

**Working Against Odds: Condition of  
Workers in the Cement Industry in  
Chattisgarh**

**Peoples Union for Democratic Rights  
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*"I do many kinds of work in this plant (ACC, Jamul unit). I repair and clean the GI sheets of the roof situated at a height. Beneath this there is machine which generates a lot of heat. There is a continuous danger of falling down. Only contract workers do this work. I also work in the pre-heater of the kiln which is 60-65 metres high. It contains cyclos and we have to repair it when there is a breakdown. And there is a continuous danger of bricks and cement potting falling from above. The workers who were working in the kiln earlier were getting salary on the basis of the Wage Board Award, but we contract workers are compelled to do this work on the basis of Minimum Wages. We also enter the kiln and lay bricks there. The kiln is 45 m long with a diameter of 2.5 m. This area is a Confined Zone. The temperature inside is very high. In the past only permanent workers worked here and ORS solution (Oral Rehydration Solution) was also provided to them. Now we contract workers do this work and ORS solution is not provided to us."*

Vishnu Ram, worker at ACC-Holcim plant at Jamul (District Durg), and treasurer of Pragatisheel Cement Shramik Sangh, Chattisgarh

## **Background**

Chattisgarh today is the scene where resistance to a 'development' model which seeks to enrich the capitalists and corporations is being waged, against land grab, displacement from forests and privatisation of water resources. Under the garb of 'Operation Greenhunt' all popular resistance is sought to be suppressed. However, the particular area of Durg-Bhilai-Baloda Bazaar, that forms the geographical core of this report, the project of modernisation and industrialisation happened almost sixty years ago. Located close to the State capital, Raipur, the Durg- Bhilai belt has traditionally been the industrial hub of Chattisgarh and a contrast of sorts in terms of landscape to the pristine forest lands of Dantewada in the South.

The cement industry in India has traditionally been one of the core sectors of the industrial economy. Listed as a 'scheduled' industry within the framework of the Industrial Development and Regulation Act (1951), industrial relations in the cement industry, were traditionally moderated through a tripartite body comprising cement manufacturers, workers and representatives from the government. In 1991 however, with deregulation, this arrangement was sought to be disbanded, leaving the larger question of industrial regulation outside the purview of collective negotiations. The present report based on fact findings conducted by PUDR, is an attempt to understand as to how these changes have actually affected the terms and conditions of workers employed in the cement industry today.

A three member fact finding team from PUDR visited cement plants acquired by the

Swiss multinational, Holcim - ACC Jamul Cement Works, (Dist : Durg) and Ambuja Cements Private Ltd., (Dist : Baloda Bazaar) Chattisgarh, between 27 -30 June 2012, to get a first-hand account of the problems faced by workers employed in these factories. The team visited the labour camp in Jamul and Ravaan and the villages of Dhour (Dist: Durg), Bhadrapalli and Posari (Dist: Baloda Bazaar), located in close proximity to the plants and interacted with established trade unions such as the Indian National Trade Union Congress (INTUC), and the Pragatisheel Cement Shramik Sangh (PCSS) working among industrial workers and peasants in Chattisgarh. PUDR also met up with the District Collector of Baloda Bazaar and the Assistant Labour Commissioner, Durg and a senior manager of the Human Resources department of ACC Cements at Jamul.

## The Cement Industry in India

India is the world's second largest producer of cement with a global share of around 6 percent. As per Government estimates (Report of the Parliamentary Standing Committee on the Performance of the Cement Industry, 2011) , there are approximately a total of 154 large cement plants in operation across the country employing about 1.35 lakh persons. In recent years, rising demand for cement and the fact that the Government has allowed for 100 percent foreign direct investment, have made it attractive for private companies including multinationals to invest in the cement industry in India.

The cement industry as it exists in India is highly fragmented with 7 major cement producers controlling around 65 percent of all production (see Table 1). Production of cement is divided into roughly five main zones within the country- North, Central, East, West and South. In terms of States, the industry is mainly concentrated in the following: Andhra Pradesh (16 percent), Rajasthan (15 percent), Madhya Pradesh (9 percent),

### Top 10 Cement Manufacturers (2010)

S No.	Name	Market Share%
1.	ACC.Ltd	10.73
2.	Grasim Industries	9.82
3.	Ambuja Cements Ltd.	9.44
4.	Ultra Tech Cement Ltd.	8.53
5.	India Cements	5.11
6.	Jaypee Group	4.95
7.	Shree Cement	4.72
8.	J.K. Group	4.06
9.	Madras Cements	4.04
10.	Century Textiles	3.83
	<b>Total</b>	<b>65.23</b>

*Source: 95th Report of Parliamentary Standing Committee on Performance of the Cement Industry 2011, p.3*

Gujarat (9 percent), Tamil Nadu (13 percent), Maharashtra (6 percent), Karnataka (7 percent) and Chhattisgarh (5 percent).

## Cement Processing

Given the very nature of the product, access and proximity to raw materials plays an important role and therefore it not uncommon to find cement plants located in close proximity to limestone (calcium carbonate) quarries. Cement manufacturers also need to minimise the cost of raw material transportation since around one-third of the limestone is wasted (converted to carbon-dioxide) during processing. The land on which limestone quarries are located are taken by cement plants on a lease period of about 99 years with the provision that it be renewed every 25-30 years by the Gram Sabha, where these are located. In the 1950s and 60s, it was quite common to find cement companies holding out the offer of providing employment to those whose land was being taken over as part of the mining lease. PUDR in its interactions with Gram Sabha members belonging to Bhadrapalli and Ravaan (Dist. Baloda Bazaar) came to know of similar offers made by cement companies, when land was acquired for commissioning a cement plant at Ravaan in the mid 1980s.

Technically, the companies are expected to run these quarries as per the provisions of the Mines and Minerals (Regulation and Development Act), 1957. This implies that companies need to provide all information regarding their proposed activities, work force strength and safety related precautions to authorities in writing. Quarry operations include drilling, blasting, excavating, handling, loading, crushing, screening, stock-piling and supply of material to the main plant. Due to mechanisation, the work in the quarries is usually manned by workers who are highly skilled. Workers employed in the limestone quarries are supposed to be treated as per the safety rules outlined for miners in other industries. Workers employed in quarry operations are treated at par with the rest of the workforce employed within the plant.

The limestone acquired is taken and crushed at the plant into fine powder and blended to produce what is commonly referred to as the 'raw feed.' This feed is then heated in a rotary kiln where it reaches a temperature of about 1400 C to 1500 C. In its simplest form, the rotary kiln is a tube up to 200 metres long and 6 metres in diameter, with a long flame at one end. The raw feed enters the kiln at the cool end and gradually passes down to the hot end, then falls out of the kiln and cools down. The material formed in the kiln is described as 'clinker' and is typically composed of rounded nodules between 1mm and 25mm across. After cooling, the clinker may be stored temporarily in a clinker store, or it may pass directly to the cement mill. The cement mill grinds the clinker to a fine powder. A small amount of gypsum - a form of calcium sulfate - is normally ground up with the clinker. The gypsum controls the setting properties of the cement when water is added. In some plants, slag or flyash is also used in place of gypsum.

In this entire process, workers are required to handle machines and operations under extreme temperatures, especially those working in the kilns or the pre-heater opera-

tor. Workers whom the PUDR team interviewed, told us about the strenuous nature of work undertaken by them in this part of the production cycle. Dharmendra, a worker at the ACC Plant had this to report:

*There are two conveyor belts which are running in the area where I work, and the hot clinker falls on them from above. I work in between the two belts. My job is to pick up this material and put it back on to the belt while it is still moving. I work in a confined space. There is only one door for entry and exit. Because of the hot stuff which falls on the belt, there can be a situation where the oxygen supply is limited. ... there is only one permanent worker in each shift whose job is only to place the switch on or off. All of the more difficult and dangerous tasks are done by contract workers in the plant.*

Technically, because of the nature of the product, cement cannot be produced and stored for long. Manufacturers therefore need to keep a tab on production and produce in quantities that can be readily absorbed in the market. The cost of production determines in ways the final price of the product. Major expenses include : (i) cost of raw materials (limestone, gypsum, fly ash, slag), (ii) power and fuel costs, (iii) salaries and wages, (iv) repair and maintenance, (v) depreciation, (vi) overheads (factory and administration), (vii) packing expenses and (viii) transportation costs. According to estimates made by the Tariff Commission (2010), expenses incurred on raw material and power account for almost 50 percent, while transport makes up for another 20 percent of the total production costs. The share allocated for wages and salaries constitutes a relatively smaller part about 2-3 percent of the total production costs.

## **Working Conditions and Unfair Labour Practices**

The biggest drawback for the Contract labour employed in the cement industry is the difficulty they face of unionising. The labour is particularly vulnerable because they work according to the whims and fancy of the company management and labour contractors. It is easy to terminate their work at anytime by simply saying that such and such work has become redundant or is no longer required. Or to pressure them into quitting the union by dangling higher wages, allowances and bonus. If this does not help filing cases against union leaders or members too is known to take place. Thus the precariousness of contract labour whose dependence on the company management is high acts as a deterrent to unionisation. But first let us consider working conditions.

There are some areas of cement manufacturing which are particularly hazardous. For instance during patching work in Kilns i.e. replacing bricks (each is 200 mm in length and width, weighs 7-8 kg and imported from Germany) the heat is such that a person cannot stay for more than a minute or two. A little slip can cause serious burn injuries. Workers said that while there has been some improvement because of persistent complaint against unsafe standards at the work site, conditions remain dangerous.

Another back breaking job is packing. 36 bags, each weighing 50 kgs. are packed in a minute which requires concentration and monotonous movements. The other area of

concern is the work of picking up clinker which falls off the constantly moving conveyor belt on either side and where space is narrow and slightest mistake can cause major injury. The speed and mechanical movement can be rough on a worker who as a contractor labour gets between Rs 150-180, with no ESI, and PF which is deducted for some and slips recording this is in possession of even fewer number of workers. Thus the kind of nourishment worker requires to meet the standard of 2400 calories fixed by the first Indian Labour Congress remains a pipedream.

PUDR met Dhansay Sonani a resident of Nehru Nagar, Bhilai, district Durg and employed as CL. He reiterated what took place on August 15th, 2010 in Jamul plant of ACC:

*We workers were called to the Plant for doing maintenance work, but once we reached there, we were told to work on the Hopper. We refused to do this dangerous work for which we had received no training. However, the management pressured us and coerced us into doing this work. They ordered the workers to open the gate of the Hopper. When the gate would not open on turning the wheel of the gate, they ordered us to force the gate open by hammering on it. They also repeatedly assured us that nothing will happen. When the gate opened, all at once a load of burning coal fell down from above and fire spread like a wave of water, and four workers got badly burnt in its wake. Two workers received 100 percent burns, one received 80 percent burns and one got 70 percent burns on his body. Another worker suffered problems due to inhalation of smoke and hot coal dust.*

Two other workers died; a regular employee Mayaram and a contract worker Santosh. Two others received treatment and recovered. Whereas Mayaram received between Rs 10-12 lakhs, Santosh received only Rs 2 lakhs.

Another worker Bholaram Yadav resident of Ravaan village and employed as contract labour in Ambuja's Ravaan unit died on 9/7/2008 of sheer exhaustion at the viallge pond after doing 36 hours of duty at a stretch. Neither had the family received any ex-gratia payment nor was the Provident Fund of the deceased (PF no.18820/61) given to the family. Bholaram has four young children, all of whom are of school going age. On following up his case with the Provident Fund Office at Raipur, PUDR finally managed to get Rs. 16,000/- lying in his Provident Fund account to be transferred to his wife's account in October 2012. PUDR also met three other women whose husbands had died in an industrial accident (when they were in coal handling plant ) 8 years ago. They were Dhanbai w/o Shobha Ram (SC); Sumitra w/o Manohar Nishadh (SC) and Dhuru w/o Dwarka Dhuru (ST). All three women were given work in the gardening department of the company, where they worked for five years. After, the end of the 5 year term, they were never reemployed. Nor did they receive any ex-gratia payment of any kind for the accident in which their husbands died while at work.

Raj Kumar Sahu, Vice President of Pragatisheel Cement Shramik Sangh and works as a fitter in the Workshop/Filter House described how various contractors refused to pay minimum wages.

*The contract workers under contractor Vijay Pawar, who work in the mines do not get government mandated minimum wages.....The contract workers of Munna Rai with Ashwin Engineering do dangerous work in the Electrical department of the plant.....who don't even get the government mandated minimum wages. Their Provident Fund and Employees State Insurance deductions are also not being made and consequently they do not get safety shows, bonus, arrears, vacations leave etc. There are around 10 contract workers with contractor Monto Pal Engineering who do not get double wages for overtime...and do not get the government mandated city allowance of Rs 10 per day*

Raj Kumar also drew attention to the fact that after a case was lodged in Industrial Court, from March 2003 onwards PF deductions for contract labour started to be deposited in different accounts. However, not all contract workers received PF slips. He also drew attention to discrimination practiced by the company which gave benefits to CL who were not members of PCSS. For example while workers associated with Chattisgarh Cement Karmachari Sangh get 20 percent bonus, travel allowance, wage board arrears and Performance Bonus at the rate of Rs 22.42 per day, PCSS members do not get travel allowance, wage board arrears and only receive a bonus of 8.33 percent and a Performance Bonus of Rs 8.97 per day.

What is worse is the conscious effort of the Company to break the trade union PCSS. Worker after worker complained that those associated with the union were not only told that they should quit the PCSS and the Company would consider their demands individually. But if they continue in the union they will not be heard.

At Ravaan we met Tarkeswar Varma who was thrown out of work when he joined the agitation for increasing wages. Overtime was paid but it is single and not double. He worked for 2.5 yrs. Gauendra Kumar Varma worked in maintenance and projects for 3.5 years and since last 2.5 yrs has been without work because he too had joined the union led agitation. He said that he was shown in factory papers as working in 'projects' but actually put to work in other departments. So anytime they want to terminate anyone's service all they do is to say that they have no new projects and so there is no job!

We were told by one of the oldest worker in Ambuja plant, Chakradhar Varma and Hari, that they joined the company in 1982-83 when their wage was Rs 3 per day. It became Rs 14 in 1985. Chakradhar became a regular worker but Hari remained on contract. Budhera Nishadh worked for 10 years but lost her job two years ago. Her last salary was Rs 80 per day. Right now wages of woman workers are being paid at Rs 110 per day. Sushila Dhuru an adivasi worked for 20 years and began at Rs 7-8 per day wages. She got her last wage of Rs 110 after which she lost her job for being a member of PCSS.

### **Unfair Labour Practices**

Sixty members of PCSS who work in Ambuja unit at Ravaan have been at the receiving end of company's victimisation. Fourteen of them were implicated in false cases.



Four were served with charges under S 394 of the IPC; four under S 394 and 294 IPC; and six under S 151, 107/116 IPC.

The case of Bhagwati Sahu, member of Janapad, is illustrative of the clout the company comes to bear on CL. Three persons: Bhagwati Sahu, Yogesh Sahu, Thanu Patel and Dhannu Patel were accused by Yogendra Pal Singh who is the Security in charge at Ambuja plant (Ravaan), of fighting with him, beating him up and stealing Rs 5000, a NOKIA phone and 10 cartidges from him. Interestingly, on the same day against the three workers of PCSS another complaint was lodged. This time it was filed by Nanadlal Chaubey, a guard at the Ambuja Plant. They were accused of beating him, and stealing Rs 3500. The time mentioned in both chargesheets is the same and the place is also the same -Ravaan Bazaar. The PUDR team was present at Baloda Bazaar when Bhagwati Sahu's case came up before the metropolitan Magistrate. In this particular instance, it was the prosecution's turn to cross-question the witnesses. Both the witnesses stuck to their accounts, and it seemed almost certain that the case would end soon. On the 4th of August, however, PUDR learnt that Bhagwati had been charged guilty and handed a two year jail sentence by the metropolitan Magistrate.

Previous to this, too there have been series of incidents with charges being levelled against the workers of PCSS. According to workers on January 4th 2011 a young girl was crushed by a dumper of the company near the mines. Villagers held protests. But police came and arrested Bhagwati Sahu, who was not even present at the spot of protests, and few others too were picked up next day by the police. When villagers and workers protested this highhandedness they were released. One Ashwini Sahu, however, was singled out by company. His crime was for having lodged a complaint with the police against YP Singh for threatening the workers with revolver. While working on 6th January 2011 in the night shift he was told his mother is unwell and to rush home immediately. No sooner he reached the company gate police arrested him and kept him in jail for 7 days.

## **Issues of Land, Water and Livelihood**

Like elsewhere in Chattisgarh district of Balooda Bazaar and Durg were once populated by the Adivasis. Over past hundred years or so the pace of exodus of Adivasis from these districts has increased even as in-migration of farming communities picked up. We were told by some respondents that by the 1950s the number of Adivasis began to decline even more rapidly as they lost their land to farmers and by the time the team arrived the last two Adivasis families having lost their land to unscrupulous land brokers had left the village. It is against this untold story of displacement and destitution of Adivasis that cement industry entered this area.

Land acquisition for cement industry was undertaken, both for setting up the manufacturing plant as well as for limestone quarries. The team found in the course of its investigation that the company directly negotiated purchase of land from the villagers. Although they offer rates which are higher than the rate set by the government, in a

direct sale villagers lose out on the benefits provided under the state government's Relief and Rehabilitation package. Thereby the companies escape from having to fulfil their responsibility towards villagers whose land and livelihood is lost. Spurt in land acquisitions has also brought in a stratum of middlemen, who comprise local business men and politicians, who purchase the land from owners at a low price and then sell the same to the companies.

In the annual report of Ambuja Cement 2011 the Company refers to:

*(t)he proposed Land Acquisition Bill (which) in its present form is well-intentioned but is feared to be non-conducive to economic growth and heavily loaded in favour of land owners. Provision mandating payment of compensation as high as four times the highest amount of registered sale in the area in the last three years would increase cost of setting up the industry establishments, infrastructural projects and townships. Instead of allowing free market dynamism such as competitive land auction, it attaches an arbitrary mark up to historical market price to determine compensation, amounts, along with its numerous entitlements to potentially unlimited number of claimants.....Potentially retarding effect of this Bill on housing sector development and industrial/infrastructural development is a cause for concern for cement industry in general. The company is in the process of acquiring mining/plant land at various locations and is experiencing hurdles (Annual Report Ambuja Cements Ltd., 2011,p.21).*

However, this does not seem to have stopped the company from land acquisition by means more foul than fair. Or failing to live up to promises and assurances offered to those affected by the land acquisition undertaken earlier.

### **Visit to Bhadrapalli Village (Dist Baloda Bazaar)**

The village of Bhadrapalli is located alongside the Ambuja Cement factory. A large part of village land, both individual and communal land amounting to about 500 acres was acquired in 1980s for setting up of the plant. The rate was roughly Rs. 4000 to Rs. 4500 per acre. The present market rate is nearly Rs. 22 lakhs per acre. At first, like elsewhere, the villagers were promised employment in the plant, however, because of the technical nature of operations and the fact the Company required them to be a matriculate, majority of people failed to qualify for permanent employment within the plant.

The village still has 200 acres of land, but this too is under threat of encroachment by the Ambuja cement plant. Under the lease agreement, any land not utilised for three years and more is treated by law under the provisions of the Land Acquisition Act as one that may be reverted back to the original owner in this case the village of Bhadrapalli, as land yet to be utilised. It was clear that the Company had after a gap of nearly 30 years thought of claiming the land (about 12-13 acres), that had been used by the villagers for grazing purposes all along. A case is presently on in the court of the SDM (Baloda Bazaar) to determine the legality of this piece of land that the Company is claiming to be its own.

The villagers shared some of the peculiar problems that they faced in relation to the Plant. Over the years, the crop yield per acre of rice, the main crop in this region had gone down, affecting overall sales and the economy at large. Earlier whereas they could easily produce 25 sack loads of rice, each sack weighing approximately 70-75 kgs, had now reduced to about 15 sacks. Water was also an important issue. Whereas earlier there water available for irrigation, mining and the water requirements for the plant, had resulted in less water being available for the village. The ground water table had gone down and one had to dig deep about 300 feet in order access water for the fields. Noise pollution caused by constant functioning of the plant and air pollution- a layer of white dust on crops was also reported by the villagers.

At Ravaan, Ambuja has acquired illegally Khasra numbers 32, 33, 34, 35, 149, 134/1. Nearly 50 acres of Nistari land was being used as dumping ground for garbage or refuse at Bhadrapali. Incidentally this village had received Presidents award for being a "Nirmal Gram". The company tried to build a wall which was protested by the villagers who will get further squeezed. Matter is pending before the SDM.

But our witnessing of the proceedings of the SDM court in Baloda Bazaar offers little promise of justice. Despite the case being argued over three years and the petitioners having shown that the land in dispute was shown as Nistari land in government records and that the district collector has instructed the SDM to settle the issue, the SDM repeatedly denied having any jurisdiction in this regard. The power of the company and influence it carries can be gauged by the fact that the collector of this newly carved district stayed as the guest of Ambuja plant for a month.

Villagers of Bhadrapali, Ravaan and Posari also told of the promises made by companies when land was acquired. Every household of the village was assured a permanent job. However, the promises made were not kept. No more than a few got jobs while others had to be satisfied with becoming contract labourers. Another instance of corporate land grab was at Guma where the collector has intervened and put a stop to illegal acquisition of 325 acres of 239 peasant households. Loss of land of farmers also results in loss of livelihood for landless poor mostly dalits or tribals or backward castes.

The Ambuja Foundation, responsible for undertaking activities as per the company's Corporate social responsibility, has not really undertaken any big projects in the village. A board displayed outside the plant provides information about some of the work undertaken such as deepening of the pond, street lighting, schools, tree planting etc., but there was very little on the ground to substantiate the claims made. The company has its own power plants but does not share or make available any of the electricity produced with the villagers. The rail track from the plant to the nearest rail head that passes through the village is also a major nuisance, as people have to walk at least 3 kms and more in order to reach the main highway. On an average 3 trains with 58 carriages each, leave the plant each day, which means that the rail line is often obstructed. The plant produces clinkers that are carried by rail to other plants for the final processing. Since cement as a product has a short shelf life and must be protected against damp, it is more profitable for Ambuja to divide the manufacturing into separate processes.

### **Visit to Village Dhour (Dist Durg)**

In 1957-58, Bhilai Steel Plant and ACC acquired approximately about 250-300 acres of Dhour village, for limestone quarrying. A promise was made that residents affected by the project would be given employment in the plants. Initially, a large number of residents were absorbed in work or the other , but none of this was done on a permanent basis. As a result, there are only 2-3 persons belonging to such families who are permanently employed in the ACC plant as of today. The rest of the people either work on contract basis in ACC or in other industries in the Bhilai-Durg belt.

About 42 villagers of Dhour work in the limestone mines that adjoin the village, that have been leased out to ACC. Of these 22 persons are permanent employees while 20 others work on a contract basis in the mines. There are no women workers employed in the mines area. Since the past 20 years, major chunk of the mining operations have been automated, which means that highly skilled workmen need to be employed to man these machines. However, the scale that is offered to most of the persons working in the mines is semi-skilled and skilled. Workers are therefore paid wages as per the State government rules for these categories ranging between Rs. 184 to Rs. 212. Also none of the workers have been made to sign Form B of the Mines and Minerals (regulation and Development Act 1957. mandatory for workers employed in mining activities.

The lease contract for ACC came up for review in 2001, but nobody in the village could vouch whether clearance had been given by the Panchayat for a new lease. ACC is now constructing a wall separating the village from the mines on the common grazing land of the village. Close proximity to the mines has also led to a depletion in ground water in the village, and the people have to dig almost as deep as 400 feet and below to access water for agricultural purposes. Drinking water is supplied by the municipality. There is no primary health centre in the village.

### **Visit to Village Posari (Dist Baloda bazaar)**

Land in this village was acquired for mining purposes in the mid 1980s. The present village is about 100 metres from the mining area, and there have been reported incidents of small boulders having landed in the village, damaging roofs of houses etc. Cracks on buildings as a result of blasting operations are quite common. PUDR met with the Sarpanch of the village, who spoke about how land was still being acquired by other cement companies such as Sree Cement for mining purposes. These companies negotiated had reported approached individual families for sale of land and in some cases they had been successful in acquiring land.

However, he also shared information as to how Companies had also encroached upon land without paying any compensation. Two families, both adivasis Gayatri Gru (2.25 acre) and Pandhava Gru (1.5 acre) had been forced to flee after a company forcibly encroached upon their fields. In both cases, the families made a representation to the local administration, but not receiving any assurance they were forced to give up the matter.

According to the Sarpanch, the process of land acquisition was still going on and the fact that new companies, such as Shree Cement, Emami had agreed to set up estab-

ishments in nearby blocks, meant that the demand for limestone mining would only increase. According to him the productivity of land had suffered due to the dumping of wastes, making agriculture an expensive and risky proposition. Yield per care had decreased drastically over the years There were therefore more incentives for farmers to sell off their land, as they did not receive adequate returns from agriculture now.

## **Legal Framework Regulating Employment and Conditions of Work in Cement Plants**

### **Establishment of Cement Wage Boards**

Keeping in mind the need to evolve a more participative framework of consultations on issues related to industrial labour, the Centre, as early as the First and the Second Five Year Plan, came up with the specific recommendation of establishing Tripartite Wage Boards consisting of a Chairman and an equal number of representatives of employers and workers, to decide upon the structure of wages pertaining to 'scheduled' industries such as cement. This led to the constitution of a specific body called the Cement Wage Board mandated to decide on matters related to structure of wages, special entitlements, conditions of work for those employed in the cement industry. Keeping the nature of work, safety hazards, the Cement Wage Board (of which there have been three till now) the first award being in 1959, resulted in a detailed scheme of wages and payments for workers employed in such factories.

As per para 13.1.1 of the First Cement Wage Board Award, in terms of coverage the jurisdiction of the Board was stated as applying across a broad spectrum of workers comprising of those employed in the manufacturing process in cement factories, those working in lime stone quarries owned by the cement producers or supplying the bulk of their output to cement factories, and those transporting such raw materials to the factory. The only category of workers that the Wage board sought to exclude were those engaged in purely temporary jobs such as loading, unloading, packing, not connected with the manufacturing process. Overall, the Wage Board's recommendations sought to cover a broad gamut of workers employed in the industry.

Additionally and more important, the First Wage Board also prohibited the employment of contract labour in cement manufacturing by any employer. In para 13.1.2, it specifically stated:

*that no contract labour shall be employed in the industry by any employer, except in loading (including packing) and unloading operations as stated by the first Wage board and where any employer employs contract labour in any other occupations, such labour shall be made regular departmental employees under the employers and made eligible to the same wages, D. A. bonus and other allowances under our Award as the other regular employees under the employer, provided they give the corresponding workload obtaining for similar occupation in units near about, where their compeers are getting 'Wage board wages.'*

This very significant directive prohibiting the use of contract labour is essentially one of the core areas of contention between management and labour in the cement industry today. The wages decided by the Cement Wage Board are normally higher than those enumerated in the Minimum Wages Rules, prescribed in various State lists. However, by employing contract labour in the manufacturing process, despite the fact that the Wage Board clearly prohibits the use of such labour, the management not only deprives workers of their entitled wages, but also engages in what has legally been acknowledged as an unfair practice. Clause 13.1.2 of the First Cement Wage Board award had explicitly stated that

*If after the recommendations of the First Wage board, any employer in the industry has resorted to employment of contract labour in any occupation other than those permitted by the First Wage board, it would amount to an aberration and an unfair practice by the employer concerned.*

#### **Break-up of Cement Wage Board Payment to workers**

##### **Minimum Emoluments as per the Wage Board for an Unskilled worker (1969)**

Basic Wages	Rs. 260
Dearness Allowance	Rs. 169
House Rent Allowance	Rs. 30
Increase awarded under last award	Rs. 55
<b>Total</b>	<b>Rs. 514</b>

##### **Minimum Emoluments as per the Wage Board for an Unskilled worker (1982)**

Minimum Basic Pay	Rs. 520
Fixed Dearness Allowance	Rs. 180
Variable Dearness Allowance	Rs. 117
<b>Total</b>	<b>Rs. 817</b>

### List of Additional Admissible Allowances and Benefits

a.	House Rent Allowance
b.	Uniform, Shoes, Rain coat, Woollen Jersey, Helmet
c.	Heat Allowance
d.	Dust Allowance
e.	Washing Allowance
f.	Leave Travel Allowance
g.	Education Allowance
h.	Conveyance Allowance
i.	Acting Allowance
j.	Accident and Medical Benefits
k.	Housing Advance
l.	Bread/Tea or Coffee

### Contending Positions with Relation to Rules Governing Work, Wages & Employment

The main dispute between the Cement Manufacturers and worker's unions relates to disagreement over the payment of wages at the rate prescribed by the Cement Wage Board Award and non-implementation of certain other recommendations and terms such as abolition of contract labour etc.

#### Cement Manufacturers

It has been the contention of the Cement Manufacturing Association (CMA) that contrary to the Cement Wage Board ruling prohibiting the use of contract labour, the enactment of the Contract Labour (Abolition and Regulation) Act 1970, allows for employment of contract labour in cement manufacturing. Under Article 10 of the CLRA Act, the appropriate Government, in this case the State government may by notification in the Official Gazette prohibit the employment of contract labour in any process, operation or other work in an establishment. Given the fact, that in the case of Chattisgarh, the state government has not brought out any such notification prohibiting the employment of contract labour, it is assumed that the use of contract labour is permitted within the given framework of the CLRA Act.

At this point it is important to note that the definition of appropriate government actually varies from Act to Act. For example, while under the CLRA Act, appropriate government refers to State Government, under the Industrial Disputes Act, the appropriate authority is the central Government. This has created a situation whereby the ambiguity caused has hampered the adoption of uniform rules regarding the use of contract labour in manufacturing units. According to CMA, the appropriate authority for settlement of disputes related to the cement industry is the Central government and although the notification dated 8-12-1977 under section 39 of the ID Act delegates powers to the State Government, this does not per se confer upon the State Government the

authority to deal with the industrial dispute concerning the cement industry independently. Delegation of authority according to the CMA is subject to the condition that the Central Government would continue to exercise powers under the ID Act.

### **PCSS (Pragatisheel Cement Shirmaik Sangh)**

The stand taken by Trade unions including the Pragatisheel Cement Shirmaik Sangh (PCSS) has been to support the Wage board directives regarding abolition of contract labour and payment of wage board rates to all workers. Given the reality that cement manufacturers have increased the number of contract workers employed in cement plants over time, leading to a hierarchical and most inequitable division between the permanent workers (who are paid Cement wage Board wages) and the contract labour paid as per the stipulated minimum wages, Trade Unions have been demanding regularisation and the implementation of cement wage Board award for all workers employed in cement manufacturing.

In the specific case of ACC Jamul, according to the PCSS, the specific legislation enacted by the Madhya Pradesh Government vide notification dated 31.12.1960, whereby cement was brought within the purview of the MPIR Act, empowers the State Government to apply the Act to all industries operating within its local jurisdiction, including cement manufacturing. In this capacity, the request for a reference by the State Government for adjudication of dispute before the Industrial Court at Raipur, was by all means constitutional. The CMA it may be recalled had challenged the call for reference before the Division Bench of the Chattisgarh High Court (WP No. 3333/05). The High Court in that case had rejected the CMA's plea and had imposed a fine of Rs. 50,000 on the Association.

Meanwhile the Industrial Tribunal that had looked into the so-called contracts signed between the Company and individual contractors, found the contract labour arrangements to be sham and bogus. The Tribunal also recorded the fact that all workmen in question had been employed for at least 9-10 years on jobs connected with cement manufacturing. Based on the evidence, the Industrial Tribunal passed its orders on 28.2. 2006, that directed the Company to regularise with all the benefits, all workers as per list attached and pay all monetary and other benefits of regular employees with effect from 12.6. 2000 and further directed that those who have resigned or taken VRS under compulsion should be reinstated immediately with continuity of service and full back-wages and further that 50 percent of accrued arrears be paid to all the workers within a period of one month from the date of award and remaining 50 percent within 6 months.

It was this order of the Industrial Court that was challenged by ACC in the High Court of Chattisgarh in 2006 (W.P. No. 1659/2006). The High Court after consideration of all the details came to the conclusion that the Industrial Court had exceeded its jurisdiction in directing the Company to reinstate and regularise all workers. According to the order passed, by the Single Judge Bench on 22.03.2011, it was noted that the Tribunal in its award had ignored that large number of workers had either opted for VRS or had resigned and that the trade union in question, PCSS did not represent all the workers. In view of this, the High Court limited the award given by the Industrial Court only



to the matter of workers currently employed and whose membership slips had been submitted before the Tribunal, and not those who had accepted VRS or resigned.

### Chronology of Events

2000	Reference made by the State Govt of MP under section 51 of the MPIR Act 1960, for adjudication of industrial Dispute existing between PCSS and ACC Jamul, dated 12.06.2000
2001	On 20.6.2001, the State government of Chattisgarh makes an amendment in the original reference deleting the words 'contractor.'  Reference challenged by the Chattisgarh Cement Manufacturers Association in the High Court of Chhatisgarh W.P. No. 3333/05
2006	Award dated 28.2. 2006 passed by the Industrial Court, Raipur
2010	High Court of Chattisgarh, Bilaspur Writ Petition No. 3973 of 2004 and Writ Petition No. 3333 of 2005, Order Passed on 16 December 2010, holding that the State Government is the appropriate Government
2011	High Court of Chattisgarh, Bilaspur order passed on 22.3. 2011 on WP No 1659 /2006 Petitioner ACC - respondents State of Chattisgarh, PCSS accepting partially the orders passed by the Industrial Court

### Holcim Company and the Workers

If one looks at the balance sheets of the two cement companies -ACC and Ambuja, that now are part of Holcim, we get a better picture of how costs are distributed across individual companies. For example, the ACC balance sheet for the year 2011, shows the break-up of the total expenditure as follows - personnel (workers plus administrative and managerial staff) not more than 6 percent, raw material 15 percent, power and fuel 23 percent and freight at 15 percent. The 6 percent spent on personnel is relatively a smaller share of the total costs. If one were to further disaggregate between administra-

### ACC - Total income plus Profit Before and After Tax

(Rs. Crores)

Year	Income	Profit Before Tax	Profit After Tax
2007	6991	1930	1439
2008	7283	1737	1213
2009	8027	2294	1607
2010	7717	1461	1120
2011	9439	1540	1325

tive and managerial staff vis-a-vis workers, as we do later, both permanent and casual, the contrast would be even starker. The total expenses on personnel by ACC in 2011 was Rs 525.69 crore, while in 2010 it was Rs 461.89 crores.

A look at the ACC balance sheet (Table 2) confirms that there is enough profit to be made even in lean years for Companies involved in the business of cement manufacturing.

To get a clearer picture of the distribution of costs especially payments made to workers (all categories included), let us take a closer look at the work force employed in one unit each of ACC and Ambuja. A written submission to PUDR by Suresh Bagde, General Secretary of Chattisgarh Cement and Khadaan Mazdoor Union affiliated to INTUC in Ambuja's Ravaan cement unit, estimated the total number of workers to be about 1696 of whom 270 were permanent while the rest approximately 1420 were on contract. Table below gives a rough estimate of the break-up of contract workers employed across departments at the Ambuja plant.

**Distribution of Contract Workers  
across Departments (Ambuja, Ravaan)**

<b>Department/ Job</b>	<b>Contract workers (numbers)</b>
Loading & unloading	240
Mines	135
Electrical& instrumentation	80
Mechanical	200
Production	80
Civil	200
Power Plant	250
Railway	60
Canteen	35
Security	140
<b>Total</b>	<b>1420</b>

The same is roughly true for ACC plants as well. Based on figures provided by workers, for the same period, there are about 749 contract and 366 regular workers employed in ACC's Jamul unit in all.

According to the ACC balance sheet for 2011, the number of employees in 15 of its units across India (see Table 2), which includes workers and administrative personnel, is estimated to be 9,031 persons in 2011. However, this figure in the ACC's balance sheet is at variance with the total employees for ACC as quoted by Holcim. The balance sheet for Holcim for 2011, reports ACC having employed 14,491 persons and Ambuja 8,497 personnel. In other words, as per the two documents relating to the total workforce employed by ACC, there are two very different and contending figures with almost 5400 employees unaccounted or missing in ACC's reports!

What about Ambuja Cement which also has 15 units similar to ACC. The total strength of the workforce employed at the Ravaan plant of Ambuja is 2,070 persons of which staff make up for 350, regular workers 270, and 1,420 contract labour. The point is that do other units of both ACC and Ambuja employ these many contract labour in their units? Between their 30 units is it possible that they would be employing merely 22,988 persons! Thus there are questions regarding the accuracy of the figures put out by Holcim and its subsidiaries namely ACC and Ambuja.

Also could this reflect under-reporting of the number of workers employed primarily as contract Labour? In general Company balance sheet shies away from either sharing the output per worker (although ACC appears to be an exception this rule as we shall see below) or the amount paid to Contract workers. This is under-reporting and lack of transparency which mean that the workers, regular as well as contract, do not get data which informs them of their own value of output and the unequal wage payouts. We believe this non-revelation of the actual number of contract labour is in violation of Contract Labour (Abolition and Regulation) Act, which confers on the Company the designation of principal employer. It is worth mentioning that the Company Law as it exists in India does not require companies to be transparent where work force, wage bill, per employee output are concerned. Although foreign and domestic investors are provided these data for attracting investments, the same is denied to the workers and their unions who have a legitimate right to receive full information which can enable them to make a valid claim for proper compensation.

One should also bear in mind that turnover calculated by the company is an average, just as wages paid out are unequally distributed. In other words, the turnover calculated could have been lower than the actual figure. Wages paid to regular and contract worker represent a small portion of the total expenditure on account of personnel cost which is approximately 6 percent of the total for ACC i.e. Rs 525 cr for 2011. If we segregate the payouts to staff and regular workers, contract labour who account for 70 percent of the total employees receive less than half of the wages which form part of 6 percent. The salary slips made available to PUDR showed great divergence in wages paid to contract and regular workers employed at the ACC plant. For instance the wage slip for November 2011 showed Parmeshwar, a contract worker, receiving Rs 2256 for 15 days; Dewa Patil another contract worker Rs. 3354 for 23 days in contrast to Hukumlal, a regular worker receiving Rs. 14,010 against a gross income of Rs 15,882 for the same month. The difference between regular and contract labour was found to be nearly six to seven times; ie regular worker's get paid 6-7 times the wages given out to contract workers.

In addition, the bonus paid to regular workers is 20 percent whereas contract workers are given only 8.33 percent. Thus assuming an average monthly wage of Rs 15,000 per regular worker, regular workers receive annually (including bonus) not less than Rs 200,000. This is but less than 2 percent of the turnover per employee of Rs 1.05 crore per worker. However, contract labour employed receive Rs.3,500 or Rs 42,600 annually plus the bonus of 8.33 percent which works out to another Rs.3500. The total payout of Rs. 46,000 annually to contract workers thus becomes a fraction of the per capita output of

a worker. The notings made by the Parliamentary Standing Committee in its 95th report on the performance of the cement sector (2011) had a strong comment to make on the pathetic situation of labour employed in the cement industry (see Box given at the end )

#### **Turnover per employee in ACC**

<b>Year</b>	<b>Number of Employees</b>	<b>Turnover per Employee (in Rs. Cr)</b>
2007	10,032	0.70
2008	9, 557	0.76
2009	8, 916	0.90
2010	8,971	0.86
2011	9,031	1.05

*Source: Balance Sheet of ACC (Holcim) 2011 p.15.*

It is interesting to note that ACC's own calculation of turnover per employee, shows a rise for all the five years barring the year 2010. What it does not show is the ratio of turnover between regular and contract labour. Since there is no separate balance sheet for each of the 15 units of ACC or Ambuja, it is difficult to calculate the per employee turnover i.e. output per employee in monetary terms. Assuming that output per employee is the same for regular and contract workers in Ambuja as in ACC, because they work the same number of hours on similar jobs, it is worth noticing that regular workers get wages which are nearly 6-7 times that of contract labour. But even regular workers receive wages which are far lower than what other employees earn. Consider for instance that Ambuja Cement gave away Rs 81.84 crores as commission to its ten directors. The difference between contract workers getting Rs 46,000 annually versus a company director getting commission of approximately Rs 8 crore each (10 directors into 81.84 crore commission as per the balance sheet) is staggering.

#### **Understating Profit**

All the figures above are of the income and profit as announced by the companies. But recently the lid was removed from cartel building aimed at earning spectacular profits. In April 2012, the Competition Commission of India found 10 cement companies, which includes ACC and Ambuja, for having conspired to build a cartel. As a result, cement prices crossed Rs 300 per 50 kg bag. Finding them to be in violation of Section 27 of the Competition Act which lays down that after an inquiry into agreements (as defined under section 3 of the Act) or abuse of dominant position (u/s 4), the Competition Commission imposed a penalty. Finding 10 cement firms, including ACC and Ambuja, guilty of cartelization the Commission imposed a fine totalling Rs 6030.32 crores. This is approximately 50 per cent of the declared profit for 2009-10 and 2010-11. This penalty has been contested by the affected companies in the apex court. Thus there

are good reasons to believe that cement companies may have been suppressing information about the extent of profits made by them.

It is also interesting to note that the two companies in question in this case -ACC and Ambuja Cement, after their merger with Holcim, had withdrawn from the membership of the Cement Manufacturers' Association, out of fear of being charged with the allegations of cartelisation in Europe. According to the Builders Association of India, both these companies had more to fear from the Commissions in Europe than the Competition Commission in India, that had little power to curb or deter unfair trade practices. It is also interesting to note that it was on the Complaint made by the Builders Association of India, that the Competition Commission undertook to investigate charges of cartelisation. It is a million dollar question whether Government Departments and commissions would treat complaints filed by workers and trade unions with such alacrity!

## Conclusion

Following the onset of 'liberalisation', there have been widespread changes in the way particular industries have been governed. While previously in some industries such as cement, the regulation of industrial policies including employer-employee relationships were the subject of a larger process of tripartite deliberations, with liberalisation and the dismantling of a relatively participative structure, the terms and conditions under which workers are employed stands heavily compromised. Workers employed in the cement industry continue to be deprived of not just their fair share of wages, by being employed on a contractual basis for years on end without any surety of permanent employment, but also more importantly of their constitutional rights such as the freedom to form associations and trade unions. But side by side of the constriction of trade union rights, issue of land acquisition and pollution/environmental damage stares at the people. A virtually unregulated industry has its way and the weak and compromised labour department, Factory Inspectorate and a pliable environmental agency has seen a rise in destruction of lives and livelihood. It is interesting to note that officers of the civil administration and police avail of company's luxury guest house for their stay or rest and recreation.

The extent of freebooting ways of company can be gauged from the fact the team was told by the District Collector of Balooda Bazar that he had ordered closure of boiler of plant no 2 in Ambuja unit because it was constructed and operated without statutory sanction!

The expansion of the plant to increase production as well as depletion of limestone from existing mines is driving the company to acquire more land. They attempt to corner village land or use force and fraud to make villagers part with land (by even threatening that if they don't sell now they will only get distress rates later. The villagers who still reside in the area say that the impact of blasting at the quarry site not only causes cracks in their houses but the impacts their daily lives including dust particles cause health problems. This gets compounded by filling up of water bodies and reduced availability

of water for cultivation.

These existential problems are not helped by underpaid and overworked contract labour who form the major component of the work force and whose trade union right are not protected under Industrial Disputes Act and who reside in the surrounding villages.

Despite the explicit directive of the Cement Wage Board Award prohibiting the employment of contract labour in plants, contractualisation seems to have become the de-facto norm. The divide between contract and regular workers, especially when they do the same kind of work for the same duration not only creates disparities between workers in terms of wages, but also leads to an effective clamp down on their ability to organise collectively. As is evident in both Ambuja and ACC plants now owned by the Swiss multinational company, Holcim, contract workers are actively prevented from organising themselves into unions that seek to raise their interests and concerns. The intimidation, discrimination and harassment of workers affiliated with PCSS serves as a relevant case in point.

In the case of Holcim, other agencies of the state have also been complicit in the harassment meted out to workers. For example, while the Industrial court gave an order explicitly calling upon the management to regularise all contract workers including those who had been retrenched, the High Court of Chattisgarh was less magnanimous and in its ruling it actively sought to water down the relief provided by the Industrial court to benefit only those workers who could show evidence of their membership with an union. The High Court order seemed to reiterate the understanding adopted by the Supreme Court in its judgements in the *Steel Authority of India Ltd. and Others v. National Union Waterfront Workers and Others* (2001), *Steel Authority of India vs. Union of India and others* (2006), whereby it sought to legitimise and support contractualisation of labour as the norm befitting the conduct of industrial relations in liberalised India.

*Neither Section 10 of the CLRA Act nor any other provision in the Act, whether expressly or by necessary implication, provides for automatic absorption of contract labour on issuing a notification by the appropriate Government under sub-section (1) of Section 10, prohibiting employment of contract labour, in any process, operation or other work in any establishment. Consequently the principal employer cannot be required to order absorption of the contract labour working in the establishment concerned.*

*Steel Authority of India Ltd. and Others v. National Union Waterfront Workers and Others (2001)]*

The role of the Labour Department in this case calls for special attention. Traditionally, labour is a subject of concurring jurisdiction, which means both central and the state laws operate to ensure that workers get their dues. However, in the case of cement industry, this feature of concurrent jurisdiction has in more ways than one has created unnecessary confusion that has largely worked to the detriment of the workers. Having

first accepted to have a Cement Wage board, both, the management and Department of Labour (both Central and State) have been less enthusiastic about executing the Wage Board Award. The Litigation entered into by the ACC management in the High Court of Chattisgarh, is an illustration of the repeated attempts made by cement companies to dilute the system of guarantees offered to workers employed in the industry. The irony lies in the fact that even after the High Court came out with an order providing relief to a small number of workers, the Office of the Assistant Labour Commissioner (State) has not even begun to initiate the first steps towards its execution. (See Box)

*Given that the High Court had delivered its judgement in 2011, it was now well over a year when PUDR met the ALC at his office in Durg on the 30th of June, 2012. At first, PUDR had to wait nearly two hours before the ALC made his way to the office. No one knew as to when he would come in, including his own staff. Needless to say, he was most apologetic about his late arrival and reiterated as to how he was busy with a meeting elsewhere.*

*On being asked about the reason for delay of non-implementation of the High Court Order concerning workers employed at ACC cements, the ALC justified non-action by providing a rather lame excuse of not having received such a list of workers from the union. He assured PUDR that that he would immediately take action to implement it as soon as he received the list. After all, his department was constitutionally mandated to take up the cause of labour.*

*Within an hour and a half of receiving such an assurance, PUDR was back in the ALC's office with a copy of the complete list of workers duly submitted by the PCSS, for implementation of the High Court Order. On seeing the document, the ALC immediately changed his tune and after feigning ignorance, he proceeded to offer a litany of technical objections to the list that had been supplied by the Union. On being questioned on the non-action by PUDR, the ALC shouted back and openly stated that he would not be pressurised to take up the matter. It was obvious that the ALC had already been succumbed to pressure exercised by the ACC management. Therefore, before leaving PUDR simply reminded him that as a public official implementation of the directions of the High Court was not a question of his personal choice but one of duty.*

With liberalisation, based on the evidence that exists, the situation has only gotten worse. The labour department across the country has been complicit in helping companies to maximise profits at the cost of workers. The Statesman (11 August 2012) reported that whereas there were more than 300,000 strikes in 1973-74 their number dropped to 429 in 2010! Inflation adjusted wages increased by 40 per cent in fifteen years from 1981-82 to 1994-95 and then fell in the next fifteen years, by 2009-10 to 15%. Wage payments as percentage of net value created by firms dropped from 30.3% to 11.6% in 30 years as profit nearly trebled from 23.4% to 56.2% in the same 30 years. Profitability of the companies was linked to engaging cheap contract/casual labour without having to bother paying towards their Provident Fund, Health insurance or pension.

And simultaneously leaving them at the mercy of the Labour Department, NGOs or social activists as the trade union movement retreated and its numbers came down largely due to contractualisation of work force.

In other words, it all points towards the harmful effects of having a law such as the Contract Labour Abolition and Regulation Act, that has both abolition and regulation in its nomenclature. This is more so because the Act has helped spawn a regime which has paved the way for rapid contractualisation of work force exposing them to full brunt of the power of capital without the counter-vailing safeguard provided by the unions. It is misplaced to believe that Contract Labour can be protected through special legal machine as was envisaged by Contract Labour (Abolition and Regularisation) Act 1970 and their well-being protected through such legislation as 'Organised Sector Non Agricultural Workers (Condition of Work and Livelihood), which was mooted by National Commission on Employees in the Unorganised Sector (NCEUS) in 2007. CLA 1970 failed to abolish or regularise nature of work. Indeed this regime saw an augmentation in numbers of contract labour across the industry! As for the 2007 bill it was watered down and then got stuck in the Parliament. But had it enjoyed smooth passage the dependence of the contract labour on the goodwill of management, patronage of Labour Department and well-meaning social activists would have made workers recipient of benevolence, their vulnerability and dependence enhanced without in anyway ending their easy 'hiring and firing'. In this context, the work done by the PCSS in jointly mobilising and bringing together workers and peasants on the same platform, is commendable. It also points towards the possibility of organising contract labourers in a union. In other words PCSS as a Union represents a process based on patient and often thankless task, which is what makes their experience so very important.

It may seem incongruous to argue for unionisation of contract labour at a time when the unions which represented regular workers have been coming under attack for being irresponsible and for destroying industrial peace etc or are being replaced by pro-Management unions. But to believe that Unions have outlived their purpose or that functionaries of state and well meaning social activists can replace the unions is a misconception. A worker without a union to represent him or her is completely at the mercy of the management and subservience is what he/she is reduced to. Without union this would amount to wage slavery. While those tasked with responsibility to protect workers such as the Factory Inspector or the Labour Department are lacklustre in performance of their duties (actually the alacrity with which they settle matters in favour of the management shows that their heart melts for the management).. As for social activists and the NGOs they hardly have either the wherewithal or the aptitude to protect workers inside a plant. Only a union can raise and fight for condition at the shop floor, improve safety and reduce accidents, and come to the aid of a worker where it is immediately and promptly needed.

The question as it is posed is simply not one of production or growth alone. Industrial relations have to be conducted within the parameters of a framework which addresses the inherently unequal nature of relation between Capital and Labour. Conditions have to be created at the industry level for workers to bargain with managements



on a somewhat equal footing. The collective right to bargain with the management is an intrinsic part of effort to address the unequal relation of labour-capital. It is significant to note that in Chattisgarh's Ambuja and ACC cement units where PCSS has a presence, contract workers are represented by a Union, and collective bargaining is the way in which workers employed through labour contractors, get direct access to the principal employer. Union also provides a means for the contract labour to succeed in surmounting obstacles such as termination of work without notice, confront the long arm of the law where they get implicated in fabricated cases that is meant to break their collective strength. And even more important for workers gain the support of villagers as the union has consciously gone about mobilising peasants to resist land grab. What PCSS represents, however small the size of their union, is the living illustration of an immensely useful role trade unions can play in the struggle to end contract labour and their regularisation.

The issues before the working class, therefore, is not simply one of what Constitution described as providing "living wages" (Article 43), or equal pay between regular and contract workers for the same job, but also about how to maintain and consolidate their identity as a larger collective. Retaining two systems not only divides the workers but it is like creating two tiers of workforce, one governed by Industrial Disputes Act and the other CLA, although they perform the same tasks and similar duties. Indeed as our report shows contract labour perform hazardous task more often and put in many more hours of work every working day in exchange for lower wages and poorer condition of work. And yet, it is only when regular and contract workers are unionised they not only manage to get around their differences but actually become resilient to management and administration's divide and rule game.

Therefore, PUDR believes that it is only by regularising contract workers, abolishing contract labour and thus restoring to them the protection offered by the ID Act, is the way in which we should be moving. **This can begin in the Cement Industry where the First Cement Wage Board Award of 1959 had demanded abolition of contract labour.**

**Thus we demand:**

1. Abolition of contract labour in cement industry and regularisation of their services;
2. Strengthen regulatory authority to monitor and control industrial pollution;
3. To ensure safe working conditions;
4. To implement R&R for those whose land as well as livelihood is affected;

### **The Dilution of the Notion of 'Fair Wages'**

The Directive Principles of State policy refers to the notion of fair wage in Article 43 where it places the responsibility of creating an economic order in which every citizen finds employment and receives a 'fair wage' on the State.

In 1948, the Committee on Fair Wages further divided the subject of wages into three different categories - living wage, fair wage and minimum wage. Living wages was broadly understood as the level of remunerations that would enable workers to provide for their families not merely the basic essentials of food, clothing and shelter but also frugal comfort including education for children, protection against ill health, requirements of essential social needs and a measure of insurance against more important misfortunes including old age. Minimum wages on the other hand consisted of the lowest possible wages that would workers the means for bare sustenance. The concept of fair wages worked as an intermediary between the categories of living wage and minimum wage. While the lower limit of the fair wage was obviously the minimum wage, the upper limit was left undefined and broadly dependent on the capacity of the industry to pay both in terms of its present and projected future capacity.

In 1957, the 15th Indian Labour Conference decided to set down norms for fixing 'minimum wage'. These were:

- i. In calculating the minimum wage, the standard working class family should be taken to consist of 3 consumption units for one earner; the earnings of women, children and adolescents should be disregarded;
- ii. (ii) Minimum food requirements should be calculated on the basis of a net intake of 2,700
- iii. Calories, for an average Indian adult of moderate activity;
- iv. (iii) Clothing requirements should be estimated at a per capita consumption of 18 yards per
- v. annum which would give for the average worker's family of four, a total of 72 yards;
- vi. (iv) In respect of housing the norm should be the minimum rent charged by Government in any area for houses provided under the Subsidised Industrial Housing Scheme for low income groups; and
- vii. (v) Fuel, lighting and other 'miscellaneous' items of expenditure should constitute 20percent of the total minimum wage.

The norms fixed for minimum wages soon became a euphemism for living wages, with the result that workers struggles over wages was now confined to implementation of minimum wages, and gradual dilution of the demand for fair wages.

**Situation of Labour in the Cement Industry - Report of the Parliamentary  
Standing Committee on Commerce (2011)**

The Committee during its visit to various cement plants was informed that cement companies utilize various concessions and benefits from the Government and reap huge profits without giving any benefits to the cement workers. The Cement Wage Board regulates the wages of cement workers. The Committee was informed that the wage of the workers in the cement companies over the last ten years is only Rs. 2800/-, which is the lowest when compared to other industries. It was brought to the notice of the Committee that the wage revisions of the workers was due from April, 2010 but, the Cement Wage Board was not revising the wages...

Moreover, the health conditions of employees in these plants are also alarming. They are facing serious respiratory problems due to the polluted and hazardous non-friendly working conditions. The Committee, during its visits, also came to know from general public that land acquired for establishing cement factories have rendered, many people unemployed and landless. It was informed that Cement factories established in agriculture-based regions employ local landowners for acquiring their lands, but agricultural-labourers are rendered unemployed and their problems remain unattended.

The Committee recommends that the Cement Wage Board should revise the wages of, cement workers, immediately and while revising it should take into consideration the wages fixed by Cement Corporation of India (CCI) for its workers and also wages prevailing in other sectors. The Cement plants should also improve the working conditions in their plants by reducing air pollution by strictly following the Ambient Air Quality Standards notified by the Ministry of Environment and Forests. The Committee also recommends that before giving permission for land acquisition for setting up cement plants, the Government should ensure that the interests of the local inhabitants are not compromised and the issue of the unemployed and displaced labour be addressed in right earnest. The Committee further recommends that the cement industry should take the social responsibility of providing all essential facilities to the workers such as education, health, drinking-water, sanitation and insurance cover, etc.]

1. **Fettered Lives: Contract Labour** Jawaharlal Nehru University (June, 2007)
2. **Freewheelin' Capital: Illegal Dismissals, Forced 'Voluntary' Retirement and Contractualisation of Workforce at Maruti Udyog Limited** (August, 2007)
3. **In the Name of National Pride** (Blatant violations of worker's rights at the CWG construction sites (April 2009)
4. **Games the State Plays: A follow up report on violations of worker's rights at the CWG related construction sites** (August 2010)
5. **Bitter Aftertaste: Exploitation of Workers in Almond Enterprises in Delhi** (2012)
6. **उजड़े हुए लोग : जे.एन.यू. में ठेकेदारी प्रथा और मजदूरों के शोषण पर एक रिपोर्ट** (सितम्बर, 2007)
7. **बेकाबू सरमायादार : मारुति में गैरकानूनी बर्खास्तगियाँ, ज़बर्दस्ती थोपी गई 'स्वैच्छिक सेवानिवृत्ति' और ठेके पर मजदूरों का रखा जाना** (अक्टूबर, 2007)
8. **राष्ट्रीय गौरव के नाम पर : राष्ट्रमंडल खेल निर्माण स्थल पर मजदूरों का शोषण** (अप्रैल 2009)
9. **खेल खत्म पैसा हज़म : राष्ट्रमंडल खेल निर्माण कार्य में मजदूरों के शोषण पर एक रिपोर्ट** (जनवरी 2011)

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