car. Similarly penetration of two wheelers among the workers is prominent as most of the workers have more than one two wheelers. The two wheeler owned is 1.25. Average number is almost uniform in all the three companies.

Table 5.45
Company wise Vehicle Ownership

Company	Average No.of cars owned	Average no. of two wheelers owned
HLL	0.50	1.27
Penpol	0.32	1.16
KMML	0.68	1.26
Total	0.54	1.25

Source: Field Study

5.4.6 Asset Holding

The following table shows the average company wise assets holding reported by the workers.

Table 5.46
Company wise Asset Holding

Company	Area of land owned (cents)	No. cars owned	No. of two wheelers owned	Average area of house (Sqft)
HLL	14.40	0.50	1.27	1,272
Penpol	18.08	0.32	1.16	1,261
KMML	23.06	0.68	1.26	1,550
Total	18.66	0.54	1.25	1,384
F	1.564	6.597	.599	4.923
Sig	.212	.002	.551	.008

Source: Field Study

In the table the average asset holding in terms of vehicle, land area, and area of house are compared. Regarding land ownership, the average size of holding is about 18 cents with highest reported for workers from KMML with an average of 23 cents and least in HLL i.e., 14 cents. Though there is difference among the workers regarding land ownership it is not significant among companies. We may conclude that the average land ownership is about same among the companies. Regarding number of cars, the average no being 0.54, and lowest in Penpol i.e., 0.32. Regarding ownership of two wheelers also there is no significant difference among the companies as the number of two wheelers owned by the workers in all the companies is about the same.

The average area of the house is reported as 1384 sqft, which shows that the workers are having comparatively good houses. The highest being in KMML is about 1550 sqft. In HLL is about 1272 sqft and in Penpol it is 1261 sqft. There is significant difference among the size of houses (F-4.9*) and No. of cars owned (F-6.597*).

Correlation Analysis with Wage Level

Correlation of various variables with salary level was attempted. Gross salary is significantly positively correlated with area of house and land area. However, debt level though having positive correlation with monthly salary, it is not significant. Interestingly, no. of houses having weak negative correlation with monthly salary. Though such results are uncommon, this may be due to under reporting of assets including number of houses by the higher salaried workers.

Table 5.47
Correlation Analysis With Respect to Gross Wage

	Gross Wage	Net Wage	No.of houses owned	Average area of land	Average land area
Gross Wage	1.00				
Net Wage	0.724**				
No.of house owned	-0.031	-0.039			
Average area of land	0.313**	0.299**	0.018		
Average land area	0.122	0.172*	0.009	0.201**	
Debt	0.118	0.087	0.030	0.259**	0.165*
** Correlation is significant at the 0.01 level					
* Correlation is significant at the 0.05 level					

Source: Field Study

5.4.5. Monthly expenditure:

Expenditure pattern of workers was collected for understanding the spending pattern in terms of food, fuel and lighting, entertainment and information, socialisation, debt servicing etc., In addition to this, saving pattern of the households was also collected.

The following table depicts the expenditure pattern of the selected workers. As per the details furnished by the households, there is significant variation among the workers in different companies in expenditure. The average monthly expenditure is about Rs.37, 827 and is highest in KMML with Rs.46, 495. The average expenditure of HLL workers is the lowest. Only in terms of debt servicing and socialization there is a significant difference among the workers in the different companies.

Table 5.48
Company wise Average Monthly Family Expenditure (Rs.)

Expenditure category	HLL	Penpol	KMML	Total	F	Sig.
Food	8,085	7,237	6,982	7,495	2.38	10.0%
Fuel and lighting	3,084	2,640	3,260	3,070	2.35	10.0%
Communication	1,352	827	958	1,092	3.25	4.0%
Information	517	457	499	500	2.35	8.0%
Health	2,066	1,810	2,082	2,015	0.10	91.0%
Clothing	1,122	1,560	1,223	1,244	1.89	15.0%
Debt servicing	7,307	5,679	13,180	9,484	17.02	0.0%
Education	5,103	11,910	14,722	9,705	2.87	6.0%
Entertainment	1,909	2,767	3,292	2,639	1.18	31.0%
Socialization	863	580	298	583	9.15	0.0%
Total	31,409	35,468	46,495	37,827		

Source: Field Study

Debt servicing is the most important item of expenditure reported by the workers. On an average about 1/4th of the monthly expenditure is towards debt servicing, represented by Rs.9,500 per month. On an average it is about Rs.9,500 per month. Of the companies, only in Penpol, the debt servicing is reported at 16%, where as in HLL and KMML it is above 20%. The highest being KMML where about 28% (Rs.13,180/-) is towards debt servicing. There is a positive correlation between the gross salary and the amount spent for debt serving as it is highest in KMML. Next highest expenses reported is education, where it is again about 1/4th of the expenditure. On an average expenditure for food is reported as about 20% of the total expenditure or Rs.7,495 per month. The details are given below:

Table 5.49**Average Monthly Expenditure vs. Total Expenditure (percentage)**

Items	HLL	Penpol	KMML	Total
Food	25.7	20.4	15.0	19.8
Fuel and lighting	9.8	7.4	7.0	8.1
Communication	4.3	2.3	2.1	2.9
Information	1.6	1.3	1.1	1.3
Health	6.6	5.1	4.5	5.3
Clothing	3.6	4.4	2.6	3.3
Debt servicing	23.3	16.0	28.3	25.1
Education	16.2	33.6	31.7	25.7
Entertainment	6.1	7.8	7.1	7.0
Socialization	2.7	1.6	0.6	1.5
Total	100.0	100.0	100.0	100.0

Source: Field Study

The average monthly expenditure for debt serving and education are the highest.

Correlation analysis with gross wage is attempted in the following section. Gross wage is highly correlated with debt servicing and expenditure towards fuel and lighting. Expenditure towards food, communication and entertainment, education etc., is also positively related to gross wage, but the relation is not significant. Interestingly, gross wage is negatively related to socialization.

Table 5.50**Correlation Analysis with respect to Gross Wage and Expenditure**

	<i>Gross wage</i>	<i>Food</i>	<i>Fuel and lighting</i>	<i>Comm-unication</i>	<i>Entertainment & information</i>	<i>Health</i>	<i>Clothing</i>	<i>Debt servicing</i>	<i>Education</i>	<i>Socialization</i>
Gross wage	1.00									
Food	0.13	1.00								
Fuel and lighting	0.25	0.07	1.00							
Communication	0.19	0.15	0.36	1.00						
Entertainment & information	0.13	0.00	0.30	(0.02)	1.00					
Health	0.00	0.14	0.04	0.22	0.00	1.00				
Clothing	0.04	0.13	0.08	0.06	0.22	0.07	1.00			
Debt servicing	0.24	0.07	0.03	0.03	0.00	(0.02)	(0.01)	1.00		
Education	0.14	(0.07)	(0.06)	0.00	(0.03)	(0.02)	0.08	(0.01)	1.00	
Socialization	(0.04)	0.16	0.13	0.06	0.16	0.17	0.24	0.07	(0.02)	1.00

Source: Field Study

5.4.6. Savings:

The main source of saving is chitty and bank deposits. The average savings reported is about Rs.2,50,000 for all the workers taken together. The savings of workers of penpol is lowest (Rs.1,60,000) and the highest is in HLL (Rs.2,80,000/-). The savings levels of workers among companies is not significantly different. Considering the level of income of expenditure, there is considerable level of under reporting of saving during the survey.

Table 5.51
Percentage of Workers Reported Savings

Company	Percent of workers reported
HLL	19
Penpol	16
KMML	18
Total	18

Source: Field Study

The average monthly chitty remittance reported is Rs.9600/- it is highest in HLL (Rs.17.722). The same in Penpol and KMML is below Rs.6,000/-. The difference among workers of different companies is not statistically significant.

Table 5.52
Correlation co-efficient with Savings

	Correlation co-efficient
Savings	1.00
Additional income	0.24
Gross wages	0.26
Overtime allowances	0.38
House Area	0.11
Land Area	-0.20
Debt	-0.06

Source: Field Study

Correlation analysis of savings and other parameters was attempted. The amount of saving reported is positively related to the amount of over time allowances, additional income and gross wages. However as expected it is negatively correlated with debt and lands area though the relation is weak. Thus those having saving in most probable cases possess additional income or overtime allowances or have higher gross wages.

Table 5.53
Company wise Average Savings

Type of savings	HLL	Penpol	KMML	Total	F	Sig.
Chitty	17,722	5,218	5,893	9,626	2.21	11%
Savings	2,81,177	1,60,000	2,50,038	2,55,015	0.37	69%

Source: Field Study

Expenditure towards chitty and savings are also positively related to gross salary but the relation is not significant as shown below:

Table 5.54
Correlation between Gross Wage and Savings

	<i>Chitty</i>	<i>Savings</i>	<i>Gross salary</i>
Chitty	1		
Savings	0.1228	1	
Gross salary	0.1377	0.2523	1

Source: Field Study

5.5. Details on Indebtedness

Details of Indebtedness of workers and the purpose of borrowing were also collected for in-depth analysis. The ranking of purpose of borrowing was also attempted based on the opinion of the important reasons for borrowing. In addition to the borrowing and reasons for borrowing, the opinion of workers on debt management and avoidance of debt trap and the role of management, trade unions and family was also collected for detailed analysis.

5.5.1 Debt Level of Workers

The average outstanding debt reported by the worker is about Rs. 9 lakh. The debt level is also almost uniform with lowest reported in Penpol (Rs.8.08 lakhs) and Rs.8.39 lakhs in HLL. The average debt of worker in KMML is about Rs.10 lakhs, which is about 2 lakhs more than other companies.. As per the details furnished by the workers, the debt level is not significantly different among the companies and on an average the workers irrespective of the company holds about Rs.9 lakh as debt.

Table5.55
Workers having Debt (percentage)

Company	Workers having debt
Penpol	83.33
HLL	88.10
KMML	98.72
Total	91.41

Source: Field Study

Almost all the workers are resorted to different types of borrowing for various purposes. The following table shows the average debt level of workers in different income groups. In the first group i.e., those having monthly wage up to Rs. 25,000, the average debt is about Rs.5 lakhs. The average debt is about Rs.8.26 lakhs for those having monthly wage between Rs.25,000 to Rs.50,000. The debt level of workers having monthly wage above Rs.50,000 is about Rs.14 lakhs. The debt level of workers having monthly income above Rs. 1 lakh is about Rs.13 lakh. Thus in general the borrowing level is directly proportional to the monthly income level.

Table 5.56
Debt Level of Workers according to Wage Group

Wage group	Average Debt (Rs.)
Up to 25000	510,286
25,001 to 50,000	826,006
50,001 to 100000	1,420,000
>100000	1,325,000
All	903,053

Source: Field Study

5.5.2. Company wise Debt Position

Company wise average debt position is given below. The average debt level of those having monthly wage up to Rs.25,000 is highest in Penpol company (Rs.6.32 lakhs) and the lowest is in HLL (Rs.4.09 lakhs). However, the debt level of workers having monthly wage between 25,001 and 50,000 is about Rs.9 lakh for HLL and Penpol, where as it is only Rs.6.32 lakhs in KMML.

It is to be noted that generally the wage levels in KMML is high. However, the low income families (ie., monthly income below Rs.50000) in KMML, the average debt is relatively low compared to workers in other companies. But the high value debts are seen prominent among the workers in KMML as the debt level is about 15 lakhs and 13 lakhs for having income between 50,001 and one lakh and above one lakh category respectively.

Table 5.57

Company wise Average Debt Level according to Wage Class (Rs.)

Wage	HLL	Penpol	KMML	Total
Up to 25000	409,867	632,500	550,000	510,286
25,001 to 50,000	946,409	918,947	632,024	826,006
50,001 to 100000	966,667		1,513,793	1,420,000
>100000			1,325,000	1,325,000
All	839,293	808,065	1,003,882	903,053

Source: Field Study

5.5.3 Purpose of Borrowing

In the survey the reason for the debt was also sought from the workers. There were different reasons cited for borrowing. 10 reasons were cited by the workers such as for meeting debt of ancestor's, for marriage of daughter or other members in the family, for construction of house, for purchase of vehicles, for educational purpose of children, easy availability of loans, for luxurious consumption, for medical reasons and for purchase of property. The workers were asked to rank these options and points given for various ranks. Thus if a worker has assigned rank 1 for a purpose, then 10 points will be assigned to the said purpose and the points for other ranks are as shown below

Table 5.58
Rank and Weightage Assigned

Rank	Weightage
1	10
2	8
3	6
4	4
5	2
6	0

Source: Field Study

Ranking given by the workers for various purpose of borrowing is shown in the table below: 62% of the workers reported that house construction is the primary reason for borrowing. 15% gave second rank for house construction. Thus, by taking first and second rank together, it is estimated that highest preference for borrowing (77%) is given for construction of houses. Similarly, purchase of vehicle is rated at second (34%) considering first and second rank. About 14% of the workers stated that easy availability of loans is the second most important reason for borrowing. Purchase of property was stated as the prime reason by 11% of the workers. Other reasons cited are not much relevant for borrowing.

Table 5.59
Ranking of Purpose of Borrowing (percentage)

Rank	Pay off ancestral debt	Construction of House	Purchase of Vehicle	Education of children	Easy availability of loans	Luxury purpose	Health needs	Family needs	Purchase of Property
1	1	62	8	7	7	0	2	2	11
2	0	15	26	6	14	1	1	3	3
3	1	3	10	6	7	1	0	2	5
4	1	1	1	1	1	1	3	0	1
5	0	0	2	0	1	0	1	1	0
Total	2	80	47	20	29	2	8	8	20

Source: Field Study

Based on the above points, the various options were ranked and tabulated. As per the details furnished by the workers, majority of the workers reported that that construction of house as the

major purpose of borrowing, followed by purchase of vehicles. Education and purchase of property are the other reasons stated for obtaining debt. However, it is interesting to note that luxurious consumption is ranked as the lowest as the workers generally did not resort to borrowing for luxurious consumption.

Table 5.60
Ranking Based on ndex

Purpose of borrowing	Total index
Construction of house	1322
Purchase of vehicle	640
Easy availability	392
Education of children	278
Purchase of property	270
Marriage of children	216
Family needs	100
Health	95
To pay of debt	30
Luxury	10

Source: Field Study

Based on the weightage given for each purpose of borrowing reported, total index for each purpose is prepared. As per the ranking, construction of house tops the list followed by purchase of vehicle.

In the beginning of the report, the hypothesis of the study was presented. It was proposed that the indebtedness among the working class is primarily due to the aspirations to lift itself up to the middle class in the social status. As can be seen from the above analysis that the reason for indebtedness was mainly to achieve the standards sets for the middle class such as house, vehicles, and professional education for the children etc., Though the workers in KMML have much higher level of wages compared to workers in the other companies, the debt level is generally high in tandem with the higher salary levels. They also posses comparatively better asset position in terms of number of houses, size of houses, and ownership of four wheelers. Thus for achieving the higher living standards in comparable to their peers or officers, workers

resort to borrowing. Thus based on the analysis and the inference thereon, the null hypothesis is accepted.

5.5.4 Ownership of Mobile Phones:

Use of mobile phones and type of phone used also shows the standard of living in addition to use of other appliances. Of the total workers interviewed, only about 4% did not own a mobile phone. In KMML, this is only 1%. The type of phone used by the workers was also collected. About 41% of the workers reported that they use ordinary mobile phones and about 55% reported that they use smart phones. The use of smart phones is highest in KMML as 79% of the workers used smart phone. The following table shows the details.

Table 5.61

Company wise Mobile Phone Ownership (percentage of workers)

Workers	No mobile phone	Ordinary	Smart phone	Total
HLL	6	56	38	100
Penpol	3	58	39	100
KMML	1	19	79	100
Total	4	41	55	100

Source: Field Study

Use of mobile phones by spouses is given below. About 12% did not responds to the question, where as 35% own a smart phone. In this case also use of smart phones is high in KMML.

Table 5.62

Percentage of Spouse holding Mobile Phone (percentage)

Spouse	No response	Ordinary	Smart phone	Total
HLL	14	57	29	100
Penpol	8	67	25	100
KMML	10	42	46	100
Total	12	53	35	100

Source: Field Study

The ownership of mobile phones by the 3rd member in the family is given below: The third member may be either a child or other member in the family. About 32% of them uses smart phone and about 16% uses ordinary phones.

Table 5.63

Mobile Phone Ownership of 3rd Member of Family

3rd member in the family	No mobile phone	Ordinary	Smart phone	Total
.HLL	52	20	27	100
Penpol	47	25	28	100
KMML	53	8	40	100
Total	52	16	32	100

Source: Field Study

In the case of 4th member only 21% own mobile phones and in this case also share of smart phones are high. About 15% uses smart phones. The share is high in KMML.

Table 5.64

Mobile phone ownership of 4th member of family

4th Member in the family	No response	Ordinary	Smart phone	Total
HLL	86	8	6	100
Penpol	78	11	11	100
KMML	72	3	26	100
Total	79	7	15	100

Source: Field Study

In the case of the 5th member in the family, use of mobile phones is very limited i.e., only 2% uses the phones and most of them uses smart phone. The reason for low use is that the member may be a child or an elderly person.

Table 5.65

Mobile phone Ownership of 5th Member of Family (percentage)

5th Member in the family	No mobile phone	Ordinary	Smart phone	Total
HLL	100	0	0	100
Penpol	100	0	0	100
KMML	96	1	3	100
Total	98	1	1	100

Source: Field Study

The following table shows the company wise number of mobile phones per family.

Table 5.66

No. of Mobile phone per Family

Company	No. of mobile phone
HLL	2.37
Penpol	2.64
KMML	2.56
Total	2.49

Source: Field Study

As shown above, on an average each family owns 2.49 mobile phones and it is the highest in Penpol and the lowest in HLL. In the table below the average number of smart phone and ordinary phones owned based on company is given.

Table 5.67

Type of Mobile phones Owned

Company	No. of smart phone	No. of ordinary phones
HLL	0.94	1.43
Penpol	1.03	1.61
KMML	1.92	0.64
Total	1.34	1.15

Source: Field Study

The segregation of ownership of phones into smart phones and other phones are given in the above table. As shown in the table out of the total mobile phones owned by each family on average smart phones are about 1.34 nos. and ordinary phones are 1.15. Thus smart phones are more popular among the members of the family. It is also interesting to note that the average smart phones is lowest in HLL and Highest in KMML which is about 2. Similarly the number of ordinary phones is also lowest in KMML and highest in Penpol.

The above result is consistent with the average salary levels as the KMML is having highest average salary per worker and the accordingly smart phone ownership is also high, showing a positive correlation with type of phone ownership and income.

Table 5.68
Percentage of Family Members Owns a Mobile phone

Company	Total No. of phone	Average family size	Family member (%)
HLL	2.37	3.42	69
Penpol	2.64	3.39	78
KMML	2.56	3.96	65
Total	2.49	3.63	69

Source: Field Study

On an average 69% of the family members owns a mobile phone. It is highest in the case of Penpol where about 78% of the family members own a phone. In KMML and HLL it is lower than 70%.

Table 5.69
Type of Mobile phone Owned by Family Members

Company	Smart phone		Ordinary phone	
	No. of phone	Family member owns phone (%)	No. of phone	Family members owns phone (%)
HLL	0.94	28	1.43	42
Penpol	1.03	30	1.61	48
KMML	1.92	49	0.64	16
Total	1.34	37	1.15	32

Source: Field Study

Regarding the ownership of type of phones, 48.5% of the family members in KMML own a smart phone whereas the average for all companies is 37%. It is lowest in HLL with only 27.5%. The highest share of ordinary phones is in Penpol with 48% followed by HLL and KMML. In KMML, only 16% of the family members own ordinary phones. Thus regarding the ownership of phones, position of KMML is higher compared to other two companies.

CHAPTER 6

RESULTS AND DISCUSSION

6.1 Introduction

In the backdrop of the specific objectives of the study and the research questions raised a detailed examination of the dimension, magnitude and implication of the indebtedness among the industrial workers was made focusing KMML and HLL, the two public sector companies and Penpol Limited a private sector company. In this process we have collected primary data from 200 workmen by conducting interview using pre-tested interview schedule. The data collected from the respondents were cross checked with personal observations at their work place and with family members. Concurrently the role of Trade Unions and Human Resource Management divisions of the companies in ensuring labour welfare was also examined by assessing their current operations. The views and perceptions of Trade Union leaders as well as HR managers were also collected for enhancing the welfare of workers and their family. The indebtedness among selected industrial workers and the causative factors are discussed in detail in this chapter. The discussion proceeds primarily giving focus on the following aspects.

1. Wage structure of the workers
2. Expenditure pattern
3. Socio-economic status of the family
4. Dimension, causes and nature of debt
5. Role of Human Resource Management division and Trade Union

6.2 Wage Structure of the Workers

Wage is the main source of income to the industrial workers of all the three identified companies. In addition to wages, the workmen are entitled to bonus and overtime allowances also. However, the standard of living is determined by the gross wages in general and net wages in particular. The study reveals that the average wage for the entire sample worker is Rs.43,880 per month and take home wage is Rs.20,456 per month. A company wise analysis shows that gross (Rs.57,863) and net (Rs.30,838) are highest in KMML. This is followed by HLL where gross wage is Rs.36,770 and net wage is Rs.12,684. The workers in Penpol received gross wage

of Rs.30,554 and take home wage of Rs.16,286. Considering the overtime allowances also, it is found that increasingly all industrial workers fall in the income tax bracket. Though the workers liable to pay income tax their net wage is not at all attractive. In general the take home wage is less than 50% of the gross wage. The discussion on income status will be incomplete unless the influence of the other sources of income, like over time allowance is also considered. Though over time allowances is prominent in KMML, the average figure shows that per head the worker is entitled to receive Rs,16450/-. Taking this into consideration the average income from company per month is estimated as Rs.60330. Thus the annual income excluding bonus is worked out at as Rs.723960/- Given this annual income invariably all workers will fall in the income tax net. Most of them are liable to pay tax either in the first or second income tax slab.

6.3 Expenditure Portfolio

The purchasing power of any individual in a market economy is largely determined by the income and his expenditure on luxuries is influenced by the level of disposable income. The above discussion shows the financial soundness of workmen and their families. However the take home wage is less than 50% of the gross wage. Now let us discuss the income and expenditure portfolios of workmen and its impacts.

The average monthly expenditure of workmen is estimated as Rs.37,827 where as the average take home wage is Rs.20,456. Company wise expenditure details are shown in the table. The average monthly expenditure is highest in KMML (Rs.46,495) followed by Penpol (Rs.35,468) and HLL (Rs.31,409). The analysis of monthly expenditure shows that the expenditure on education top the list (25.8%), It is seen that there is cent percent school enrolment of children. On completion of school education all are pursuing higher educations. 27% of the first child is undergoing professional education followed by Degree courses (18%) and post graduation (8%). The same pattern is seen in the case of the second child also. Parents are so particular in giving quality education and professional education like engineering and medical courses irrespective of the workers job and educational status. Children are send to autonomous and self financing colleges for higher /professional education. This has resulted in the escalation of spending on education. Invariably workmen are particular in sending children for higher education particularly for professional education.

The Second major item of expenditure is on debt servicing. It is found that indebtedness is a common phenomenon. 91% of workers resorted to one or other type of borrowing. They borrow money from the company, societies and banks and other financial institutions. The capital repayment along with interest together creates a huge burden to the workers. 1/4th of the total expenditure on an average is earmarked for debt servicing. The third position is occupied by food. As everybody knows the food habit of average keralites has undergone drastic change. A market driven food habit has resulted in escalating expenditure on food items. Devoid of indigenous products a higher dependency on all food items from outside state is seen. Invariably all houses are electrified, every house posse's two wheeler/four wheeler or both. More than two mobile phones are found in each house which includes smart phones also. The average monthly expenditure of workmen at Penpol and HLL is more than double their take home wage. In KMML also the expenditure is more than the net wage. The gap between monthly income and expenditure further strengthen the phenomenon of indebtedness.

6.4 Socio-economic Status of Family

The investigation into the socio-economic status of the family of workmen was made by collecting occupation background of the workmen's parents. The occupation level of father shows that 75% of them work in an organised sector and 85% of the mothers were housewives. Majority of the families have single earning members. However for the second generation 41% of the families are having single earning member (workmen) and 36% are having double earning members. 59% of families have additional source of income. Thus the economic status of workmen improved considerably compared to their parents. Regarding education level of children of workmen, it is seen that they are fortunate enough to get higher education including professional education compared to their parents. Invariably it is found that the children of workmen will not come back as industrial workers. They will be either working as professionals or other types of white color jobs in future. Thus, an upward movement in occupational status is observed over generation.

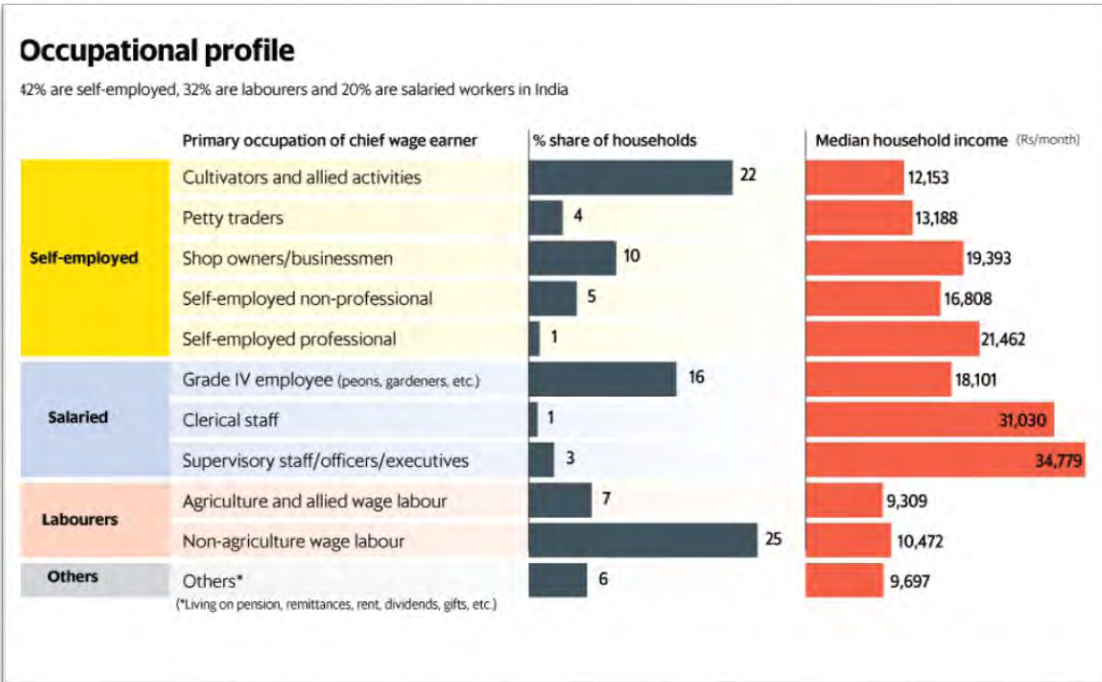
Regarding assets, on an average they have 1.12 houses, 0.54 four wheelers and 1.25 two wheelers and 18.66 cents of land. In general they live in spacious houses with an average area of 1384 sq.ft. The analysis leads to the inference that there is a tendency to adopt the life style of middle and upper middle class leading to a vertical social mobility. This is explicit from the

expenditure pattern and pattern of ownership of house, landed property, ownership of vehicles, education of children, use of technology like internet, mobile phone, particularly smart phones. The children are accustomed to all modern facilities and they move with middle and upper middle class.

6.5 Indebtedness

The indebtedness among selected industrial workers and the causative factors are discussed here. As mentioned in the earlier chapter, the average wage levels in all the three companies are generally at high levels, with highest wage is recorded in KMML where in some cases reported wage is close to Rs.1.5 lakhs per month. The average wage is about Rs.43,900 which shows that they fall in the second slab of income tax category. The analysis of wage structure shows that gross wage also includes the over time allowances, which is considerable in the case of KMML and much lower in Penpol and HLL.

The 'Household Survey conducted by India's Citizen Environment & Consumer Economy' (ICE 360° survey) shows that the self-employed category is a very diverse category, including highly paid professionals as well as poor petty traders. The average salary of Indian differs very much and the salaried persons constitute about 55%. Out of the salaried persons, the class IV earns about Rs.18,000 per month where as the average monthly earnings of clerical staff is about Rs.31,000/- and that of supervisors is about Rs.34,779.



In comparison to the figures of the All India Survey, the salary level of worker is comparatively higher. Hence we can conclude that the wage levels of the workers in the selected industrial units are high in comparison with other similar professions. It is higher than that of supervisors.

6.5.1 Indebtedness - Dimension, Nature and Causes

The indebtedness among the workers is very high as revealed from the study. The average debt of the workers is about Rs.9 lakh. As per the National survey the average indebtedness is about Rs.1 lakh and Rs.3.78 lakh respectively for rural and urban areas. In comparison with this, the debt level is three times higher in the case of the selected workers.

As per the details provided by the workers, the major source of loan is from organized or institutional sector consists of banks and other financial institutions. The short term and medium term loans are funded by co-operative societies. The influence of money lenders are not reported in the survey, though in some cases it is reported.

The purpose of borrowing was also captured from the survey. As revealed from the survey, major reason for borrowing is for construction of house (62%). A cross section of the Malayali society is observed in the context. The basic psychology is to possess a house and lead a nuclear family. Besides, Keralites consider house as an asset and status symbol. The status symbol is

reflected in the architectural style plinth area and facilities arranged. More than 80% of the houses are RCC and plinth area is more than 1300 sq. ft. We have found very spacious double storied houses with more than 2000 sq. ft. for the worker with all modern amenities. They do not entertain us when we tried to take a snap of the houses. Invariably houses are having car porch, drawing, and dining rooms in addition to common facilities. Some are having more than one house (Average no, of houses is 1.12). While making generalization, we should also bear in mind there are cases where a small percentage possess small houses and rented houses. They still try to keep both ends meet and cherish their desired dream for an own home.

Hence the nature of borrowing is mainly long term. The liberal nature of funding for housing schemes by banks has resulted in such high level of borrowing. It is also reported from the survey that easy availability of funds from the banks is another reason for such high level of borrowing. Another major reason is the income tax concessions given for housing loans, which prompt workers to avail housing loans for reducing the income tax burden. As pointed out above, most of the workers are in the income tax net and there is every reason to avail housing loans for such purposes.

Closely associated with this is the ownership of vehicle which has become a hall mark of social status. The use of bicycle is limited and confined to children below 18 years. On attaining 'eligibility' children demand two wheelers. Most of the houses are having more than one two wheelers and there is one car for every two houses.

Education of the children is the next important component. There is universal school education among the children of the workmen. On completion of school education invariably everybody join for higher education. The workmen by and large are particular in giving higher education that too of good quality. The percentage of children seeking professional education like engineering, medicine etc. is rapidly increasing. They seek education in autonomous/self financing institutions where the cost of education is visibly high compared to government institution. Workmen resort to educational loan from banks and borrow from elsewhere also to support children's education.

Easy Availability of Loan

A favorable ground for continuous borrowing for multiple purposes is created by an environment of easy availability of loan. Workmen can borrow from multiple sources like company, societies, financial institutions and money lenders. All are happy to lend as the workers have a steady and regular source of income. While borrowing from company or societies carries relatively low interest rate everybody is indebted to their organization. Besides, attracted by diverse lending packages workmen resort to borrowing from financial institutions. It is a fact that they borrow at periodical intervals and practically everybody is in a debt trap which they feel quite natural for workmen. Most of them borrow money from societies/company on every six months.

Case Study I

Mrs. Jayalekha working in Penpol company belongs to OBC category. She joined in Terumol Penpol on 2nd march 1989 as permanent employee in electrical section as a charge men. She has passed ITI electrical. She is a divorcee, living with two grownup sons. Both of them are students and unmarried. The eldest son, 25 years old, has joined Bible class after completing plus two. The youngest son aged 22 years is a BSc college student.

Her parents are no more. Father retired as Govt UP school teacher and mother was a housewife. Jayalekha lives with her two sons in her own house, at kattakada in Thiruvananthapuram district. She constructed house 9 years back which has 100 sq. Ft. Surrounded by 15 cents of land. The land was inherited from the father. She had availed a housing loan from SBI and now the outstanding loan is Rs.10 lakhs.

Now she works as charge man (electrical) in inspection section. She draws a gross wage of Rs.38000 per month. After all deductions she gets Rs.6000 as net wages per month. The present total debt position is around 17.5 cents lakhs rupees. In addition to the house loan she borrowed Rs 6 lakhs for other purpose and Rs. 62,000 for purchasing a two wheeler. Now she has to repay around rupees Rs.40000 per month in which 12,570 is interest component. The family has no other source of income. The assets of her family include the building, 15 cents of land and the two wheeler. The house has only two wheeler access. She is suffering from rheumatic complaints and has been undergoing Ayurveda treatment.

Consumerism

Generally Kerala is considered as a consumer society. Possession and use of durable consumer goods with latest technology is regarded as an index of social status. Average people spend beyond their capacity on construction, vehicles, education, marriage of children, festivals, social relations, electronic gadgets and equipments including mobile phones. The empirical evidence drawn on the above during the field survey stand a testimony to ever increasing trend of consumerism among individual workmen. The unlimited borrowing through it s within the accepted limit, has created a 'borrowing culture' among workers and they regard debt trap a normal phenomenon. There are cases where workmen borrow for the purpose of repayment of interest and debt. This is more among those who are destined to shoulder the burden of ancestral debt. The case study illustrates this phenomenon.

Case Study II

The chronicle of Mr. Anandan, who is about to retire from his three decades of stint with KMML, Chavara, is a true manifestation of rare case of indebtedness with reasonable reasons. Hailing from a lower middle-class family erratic agricultural labourer, this often used to find hard to meet both ends together. Hence, he had to land in any stable job desperately from very young age itself. He joined the company as an ordinary worker in the year 1986. Prior to joining the company, he had worked for it almost three years under a contractor, when had been engaged in odd casual works to look after his family after high school education. Being the eldest son in the family of a casual agricultural worker and a home maker, with three younger sisters, higher education appeared to him a luxury. As a responsible son, he sacrificed his higher education to support his family extending all possible help to his parents.

The remunerative package of the company was not so attractive initially. But what made him stay on the job was its regularity and proximity to house. In the course of time, the company's wage settlement policy became more pro-labour, and, hence, he was fortunate enough to receive handsome compensation for his toiling in the company. He gratefully acknowledged that he was able to discharge all his responsibilities as a son, a sibling, and a father only due to his job at the KMML.

He maintains high regards about his company. Perhaps this perception may be outlandish in the ongoing discourse of uncongenial employer-employee relationships, which is attributed by

perceptible mutual antagonism. He is of the opinion that the company pays handsome remuneration and better over time allowances. But his requirements were boundless due to his family situation. He yoked the entire familial responsibilities singularly. He was able to marry off his three sisters, and even generously supported his nieces and nephews. The marriage of three sisters and its associated financial burden, coupled with the long-term treatment of ailing parents and the education of his own children really put him into predicament. He had to look after one of his sisters and her two children following her widowhood. Out of his benevolence, he never withdrew from his familial or sibling responsibilities, rather he tried to manoeuvre his family's arduous troubles and hardships.

Despite being the beneficiary of every possible debt linked to his monthly salary (from banks, provident fund and from co-operative society of the company), he used to borrow from money lenders on hefty interest to manage his varied expenditure commitments. This has hitched up his indebtedness. He had to dispose his property, some time before, and car, recently, to repay his debt. Yet he has outstanding debt of Rs. 10 lakhs, which he is planning to settle off from his retirement benefit. He recounts, "When I retire after 30 years of service, with handsome salary and with no squandering, I am going to my rented house with the company of my two unemployed sons and my wife, who is unemployed, almost empty handed. We will eagerly be looking for my pension to eke-out in the dispossessed old age. I am not sure about my providence to buy a new piece of land or construct a house. I leave these to my two sons, as it is their time"

Despite his gruelling financial condition at present, he is contented and composed, as he could make other happy. He was elated when he mentioned that his two nephews, who were brought up by him, are employed, though his sons are on the look for one. A journey that started as an ordinary worker, with a monthly salary of Rs. 875/-, now is retiring as Operator Grade C, drawing a monthly gross salary of Rs. 65000/-. He does not bear the pangs of indebtedness in his retired life, as he can clear it off with his retirement benefit. His monthly pension will be sufficient enough for him and his family to maintain a prudent and moderate standard of living. But what is looming in his face was about the future of his sons and his uncertain chance to own a house.

Workers generally put blame on the company for their personal financial problems, disregarding even the favourable wage settlements and payment package. Mr. Anandan is an exception. He

internalizes it, and blames none. The indebtedness of Anandan is not self-embraced irrationally. It has valid justification backed by humane relations. He expounds that his family background warranted huge amounts of money over a period of time for various needs. That made him drench in debt continuum. He is not taking the burden of debt, when he retires. But the spill over of his past settled debts may overhangs throughout his retired life.

It may be concluded that the trend of borrowing and indebtedness among workmen are rampant and widespread. The discussion on indebtedness will be incomplete unless we examine the perception of the workers and their families on the same.

However considering the present wage levels, the present nature of borrowing is not reached high levels. Though the loan repayment is about 20 to 25% of the expenditure, considering the wage levels and other advantages attached to housing loans, the trends will continue in the near future.

Table 6.1

Debt and Wage Levels of Workers (Rs.)

Wage group	Debt	Average Yearly wage	Debt no. of times the average wage
Upto 25000	5,10,286	250044	2.04
25,000 to 50,000	8,26,006	507360	1.63
50,000 to 100000	14,20,000	772464	1.84
>100000	13,25,000	1206000	1.10
All	9,03,053	525252	1.72

Source: Field Study

As shown in the table above, the average debt is about 1.72 times the average annual gross wage of the workers. Only the case of those having wage up to Rs. 25,000, debt is about two times the annual wage. Such level of debt is not unsustainable at any standards. Thus the incidence of

debt is high among this category. Their average service is also low and the tendency to borrow starts at a very early stage in the service. Once they enter into this, gradually they fall in a debt trap and extend up to the retirement.

6.5.2 The Views of Workers on Indebtedness

The workers did not raise any concern on the level of indebtedness mainly on the reason that the debt levels are sustainable levels. It can be seen that the main reason for obtaining debt is for construction of houses. The next important reason reported is purchase of vehicles, mainly two wheelers and four wheelers. Children's education is also reported as a major source of debt. As revealed from the survey, considerable numbers of children are studying for professional courses. The availability of easy credit is another reason prompted for availing large debt. Workers willingly justify the borrowings also

Source of Debt

The main sources of debt reported by the workers are organized sector such as banks and other financial institutions. Co-operative societies and other institutions are also important sources of small and medium term credit. The main source of housing loans are banks as the long term loans are availed from organized institutions.

Workers Knowledge on Family Management

The workers have better management of the cash as the present debt levels are not unsustainable. The expenditure pattern shows that about 1/4th of the expense are towards debt servicing. It is highest in KMML with 28% and lowest in Penpol with 16%. Other components of expenses are at comparable levels. Thus, even though the debt levels are high the family management and expenditure pattern are not causing any risk, according to the workers.

Generally workers in Penpol and HLL complaint about the delayed salary revisions as the management and unions are not initiating any steps for wage revision. However the case with KMML is different as the salary levels in KMML is generally high compared to other firms.

In the survey, it was attempted to examine whether the workers personal enjoyment is the reason for increased debt. However, the expenses for socialisation and for entertainment are much smaller compared to other expenses. The expenses towards socialization such as attending

marriages and other functions, gifts, other personal enjoyment such as partying are below 1.5% of the total expenses. It is high in HLL with 2.7% whereas it is lower in KMML as it is less than 1%. However such expenses are needy in the present social and economic set up of workers as the society views such families at the above average level and such expense become inevitable in the societal point of view. Thus, it cannot be conclusively established that the debt levels are not due to extravagance of the workers.

Whether Workers involve in Money Lending activity?

Though attempt was made to examine whether there is any money lending activity by the workers, not much evidences was received. Though couple of workers mentioned that they used to lend money, it was not a kind of professional and wide spread activity.

Gender Difference in Indebtedness

In our sample workers, about 17% are women. It is noticed that some of the female workers employed in the company is on account of retirement or death of their spouse who were the employee of the said company. The following table shows the average level of debt of male and female workers in different wage classes and the size of debt considering the wage levels.

Table 6.2
Gender Vs Incidence of Debt

Wage class (Rs.)	Average Debt (Rs.)			Debt times the wage	
	Male	Female	Total	Male	Female
Upto 25000	6,08,866	3,96,538	5,10,286	2.44	1.59
25,000 to 50,000	7,39,120	14,46,619	8,26,006	1.46	2.85
50,000 to 100000	14,57,332	1,50,000	14,20,000	1.89	0.19
>100000	13,25,000		13,25,000	1.10	-
All	9,01,274	9,12,774	9,03,053	1.72	1.74

Source: Field Study

The average debt of females is slightly more than the males counterparts. However in the case of burden of debt, it is only 1.59 for the first salary group for females, whereas it is 2.44 for males. Thus in the first group women are more conservative in availing debt. Further overall level of debt also shows that there is a gender difference in availing debt and females are more conservative in availing debt. It was also examined whether the dependency level of workers is the reason for higher debt level. However, the dependency ratio is comparatively lower in the case of workers as the average family size is nearly four. Only in few sample houses family members are more than 5 persons.

Other Causative Factors

There can be reasons for increase in debt due to many factors such as health, education for children and dependents. The family background of the worker may also cause certain level of indebtedness. During the survey, attempt was made to collect details of family back ground of works such as the occupation of father and mother of the worker. However it is noted that there is no significant difference among the wage levels with respect to the occupation of father. Thus it shows that most of the workers have similar level of debt.

6.6 Role of Human Resource Management Division

The industrial environment and labour relations have undergone substantial changes over the past three decades, particularly following the new economic regime. The exploitation of labour by industrial capitalist was controlled to a greater extent by the effective involvement and operations of trade unions. A quick scan on the history of trade union activity would reveal that trade unions played a decisive role in safeguarding the right of the workers through their militant activities. A conducive environment for the activities of trade union was also provided by the intervention of ILO and Labour rules, laws and legislations framed by the Government. Gradually trade union activities became indispensable and a decisive force in determining the industrial environment of the country. This is reflected in wage settlement, provision of other perks, better working conditions and welfare activities. However, situation has undergone significant changes following new economic regime, technological advancement, emergence of information and communication technology and liberalization. Changes in investment policies particularly foreign investment have given birth to business process out sourcing and change in industrial labour relations. Today we come across with good number of industrial establishment

where the role of trade union is practically nil and wherever the trade union are in operation, their activities are mainly confined to periodical wage settlement and ensuring other pecuniary benefits. The emergence of human resource management division to facilitate the smooth operation of industrial activity during this period needs special mention. Today invariably all industrial units ensure the existence of HRM division which is vested with the responsibility of implementing all rules and regulations and ensuring welfare of labour at large. However, a close examination of the functioning of HRM division revealed that in most cases, they are reduced to the level of another department which looks after the routine activities of the company.

Workmen in all the three companies selected a sample are entitled to get all benefits covered in the Labour laws and legislation. It may be remembered that these benefits are applicable only to permanent workers who are in the pay role. It is a common practice that all these companies are availing the service of youths as apprentice or on contract basis. The number of apprentice as well as the contract employees may work out as equal or even more than the number of permanent employees in certain grades. They are provided with neither social nor job security.

As part of the responsibilities of HR division, the officials discharge duties and responsibilities related to labour welfare measures, matters related to contribution for provident fund, ESI benefits, support to health care, education to children, organizing counseling programmes, training to employees, recreation facilities, subsidy for food etc. Interaction with officials revealed that by and large workmen do not approach them either individually or collectively for matters other than what is already stated. Personal attention on the issues of worker or their family members is not addressed timely or adequately. The managers are quite often busy with discharging their assigned responsibilities which reduce them to the level of routine office functionaries. It is also interesting to note that workmen neither expect the HR division to intervene in their personal matters that would otherwise improve general well being. It is high time to redefine the roles and responsibilities of HRM division placing workmen at the centre.

A summary of diverse activities currently undertaken by the HRM division of the sample companies are given:

Wage Settlement

The periodicity of wage settlement for workmen category is four years in KMML. The company requests the issue of guidelines from the state government for working out wage revision. The government advice will be based on the latest pay revision and changes in general standard and cost of living. The company usually exercises its discretion to scale up the wage and emoluments. Wage components include basic pay, DA, HRA, Employers contribution to PF, over time, if applicable, and incentives. Similarly in HLL also periodic wage revision is carried out through wage settlements based on the guidelines of central government and the profitability of the company. In the case of Penpol, the wages settlement are mainly carried out through the HR division with the strong involvement of the management.

Payment of Bonus

In KMML all the permanent workers are above the limit of bonus entitlements, an ex-gratia will be paid annually. The amount will be fixed after consultation with Minister of Industries and trade union representatives. The meeting will review the performance of the company in the preceding year. In Penpol, some employees are out of the limit of bonus entitlements and the bonus is determined based on the industry practices existing time to time. The role of management is predominant in such decisions.

Usual deductions from salary are PF, Voluntary PF, Co-operative society dues, LIC premia, other investments and loans reported to the company for direct deduction. IT dues are deducted Dec-Feb quarter after obtaining claims for eligible deductions.

ESI Benefit

It is interesting to note that in KMML, no permanent employee comes under ESI legislation, due to higher wage. The present wage limit of eligibility under the ESI scheme is Rs.21,000 per month. In all the three companies, most of the employees are out of the ESI scheme due to higher wages. In KMML, there has been an alternate scheme to compensate this as the company has a medical policy to cover health related issues. Unlimited treatment benefit is provided through reimbursement and health insurance, for employees. For dependents, limited coverage is provided. However, full coverage is extended to the dependents as well in the case of certain

diseases like cancer, or highly expensive treatments through special and discretionary provision. In other two companies also similar schemes are in vogue.

Food Subsidy

No monetary component in this regard. But the company is running a grocery shop through its co-operative society. Employees can purchase goods on subsidized rate on credit, which will be deducted from their salary. Canteen facility is available for employees on subsidized rate in all the three companies.

Welfare Activities

Workers' club organizes get together and tours, including family members. In KMML a welfare fund scheme is in vogue which provides up to Rs. 10000 as interest free loan, to every employee. One month salary is given as festival advance, which should be repaid in 12 instalments, which is interest free.

Decent work policy

Decent works norms are strictly adhered. For contract workers, the welfare department ensures that the contractor maintains all employment conditions and payment of wage and PF. The contract workers are outsourced, as per requirement to third party contractors in all the three companies.

Trainings

Looked after by Training and development department: three types of training are given.

- Training by in-house training team
- Hiring resource persons from outside for customised trainings
- Outbound training, where in employees are send outside training and management development Programmes.

Recruitment

Every vacancy is notified to employment exchange, as per the compulsory notification of employment legislation in KMML. Vacancy is notified in the newspaper as well. KMML has another potential repository. As per this repository potential workers are enlisted in the panel of

LAPA (Land Acquired People's Association). This is an association of those people, who gave their land to the company, during its land acquisition drive. It was committed at that time that people from such families will be given privileges to KMML employment subject to their eligibility. It is understood that around 916 individuals still remain in this list.

In Penpol, the recruitment is done by the management through advertisement and recruitment is initially for contract appointment. Contract appointment is regularized after 6 to 8 years generally.

Company's Efforts to Reduce Indebtedness

The company usually does not encourage its employees to borrow uncontrollably. The company will issue only two "Agreement for Recovery" form, as required by lending institutions, at a time. Further requests will be considered only after showing the proof of settlement of earlier loan. However pay slip/ salary certificate will be issued without any limit. In some cases, employees will seek the assistance of trade unions to get issued more Agreement for Recovery. Pay slips are used to facilitate outside borrowing

Redefine the Role of Management

During the survey attempt was made enquire about the role of management, unions, and family in containing the debt position. The opinion of the workers is different regarding the role of management. About 28% of the workers have the opinion that management role is limited. 18% of the workers mentioned that indebtedness is purely a personal matter and the company management has no role in personal issue of the workers. According to them, company is regular in giving salaries and management need not involve in the matters of the workers. Whereas about 72% of the workers mentioned that there is a role for the management in the indebtedness of workers. The management should be concerned about such matters of the workers as it will affect the productivity of the workers in case it reaches the alarming levels. 20% of the workers mentioned that the management should conduct periodic training programme for workers on financial literacy, personal financial management, saving habits etc. According to the workers the management roles cannot be limited to a level of an employer. About 16% mentioned that management should give interest free loans to the employees from its profit, at least for the housing purposes. 9% of the workers mentioned that periodic interaction among

the workers and family get together will improve the situation as they can share experience of others. The details are given in the following table (6.3)

Table 6.3
Role of management in Controlling Indebtedness

Role of Management	Response (%)
Conduct workshops for financial literacy, promote saving mentality	20
Interest free loan to workers	16
Facilitate workers interaction	9
Appoint psychologists to give suggestion to employees	7
Counseling at periodic intervals	6
Behavioral training	5
Don't know	2
No opinion	17
No role; it is personal matter of the workers	18
Total	100

Source: Field Study

6.7 Role of Trade Unions

Trade unions as militant and fraternal organization play a decisive role in the smooth operation of the industrial scenario of a country. The present status of workmen in factories in the State is largely the outcome of periodical struggle and militant operations undertaken by trade unions. The intervention of trade unions with the functioning of the company has even surpassed the limits that new investors do not consider Kerala as a investment friendly state. Traditionally, trade unions play a pivotal role in enhancing the welfare of the workmen by making timely intervention in deciding and settling wages and implementing welfare measures and ensuring job security. Today workmen are able to get reasonably good or fair wages, availing better working conditions. The major activities of present trade unions revolve around holding discussions with management for settlement of wages periodically and determining bonus. The local trade union leaders are willing to take a proactive role for the betterment of the welfare of employees, they are aware of indebtedness of the workmen. However, the outcome of the discussion with trade

union leaders is reflected in the demand for raising wages and perks of workers to address the issues related to indebtedness. Union leaders in all the three industrial concerns were contacted to understand about their opinion on various aspects of intervention of trade unions.

General Wage Structure

In comparison with other companies, the unions in KMML have succeeded in much better compensation packages to its employee members. The high salary in KMML is also due to the exposure to hazardous minerals and chemicals. Annual bonus is also very high. Other industrial workers have less wages. Further over time and compensation for over time is also much higher in KMML compared to other companies. It can be seen that in Penpol, the wage structure is much lower as it is a private venture and there is always possibility of losing jobs. The company also resorts to short term contracting and hence workers have to work for a larger period under temporary or contract basis. The Unions could not interfere in such exploitative practices. Wage revision is through periodic settlement. It is seen that in public sector companies like KMML and HLL, the wage revision is generally through bargaining power of unions with management and the same is ultimately approved by the Government. Unions manage to settle for better terms in most of the wage settlements. However in Private sector units, the role of management is stronger than their public counter parts. The periodic revisions are most often delayed or the efficiency improvement targets fixed at higher levels especially in private sector.

General Standard of Living of Employees

Thanks to the better bargaining power of unions the wage levels in the companies are fairly good and hence the standard of living of the workers are also better than average. Generally the workers maintain high standard of living. It is very easy to get loan from banks for KMML employees. Some private banks will credit loan amount within two hours of filling the application. Loan repayment is through salary. Many employees frequently change vehicles, purchase all possible electronic goods, construct big houses, extend and modify houses, generally socialize extensively, a creamy layer in the society. The situation is not different in the case of HLL and Penpol.

Saving Trends

In all the three companies, it is noted that workers are not much inclined to saving, as they have high paying secured job. It is seen that in KMML some of the workers even drain their PF. It was told that on 31st May 2017 around 56 employees retired from KMML. There were employees who got around Rs. 75 lakhs as retirement benefit and a few managed to get around Rs. 12000/., as the latter drain their PF and other employment related benefits due to reckless life. However such situation is not noticed in PenPol.

Irrational Absenteeism?

It is seen in KMML there are many cases of unauthorized absences. Due to high wage coupled with overtime allowance some employees are disrespectful to their job. They don't listen to any one (peers, trade union, or company welfare officers). A recent case is that an employee was absconding for a long time. The company officials, with the help of trade union members, had a hunt for him. With tip off from the locals, he was traced. He was engaged himself rag picking, without attending the job. On asking the reason for not reporting the duty, he revealed that he is afraid of his wife and children. As they want him to die early, as the dependent is entitled to receive job on die-in-harness. (In fact, he blows off his all wealth and disrupt peaceful life at home due to his excessive drinking). The company managed him to exit through VRS.

Ensuring Welfare of the Workers.

Trade unions focus on ensuring that employees are getting what they are eligible. If they counsel regarding disciplined life or any of that matter member will take it personally and will consider an intrusion into their personal freedom. Hence, trade unions don't intervene in such matters. After all they are grown-ups and they have to see the people around them live and follow good things than bad things.

Indebtedness

The workers have also expressed their opinion on the role of trade unions in addressing indebtedness. At present the role of trade unions are much limited as it is limited to the role in wage negotiations. Further there is considerable industrial peace and management is also considerate to the employees thanks to the beneficial labor legislations. In this context, the role

and influence of trade unions are also diminishing in workers issues. During the survey, opinion of the workers on the role of trade unions was sought. As shown in table below, there is mixed reaction on the issue.

Table6.4
Role of Trade Unions in Controlling Debt

Trade Unions	Response (%)
No role it is personal	15
Counseling programmers for employees as well as family members	12
Conduct workshops for financial literacy, promote saving mentality	11
Union force to get housing loan	10
Conduct informal training	9
Conduct counseling to employees	8
Periodic discussion	8
Personality improvement classes	7
Wage revision	7
Distribute pamphlets provide continuous learning programme for maintaining discipline in life	6
Union can only say to management for low interest loan for house	4
Advisory role	3
Total	100

Source: Field Study

15% of the workers have mentioned that there is no role for the trade unions as it is a personal matter of the workers. Further unlike in the past, there is not much personal relations and interference in personal matters of the employees by the unions are very much limited. About 23% of the workers mentioned that some kind of training programmes should be given to the employees by the unions and it should be part of the union activity. About 10% of the workers mentioned that unions should force the management for wage revision and introducing housing loan scheme to the workers. Some of the workers have also mentioned that pamphlet and other study material should be arranged and issued to the workers as part of creating awareness. Some are of the opinion that as in the past, unions should have an advisory role in the workers personal as well as work related matters. As a whole majority opinion is that the unions should take up

activities to enrich the workers on financial matters and act as an advisor in times of financial difficulty.

Role of Family

The worker’s opinion on the role of family in controlling debt is also divided. More than 1/3rd of the workers stated that family has a definite role in financial indebtedness of the worker and family should support to maintain financial discipline. 23% stated that family members should try to control the expenses and spending habits should be aligned to the family income. About 18% of the workers mentioned that family members should help to control the expenses at the home. 15% have stated that spending is a personal matter and family has no role in controlling the expenses. Some workers mentioned that the high level of spending is due the level of income of the workers and indebtedness is purely a personal matter, in which the family is not in a position to control According to them most of the debt is incurred for construction of house and purchase of vehicles, for which family members have not much say. There are also family obligations towards parents and also to other members who need to be fulfilled and for that matter there may be instances of borrowing. About 15% of the workers stated that control of indebtedness is purely personal as self control is the best method.

Table 6.5
Role of Family in Controlling Debt

Role of Family	Responses (%)
Support to maintain financial discipline	34
control spending habits	23
avoid lavish style	8
support to control expenditure	18
No role, but self control	15
Others	2
Total	100

Source: Field Study

Management of Debt

The respondents are well aware of the debt position and hence they also have some management options before them for controlling debt. It is observed that the workers still cling on Indian

customs. Parents expect that at the old age, children will support them in managing the debt. As the parents create assets such as houses for children and take up obligations of education of children through educational loans, they expect that children will support the parents in managing the family obligations.

Table 6.6
Opinion of Workers on Debt Management

Management options	Percentage response
Expecting Children to support	27
Controlling expenses	24
Resort to only one loan at a time	19
Financial planning & discipline	15
Need additional source of income	10
Manage with Provident Funds	5
Total	100

Source: Field Study

About 1/4th of the respondents stated that they need to control expenses especially extravagant expenses. Some of them reported that eating out and other habits have to be limited to control expenses. About 1/5th of the respondents stated that they resort to only one borrowing at a time in order to better manage the debts. 10% of the workers stated that though the companies are good pay masters, they need additional source of income for managing debts. Some of the workers also resort to additional income earning activities such as contracting, commission agents in real estate deals, money lending etc.,

CHAPTER 7

CONCLUSIONS AND SOLUTIONS

7.1 Conclusion

The present study is an attempt to examine the dimension, nature and magnitude of indebtedness among industrial workers despite fair wages, bonus and other perks. Undoubtedly the study shows that the social status of workmen has gone up compared to their parents. Regular employment, fair wages, bonus, perks and prevailing economic environment have contributed significantly to this phenomenon. Compared to their parents, a visible increase/ change is seen in the field education and occupation of spouse and children. Workmen having school education managed to get a spouse having professional qualification also. Notable progress has been reported in asset holding, including landed property, use of ICT facility, social relations and living conditions. Invariably almost all workmen are availing modern and latest facilities and amenities at home. However, the economic status reveals that 94% of workmen are surrounded by indebtedness. The magnitude ranges from Rs. 1,00,000 to 18,00,000. The detailed examination of the debt position has enabled us to identify the underlying causes and its dimensions. Given the present industrial environment, the four major stakeholders like government, management, trade union and workmen family have to play a decisive role individually as well as collectively to promote the welfare of workmen and family. The issue is not primarily due to lack of income but mainly because of mismanagement of the same. The need of the hour is to change the perception and approach of the major stakeholder in industry for ensuring decent work and living of workers by liberating them from indebtedness.

7.2 Solutions

Based on the data collected and information captured from the work environment, we have identified major issues confronting the workmen and their family, which is already discussed. Focusing on the major issues, some tentative solutions are suggested.

7.2.1 Financial Management

The study reveals that workmen are entitled to get fair wages and perks, which is confined mainly to permanent employees. 94% of the workmen resort to borrowing, and the monthly expenditure

is double the take home salary. By and large, neither the workmen nor the family members consider debt as an undesirable component. They consider it as part of their daily life and they can repay the same since there is a regular source of income. Interestingly majority family members consider debt as a personal problem of the worker. There is a high level of financial mismanagement and lack of financial planning both from the part of worker as well as the family. The financial mismanagement starts from the ignorance about the details of wages and perks of workmen. Majority is ignorant about their pay scale, dearness allowance, mandatory deductions, and details about other deductions and how the net figure is arrived. It is high time to give a financial management literacy to workmen focusing on the details of their gross and net salary. The HRM division and trade unions can take a lead role in creating awareness on this.

Easy availability of loan is a major factor that promote worker to borrow. Unlike workers in the unorganised sector, industrial workers are assured with a regular monthly wage which enables them to borrow money from both formal and informal agents and the lending agents are also happy since the repayment is assured. Either from the company or from workers co-operative societies or from financial institution they borrow. Borrowing has become a regular phenomenon and they borrow regularly at periodical intervals. The HRM division has to make a serious intervention in this area to regulate uncontrolled borrowing whether from within the company or outside. Company may device mechanism to assess the indebtedness of workers and give proper counselling for regulating the debt. The workmen should be made aware of the long run consequences of indebtedness. Trade unions can also make meaning full intervention in this direction.

Family budgeting is another important aspect which demands urgent attention. At least the spouse should be given awareness on family budgeting- identifying and assessing the various sources of income and adjusting the expenditure accordingly so that they can create a budgetary surplus. At present the family consider workmen wage as the only source of income. Other source of income if any, are not reckoned as income. Family should have a clear picture of income and expenditure so as to create a surplus to promote saving. There is a general tendency in the society to save/ invest money in areas expecting attractive returns in future. But majority are unaware of the terms and conditions and probable risks involved. Considering this, the family members should be given awareness on family budgeting, different options of savings and the

resulting benefit in future. The HRM division along with trade union can take a lead role in this direction.

Generating additional sources of income will definitely improve the financial status of workmen family. Company can take a lead role in mapping the talent of family members and can be guided for suitable job positions either in the family environment or outside enabling them to generate income. Keeping the core products of the company in mind it can identify the linkage effects. Based on this, company can initiate micro units they can produce products which can supplement the production of core products. Family members can be encouraged to start micro enterprises and outsourcing units. The HRM division along with trade unions can initiate steps for development of skill, career and personality of children of workers with a view to enable them to find a better career in future. Along with this programmes for up skilling the workmen in their assigned domain need special training as it will promote their career development. All these are expected to ensure financial soundness of workmen and family

7.2.2 Regulating Expenditure

Equally important is regulating expenditure by controlling extravagant and conspicuous consumptions. Workmen's spend lavishly on house construction and purchase of vehicles. The average number of houses and two wheelers are more than one per family. There is one four-wheeler for every two houses of the workmen. The fuel and electricity consumption form a sizable component of family expenditure. This is another area that demands proper awareness. Construction of houses and purchase of vehicle should clearly need based rather than imitating the higher class or neighbours. Conspicuous consumption particularly related to marriages festivals and other occasions need be discouraged and workers may be encouraged to approach these areas with a rational bend of mind. The HRM division and trade union can address these issues effectively by giving proper awareness programme. Expenditure on ICT including smart phone is another area of concern. Drug use and alcoholism though reported as rare cases need be regulated by the intervention of trade unions and management. In short, workmen need be motivated to prepare a financial plan for the family to ensure a decent living while in service and after retirement.

7.2.3 Health and Education

Health and Education are two important areas that demands immediate attention as deterioration in the quality of these will bring home uncompensated loss in the long run. Today majority of workmen are not able to get benefits of ESI scheme as their wage level exceeds the stipulated limits. Though the companies make their own arrangements for health care, there is an increased demand for a comprehensive health care package for the workers and their family members. By integrating the various ongoing health care programmes government can think in terms of designing a separate package for workmen and their family member with the support of the management. Concurrently the chances of introducing a health insurance policy on a participatory frame work involving workmen management and government can be thought off.

It is found that children are pursuing higher education including professional education by availing educational loans. Most of them relay on self financing institutes for higher/ professional education. The parents and children should be given awareness on career development and educational counselling with a view to enable them to select the best suited courses. A career linked educational programme will not only ensure placement but avoid wastage of money for higher education also.

7.2.4 Mutual Benefit

Workmen and family are in need of support not only for financial aspects but for social and environmental aspects also. A mechanism for mutual benefit particularly on social and economic issues may be designed under the auspicious of trade unions and implement the same for ensuring welfare of family member. The scheme should encompass financial, physical and moral support in addressing health, education, marriages, caring of child and elderly, unforeseen contingencies etc. A feeling of oneness and belongings will significantly contribute to empowerment leading to added confidence in life.

7.2.5 Skill Development

Skill development can be introduced for the workers as well as their family members. The HRM division may design and implement up skilling programmes for workmen in their assigned domain. This will enable the worker for career advancement. Concurrently with the support of Trade Union, a skill mapping of the family members can be conducted. After identifying the

major area for skill development, the members can be given proper orientation to take follow up action by exploring the available avenues in the state that are provided by both government, quasi government and private agencies. The company can even think in term of associating with Kerala Academy of Skill and Excellence, Additional skill acquisition programmes of higher education department and National Rural/ Urban Livelihood Mission. As part of their initiative company can think in term of starting an incubation centre in identified domain to promote inventions, innovations and start-ups. The skill and dexterity of the employees with proven track record in the company can be used for this purpose. By promoting innovative ideas and entrepreneurship development the incubation centre can promote linkage between industry and local community including research and educational institutions.

7.5.6 Post Retirement Life

It is observed that most of the workers after retirement face financial problems. An old age pension scheme can be introduced in a participatory frame work where workmen and company can contribute. To begin with the scheme can be started on a voluntary basis. Workers who are willing to associate with the programme may be asked to deposit the retirement benefit in full or in part to a pension fund. The judicious management of the funds by the company can generate income and the proceeds can be used to pay pension to the retired workmen every month. The amount deposited in lump sum at the time of retirement will be given back to the nominees after the death of the workmen.

7.2.7 Labour Laws and Regulations

Trade union can take initiative to create awareness among workmen on labour laws and regulations that are most applicable to the company. Periodical changes and addition on this need be immediately brought to the attention of the worker. Trade union can take the initiative to monitor the implementation and work as a corrective force in case of lapses. Apprentice and contract employment are most important areas that demand attention from trade unions, company as well as government. The three agencies should sit together and work out a feasible proposition to resolve the problem associated with contract labour. The study shows that before regularising in permanent position, the worker was engaged as apprentices/ on contract in the same company. The average length of apprenticeship is reported as 4.5 years and contract employment 7 years. During this period they were not able to enjoy the benefits that are given to

permanent employees. The company may conduct periodical work study and should assess the requirement of workers. A mechanism should be developed to assess the performance of the worker while in contract service. Based on the satisfactory performance of the worker, after a minimum period (say 2 years) the contract worker may be given all benefits that are applicable to permanent employees. They may be brought to permanent position after considering the policy of the company.

A concerted effort from government, management and trade unions can significantly contribute in improving the welfare of workers. Periodical settlement of wages and perks are normal phenomenon. The stake holders of the company should think and act out of the box, to ensure a decent/ quality life of the worker and the family members. Periodical revision of wages and perks should not be the sole demand. Equally or sometimes more importance is how effectively we manage the financial and human resources available with us.

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Appendix II

Interview Schedule (Workmen)

Socio-Economic Status of Industrial Workers in Kerala

Dear Sir/Madam,

We are conducting a socio-economic survey among workmen in HLL/KMML and English-India Clay Company as per the directions of the Executive Director, Kerala Institute of Labour and Employment vide letter no. KILE/C/R/247/2017 dated 31/03/2017. The data collected will be used only for assessing the socio-economic status of workers and designing policies for improving their welfare by the government. I request you to cooperate with the survey team by giving authentic information. Survey team is provided with introduction letter for verifying authenticity.

Thanking you.

Dr B Vijayakumar

Project Coordinator

9447411503

I. Personal profile

- Name of Company : HLL [] Penpol [] KMML []
- (1) Designation :
- (2) Sex : M [] F [] (3)Age :.....
- (4) Religion : Hindu [] Muslim [] Christian []
- (5) Category : Gen [] OBC [] SC [] ST []
- (6) Total years of service : Apprentice..... Contract:..... Permanent.....
- (7) Monthly Gross wage : (8) Monthly Net wage
- (9) Number of days overtime/month :.....
- (10) Avg daily overtime allowance (Rs) :
- (11) Occupation of Father: 11a Mother.....
- (12) Total number of family members :.....
- (13) Nature of job: Hazardous [] Non-hazardous []
- (14) If your job is hazardous, steps taken to address it:.....

II. Family profile (Including the WORKMAN)

No	Age	Sex	EQ	Occupation	Avg Monthly Income (Rs)	Disability/ acute Illness	Relation to employee	Mobile owned Y\N	Type of mobile phone
1									
2									
3									
4									
5									
6									

III. Details of Avg Monthly Expenditure (in Rs):

No	Item	Rs	No	Item	Rs
1	Food		10	Medicine	
2	Avg Electricity Bill		11	Entertainment	
3	Gas		12	Interests	
4	Water		13	Socialisation	
5	Petrol		14	Loan repayment	
6	Phone/Mobile		15	Cloth (year)	
7	Internet		16	Education (year)	
8	TV		17	Chitty	
9	News Paper		18	Bank Savings	

IV. Economic Status

- (13) House Type : Tiled/RCC/Others
- (14) Number of houses :
- (15) Sq.ft :
- (16) Nature of ownership : Owned/Rented/Leased/ With parents/Quarters
- (17) Area of land owned :
- (18) Addl source of income :
- (19) Vehicles owned : No. of Cars No. of two wheelers
- (20) Present debt position(Including all borrowings)Rs.....

(21)Source of borrowing: Society [] Bank [] Moneylender from company []
 Other money lender[] others.....

V. Purpose of borrowing:
 (Mark your Preferences)

No	Item	✓ Applicable	Prioritize (1, 2, 3...)
1	Ancestral debt		
2	Marriage		
3	Construction of house		
4	Purchase of vehicle		
5	Education		
6	Easy availability of loan		
7	Luxury		
8	Health		
9	Family obligations		
10	Purchase of property		

(22) Details of surety including mortgage, if any:

(23) Ten items related to addressing the issue of indebtedness of workers by management is given. Rank the applicable parameters based on your opinion

No	Item	✓ Applicable Rank
1	Don't know	
2	No opinion	
3	No role; it is personal matter of the workers	
4	conduct workshops for financial literacy, promote saving mentality	
5	Interest free loan to workers	
6	facilitate workers interaction	
7	counseling at periodic intervals	
8	Behavioral training	
9	Appoint psychologists to give suggestion to employees	
10	Others (specify)	

(b) Eleven items related to addressing the issue of indebtedness of workers by trade unions is given. Rank the applicable parameters based on your opinion

No	Item	✓ Tick the applicable
1	No role, it is personal	
2	counseling programmes for employees as well as family members	
3	conduct workshops for financial literacy, promote saving mentality	
4	union force to get housing loan	
5	periodic discussion	
6	Personality improvement classes	
7	salary revision	
8	distribute pamphlets provide continuous learning programme for maintaining discipline in life	
9	union can only say to management for low interest loan for house	
10	advisory role	
11	Others	

(c) Family can play a key role in controlling the debt position. Consider the following parameters and rank your opinion where by family can effectively involve in controlling debt.

No	Item	✓ Applicable
1	Support to maintain financial discipline	
2	support to control expenditure	
3	avoid lavish style	
4	control spending habits	
5	No role, but self control	
6	Others	

24) Any other Suggestions

Name

Contact Number :.....

Date :.....

Appendix III - Interview Schedule (H R Managers)

Appendix III

Interview Schedule (Workmen)

Socio-Economic Status of Industrial Worker in Kerala

Dear Sir/Madam,

We are conducting a socio-economic survey among workmen in HLL/KMML and Penpol as per the directions of the Executive Director, Kerala Institute of Labour and Employment vide letter no. KILE/C/R/247/2017 dated 31/03/2017. As part of the study, we would like to collect information from the HR managers in the selected companies regarding various welfare aspects including indebtedness among the workers. The data collected will be used only for assessing the socio-economic status of workers and designing policies for improving their welfare of the worker. I request you to cooperate with the survey team by giving authentic information. Survey team is provided with introduction letter for verifying authenticity.

Thanking you.

Dr B Vijayakumar

Project Coordinator

9447411503

Interview Schedule for HR Managers

1. Name of the Company
2. Year of establishment
3. Major product of the company
4. Main markets
5. Details of employees (in Numbers)

Workers (permanent)	Male	Female	Total
Workers (apprentice)	Male	Female	Total
Workers (contract)	Male	Female	Total
Officers & other employees	Male	Female	Total

6. Wage settlement details (periodicity, nature of settlement, parameters used)
7. Details of bonus given to employees (Amount of bonus, other limitations etc.,)
8. Details of other facilities given to the workers (canteen, medical facilities, education , training etc)
9. Details of loans extended to the workers.
10. Details of welfare activities
11. Details other functions taken by HR division of the company for the welfare of the employees
12. Details of management – worker relations
13. Details of activities of trade unions
14. Whether indebtedness is a major issue among the workers ? If yes, provide details of indebtedness among the workers/employees
15. Suggestion to increase the productivity of employees, and strengthening the management – employee relations.
16. Any other Suggestions

Appendix IV

List of trade union leaders interviewed

a. State Level

- 1) Shri Anathalavattom Anandhan, State President CITU.
- 2) Shri V. J. Joseph, State Secretary INTUC.
- 3) Shri K. P. Shankar Das, Secretary AITUC.

b. Internal Trade Union Leaders

HLL

- 1) Shri Nanda Kumar, INTUC.
- 2) Shri Jaya Kumar CITU.
- 3) Shri Ajay k. Prakash AITUC.
- 4) Shri Anil, BMS.

Penpol

- 1) Shri Shamsudheen, INTUC
- 2) Shri Vilappil Radhakrishnan, AITUC

KMML

- 1) Shri Jaya Kumar, INTUC.
- 2) Shri Shanavas, CITU
- 3) Shri Majoj, UTUC
- 4) Shri Sangeeth Sali, STU

Appendix V

List of Managers interviewed

- 1) Shri Praveen (HLL)
- 2) Shri Anil Kumar (HLL)
- 3) Shri Dileep Kumar (Penpol)
- 4) Shri Somasundharam (KMML)
- 5) Shri Ambady (KMML)

Appendix VI

Profile of Kerala Minerals and Metals Limited

The history of KMML, an ISO 9001:2008 & ISO14001:2004 certified company, in the public sector, can be traced back to 1908 when Herr Schomberg, a German chemist, accidentally found traces of monazite in the sand flakes on coir imported from Sanakaramangalam, Kollam. This scientific curiosity led into the discovery of wealth of rare earth minerals on the beaches of Chavara, which culminated into business interest. Though Schomberg established the first plant at Manavalakurichi (MK) in 1910 for separation of monazite and later another plant at Chavara, both had to be closed during the First World War, following his arrest on charges of being a German spy. The London Cosmopolitan Mineral Company took over these plants and continued operations. By 1932, a visionary private entrepreneur established the F. X. Perira and Sons (Travancore) Pvt. Ltd, which was the forerunner to KMML. Ownership of the company subsequently changed hands three times, later it was taken over by the state government and placed under the control of the industries department in 1956. The unit was subsequently converted as a limited company in 1972 by the name of 'The Kerala Minerals and Metals Ltd.'

Kerala Minerals and Metals Ltd is an integrated titanium dioxide manufacturing public sector undertaking in Kollam, Kerala, India. The company has two stated objectives;(i) better utilisation of mineral wealth found along the sea coast of Kollam and Alappuzha Districts, and (ii) generation of growth and employment in the state in general and the local area in particular. Its operations comprise mining, mineral separation, synthetic rutile and pigment-production plants. Apart from producing rutile-grade titanium dioxide pigment for various types of industries, it also produces other products like ilmenite, rutile, zircon, sillimanite, synthetic rutile etc. It is one of the best performing Public Sector Units in India. The company manufactures titanium dioxide through the chloride route. The different grades are produced by KMML under the brand name KEMOX. The construction of titanium dioxide pigment using chloride technology began in 1979, and was commissioned in 1984 as the first and only integrated titanium dioxide plant in the world.

With the commissioning of the Titanium Sponge Plant (TSP) in 2011, a joint venture of KMML, Vikram Sarabhai Space Centre (VSSC) and the Defense Metallurgical Research Laboratory (DMRL), India becomes the 7th country in the world having the technology for producing

for producing titanium sponge. Thus, KMML has become a strategic Supplier of country's present requirements of Titanium for its prestigious space missions. Titanium sponge is known for its high strength but low weight, making it an ideal material for aircraft manufacture, including fighter planes. The material is also used in nuclear plants, engine parts, ocean platforms, Reactors, Heat Exchangers and to make dental implants and artificial bones.

Today, with over 2000 employees and a range of products, KMML has become part and parcel of local and international life

KMML Milestones

- 1947 Letter of Intent for the production of 48,000 tonnes of Titanium Dioxide Pigment through Chloride process technology. Collaboration agreement with: Benelite Corporation of America, USA – Synthetic Rutile Plant. Woodall Duckham, U.K – Acid Regeneration Plant Kerr McGee Chemical Corporation, USA – Titanium Dioxide Pigment (Chloride process)
- 1979 Construction of plants started at Sankaramangalam, Chavara, Kollam
- 1983 R&D recognition for KMML laboratory by DSIR
- 1984 Commissioned the first fully integrated Titanium Dioxide Pigment Plant in the world. Launched for the first time in India, Rutile grade Titanium Dioxide Pigment under Trade Name: KEMOX RC-822.
- 1992
1. Launched another grade of Titanium Dioxide Pigment – KEMOX RC-800
 2. Launched Plastic Grade Pigment – KEMOX RC-800 PG. 1992
 3. Won the First National Award for in-house R&D efforts in Industry for Technology Absorption under TAAS programme by DSIR
- 1997 A new grade of pigment for the new water based paint application was introduced – KEMOX RC-813.
- 1998
1. Launched another improved grade pigment – KEMOX RC-822SG (Renamed as KEMOX RC-802)
 2. Commercial production of Iron Oxide Bricks from the waste Iron Oxide – an

- innovative development by in-house R&D
3. Supported Combustion Process was successfully commissioned in one of the streams in the Oxidation Plant. This In-house developed process is a significant breakthrough which enables KMML to improve productivity of the plant and for further capacity enhancement
- 1999
1. Bypass system in both streams and support combustion in other streams was also commissioned
 2. Erected and commissioned one more Chlorinator in Chlorination section
- 2003
- New modern Lime Preparation Plant (LPP) for effluent neutralization was commissioned
- 2004
1. Commissioned new DM Plant and added two more digesters in IBP
 2. Commissioned a new product packaging machine, modern energy efficient filter and drier system, DCS system in Unit-400
- 2005
- World class quality management systems like ISO 14001 and OSHAS-1800 implemented
- 2006
1. Capacity enhancement to 40,000MT
 2. Foundation stone laid for Titanium sponge plant
- 2007
- Commissioned Recovery cyclone
- 2008
- Commissioned new ETP sludge and Oxide pond
- 2009
- Development of Nano Titanium Dioxide particles in laboratory scale
- 2010
- Commissioned the Enhanced Zircon Recovery plant at MS Unit
- 2011
1. India's first commercial titanium oxy chloride pilot plant commissioned
 2. India's first commercial plant for synthesis of nano titanium dioxide commissioned
 3. Commissioned the Siliminite Recovery System at MS Unit
 4. Started the sale of Siliminite

5. Birth of First Batch of Titanium Sponge

Awards & Recognitions

1992	Award for R&D efforts in Industry
1993-94	FACT MKK Nair Memorial Productivity Award
1999	Energy Conservation Award
1999-2000& 2000-01	FACT MKK Nair Memorial Productivity Award
2001	Energy Conservation Award
2003, 2004 & 2005	CAPEXIL Award for best export performance
2003 & 2004	Award for best revenue Performance- Govt. of India (National)
2008	Pollution Abatement Outstanding Achievement Award – Government of Kerala –
2009-10	FACT MKK Nair Memorial Productivity Award
2010	1. Best Performing PSU – Factories & Boilers, Govt. of Kerala 2. Outstanding Achievement (entrepreneur performance) – Department of Industries & Commerce 3. Outstanding Achievement (Pollution Abatement) – Department of Industries & Commerce

(Source <https://kmml.com/php/showContent.php?linkid=9&partid=1>)

Appendix VII

Profile of Hindustan Lifecare Limited

HLL Lifecare Limited (formerly Hindustan Latex Limited)(HLL) is a large manufacturing company in Thiruvananthapuram, Kerala, India. They produce health care products, including condoms, blood bags, and contraceptive pills. One of HLL's contraceptive products is ormeloxifene, branded as Saheli, a non-hormonal non-steroid weekly oral contraceptive. Earlier Hindustan Lever Limited had the same acronym HLL. But Hindustan Lever Limited changed their name as Hindustan Unilever Limited with acronym as HUL. Today HLL means HLL Lifecare Limited.

HLL Lifecare Limited Set up in 1966, HLL Lifecare Limited (HLL) is India's leading provider of a wide range of contraceptives, hospital and Ayurvedic products and a range of women's healthcare products. A Mini-Ratna Public Sector Enterprise, HLL has emerged as a multi-product organisation, with seven manufacturing units, and a vast array of innovative products and services. It is addressing various public health challenges in the area of maternal and child health, population stabilization and HIV/AIDS control. HLL, formerly Hindustan Latex Ltd, is one of the top manufacturers globally. It has also diversified into vaccine manufacturing, diagnostic/ life care services, Pharma retail, sanitary napkin manufacturing and medipark, besides engaging in procurement consultancy, infrastructure development of healthcare institutions and facility management. HLL, which has set a target of becoming a Rs 10,000-crore company by 2020, also runs hospital chains, diagnostic clinics, and hospital management as well as MRI centers and life care centers across India as part of a total healthcare public sector undertaking.

As a condom-manufacturing company, HLL Life care started small, but dreamed big. That dream changed lives in ways unimaginable. Soon, HLL became the go-to brand for various contraceptives. It was only a matter of time before diversification followed, bettering the brand with healthcare products and services. After more than 30 years of consistent quality performance, HLL Lifecare now takes on an even bigger responsibility – the vaccine security of the nation. No wonder then, at HLL work is about ‘innovating for healthy generations’, every day.

Long ago, in 1966, a quiet revolution took place in Trivandrum, also known as Thiruvananthapuram, a small picturesque town located in the south-western part of India. The revolution, called HLL, swept through the length and breadth of the country. It reigned in the alarming population growth and enhanced the quality of life of families in India. A revolution that eventually sparked off many a movement and idea, it brought quality healthcare and prosperity to the doorstep of millions. The revolution resulted in creating a healthier India, with a record of 189 million couple year protections (CYPs*) during the past four decades.

The company calls it the Pink Revolution. The revolution, which today, has reached every corner of the country as well as many parts of the world, addressing public health challenges and bringing good health and happiness in its wake.

HLL's first plant began operations on April 5, 1969 at Peroorkada in Thiruvananthapuram district of Kerala. The plant was established in technical collaboration with M/s Okamoto Industries Inc. Japan.

Today, seven manufacturing plants later, HLL has grown into a multi-product, multi-unit organisation addressing various public health challenges facing humanity. In 2003, when HLL had a turnover of a mere INR 163 cores, it had set its sights on becoming a INR 1000 crore company by 2010. HLL not only surpassed this figure by 2010 but also drew a clear road map to achieve ten-fold growth by 2020.

Now, HLL is a Mini Ratna, upgraded as a Schedule B Central Public Sector Enterprise. The company received the Prime Minister Award for being the best public sector enterprise in India. It is also the only company in the world which manufactures and markets such a wide range of contraceptives. Today, HLL produces 1.316 billion condoms annually, making it one of the world's leading condom manufacturers, accounting for nearly 10 percent of the global production capacity. Over the years each of the initiatives taken up by HLL have been aimed at providing quality healthcare to every family. HLL's associate institutions, Hindustan Latex Family Planning Promotion Trust (HLFPPT) and Life Spring Hospitals, have ensured this to the nation's underserved and vulnerable populace, at an affordable cost. With a vast array of innovative products, services and social programmes to meet the country's healthcare needs, HLL Lifecare Limited is firmly on track, with its motto of 'Innovating for Healthy Generations'.

HLL continues to make its mark by setting new goals and taking on challenges others often view as impossible.

(Source <http://www.lifecarehll.com>)

Appendix VIII

Profile of Terumo Penpol

Terumo Penpol personifies the story of a home grown R&D initiative commercialized successfully. Practicing the concept of “ Quality First ” approach in manufacturing, Terumo Penpol has been serving Blood Centers across the globe for more than 25 years. Partnering with Terumo Corporation, Japan, a global leader in healthcare products, has enabled Terumo Penpol to harness the combined strengths in Technology and Manufacturing to continue redefining standards in Blood Transfusion.

The Birth

Peninsula Polymers (Penpol) Pvt Ltd., incorporated in 1983, was the brainchild of former IAS officer, C. Balagopal. Captivated by a newspaper article on blood bag technology, the young bureaucrat embarked on an entrepreneurial journey that led to pioneering steps in biomedical device manufacture. Partnering with Sree Chitra Tirunal Institute for Medical Sciences and Technology (known then as the Chitra Medical Centre), Penpol started production in its factory in Trivandrum, Kerala, on 26th March 1987, with TTK Pharma as its sole sales agent. In 1989, the company achieved some significant milestones like sending out its first export shipment, and setting up its R&D division.

New Horizons

In the mid-1990s, although the Indian economy had opened up, imported medical equipment was still expensive. More importantly, such equipment could not be serviced or repaired easily. Letting the winds of customer demand fill its sails, Penpol started manufacturing blood transfusion and allied equipment in 1996, and, in 2001, the company began its export.

A Partnership across Boundaries

In 1999, Penpol entered into a joint venture with the multibillion dollar Terumo Corporation of Japan, and changed its name to Terumo Penpol. By teaming up with an international company that had a reputation for unimpeachably superior technology and global marketing capability, Terumo Penpol took yet another step towards becoming a world leader in developing and manufacturing innovative devices, equipment and accessories for blood transfusion.

Terumo Penpol is part of Terumo Corporation, a Japanese company with JPY 489.5 billion in revenue and presence in over 150 countries. Terumo has distinguished itself as a high quality manufacturer of medical products, with 22 factories around the world and employs 19,934 people worldwide. Terumo is pioneering products of future like implantable left-ventricular assist systems, artificial vessels, minimally invasive surgery devices, nano-capsules and more.

The Way Ahead

Terumo Penpol with an annual production of 30 million units has become the leading manufacturer of blood bags which are used in 80 countries. Its equipment installations have today crossed 10,000 numbers. Enjoying the loyalty of around 1500-strong workforce, this 28-year-old company has set its focus to be the market leader in Blood Transfusion industry.

At Terumo Penpol, Quality is a way of life, starting with material procurement from world class sources, production adhering to Good Manufacturing Practices (GMP), testing as per quality and safety standards, and installation followed by unique, TPL customer care services. The quality management system of Terumo Penpol is certified according to ISO 9001, ISO 13485, European Standards EN 46001 and European Medical Device Directive 93/42/EEC.

Twenty-eight years ago, Penpol came into being to fulfill its dream of uniting science and a spirit of enterprise, to give millions of ailing people a new lease of life. Today, that vision remains the pivotal point, as Terumo Penpol moves forward into the future as an innovative enterprise operating in Blood Transfusion domain.

With Terumo's recent acquisition of Caridian BCT, Terumo has become the world leader in Blood Management. The Blood Transfusion division of Terumo is being re-organised under the newly acquired company which has been renamed as TerumoBCT. The Apheresis and Cellular Therapy products of Terumo BCT complements Terumo Penpol products to provide a full range of blood collection, storage and processing solutions for Hospitals and Blood Centres in India and other countries.

(Source www.terumopenpol.com)