

EVALUATION STUDY ON THE IMPLEMENTATION OF MINIMUM WAGES ACT, 1948 IN BEEDI MAKING INDUSTRY IN MADHYA PRADESH

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Government of India

Ministry of Labour and Employment

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PREFACE

The Minimum Wages Act, 1948 is a welfare legislation, enacted to prevent exploitation of unorganised, illiterate and ignorant workers in the form of paying unjustifiably low wages. The Act empowers the Appropriate Government to fix and revise the statutory rates of minimum wages for scheduled employments at intervals not exceeding five years. It requires effective enforcement on the part of appropriate authorities. The wage rates so fixed not only regulate the cost of production to an extent but also have an important bearing on the standard of living and well being of the work force.

Labour Bureau was entrusted with the task of conducting Evaluation Studies on the Implementation of the Minimum Wages Act, 1948 in the year 1981. The studies, in the first instance, were started with the employments in agriculture sector in selected States. Subsequently, these studies were conducted in relatively unorganised employments like Bauxite Mines, Building and Construction, Beedi and Tobacco (including Beedi Making) Manufacturers. Till so far, Labour Bureau has conducted 28 studies including the present study under the component.

The present report is based on the study conducted in "Beedi Making Industry" in the State of Madhya Pradesh. The study aimed at revealing the level of compliance of various provisions of the Minimum Wages Act, 1948 in the Beedi Industry in terms of payment of prescribed wages, daily hours of work, awareness among the employers and workers about various provisions of the Act and difficulties faced in the enforcement of the Act in the scheduled employment.

I wish to record my deep appreciation to the Officials of Labour Department of Madhya Pradesh State, for their commitment and whole hearted co-operation in completing this time bound task successfully. My thanks are due to all the employers and workers of the sample units, who had enthusiastically furnished the detailed information for this survey.

I would also like to place on record, my deep appreciation for the dedicated efforts and immense contribution made by the team of officers and staff members of the Labour Bureau for conducting the survey and bringing out this report. Suggestions for the improvement of such surveys are welcome.

Dated: 27th August, 2015

Chandigarh

Dr. M. Mathisekaran

Director General

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EXECUTIVE SUMMARY

- ❖ The Present Study covers Beedi Making Establishments in the State of Madhya Pradesh with the aim of studying the extent to which the provisions of the Minimum wages Act, 1948 have been enforced in the establishments.
- ❖ The field work of the survey was conducted in the month of January & February, 2015.
- ❖ Based on the concentration of Beedi Industry Establishment in the State of Madhya Pradesh, ten districts of the State namely Sagar, Gwalior, Jabalpur, Satna, Reeva, Damoh, Narsingpur, Guna, Katni and Datiya were selected under the study.
- ❖ During the course of survey, 73 units were surveyed in the first stage. Further from the selected units, detailed information of 893 workers were ascertained in the second stage.
- ❖ Majority of the workers in the Industry are found to be home based workers. About 92 percent of the Beedi Workers are found to be home-based workers and remaining 8 percent are reported to be working in the factories or establishments.
- ❖ More than 98 percent of the workers are reported as Manual Workers in the Industry.
- ❖ Among the Male Workers, about 93 percent are employed through Contractors/Sattedars and only about 7 percent are employed directly by the employer. Similarly, among the women workers, about 73 percent are reported to be employed through Contractors/Sattedars and the rest (27 percent) are employed directly by the employer.

- ❖ Beedi Rolling is found to be the most important occupation accounting for more than 88 percent; followed by Wrapping/Labeling/Bundle Making comprising 5.4 percent and Taraiwala/Sorting/Checking 3.9 percent.
- ❖ Around 13 percent of the Beedi Employees are reported to be illiterate and another 5 percent have attained education qualification of Below Primary Level based on the survey results.
- ❖ About 48 percent of the Beedi Workers have reported experience of below 10 years in the Industry followed by 41 percent of the workers between 10-20 years in the Beedi Industry.
- ❖ The Average Daily Earnings of the Beedi Workers varied from about Rs. 64 to Rs. 290. Among all the occupations, Beedi Rolling is found to be the lowest earning occupation followed by Wrapping/Labeling/Bundle Making.
- Major proportion of the workers (90 percent) are found to be working on Piece Rated System and remaining 10 percent on Time Rated System.
- ❖ The study reveals that majority of the workers (61 per cent) are getting wages on weekly basis followed by 36 per cent on monthly basis.
- ❖ About 63 percent of the sampled units have allowed Beedi Workers to avail leave/holidays with wages and 32 percent of the units have allowed Beedi Workers to avail leave/holidays without wages.
- ❖ Around 95 percent of the Establishments were maintaining Attendance Register; Amenities Register being maintained by 33 per cent establishments; Muster Rolls by 96 percent units and Register of Overtime by 4 percent units.

❖ Most usual violations noticed by the enforcement machinery are related to non-registration or non-renewal of registration, inadequate maintenance of registers, non-submission of annual returns and non-display of the abstracts of the Minimum Wages Act, 1948, providing PF and ESI benefits to fewer workers and deduction of sub-standard beedis more than the permissible limit.

CHAPTER -I

INTRODUCTION

1.1. GENESIS

- 1.1.1. The Indian economy is dualistic, characterized by the existence of comparatively a well organized labour sector along with an unorganized sector with a predominance of self employment. In a labour surplus economy like India where majority of the labour force is engaged in the unorganized sector and are vulnerable to exploitation due to their weak bargaining power, determination of wages should not be left to the market forces of demand and supply. Thus, in order to ensure that the workers get wages at least to meet their basic needs in order to have a decent standard of living, the Government of India enacted the Minimum Wages Act, 1948. The Act aims at fixing and revising Minimum Wages in certain scheduled employments so as to prevent the exploitation of workers.
- **1.1.2.** The Minimum Wages Act, 1948 initially provided for fixation of Minimum Wages in employments specified in Part I and Part II of the Schedule appended to the Act. Agriculture was subsequently included in Part II of the Schedule during the year 1957. As provided under the Act, the minimum rates of wages fixed in the scheduled employments are to be revised at intervals not exceeding 5 years.
- 1.1.3. The Minimum Wages Act, 1948 covers all employers who employ one or more workers in any Scheduled Employment in respect of which Minimum Wages have been fixed under the Act. Although the Act provided for fixation/revision of minimum wages by the Appropriate Government at interval not exceeding 5 years, to make wages more realistic, yet the implementation of the Act remained a cause of concern for the Government.

1.1.4. Aiming to make assessment of the extent to which the provisions of the Act have been enforced in the different scheduled employments, the Government of India, Ministry of Labour, entrusted the task to Labour Bureau in May, 1981 for conducting Evaluation Studies on the Implementation of Minimum Wages Act, 1948. Initially these Evaluation Studies were started in the scheduled employments of Agriculture. The first study in Agriculture was conducted in the State of Gujarat in the year 1982. Subsequently, similar studies were conducted in Bihar, Karnataka, Andhra Pradesh, Rajasthan, districts of Eastern Uttar Pradesh, Orissa and Kerala.

1.1.5. Keeping in view the utility of the data so collected, the scope and coverage of the study was extended to other unorganized employments like Bauxite Mines, Building & Construction Industry, Beedi Making Establishments, etc. So far, Labour Bureau has conducted 27 such studies. Out of these 27 studies, 6 studies are related to Beedi Industry and the present study is 7th in the Beedi Industry and 28th in the series of Evaluation Studies on Minimum Wages Act, 1948. The list of surveys conducted in the Beedi Industry under Minimum Wages Act, 1948 in different States is given in Table 1.1.

Table 1.1: List of Surveys conducted in Beedi Industry under the Evaluation Study on the Implementation of Minimum Wages Act, 1948.

| S.No. | State | Year of Study |
|-------|----------------|---------------|
| 1. | Maharashtra | 1991 |
| 2. | Uttar Pradesh | 1992 |
| 3. | Andhra Pradesh | 1996 |
| 4. | Karnataka | 1997 |
| 5. | Chhattisgarh | 2003 |
| 6. | Madhya Pradesh | 2003 |

1.1.6. The present Study covers Beedi Making Establishments in the State of Madhya Pradesh. The Beedi Making Establishments fall under the Scheduled Employment in Tobacco (including Beedi Making) Manufactories originally included in Part I of the Schedule, appended to the Minimum Wages Act, 1948 and the State Governments are the Appropriate Authorities under the Act for fixation and revision of Minimum Wages.

1.2 BEEDI INDUSTRY

1.2.1. According to ILO, there are about 300 manufacturers of major beedi brands and thousands of small scale contractors and manufacturers involved in bulk production of Beedis in India. The Beedi industry employs approximately 4.4 million full time workers and an additional 4 million in Beedi Industry-related jobs. Most of the workers are largely poor and illiterate. The lack of organized production in the Beedi Industry creates difficulty in regulating the working conditions and in implementing welfare laws among the workers.

1.2.2. Major Legislations/Policies meant to Protect and Improve the Livelihood of the Beedi Workers:

- i. **Bonded Labour System (Abolition Act), 1976:** Protects individuals, especially children, from being forced into labour when, typically, parents cannot repay a loan.
- ii. **The Child Labour (Prohibition and Regulation) Act, 1986:** Prohibits the employment of children under 14 years; Restricts children's participation in Beedi making except as family-based work or school-based activities and limits the time, children may work up to six hours; between 8:00 am and 7:00 pm.
- iii. **Beedi and Cigar Workers (Condition of Employment) Act, 1966:** This act regulates factory based workers. It requires the establishment of industrial standards. e.g. no overcrowding, proper ventilation,

appointment of working condition inspectors. It regulates working hours, rest, leave, and prohibits child labour.

1.2.3. Legislations Related to Working Conditions

- i. **Beedi Workers Welfare Fund Act, 1976:** Meant to provide basic benefits such as health care, education, insurance, housing assistance, scholarships, drinking water supplies, and provides 12 hospitals and 276 dispensaries across the country for beedi workers.
- ii. **Beedi Workers Welfare Cess (Amendment) Act, 1976:** Under the cess collected through excise duty of manufactured beedis, workers receive benefits from a government fund. As regard to other welfare benefits, workers must have an ID card in order to receive funds.
- iii. **Employees State Insurance, 1948:** Provides health, medical and cash benefits for sickness, maternity, employment-related injury for employees earning less than Rs. 3000 per month. Dependents of employees may also receive pensions in the case of death or injury to the worker.

1.3 OBJECTIVES

The main objectives of the study are:

- ➤ The extent to which the provisions of the Minimum Wages Act, 1948 have been enforced in establishments engaged in 'Beedi Industry' in the State of Madhya Pradesh.
- ➤ The extent of awareness about the Minimum Wages Act, 1948; the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 and the Equal Remuneration Act, 1976 among the employers and various categories of workers.
- ➤ The level of enforcement of licensing, record keeping and other relevant provisions of the Beedi and Cigar Workers (Conditions of Employment) Act, 1966.
- Level of compliance with regard to the Statutory Minimum Wages.

> The problems faced by the enforcement machinery in effective implementation of the Act.

1.4 CONCEPTS AND DEFINITIONS

The important concepts and definitions related to the Minimum Wages Act, 1948 and the Beedi and Cigar Workers (Conditions of Employment) Act, 1996 adopted for the purpose of the study are as given below:

Interpretations

- ➤ **Appropriate Government**: Appropriate Government means: (i) in relation to any scheduled employment carried on by or under the authority of the Central Government or any corporation established by a Central Act, the Central Government and (ii) in relation to any other scheduled employment, the State Government.
- > **Scheduled Employment:** An employment specified in the schedule appended to the Act or any process or division of work forming part of such employment.
- ➤ **Unit/Establishment:** Any office or department of the Government or a local authority, or in any place where an industry, trade, business, manufacture or occupation is carried on.
- ➤ **Employer:** Any person who employs, whether directly or through any other person/agency, whether on behalf of himself or any agency, one or more employees/workers in any scheduled employment in respect of which Minimum Rates of Wages have been fixed under the Minimum Wages Act, 1948 by the Appropriate Government.
- **Employee:** Employee is a person employed directly or through any agency whether for wages or not, in any establishment to do any work, skilled, unskilled, manual or clerical and it includes:

- (a) Any labour who is given raw material by an employer or a contractor for making beedis at home (often referred to as a Home Worker): and
- (b) Any person not employed by an employer or a Contractor, but working with the permission of or under an agreement with the employer or the Contractor.
- ➤ **Contractor:** A person who undertakes to produce a given result for the establishment, other than a mere supply of goods or articles of manufacture to such establishment, through contract labour or who supplies labour for any contract work of the establishment and includes a Sub-Contractor, Agent, Munshi, Thekedar or Sattedar.
- ➤ **Contract Labour:** A worker who is hired in or in connection with the work of an establishment by or through a contractor, with or without the knowledge of principal employer.
- ➤ **Wages:** Wages include basic pay, dearness allowance, variable dearness allowance and ad-hoc dearness allowance.
- ➤ **Earnings:** The earnings include all types of basic pay and dearness allowance as well as other allowances like H.R.A., C.C.A., Conveyance Allowance, Washing Allowance, Medical Allowance, etc.
- ➤ **Industrial Premises:** Industrial premises means any place or premises (not being a private dwelling house), including the precincts thereof, in which or any part of which any industry or manufacturing process connected with the making of Beedi is being, or is ordinarily, carried on with or without the aid of power.
- ➤ Manufacturing Process: It means any process which is incidental to, making, finishing or packing or otherwise treating any article or substance with a view to its use, sale, transport, delivery or disposal as Beedi.

- ➤ **Beedi Roller:** A worker who rolls beedis out of the raw material provided to him within the premises of the establishment or in his private dwelling.
- > Other Workers: All the workers in the Beedi Industry other than the Furnace man, Labeler, Packer, Wrapper, Sorter, Checker, Tobacco Mixer, Driver, etc.

1.5 SCOPE AND COVERAGE

- **1.5.1.** The scope of the study extends to all the Beedi Making Establishments falling under the Scheduled Employment in Tobacco (including Beedi Making) Manufactories in the State of Madhya Pradesh. However the actual coverage and collection of data was restricted to the sampled employers, workers and labour inspectors.
- **1.5.2.** For preparing the frame, the Government of Madhya Pradesh State was requested to provide district wise information on the number of beedi establishments and the workers employed in them. The number of Beedi units with approximate number of workers employed therein as provided by the State Government is presented in Table 1.2.

Table 1.2: Number of Beedi Units and Approximate Number of Workers in Madhya Pradesh State

| S1. No | District | No of Units | Approximate Number of Workers |
|--------|-------------|-------------|----------------------------------|
| 1 | Reeva | 7 | 234 |
| 2 | Datiya | 8 | 269 |
| 3 | Shyopur | 4 | 120 |
| 4 | Indore | 1 | 70 |
| 5 | Burhanpur | 2 | 2500 |
| 6 | Vidisha | 5 | 28 |
| 7 | Devas | 3 | 434 |
| 8 | Hoshangabad | 1 | 12 |
| 9 | Gwalior | 15 | 1122 |
| 10 | Damoh | 39 | 658 |
| 11 | Ujjain | 1 | 23 |
| 12 | Satna | 20 | 750 |
| 13 | Jabalpur | 18 | 829 |
| 14 | Narsinghpur | 10 | 190 |
| 15 | Tikamgarh | 3 | 40 |
| 16 | Raisain | 4 | 438 |
| 17 | Guna | 6 | 2093 |
| 18 | Sagar | 115 | 23422 |
| 19 | Katni | 6 | 2733 |
| 20 | Khargone | 1 | 26 |
| 21 | Chhatarpur | 1 | 16 |
| | Total | 270 | 36007 |

1.6 METHODOLOGY

1.6.1. The information provided by the State Government was utilized for making an assessment of the concentration of beedi making establishments and thereby forming strata's for distribution of units in different stratums. In the first stage sampling, ten districts were selected for the study viz. Sagar, Gwalior, Jabalpur, Satna, Reeva, Damoh, Narsingpur, Guna, Katni and Datiya.

1.6.2. The selected districts were grouped into four strata based on their concentration of units and the size of employment. Table 1.3 provides details of the selected districts in the State of Madhya Pradesh regarding the

number of Beedi Establishments and the number & proportion of workers employed therein.

Table 1.3: Number of Beedi Units and Number of Workers Employed therein in the Selected Districts

| Strata | Name of the Districts | No. of Registered Units | No. of Workers Employed | Proportion of Workers Employed |
|-------------|------------------------------------|-------------------------------|-------------------------------|--------------------------------------|
| Stratum I | Gwalior, Datiya and Guna | 29 | 3484 | 10.8 |
| Stratum II | Jabalpur, Katni and Narsinghpur | 34 | 3752 | 11.6 |
| Stratum III | Reeva and Satna | 27 | 984 | 3.0 |
| Stratum IV | Sagar and Damoh | 154 | 24080 | 74.6 |
| | Total | 244 | 32300 | 100.0 |

- **1.6.3.** Out of 244 Units spread among the four Strata, it was decided to cover nearly one third of the total number of units in each Stratum. Accordingly, 10 units from Stratum I & III each, 11 units from Stratum II and 42 units from Stratum IV were selected for the purpose of study.
- **1.6.4.** In the second stage sampling i.e. selection of workers, employment size of the sample unit was taken as the sole criterion. The number of workers to be covered from the first stage sample units is determined based on the following criterion:
- i) 5 workers (if employment size of the unit is between 1- 10)
- ii) 10 workers (if employment size of the unit is between 11-50)
- iii) 15 workers (if employment size of the unit is more than 50)
- **1.6.5.** In Beedi Industry, workers are categorized into two groups viz home based workers and factory workers based on the place from where the work is being done. Based on the first hand information provided by the State Government, it was noticed that home based workers share major part of

the workforce engaged in the Beedi Industry. Therefore, in order to ensure adequate representation from the factory workers, it was decided to capture information from at least 2 factory workers if the unit is employing up to 20 factory workers and from 5 factory workers if the unit is employing more than 20 factory workers.

Exhibit 1(A) Number of Beedi Units and Number of Workers Employed therein in the Selected Districts

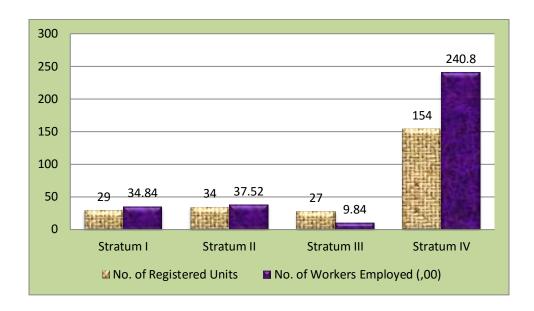
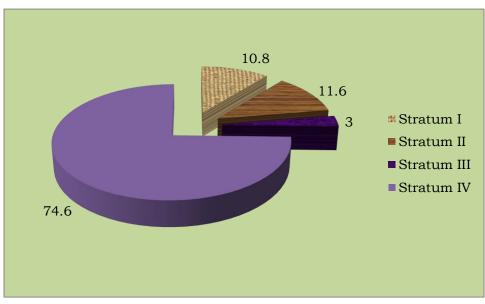


Exhibit 1(B)

Proportion of Workers Employed in the Strata



1.6.6. Adequate representation of workers from the various occupations reported by the sample units was also ensured. Out of 32,300 workers employed in 244 units in the first stage of sampling, 893 workers were selected as the second stage sample for the study. The Stratum wise sample units and the workers selected therein are presented in Table 1.4.

Table 1.4: Distribution of Beedi Establishments and Workers Covered by the Study

| Strata | Strata Name of the Districts | | No. of Workers Covered |
|-------------|------------------------------|----|---------------------------|
| Stratum I | Gwalior, Datiya and | 10 | 113 |
| Stratum | Guna | | |
| Stratum II | Jabalpur, Katni and | 11 | 125 |
| | Narsinghpur | | |
| Stratum III | Reeva and Satna | 10 | 130 |
| Stratum IV | Sagar and Damoh | 42 | 525 |
| | Total | 73 | 893 |

1.7 SCHEDULES CANVASSED

The objective of the study is to assess the extent to which the provisions of the Minimum Wages Act, 1948 have been enforced and to evaluate the awareness among workers about the Minimum Wages Act, 1948. During the field work, the following three schedules have been canvassed.

- ➤ Employer Schedule: Information related to gender and skill wise employment, mode of employment, mode of payment, hours of work, awareness about the Minimum Wages Act, 1948 and the Equal Remuneration Act, 1976 and maintenance of records is collected from the employers in this schedule.
- > Worker Schedule: In this schedule, information related to labour migration, wages received, beedi rejection rate, welfare facilities provided

by the units to workers and the awareness among the workers about Minimum Wages Act, 1948 and Equal Remuneration Act, 1976 is collected from the selected workers.

➤ Labour Inspector/Enforcement Officers' Schedule: This schedule was designed to collect information on frequency of inspections made to the units and difficulties faced by the labour inspectors in enforcement of the Act and suggestions for improving the level of compliance under various provisions of the Act, etc.

1.8 PERIOD OF SURVEY

The field work was launched in January, 2015 and completed in the second week of February, 2015. Two teams comprising about 10 officials from the Labour Bureau were deputed for collection of data from the selected Beedi establishments.

CHAPTER- II

PATTERN OF EMPLOYMENT

2.1. Distribution of Beedi Workers

- **2.1.1.** Beedi manufacturing is a labour intensive process in which the beedi rolling is the principal occupation employing majority of the workforce in the Beedi Industry. The existing studies of the Beedi Industry have pointed out that the production of beedis is organized in two main forms- factory and contractual systems. In the formal factory system, manufacturing is carried out within factory premises and under the direct supervision of managers/owners. Beedi rolling work is also sometimes outsourced to branches or other companies, which operate on behalf of the factory owners. However, studies show that only about 10 percent of beedi manufacturing takes place within this formal/organized system.
- **2.1.2**. Under the more common contractual system, a Contractor/Sattedar supplies raw materials to workers who roll Beedis in their homes and return the finished beedis to the Contractor. This system has shifted the bargaining power away from the workers to middlemen and contractors who may cheat workers in respect of their wages and allowances.
- **2.1.3**. The beedi manufacturing sector's low fixed capital requirements and high-wage sensitivity have enabled transition from the formal factory-based system to the informal home-based system. This structural shift in the industry thereby rendered welfare regulations ineffective for the majority of workers. The regulations/acts designed in the 1960s and 1970s, which targeted the formal sector, also accelerated the transition towards contractual arrangements.
- **2.1.4**. In order to understand the pattern of employment in Beedi Industry, information on category of workers, type of work and mode of employment is

collected and presented in this chapter. It is clearly noticed from the Table 2.1 that about 92 percent of the beedi workers are reported to be home-based workers and remaining 8 percent of the workers are found to be working in the factories. Among different strata, it is found that under Stratum II, highest 39 per cent of factory workers are employed. On the other hand, in all other strata's more than 90 percent of the workers employed are home based workers.

Table 2.1: Category-wise Distribution of Beedi Workers (in %)

| S1. No. | Name of the Stratum/District | Factory | Home-based |
|---------|---------------------------------|---------|------------|
| 1. | Stratum I | 7.3 | 92.7 |
| 1. | (Gwalior, Datiya and Guna) | | |
| | Stratum II | | |
| 2. | (Jabalpur, Katni and | 38.8 | 61.2 |
| | Narsinghpur) | | |
| 3. | Stratum III | 7.3 | 92.7 |
| 3. | (Reeva and Satna) | | |
| 1 | Stratum IV | 6.6 | 93.4 |
| 4. | (Sagar and Damoh) | | |
| | All Strata | 8.2 | 91.8 |

2.2. Distribution on the Basis of Work and Gender

2.2.1. Information on types of work and gender has also been collected in this study and presented in Table 2.2. In Beedi Industry, works are categorized into two types namely Manual and Non-Manual works. Manual works include Driving, Raw material distribution, Furnace man, Wrapper/Labelling, Beedi Rolling, Loading/Un-Loading, etc. Similarly, Non-Manual works include Managerial, Clerical Staff, etc.

2.2.2. It is noticed from the table 2.2 that more than 98 percent of the workers are reported to be manual workers. In all the stratums, more than 93 per cent

of the workers are employed in manual occupations. While comparing the results of gender wise distribution of manual workers, Stratum IV reported more number of male workers (92.09 percent) followed by 86.89 per cent in Stratum III. However, in Stratum I representing districts i.e. Gwalior, Datiya & Guna districts, majority of the manual workers i.e. 87 per cent are female workers followed by 38 per cent in Stratum II. The survey results also show that the non-manual works are mostly done by male workers. In case of non-manual works, except stratum IV, all other strata were found to be employing only male workers.

Table 2.2: Distribution of Workers by the Types of Work and Gender (in %)

| S1. | Name of the | Manual | | | Non-Manual | | |
|-----|--|--------|--------|--------|------------|--------|--------|
| No. | Stratum/ District | Men | Female | Person | Men | Female | Person |
| 1. | Stratum I (Gwalior, Datiya and Guna) | 13.06 | 86.94 | 97.62 | 100 | 0 | 2.38 |
| 2. | Stratum II (Jabalpur, Katni and Narsinghpur) | 62.12 | 37.88 | 93.39 | 100 | 0 | 6.61 |
| 3. | Stratum III (Reeva and Satna) | 86.89 | 13.11 | 99.03 | 100 | 0 | 0.97 |
| 4. | Stratum IV (Sagar and Damoh) | 92.09 | 7.91 | 98.44 | 98.72 | 1.28 | 1.56 |
| | All Strata | 85.2 | 14.8 | 98.28 | 1.7 | 0.01 | 1.72 |

2.3. Mode of Employment

2.3.1 As discussed earlier, most of the beedi workers are employed through Contractors/Sattedars. The employers provide requisite quantities of raw material to the Contractors who undertake the task of beedi rolling through the Beedi Rollers. The finished green beedis delivered by the Beedi Rollers are collected, checked and supplied to the principal employers. Table 2.3 shows that among the male workers about 93 percent are employed through

Contractors/Sattedars and remaining 7 percent are employed directly by the employer. Similarly, among the women workers, about 73 percent are reported to be employed through Contractors/Sattedars and the remaining 27 percent are employed directly by the employer.

2.3.2 Among the different strata, it is found that except stratum I, all other strata have shown more than 90 percent of the workers employed through Contractors/Sattedars. Stratum I, comprising districts Gwalior, Datiya and Guna, has reported that about 43 percent of the male workers were employed directly and remaining 57 percent through Contractors/Sattedars. Among the women workers in stratum I, it was noticed that about 76 percent of the workers are employed directly by the establishment and the remaining 24 percent through Contractors/Sattedars.

Table 2.3: Distribution of Workers according to Mode of Employment (in %)

| S1. | Name of the | M | Ien | Wo | men |
|-----|--|--------|----------|--------|----------|
| No. | Stratum/ District | Direct | Sattedar | Direct | Sattedar |
| 1. | Stratum I (Gwalior, Datiya and Guna) | 43.31 | 56.69 | 76.4 | 23.6 |
| 2. | Stratum II (Jabalpur, Katni and Narsinghpur) | 1.53 | 98.47 | 4.67 | 95.33 |
| 3. | Stratum III (Reeva and Satna) | 0.73 | 99.27 | 0.84 | 99.16 |
| 4. | Stratum IV (Sagar and Damoh) | 8.83 | 91.17 | 0.26 | 99.74 |
| | All Strata | 7.31 | 92.69 | 27.1 | 72.9 |

CHAPTER III

CHARACTERISTICS OF THE EMPLOYEES

3.1 Introduction

3.1.1 The Beedi manufacturing is a traditional agro-forest based labour intensive industry in India. Beedi rolling is done in almost all major States of India and it takes place mainly in the home based unorganized sector, with sub-contractors playing the important role for the principal Beedi manufacturers. The present chapter describes the characteristics of the employees covered in the beedi industry under the present study in terms of attributes like level of skill, occupation, level of education, age groups, length of service, etc.

3.2 Level of Skill and Occupation

- **3.2.1** Beedi workers are generally grouped into three categories based on their level of skills viz. Skilled, Semi-skilled and Unskilled. The occupations like Driving, Raw Material Distribution are treated as skilled occupations; Furnacing, Wrapping/Labelling/Bundle making, Beedi Rolling are treated as semi-skilled occupations and Loading, Un-loading, Puda making and Chowkidar are treated as unskilled occupations in the report.
- **3.2.2** Table 3.1 presents information on the distribution of workers on the basis of their level of skills acquired. It is observed from the table that among the total workers in the sampled units, more than 99 percent of the workers were reported to be semi-skilled. The survey results shows that under the Beedi Industry in Madhya Pradesh State, there are five important occupations namely furnacing, wrapping/labelling/bundle making, Taraiwala/Sorting/Checking, raw material distribution and beedi rolling. Table 3.2 presents the distribution of workers in Beedi Industry based on their

occupation. It is evident from the table that among all the strata, Beedi rolling is found to be the most important occupation sharing more than 88 percent of the workers followed by wrapping/labeling/bundle making comprising 5.4 percent of the workers and Taraiwala/Sorting/Checking sharing 4.1 percent of the workers.

Table 3.1: Distribution of Beedi Workers on the basis of level of skill (in %)

| Sl. No. | Name of the | Level of skill | | | | |
|---------|--|----------------|--------------|-----------|--|--|
| S1. NO. | Stratum/District | Skilled | Semi-skilled | Unskilled | | |
| 1. | Stratum I (Gwalior, Datiya and Guna) | 0.24 | 99.39 | 0.37 | | |
| 2. | Stratum II (Jabalpur, Katni and Narsinghpur) | 0 | 99.65 | 0.35 | | |
| 3. | Stratum III (Reeva and Satna) | 0.29 | 99.43 | 0.29 | | |
| 4. | Stratum IV (Sagar and Damoh) | 0.37 | 99.17 | 0.46 | | |
| | All Strata | 0.33 | 99.26 | 0.41 | | |

Table 3.2: Distribution of Beedi Workers based on their Occupation (in %)

| S1. No. | Name of the Stratum/ District | Furnace Man | Wrapper/ Labeller/ Bundle Maker | Taraiwala/ Sorter /Checker | Raw material distributor | Beedi Roller | Others |
|------------|-------------------------------------|----------------|--|----------------------------------|--------------------------------|-----------------|--------|
| | Stratum I | | | | | | |
| 1 | (Gwalior, | | | | | | |
| | Datia & | 0.04 | 1.00 | 0.51 | 0.00 | 00.07 | 0.06 |
| | Guna) | 0.24 | 1.92 | 3.61 | 0.00 | 93.27 | 0.96 |
| | Stratum II | | | | | | |
| 2 | (Jabalpur, | | | | | | |
| | Katni & | | | | | | |
| | Narsinghpur) | 0.52 | 19.55 | 4.71 | 0.00 | 73.47 | 1.75 |
| | Stratum III | | | | | | |
| 3 | (Rewa & | | | | | | |
| | Satna) | 0.04 | 3.43 | 2.60 | 0.32 | 92.71 | 0.91 |
| | Stratum IV | | | | | | |
| 4 | (Sagar & | | | | | | |
| | Damoh) | 0.84 | 5.44 | 6.08 | 0.40 | 85.61 | 1.63 |
| | All Strata | 0.39 | 5.45 | 4.12 | 0.27 | 88.53 | 1.24 |

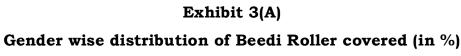
3.3 Beedi Rollers

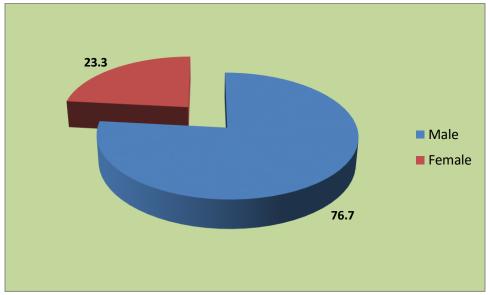
3.3.1 Beedi Rollers are the backbone of the Beedi Industry and they acquired the skills of beedi rolling since their childhood. In the State of Madhya Pradesh, majority of the beedi rollers were reported to be home based workers, mostly females operating from their dwellings. The Beedi Rollers are working with or without the help of their family members in collecting raw materials from the employer or contractor/sattedars and rolling the beedis in their private dwellings.

3.3.2 The distribution of beedi rollers according to gender is given in Table 3.3. It is seen from the table that under Stratum I majority of the female workers are employed as Beedi Rollers as compared to other strata's.

Table 3.3: Gender-wise Distribution of Beedi Roller covered (in %)

| S1. No. | Name of the Stratum/ District | Male | Female |
|---------|---|-------|--------|
| 1. | Stratum I (Gwalior, Datia & Guna) | 9.76 | 90.24 |
| 2. | Stratum II (Jabalpur, Katni & Narsinghpur) | 60.66 | 39.34 |
| 3. | Stratum III (Rewa & Satna) | 87.6 | 14.2 |
| 4. | Stratum IV (Sagar & Damoh) | 94.2 | 5.8 |
| | Total | 76.7 | 23.3 |





3.4 Level of Education

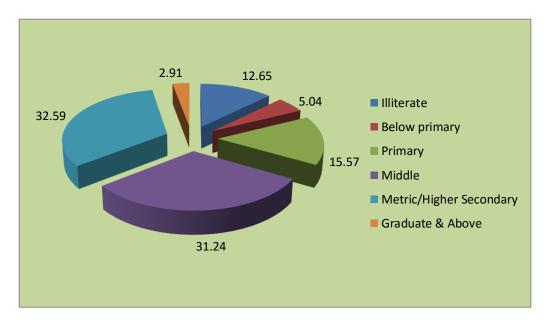
3.4.1 Beedi employees constitute a heterogeneous group of workers whose level of work depends mostly on the experience and the skills acquired by them over a period of time. Majority of the employees were observed to be working under piece rated system i.e. workers are paid according to the output irrespective of time taken to complete the work. Employees in piece rated system include a large number of Beedi rollers and Wrappers/Labellers/Bundle Makers. These employees are susceptible to exploitation due to lack of knowledge about the prescribed wages, limits for rejection of substandard beedis and maintaining various accounts for the raw material, output and deductions made by the employers.

3.4.2 The level of awareness and education level has a direct bearing on the capability of the employees to know about their rights, responsibilities and to seek redressal of their grievances. Therefore it was decided to collect the information on the level of education of the beedi workers and the information so collected is compiled and presented in Table 3.4.

Table 3.4: Distribution of Beedi Workers by their Level of Education (in %)

| S1. No. | Name of the Stratum/ Districts | Level of Education | | | | | | |
|------------|---|--------------------|------------------|---------|--------|--------------------------------|---------------------|--|
| | | Illiterate | Below Primary | Primary | Middle | Metric/ Higher Secondary | Graduate & Above | |
| 1. | Stratum I Gwalior, Datia & Guna | 41.59 | 1.77 | 17.7 | 23.01 | 12.39 | 3.54 | |
| 2. | Stratum II Jabalpur, Katni & Narsinghpur | 24.8 | 18.4 | 22.4 | 28 | 6.4 | 0 | |
| 3. | Stratum III Rewa & Satna | 10.77 | 5.38 | 27.69 | 31.54 | 24.62 | 0 | |
| 4. | Stratum IV Sagar & Damoh | 4.0 | 2.48 | 10.48 | 33.71 | 45.14 | 4.19 | |
| | Total | 12.65 | 5.04 | 15.57 | 31.24 | 32.59 | 2.91 | |

Exhibit 3(B)
Beedi Workers by their Level of Education



3.4.3. It is apparent from the table 3.4 that around 13 percent of the beedi workers are reported to be illiterate and 5 percent are reported to have attained

education below primary level. Among the other strata's, Stratum I is found to be employing highest number of illiterate people (around 42 percent). It is also seen from the table that only about 3 percent of the beedi workers have attained Graduation and above level education and about 64 percent of the employees were reported to have attained education either Middle or Matric/Higher Secondary level.

3.5 Age Groups of the Employees

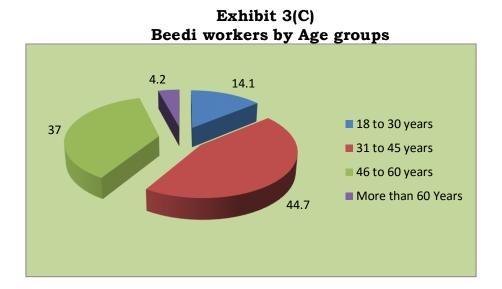
3.5.1. Section 24 and the Section 25 of the Beedi and Cigar workers (Conditions of Employment) Act, 1966 prohibit the employment of children below the age of 14 years and of young persons between the ages of 14 to 18 years in any industrial premises. Section 25 also restricts the women workers working in night shifts from 7:00 PM to 6:00 AM. The employees covered under the study were grouped into four age groups viz. 18-30 years, 31-45 years, 46-60 years and more than 60 years.

Table 3.5: Distribution of Beedi Workers by Age groups (in %)

| SI. No. | Name of the Stratum/ District | Age Groups | | | | | |
|------------|--|-------------------|-------------------|----------------|--------------------------|--|--|
| | | 18 to 30 years | 31 to 45 years | 46 to 60 years | More than 60 Years | | |
| 1. | Stratum I (Gwalior, Datia & Guna) | 11.00 | 35.74 | 23.25 | 30.01 | | |
| 2. | Stratum II (Jabalpur, Katni & Narsinghpur) | 17.11 | 42.61 | 39.97 | 0.31 | | |
| 3. | Stratum III (Rewa & Satna) | 8.71 | 43.17 | 47.82 | 0.30 | | |
| 4. | Stratum IV (Sagar & Damoh) | 21.86 | 50.90 | 26.88 | 0.36 | | |
| | Total | 14.10 | 44.70 | 37.00 | 4.20 | | |

3.5.2 It is evident from the Table 3.5 that about 45 percent of the Beedi workers were found to be in the age group of 31-45 years; 37 percent of the employees in the age group of 46-60 years and 14 percent of the employees in

the age group of 18-30 years. It is also observed that about 4 percent of the employees aged more than 60 years were reported to be working in the Beedi Industry.



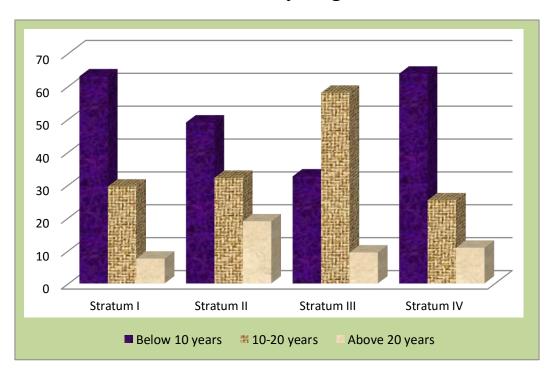
3.6 Length of Service

3.6.1 It is generally believed that increase in the length of service (experience) would enhance the awareness about minimum wages and the provisions related to the Minimum Wages Act among the Beedi Workers. All the Beedi Workers covered in this study have been grouped into three categories based on the length of service/experience. Table 3.6 shows that about 48 percent of the Beedi Workers have experience below 10 years and about 41 percent of the workers have experience between 10-20 years in the Beedi Industry. It is also observed from the table that about 11 percent of the employees are reported to be experienced more than 20 years in the Beedi Industry in the State of Madhya Pradesh.

Table 3.6: Distribution of Beedi Workers by Length of Service (in %)

| | 0.4 | Length of Service | | | | |
|---------|------------------------------|-------------------|-------------|-------------------|--|--|
| Sl. No. | Name of the Stratum/District | Below 10 years | 10-20 years | Above 20 years | | |
| 1. | Stratum I | | | | | |
| | (Gwalior, Datia & Guna) | 62.99 | 29.46 | 7.55 | | |
| | Stratum II | | | | | |
| 2. | (Jabalpur, Katni & | | | | | |
| | Narsinghpur) | 48.97 | 32.13 | 18.9 | | |
| 3. | Stratum III | | | | | |
| | (Rewa & Satna) | 32.56 | 58 | 9.44 | | |
| 4. | Stratum IV | | | | | |
| | (Sagar & Damoh) | 63.82 | 25.31 | 10.87 | | |
| | Total | 48.33 | 41.13 | 10.54 | | |

Exhibit 3(D)
Beedi workers by Length of Service



CHAPTER IV

WAGES, EARNINGS AND HOURS OF WORK

4.1 Introduction

- **4.1.1.** The wages fixed or revised under the Minimum Wage Act, 1948 include all remunerations which can be expressed in terms of money and are payable to the workers under the Minimum Wages Act or as per the terms of contract as the case may be. The Minimum Wages Act, 1948 is a protective as well as beneficial legislation guaranteeing the payment of minimum rates of wages to the workers in various scheduled employments.
- **4.1.2.** The statutory rates of Minimum wages for different categories of workers under the scheduled employments are fixed, revised and notified by the Appropriate Government under the Minimum Wages Act, 1948 from time to time. In the Beedi manufacturing units in the State of Madhya Pradesh, the State Government is the Competent Authority for fixing and revising the Minimum Wages. The present chapter deals with various issues related to the wages, earnings and hours of work of the selected workers.

4.2 Prescribed Rates of Minimum Wages

- **4.2.1** During the course of Study, it was observed that although the big manufacturers were maintaining records of the wages paid to the factory workers and the beedi rollers who were directly employed by them, however, the records for beedi rollers engaged by the Contractors were not maintained properly as they were working outside the industrial premises. As the payments were made through Contractors to the beedi workers, there are ample chances of exploitation of the Beedi workers at the behest of the former.
- **4.2.2** The employees in beedi making industry constitute a heterogeneous group with various occupations among the beedi workers. Similarly, the variations in the wages are also noticed in the intra-occupation level. For

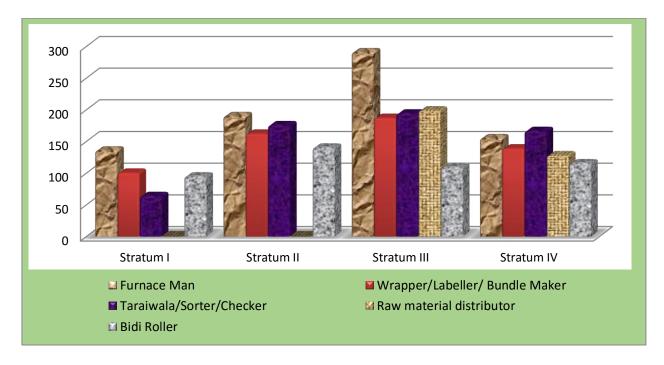
instance, the Beedi Rollers engaged either directly or through the contractors, are categorized into two groups viz home based workers and factory workers. The dependents of the home based workers rendering effective assistance in rolling the beedis, constitute a large segment of Beedi Rollers who could not be treated as employees for want of an established employer-employee relationship. Hence for properly analysing the earnings of the home based Beedi Rollers, it is necessary to identify and isolate the contribution of this hidden segment (family members' contribution) of Beedi Rollers. During the study, an effort was made to collect information on average daily earnings of the beedi workers in different occupations.

4.2.3 Table 4.1 presents the average daily earnings of the beedi workers and the earnings vary from about Rs. 64 to Rs. 290. Among all the occupations, beedi rolling is found to be the lowest earning occupation followed by wrapping/labeling/bundle making. Beedi rollers in Stratum II were reported to be earning higher as compared to the other Strata. Similarly, it is also observed that the average daily earnings of the beedi workers in all the occupations in the Stratum I was found to be lowest when compared to the same occupations in other Strata.

Table 4.1: Average daily earnings of Beedi Workers (in Rs)

| S1. No. | Name of the Stratum/ District | Furnace Man | Wrapper/ Labeller/ Bundle Maker | Taraiwala /Sorter /Checker | Raw material distributor | Beedi Roller |
|------------|--|----------------|--|----------------------------------|--------------------------------|-----------------|
| 1 | Stratum I (Gwalior, Datia & Guna) | 135.48 | 100.49 | 63.59 | - | 94.65 |
| 2 | Stratum II (Jabalpur, Katni & Narsinghpur) | 189.84 | 162.01 | 175.42 | - | 140.16 |
| 3 | Stratum III (Rewa & Satna) | 290.63 | 186.99 | 193.79 | 198.71 | 109.13 |
| 4 | Stratum IV (Sagar & Damoh) | 154.89 | 138.72 | 166.26 | 128.04 | 115.42 |
| | All Strata | 163.66 | 157.78 | 162.13 | 163.37 | 111.54 |

Exhibit 4(A)Average daily earnings



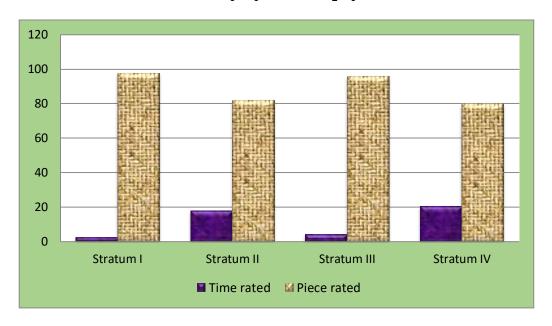
4.3 Mode of Payment and Wage Period

- **4.3.1** Section 3(2) of the Minimum Wages Act, 1948 empowers the Appropriate Governments to fix the minimum rates of wages for both time rated work and piece rated work. In beedi making establishments, the employers have adopted both the systems of payment of wages i.e. 'Time Rate' and 'Piece Rate'. Wages for Beedi rolling, wrapping, packing and labelling operations are paid on Piece Rate basis while those in all other operations are being paid on Time Rate basis. The stratum wise system of payment is shown in table 4.2.
- **4.3.2** It is evident from the table 4.2 that major proportion of the employees (89.54 percent) were found to be working on Piece Rated System and remaining 10 percent were paid on Time Rated basis. Among different Strata, it is observed that the proportion of workers in Piece Rated System was highest in Stratum I. Similarly, Stratum IV and Stratum II were observed to be engaging higher proportion of workers under Time Rated System of payment i.e. about 20 percent and 18 percent of the total workers respectively.

Table 4.2: Distribution of Workers by system of payment (in %)

| S1. | Name of the Stratum/ | M | en | Wor | nen | Persons | |
|------|----------------------|-------|-------|-------|-------|---------|-------|
| No. | District | Time | Piece | Time | Piece | Time | Piece |
| 110. | District | rated | rated | rated | rated | rated | rated |
| | Stratum I | | | | | | |
| 1 | (Gwalior, Datia & | | | | | | |
| | Guna) | 16.53 | 83.47 | 0.14 | 99.86 | 2.40 | 97.60 |
| | Stratum II | | | | | | |
| 2 | (Jabalpur, Katni & | | | | | | |
| | Narsinghpur) | 27.74 | 72.26 | 1.84 | 98.16 | 18.04 | 81.96 |
| 3 | Stratum III | | | | | | |
| 3 | (Rewa & Satna) | 4.5 | 95.5 | 2.42 | 97.58 | 4.22 | 95.78 |
| 4 | Stratum IV | | | | | | |
| + | 9Sagar & Damoh) | 20.7 | 79.3 | 12.87 | 87.13 | 20.31 | 79.69 |
| | All Strata | 12.95 | 87.05 | 1.92 | 98.08 | 10.46 | 89.54 |

Exhibit 4(B)
Workers by system of payment



4.3.4 Section 3(3b) of the Minimum Wages Act, 1948 provides for fixing different wage periods ranging from daily to month. Accordingly, information is collected on the Pay Period viz daily, weekly, 10 days, fortnightly, monthly and not fixed. The study reveals that major proportion of the workers (60.93)

percent) were paid on weekly basis and about 36 percent of the workers were paid on monthly basis. It is also seen from the Table 4.3 that about 2 percent of the workers engaged in Beedi Industry were reported to be paid on fortnightly basis. Among all the Strata, Stratum III representing districts Rewa and Satna is reported to be paying more than 95 percent of the workers on weekly basis followed by 64 percent in Stratum II.

Table 4.3: Distribution of Workers by pay period (in %)

| S1. No. | Name of the Stratum/ District | Daily | Weekly | 10 Days | Fort- nightly | Monthly | Not fixed |
|------------|---|-------|--------|------------|------------------|---------|--------------|
| 1 | Stratum I (Gwalior, Datia & Guna) | 0.24 | 57.69 | 0.00 | 5.29 | 36.78 | 0.00 |
| 2 | Stratum II (Jabalpur, Katni & Narsinghpur) | 1.22 | 63.53 | 0.00 | 11.69 | 23.56 | 0.00 |
| 3 | Stratum III (Rewa & Satna) | 0.16 | 95.47 | 0.00 | 0.51 | 3.86 | 0.00 |
| 4 | Stratum IV (Sagar & Damoh) | 1.93 | 18.20 | 0.15 | 0.00 | 79.67 | 0.05 |
| | All Strata | 0.87 | 60.93 | 0.05 | 2.08 | 36.05 | 0.02 |

4.4 Leave/ Holidays and Weekly Off

4.4.1 Table 4.4 presents the distribution of units allowing leave, holidays and weekly off to the Beedi Workers. The survey results reveal that about 63 percent of the units were having the provision of allowing Beedi Workers to avail leave/holidays with wages whereas about 32 percent of the units did not have the provision to allow the Beedi Workers to avail leave/holidays with wages. Among the Strata, Stratum IV is found to be having highest number of units (78.57 percent) allowing Beedi Workers to avail leave/holidays with wages.

4.4.2 Under section 13 of the Minimum Wages Act, 1948, the Appropriate Government may (i) Fix the number of hours of work on a normal working day inclusive of one or more specified rest intervals, (ii) Provide for a day of rest in every period of seven days which shall be allowed to all employees or to any specified class of employees and for the payment of remuneration in respect of such a day of rest; and (iii) Provide for payment for work on a day of rest at a rate not less than the overtime rate. To assess the implementation of the above provisions, information was collected in respect of weekly off "with wages" and "without wages".

4.4.3 It is seen from the table 4.4 that about 66 percent of the units are allowing the beedi workers to avail weekly off "with wages" whereas 27 percent of the units are found to be allowing weekly off "without wages". Among all the strata, Stratum IV is reported to be having highest number of units (92.86 percent) allowing workers to avail weekly off "with wages". Similarly, Stratum III is reported to be having least number of units (10 percent) allowing workers to avail weekly off "with wages".

Table 4.4: Distribution of units allowing leave, holidays & weekly off (in %)

| S1. | Name of the Stratum/ | | ntage of u | | Percentage of Units allowing weekly off | | | |
|-----|---|---------------|------------------|-------|---|------------------|-------|--|
| No. | District | with wages | without wages | Mix | with wages | without wages | Mix | |
| 1 | Stratum I (Gwalior, Datia & Guna) | 30.00 | 70.00 | 0.00 | 50.00 | 50.00 | 0.00 | |
| 2 | Stratum II (Jabalpur, Katni & Narsinghpur) | 36.36 | 63.64 | 0.00 | 27.27 | 72.73 | 0.00 | |
| 3 | Stratum III (Rewa & Satna) | 60.00 | 30.00 | 10.00 | 10.00 | 40.00 | 50.00 | |
| 4 | Stratum IV (Sagar & Damoh) | 78.57 | 14.29 | 7.14 | 92.86 | 7.14 | 0.00 | |
| | All Strata | 63.01 | 31.51 | 5.48 | 65.75 | 27.40 | 6.85 | |

CHAPTER-V

AWARENESS ABOUT THE LABOUR LAWS

5.1 Introduction

5.1.1. Awareness about the labour laws is one of the most important and decisive factor for the implementation of labour laws by the Government. Despite the fact that the country has made long strides in enacting comprehensive labour laws and setting up efficient enforcement machinery for various reasons, the basic objectives underlying the labour laws have not been achieved to the desired extent. In a predominant labour intensive activity like beedi making which is dominated by home based workers and contractors, the employees are vulnerable to exploitation due to weak bargaining power as they are not likely to possess much knowledge about the provisions of various labour laws.

5.1.2.Non-availability of work, draught and other reasons render the workers exposed to exploitation at the hands of employers. During the course of the survey, an attempt was made to ascertain the extent of awareness among employers as well as workers regarding provisions of the Minimum Wages Act, 1948 and the Equal Remuneration Act, 1976.

Table 5.1: Awareness of Employers about various Labour Laws (in %)

| | | Awareness of | | | | | | |
|------------|--|-------------------------------|---------------------------|------------------------------------|--|--|--|--|
| S1. No. | Name of the Stratum/ District | Minimum Wages Act, 1948 | Prescribed wages in force | Equal Remuneration Act, 1976 | | | | |
| 1 | Stratum I (Gwalior, Datia & Guna) | 100.00 | 100.00 | 100.00 | | | | |
| 2 | Stratum II (Jabalpur, Katni & Narsinghpur) | 100.00 | 100.00 | 100.00 | | | | |
| 3 | Stratum III (Rewa & Satna) | 90.00 | 90.00 | 90.00 | | | | |
| 4 | Stratum IV (Sagar & Damoh) | 85.71 | 100.00 | 92.86 | | | | |
| | All Strata | 90.41 | 98.63 | 94.52 | | | | |

5.1.3. It is evident from the Table 5.1 that more than 90 percent of the units were reported to be aware of Minimum Wages Act, 1948 and Equal Remuneration Act, 1976. Among the four Strata, all the units in Stratum I & II were found to be aware of various labour laws as well as the prescribed wages in force. It is also seen from the table that around 15 percent of the units in Stratum IV are not aware of the Minimum Wages Act, 1948.

5.2. Awareness about MWA, 1948 and the Source of Knowledge

5.2.1. Table 5.2 presents the information about the workers having awareness about MWA, 1948 and the source of knowledge. The results clearly show that only about 60 percent of the workers were found to be aware of the MWA, 1948. Among the Strata level, workers in the Stratum II are reported to be least aware (10.4 percent) about the Minimum Wages Act, 1948 followed by Workers in Stratum I (32.74 percent).

Table 5.2: Distribution of Workers having Awareness about MWA, 1948 and the Source of Knowledge (in %)

| | | | | Sou | rce of Kno | wledge | |
|------------|---|--|---------------|------|-------------------|--------------------------|-------|
| S1. No. | Name of the Stratum/ District | Workers having awareness about MWA (%) | Local Body | NGO | Govt. Agencies | Relative & friends | Other |
| 1 | Stratum I (Gwalior, Datia & Guna) | 32.74 | - | 2.70 | 86.49 | 10.81 | - |
| 2 | Stratum II (Jabalpur, Katni & Narsinghpur) | 10.40 | - | - | - | 100.00 | - |
| 3 | Stratum III (Rewa & Satna) | 63.85 | _ | - | 84.34 | 6.02 | 9.64 |
| 4 | Stratum IV (Sagar & Damoh) | agar & 77.90 | | 5.62 | 18.34 | 7.33 | 4.16 |
| | All Strata | 60.69 | 49.45 | 4.43 | 32.66 | 9.59 | 4.61 |

5.2.2. During the survey, information related to the source of awareness or knowledge towards the labour laws was also collected from the workers. The findings revealed that the local body and government agencies played a major role in making awareness among the workers about MWA, 1948. Around 85 percent of the workers in Stratum I & III reported that government agencies are their source of knowledge for the provisions under the Minimum Wages Act, 1948 and the wages prescribed in the Act. In case of Stratum IV, local bodies were found to be the main source of awareness about the MWA, 1948.

5.3. Inspection Authority

5.3.1. Inspection authority plays a vital role in enforcement of the various labour acts. As the frequent and effective inspection would undermine the possibility of exploitation of workers engaged in Beedi Industry by their employers, information pertaining to awareness among the workers about inspection authority is also collected and presented in Table 5.3. It is observed from the table that only about half of the workers have reported that they are aware of the inspection authority. It is also noticed that none of the worker in Stratum II is reported to be aware about the inspection authority for ensuring the prescribed minimum wages.

Table 5.3: Distribution of Workers having awareness about Inspection Authority for Wages (in %)

| S. No. | Name of the Stratum/ District | Awareness of Inspection Authority | Workers opined that existing wages are low | Female workers having awareness of ERA, 1976 | |
|-----------|--|--|--|--|--|
| 1 | Stratum I (Gwalior, Datia & Guna) | 33.63 | 92.04 | 82.72 | |
| 2 | Stratum II (Jabalpur, Katni & Narsinghpur) | 0.00 | 34.40 | 0.00 | |
| 3 | Stratum III (Rewa & Satna) | 52.31 | 62.31 | 5.56 | |
| 4 | Stratum IV (Sagar & Damoh) | 66.67 | 22.48 | 40.00 | |
| | All Strata | 51.06 | 38.75 | 42.94 | |

5.3.2. It is also found that about 39 percent of the workers opined that the existing wages are low as compared to their work done. It is also noticed that about 43 percent of the female workers are reported to be aware about the Equal Remuneration Act, 1976. Among the four Strata, more than 82 percent of the female workers in Stratum I are found to be aware about the ERA, 1976 whereas, most of the female workers in Strata II & III are not aware about the ERA, 1976.

CHAPTER VI

ENFORCEMENT OF THE ACT

6.1 Introduction

- **6.1.1.** The Minimum Wages Act, 1948 provides for fixation and revision of the statutory rates of the minimum wages in certain scheduled employment to prevent exploitation of ignorant, less organized and under privileged workers. The enforcement system can work efficiently, only if workers are fully conversant with the provisions of the Act in general and have knowledge about their entitled prescribed rates of minimum wages in particular. Further, they should also be aware about the extent to which they can approach the enforcement officers to seek protection under the provisions of the Minimum Wages Act, 1948. The studies show that most of the workers do not receive the minimum wages due to their ignorance, illiteracy and poor knowledge of the laws governing them. In fact, it was observed that limited resources for conducting the inspections, lack of bargaining power due to unlimited supply of labour and lack of opportunities in other industry/sector are the important obstacles in the administration of the Minimum Wages Act, 1948. The Act makes the State Government responsible for fixing, revising and enforcing minimum wages in the Scheduled Employment. Section 19 of the Act provides for appointments of Inspectors by the Appropriate Government.
- **6.1.2.** The Appropriate Governments, Central or State, as the case may be are responsible for enforcing the Act. The State Government is the Appropriate Government for enforcing the Act in respect of all the Scheduled Employments except in Mines, Oil fields, Major Ports and Corporations established by the Central Government falling under the Central Sphere. Accordingly, the State Government of Madhya Pradesh fixes, revises and enforces the Minimum Wages Act, 1948 in the Scheduled Employments of Tobacco Manufacturers including Beedi making in the State of Madhya

Pradesh. The provisions made under the Act relate to hours of work, overtime, weekly off, maintenance of records and registers, enforcement of the prescribed minimum wages, display of notices and abstracts and submission of annual returns. The Act provides for licensing of the establishments engaged in any manufacturing process related to the making of beedi or cigar or both.

6.1.3. In the beedi making establishments, enforcement of the Minimum Wages Act, 1948 is mostly confined to the establishments falling under the Scheduled Employment 'Tobacco (including Beedi Making) Manufactories' licensed under the Beedi and Cigar Workers (Conditions of Employment) Act, 1966. The beedi making establishments working without such licenses do not receive the attention of the enforcement authority. The extent to which the relevant Labour Laws have been implemented in the Beedi Making establishments in the State of Madhya Pradesh are discussed in the following paragraphs.

6.2 Wage Revisions

6.2.1. The minimum wages fixed under the Act are required to be revised in order to neutralize the effects of price increase. The Act provides for revision of the minimum rates of wages once fixed at intervals not exceeding five years. In the initial stages of enforcement, the minimum wages once fixed were not revised for long periods. However, over the years due to increasing awareness about MWA, 1948 and the need for revising minimum wages in tune with increase in prices, the pace of wage revisions has increased. Many State Governments have linked minimum wages in the Scheduled Employments to the All-India Consumer Price Index Numbers (Industrial Workers) on half yearly or yearly basis. The state Government of Madhya Pradesh has also linked the minimum wages to the Consumer Price Index Numbers (Industrial Workers) 1960=100 with a provision for revising the same on yearly basis. It is clearly evident that the current base (1960=100) is almost 55 years old. Therefore, it is obvious to revise the base in order to

cope up with the increasing prices. The effective minimum wage rates in the State of Madhya Pradesh are given in Table 6.1.

Table 6.1: Effective Wage Rates of Beedi Rollers for Rolling of 1000 Beedis Effective from 01/10/2014 (in Rs)

| 01 | Basic Wages | 22.50 |
|----|--|-------|
| 02 | Variable Dearness allowance | 42.71 |
| 03 | Leave with Salary (@ 5% of total wages) | 3.26 |
| 04 | Total Wages | 68.47 |
| 05 | Bonus @ 8.33 % of Total Wages (+) | 05.70 |
| 06 | P.F. contribution of the employer (@ 10 % of | 06.85 |
| | Total Wages) (+) | |
| 07 | Total Wages + Bonus | 74.17 |
| 08 | Less P.F. Contribution of employee | 06.85 |
| | | |
| | @ 10% of Total Wages (-) | |
| 09 | Net Payable to Beedi Rollers | 67.32 |

6.2.2. Discussion on wage revisions in the study was restricted to Beedi Rollers who constitute the majority of the employees. It was found that prior to the year 1953, the minimum wage rates for Beedi Rollers in Madhya Pradesh were fixed between Rs. 0.62 and Rs. 1.37 per thousand beedis. The first wage revision under the Minimum Wages Act, 1948 was carried out in the year 1966 and the minimum wage was fixed between Rs. 2.00 & Rs. 2.25 per thousand beedis. The latest wage revision was announced vide gazette notification dated 12-12-2014. The gazette notification among other things provides for a guaranteed Minimum wage of Rs. 515.00 per week to the workers for rolling 5600 beedis. In case of non-issuing enough raw material (Tendu leaves and tobacco) by the employer to the workers, the same wage shall be provided to the employees. But, the guaranteed

minimum wage would not be provided to a worker who is not able to roll 5600 beedis per week.

6.2.3. The revision of minimum wage rates are linked to 1206 points of the Consumer Price Index Numbers for Industrial Workers Base (1960=100) compiled by the Labour Bureau. Any increase over 1206 points of the CPI Numbers is being compensated at the rate of Rs. 0.01 per point rise in the Index Numbers. This Variable Dearness Allowance is to be calculated on 1st October of every year on the basis of the rise in the average Consumer Price Index Numbers (Industrial Workers) for the preceding calendar year. Thus, compliance with the wage revision aspect of the Minimum Wages Act, 1948 was fairly satisfactory.

6.3 Enforcement Machinery

- **6.3.1.** In Madhya Pradesh State, the Enforcement Machinery for implementation of the various labour laws is under the overall charge of the Labour Commissioner. Labour Commissioner is assisted by an Additional Labour Commissioner, Deputy Labour Commissioners; Assistant Labour Commissioners; Labour Officers; Assistant Director (Information and Publication); Law Officer, Survey Officer; Accounts Officer; Women Social Worker; Labour Officers and Labour Inspectors (Agriculture). The enforcement functions were carried out from the Regional Offices headed by an Assistant Labour Commissioner or a Labour Officer.
- **6.3.2.** Labour Inspectors visit and inspect factories and private dwellings of the Contractors to see whether the provisions of the Minimum Wages Act, 1948 and the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 are complied with or not.

6.4 Inspections

6.4.1. As per Section 19 of the Minimum Wages Act, 1948 the State Government appoints Inspectors and defines the local limits within which

they shall exercise their functions. Normally the Assistant Labour Commissioners and the Labour Officers are responsible for carrying out the inspection under the different labour laws. The information pertaining to the inspection procedure, the average number of inspections made in the establishments covered; the difficulties faced in the enforcement of the Act and suggestions for improving the level of compliance with the provisions of the Act, was also collected in this survey.

6.4.2. It was observed that generally an Inspecting Officer was responsible for enforcing almost all the labour laws in his jurisdiction. The number of inspections carried out every month varied in all the Strata covered by the Study. On an average 7 inspections were carried out in a month under various labour laws by an Inspecting Officer whereas the average number of inspections conducted in beedi making establishments under the Minimum Wages Act, 1948 is found to be 4. Thus, the number of inspections carried out in beedi making establishments under the Minimum Wages Act, 1948 was found to be satisfactory.

6.5 Maintenance of Records and Registers

6.5.1. Under Section 18 of the Minimum Wages Act, 1948, the employers are required to maintain records and registers in the prescribed forms. The enquiries from the employers in this regard revealed that they were maintaining the register of employees, wage registers, muster-rolls, log books and register for fines and deductions and wage slips. However, the smaller employers and Contractors were reluctant to show the records maintained by them. The distribution of beedi establishments maintaining various types of records/registers prescribed under the MWA, 1948 is presented in Table 5.2.

Table 6.2: Proportion of Establishments Maintaining the Prescribed Records under the Minimum Wages Act, 1948 and other Labour Laws.

| S1. No | Name of the Register | Establishments (in %) |
|--------|--------------------------------------|-----------------------|
| 1 | Attendance Register | 94.52 |
| 2 | Register of Advances | 38.36 |
| 3 | Welfare Amenities Register | 32.88 |
| 4 | Register of Inspection | 73.97 |
| 5 | Muster /Wage Register | 95.89 |
| 6 | Register of Overtime | 4.11 |
| 7 | Bonus/Ex- gratia Payment Register | 71.23 |

6.5.2. Table 6.2 reveals that around 95 percent of the Establishments were found to be maintaining Attendance Register; 39 percent were maintaining register of advances; 33 per cent were maintaining welfare amenities register; 74 percent were maintaining register of inspection; muster rolls by 96 percent; register of overtime by only 4 percent; 71 per cent were maintaining bonus register and none of them maintained the register of fines and deductions.

6.6 Level of Compliance with the Prescribed Minimum Wages

6.6.1. The most important aspect of determining the enforcement status of the Minimum Wages Act, 1948 is assessing the level of compliance with the prescribed rates of minimum wages. The periodic wage revisions and other provisions of the Act will have no impact on the welfare of workers unless the notified wages are actually paid to them. The information pertaining to the proportion of employees (Beedi Workers and Beedi Rollers) receiving the statutory minimum wages is compiled from the data collected on wages and earnings.

6.6.2. The minimum rates of wages notified by the State Government of Madhya Pradesh are applicable to all the workers engaged in the scheduled employments in Beedi Industry. The extent to which the prescribed minimum wages were paid to the beedi workers and beedi rollers is discussed in the following paragraphs.

Beedi Workers

- **6.6.3.** The proportion of beedi workers according to the prescribed wages received is presented in Table 6.3. The overall extent of compliance with regard to the payment of prescribed minimum wages is varied among employees of different occupations.
- **6.6.4.** It is found that the higher level of compliance to the minimum wages is observed in two occupation categories viz, Furnace Man and Wrapper/Labeller/Bundle Makers. Among the employees of various occupations, more than 95 percent of the furnace men are found to be receiving prescribed minimum wages.
- 6.6.5. The compliance level at other occupations like Taraiwala /Sorter/Checkers and Raw Material Distributors is found to be very low. The proportion of employees receiving the prescribed wages among Raw Material Distributors is reported to be 25 percent and among Taraiwala/Sorter/Checkers is found to be 28.86 percent. The smaller employers manufacturing unbranded beedis opined that it is difficult to bear the burden of prescribed wages, as they had to compete with the big establishments using cheap varieties of small beedis.

Beedi Rollers

6.6.6. Beedi rollers, the major contributors of this labour intensive Beedi Industry are continued to be the least paid workers. Most of the family members are involved in rolling the Beedis. Beedi rollers are being exploited at various stages. Basic wage of a beedi roller is Rs. 22.50. There is

immediate need for revising the base rate. Sattedaar system is also made the beedi rollers most vulnerable as the beedi rollers' bargaining power with the principal employer is significantly reduced. Most of the times, the beedi rollers are provided with sub-standard raw materials for beedi rolling, due to which they were unable to roll the required quantity of beedis.

6.6.7. It was also informed that beedi rolling takes more time due to the supply of poor quality raw materials and most of the beedi rollers were not paid the minimum wages if the employers failed to provide adequate raw materials as per the provisions of the MWA, 1948.

Table 6.3: Proportion of Beedi Workers Receiving the Prescribed Minimum Wages (by Categories)

| S1. No. | Name of the Stratum/ District | Furnace Man | Wrapper/ Labeller/ Maker of Bundles | Taraiwala /Sorter /Checker | Raw Material Distributor | Others |
|------------|-------------------------------------|----------------|--|----------------------------------|--------------------------------|--------|
| 1 | Stratum I | 50.00 | 62.50 | 3.33 | - | 37.50 |
| | (Gwalior, Datia | | | | | |
| | & Guna) | | | | | |
| 2 | Stratum II | 100.00 | 98.21 | 22.22 | - | 20.00 |
| | (Jabalpur, | | | | | |
| | Katni & | | | | | |
| | Narsinghpur) | | | | | |
| 3 | Stratum III | 100.00 | 98.85 | 57.58 | 37.50 | 43.48 |
| | (Rewa & Satna) | | | | | |
| 4 | Stratum IV | 100.00 | 88.18 | 21.14 | 12.50 | 36.36 |
| | (Sagar & | | | | | |
| | Damoh) | | | | | |
| | All Strata | 95.65 | 93.23 | 28.86 | 25.00 | 36.49 |

6.6.8. According to beedi rollers, the Sattedars are exploiting them by issuing less yarn/thread for rolling beedi, less quantity of tobacco and poor quality of leaves and consequently by rejecting more number of beedis in the name of sub-standard/poor quality beedis. Therefore, the implementation of Minimum Wages Act, 1948 in Beedi industry presents a divergent view.

Beedi rollers continued to work at such a low wage rate despite being exploited as there are no other employment opportunities, particularly for the women workers. Lack of organization among workers, low bargaining power and lack of employment opportunities are the important factors led to the high level of non-compliance by the employers.

6.7 Difficulties Faced by the Enforcement Machinery

- **6.7.1.** Mostly, the violations noticed by the enforcement machinery are related to non-registration or non-renewal of registration, inadequate maintenance of registers, non-submission of annual returns, non-display of the abstracts of the Minimum Wages Act, 1948, non-providing PF and ESI benefits to all workers and deduction of sub-standard beedis more than the permissible limit.
- 6.7.2. Labour Inspectors usually come to know the unregistered units after lapse of few years as they do not have reliable information about the location and dispersal of units since the Beedi Industry does not require power or fuel. Therefore, it is very difficult for the enforcement authorities to trace the unregistered units functioning in residential premises/ areas. Geographical Jurisdiction of Labour Inspectors are very wide and in some districts, it is found to be up to 70 Km. Due to inadequate transport facilities, Labour Inspectors had to manage their field visits by their own arrangements. Therefore, their field inspections are mostly confined to urban areas and to well established units/brands only. Un-noticed units operating in rural areas and units operating in remote areas remain unattended due to the reasons mentioned above. It was also informed that due to shortage of time, paucity of funds and shortage of staff, the officers find it very difficult to visit vulnerable areas to check the compliance of many labour laws.

6.8 Suggestions for Securing Better Compliance

- **6.8.1.** In order to achieve the objectives of the Minimum Wages Act, 1948, it is necessary to improve the compliance level among the employers. Based on the information collected from Labour Inspectors of selected districts by using Labour Inspector schedule, some important suggestions have been proposed for effective enforcement of the various labour laws. The enforcement officers felt that it should be made obligatory for the employers to furnish detailed information about their branches, Contractors and Beedi Rollers working for them. The suggestions proposed by the Labour Inspectors are as mentioned below:-
- a. It should be made obligatory on the part of the employers to furnish the details related to compliance to the various labour laws sought by the enforcement officers.
- b. Need for strict regulation for compliance of law and heavy penalty should be imposed by the court and speedy disposal of labour related cases.
- c. The fines should be heavy and there should be a provision for imposing on the spot fines as in the case of other laws such as Weights and Measures, Excise, etc.
- d. Assistant Labour Commissioner shall be vested with the power of cancellation or withdrawal of the requisite licenses in case of non-compliance with the provisions of the Minimum Wages Act, 1948.
- e. The beedi rolling should be carried inside the factory premises.
- f. The system of Sub-Contractors/Sattedars should be regulated and all the Contractors/Sattedars should be registered with concerned authorities. Sattedaars shall be asked to maintain proper records. The beedi manufactures should ensure that the wages are paid to the beedi rollers as per the prescribed wage rates.

- g. Optimum quantity and good quality of raw materials such as tendu leaves and tobacco should be provided to the Beedi Rollers in order to lessen the exploitation in terms of sub-standard beedis.
- h. The minimum rates of wages fixed/revised need to be publicized through Trade Unions, Radio, Television, etc. It is necessary to display all the wage related notifications on the display board at the industrial premises.

Government of India Ministry of Labour & Employment Labour Bureau Chandigarh

Evaluation Study on Implementation of Minimum Wages Act 1948 in Beedi Industry in Madhya Pradesh State

Employer Schedule

1. General Particulars

| 1. General rattle | alaib | | |
|----------------------------|----------------------------|-----------|--------------------------|
| Unit ID No | | | |
| Name of the Unit witl | n complete Address: | | |
| | | | |
| | | | |
| | | District: | |
| Establishment Year | | | |
| Total Employment (A | s on 31st December, 2014) | | |
| a) No of workers | working in factory | | |
| premises | | | |
| b) No of home ba | sed workers | | |
| No of sattedaar for De | ec, 14 | | |
| Year of Registration | | | |
| Ownership Code: | | | |
| (Sole Proprietor-1, Partne | rship-2, Private Company-3 | 3, | |
| Public Company-4, SHG- | | , | |
| Name of contact person | on | | |
| Telephone No. with S | TD Code | | |
| Total production (val | | | |
| Period | 2012-13 | 2013-14 | (Apr, 2014 to Dec, 2014) |
| No of Beedis | | | |
| Value (Rs) | | | |
| \ / | | | |

2. Employment: Number of Persons Employed as on 31st December, 2014

| | Male | Female | Third Gender | Total |
|---|------|--------|-----------------|-------|
| Manual | | | | |
| Skilled (Driver, Raw Material Distributor) | | | | |
| Semi-skilled (Furnace Man, Wrapper/Labeller/ Bundle Maker, Taraiwala/Sorter/Checker, Beedi Roller) | | | | |
| Unskilled- (Loader, Un-loader, Puda Maker and Chowkidar.) | | | | |
| Non-Manual | | | | |
| Managerial | | | | |
| Clerical | | | | |
| Other Staff | | | | |
| Total | | | | |

3. Wages and Earnings of Manual Workers

| | 5. wages and Ea | | | | | | | | | | |
|-----|-----------------------|--------|-----------|-----------|---------------|----------|---------|--------|--------|----------------|-------------------|
| SI. | Name of Worker/ | | Residence | | Age as on | Working | Marital | | Skill | Mode of | Mode of |
| No | Token Number/ | | of worker | (Male-1, | last date of | Since | Status | ment | (Code) | | Employment |
| | SI. No. in Attendance | (Code) | Rural-1, | | Birth (Years) | (Mention | (Code) | Status | | (Time Rated-1, | (Direct-1 Through |
| | Register | | Urban-2 | Third | | Year) | | (Code) | | Piece Rated-2) | Contractor-2) |
| | | | | Gender-3) | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1 | | | | | | | | | | | |
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| 18 | | | | | | | | | | | |
| 19 | | | | | | | | | | | |
| 20 | (C.10) E | 4 4 TA | | 1 /D 11 | | . 10 | | | | | |

Occupation (Col 3): Furnace Man-1, Wrapper/Labeller/Bundle Maker-2, Taraiwala/Sorter/Checker-3, Raw material distributor-4, Bidi Roller-5, Others-9

Marital Status (Col 8): Unmarried-1, Married-2,Widowed-3, Divorced-4, Separated-5, NA-9

Employment Status (Col 9):
Permanent-1, Temporary-2,
Contract-3, Casual/Others-4

Skill Code (Col 10): Skilled-1, Semi-Skilled-2, Unskilled-3 4. Wages and Earnings of Manual Workers

| No of Days Name of Worker/Token Number/ SINo. in Attendance Register Name of Worker/Token Number/ SINo. in Attendance Register Name of Since Number/ Sino. in Attendance Register Name of Sino. in At | 4. | | | | | | | | | | | |
|--|-----|---------------------|---------|--------|-----------|------|-------|---------|------------|-------|-------------|------------------|
| Nowheer Sanoa in Attendance Register Nounber Nounber Sanoa in Attendance Register Nounber Nounber Nounber Sanoa in Attendance Register Nounber N | SI. | Name of | Occupa | Pay | No of 1 | Days | Basic | Dearnes | Travelling | Other | Benefits in | Total Earnings |
| Number Si.No. in Attendance Register Code Worked for For Paid for For For Paid | No | Worker/Token | | Period | (December | | Wages | s | | | Kind (Money | |
| Attendance Register Attendanc | | Number/Sl.No. in | | (Code) | ` | , , | 0 | Allowan | S | | | (16+17+18+19+20) |
| Worked For F | | | (00110) | (Come) | | | | | J | | , ,,,,,,,, | |
| Image: Control of the contro | | Attendance Register | | | | | | ces | | | | (1500, 2011) |
| Image: Control of the contro | | | | | | | | | | | | |
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| 3 6 | 1 | | | | | | | | | | | |
| 4 Image: Control of the co | 2 | | | | | | | | | | | |
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| 8 8 8 9 | 6 | | | | | | | | | | | |
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| 10 10 <td< td=""><td>8</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<> | 8 | | | | | | | | | | | |
| 11 12 12 13 14 15 16 16 16 17 17 17 18 <td< td=""><td>9</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<> | 9 | | | | | | | | | | | |
| 12 13 14 15 15 16 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18 18 18 18 19 10 <td< td=""><td>10</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<> | 10 | | | | | | | | | | | |
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| 16 17 17 18 18 19 19 10 <td< td=""><td>14</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<> | 14 | | | | | | | | | | | |
| 17 | 15 | | | | | | | | | | | |
| 18 19 | 16 | | | | | | | | | | | |
| 19 | 17 | | | | | | | | | | | |
| | 18 | | | | | | | | | | | |
| 20 | 19 | | | | | | | | | | | |
| | 20 | | | | | | | | | | | |

Pay Period (Col 12): Daily-1, Weekly-2, 10 days-3, Fortnightly-4, Monthly-5, Not Fixed-6,

| 5. Bonus & Ex Gratia: | |
|--|--|
| Whether the Unit is covered under the payment of Bonus Act,1965 | |
| (Yes-1, No-2) | |
| If yes, type of Bonus Paid: (Annual-1, Festival-2, Productivity-3, Others-4, NA-9) | |
| 6. Hours of Work | |
| Total No. of Working Days in December, 2014 | |
| Daily Hours of Work (Less than 8 hrs-1, 8-9 hrs-2, More than 9 hrs-3, NA-4) | |
| Duration of rest intervals | |
| (less than 30 mins1, 30 mins to 1 hr-2, 1 hr-2hrs-3, more than 2 hrs-4, NA-5) | |
| Whether the workers work beyond the normal working hours? (Yes-1, No-2) | |
| If yes, mention rate of payment for overtime: | |
| (Ordinary-1, Double-2, Specials-3, No extra Payment-4, NA-9) | |

| 7. Leave and Holidays (Annual) | |
|--|--|
| Whether the unit is allowing leave/ Holidays? (Yes-1, No-2) | |
| If yes, With Wages-1, Without Wages-2, Mix-3, NA-9 | |
| No. of holidays allowed with wages to manual workers (in a year) | |
| 8. Weekly Off | |
| Is weekly off given to the workers? (Yes-1, No-2) | |
| If yes, With Wages – 1, Without Wages – 2, Mix – 3, NA-9 | |

| 9. Trade Union / Employer's Association | |
|---|--|
| Whether the Beedi Unit is member of any Employer's Association? (Yes-1, No-2) | |
| If yes, Name of Association | |
| Whether the workers are members of any Trade union? (Yes-1, No-2) | |
| If yes, mention the number of workers. | |

| 10 | . Equal Remuneration Act, 1976 and Payments of Wages to Women | |
|------|---|--|
| 10.a | Is the employer aware of Equal Remuneration Act 1976 (Yes - 1, No - 2) | |
| 10.b | Whether maintaining prescribed register for ERA, 1976? (Yes - 1, No - 2) | |
| 10.c | Whether paying equal wages to male and female workers for similar work? (Yes - 1, No - 2) | |
| 10.d | If no then mention reason. Ignorance about the Act-1, Difference in ouput- | |
| | 2, Difference in occupation -3, Difference in skill-4, Employment Status i.e. | |
| | Temporary, Casual-5, Difference in educational qualification-6, Difference | |
| | in experience-7, Others-9 | |
| 11 | -16. Awareness of the Minimum Wages Act and Related Issues | |
| 11.a | Is the employer aware that there is an enactment called the Minimum | |
| | Wages Act, 1948? (Yes - 1, No - 2) | |
| 11.b | If yes, is he aware of the prescribed wages in force? (Yes - 1, No - 2) | |
| 11.c | Source of awareness: (Friends & relatives-1, Newspapers-2, Govt Notifications | |
| | based on Labour Office-3, Contact with Govt officials-4, More than one source-5, | |
| | Others-9) | |
| 11.d | Does he feel that the wages prescribed in the Act are high, normal or low? | |

| | (High - 1, Normal - 2, Low - 3) | |
|------|---|--|
| 11.e | Wages paid to workers are as per (Minimum Wages fixed -1, Higher than the | |
| | Minimum Wages fixed-2, Lower than the Minimum Wages fixed -3) | |
| 12.a | Whether employer finds it easy to employ Workers at wages which are | |
| | below the Statutory wages? (Yes - 1, No - 2) | |
| 12.b | If yes, then what are the major reasons for employing workers at wages | |
| | which are Lower than the statutory wages? | |
| | (Ignorance about the Act-1, Availability of workers at wages lower than | |
| | Minimum Wages Fixed-2, Employer not being capable of paying Minimum | |
| | wages-3, other specify-4) | |
| 13.a | Does the employer hire migrant laborers? (Yes - 1, No - 2) | |
| 13.b | If yes, does he pay to them wages which are higher than the statutory | |
| | wages? (Yes - 1, No - 2) | |
| 14. | No of times Labour Inspector inspected the unit during 2014? | |
| 15.a | Has any claim application been filed against unit during 2014? (Yes - 1, No - | |
| | 2) | |
| 16. | Has the unit been prosecuted any time during 2014 (Yes - 1, No - 2) | |

| 17. Maintenance of Records | | | | | | | |
|---|----------------------------------|--|--|--|--|--|--|
| Is the Unit Maintaining the following Records? (Yes- 1, No-2) | | | | | | | |
| Attendance Register Muster Roll / Wage Register | | | | | | | |
| Register of Advances | Register of Overtime | | | | | | |
| Welfare amenities register Bonus / Ex-gratia Payment Register | | | | | | | |
| Register of Inspection | Register of fines and Deductions | | | | | | |

| 18. Compliance to statutory requirement | |
|--|--|
| Whether all notices and extracts prescribed under the Labour Act are displayed | |
| at appropriate place in the unit (Yes- 1, No-2) | |
| Whether annual returns were submitted by the unit. (Yes- 1, No-2) | |
| Whether the employer has issued Identity Cards to the works. (Yes- 1, No-2) | |

| or Piece Rated Workers |
|---|
| ystem of payment/others |
| |
| |
| Comment briefly on the quality of above records and mention shortcomings if any. |
| Other Information relevant to the study e.g. employment of children, difficulties etc.? |
| |
| |
| |

| | | | |
|--------------------|-----------------|------|--|
| | | | |
| | | | |
| Field Officer | | | |
| Name | : | | |
| Date of Survey | : | | |
| Date of Submission | on & Signature: | | |

Government of India Ministry of Labour & Employment Labour Bureau Chandigarh

Evaluation study on Implementation of Minimum Wages Act in Beedi Industry in Madhya Pradesh State

Worker Schedule

| 1. General Particulars | | |
|---|---|---|
| Unit ID No. | | |
| Name of the Unit | | |
| Sample-1, Substitute-2 | | |
| 2. Personal Details | | - |
| Name of the Sample Worker | | |
| Contact number | | |
| Type of worker: Home based worker-1, Factor | ry worker-2 | |
| Occupation (Furnace Man-1, Wrapper/Labeller/ Bundle Maker-2, distributor-4, Bidi Roller-5, Others-9) | | |
| Caste (SC-1, ST-2, OBC-3, Others-4) | Age (in completed years) | |
| Employment Status : (Permanent – 1 , Temporary – 2 , Contract – 3 , Casual/others – 4) | Since how long working in Beedi Industry | |
| I D / Token No of the Sample worker | Beedi Dispensary Card No: | |
| 3. Details of Migration | | |
| Whether migrated from other state? (Yes – 1, No | -2) | |
| If Yes, Mention Year of Migration | Migrated from which state | |
| Migrated from which district (In case of Intra State) | | |
| Reason for migration: Non-availability of work - 1, Draug and relatives-4, To set up business or Change of occupation-5, Fan | | |
| 4. Wages & Earnings | | |
| Mode of wage Payment : (Time Rated-1, Piece Ra | ited-2) | |
| Rate per thousand Beedi (Rs) | | |
| Rejection Rate of Beedi per thousand: (Nos.) | | |
| Total Earnings of the worker in December, 2014 (I | Rs.) | |
| Pay Period : (Monthly-1, Fortnightly-2, Weekly-3, Daily | -4, Others-5) | |
| Whether the wages are paid on time or not? (Yes- | 1, No-2) | - |
| If employed on piece rate basis, who keeps the | - | |

5. Demographic and other particulars of family members

| SI. | Name of Members | Relation | Gender | Age (in | Marital | Educational | Economic | Working in | Income 1 | Dec, 14 | Total |
|-----|-----------------|------------|-----------|-----------|---------|---------------|----------|-------------|------------|---------|----------|
| No. | | with the | | completed | | Qualification | | Beedi | (In F | Rs) | Income |
| | | Worker (A) | | years) | code(B) | code (C) | (D) | Industry | From Beedi | Other | per |
| | | | Third | | | | | (Yes-1, No- | Unit | source | month |
| | | | Gender-3) | | | | | 2) | | | (in Rs.) |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | 10 | 11 | 12 |
| 1 | | | | | | | | | | | |
| 2 | | | | | | | | | | | |
| 3 | | | | | | | | | | | |
| 4 | | | | | | | | | | | |
| 5 | | | | | | | | | | | |
| 6 | | | | | | | | | | | |
| 7 | | | | | | | | | | | |
| 8 | | | | | | | | | | | |
| 9 | | | | | | | | | | | |
| 10 | | | | | | | | | | | |
| 11 | | | | | | | | | | | |
| 12 | | | | | | | | | | | |
| 13 | | | | | | | | | | | |
| 14 | (4) | | | | | | | | 1 16 11 | | |

Code (A) : Self-1, spouse -2, married child-3, spouse of married child-4, unmarried child-5, Grandchild-6, father/mother/father-in-law/mother-in-law-7, brother/sister/brother-in-law/sister-in-law/other relatives-8

Code (B) : Unmarried-1, Married-2, Widowed-3, Separated-4, Divorced-5, NA-9

Code (C) : Illiterate-1, Literate but below primary-2, Primary-3, Middle-4, Matric or Higher secondary-5, Graduate & Above-6, NA-9

Code (D) : Earner-1, Earning dependent-2, Non-earner-3

| 6. Opinion about wages and b | onus |
|--|---|
| Opinion About Wages: Highly Satisfied- | Opinion About Bonus: Highly Satisfied-1, |
| 1, Satisfied-2, Not Satisfied-3 | Satisfied-2, Not Satisfied-3, Not aware-4 |
| 7. Maternity Benefits | 8. Disease and Treatment related benefits |
| Did you get Maternity | Whether availed benefit for treatment for any |
| benefits? (Yes-1, No-2, NA-3) | of specified diseases. (Yes-1, No-2) |
| If Yes, source? (Employer-1, | If yes, total expenditure incurred by the |
| Beedi welfare organisation-2, | member in 2014 (in Rs.) |
| others (specify)- | Amount of reimbursement in last one year |
| 3) | (Rs.) |

| 9. Educational Benefits | 10. Housing Facility | |
|--|--|--|
| Do you get educational facility for your | Whether housing subsidy has been availed | |
| children? (Yes-1, No-2) | any time? (Yes-1, No-2, Not aware-3) | |
| If yes, source? (Employer-1, Beedi welfare | If yes, source? (Employer-1, Beedi welfare | |
| organisation-2, other agency-3) | organisation-2, other agency-3) | |

| 11. Social Security Benefits | |
|---|-----------|
| Whether the Unit is providing Social Security Benefits? (Yes-1, No-2) | ı |
| If yes, which of the benefit? | |
| EPF-1, GPF-2, Group Insurance-3, Health Insurance-4, All-5, Some benefits-6, NA-9 | <u> -</u> |
| If availed assistance for specified Scheme then mention name of Scheme | i |
| (Natural Death-1, Accidental Death-2, Minor Handicap-3, Major Handicaop-4, Widow/Widower remarriage | i |
| scheme -5, financial assistance for funerals-6, NA-9) | |

| 12. Trade Unionism and Awareness | |
|--|--|
| Are you member of any Trade Union: (Yes-1, No-2) | |

| 13. Awareness of Minimum Wages and related issues | |
|---|---|
| Are you aware of Minimum Wages Act, 1948: (Yes-1, No-2) | |
| If yes, source? | |
| Through local body-1, NGO-2, Govt Agency-3, relatives and friends- 4, other-5 | |
| (specify) | |
| If the worker is aware & paid lower than prescribed Minimum Wages then what | |
| are the circumstances which compelled him/her to work for lower wages. | |
| (Ignorance about the Minimum Wages-1, Availability of work at low wages-2, | |
| Unemployment-3, Employer not being capable of paying prescribed minimum wages-4, | |
| other specify-5, NA-9) | |
| Is the worker aware of existence of any authority for inspection of wages? (Yes-1, | |
| Not Aware-2) | |
| Does the worker think that the prevailing wages are low? (Yes-1, No-2) | |
| If the sample worker is female, is the worker aware of Equal Remuneration Act, | |
| 1976? (Yes-1, No-2, NA-9) | |
| Are the wages paid to her lower than her male counterpart for similar work? (Yes-1, | |
| No-2) | _ |
| If yes, what are the reasons (<i>Ignorance about the Act-1, difference in occupation-2,</i> | |
| difference in skill-3, difference in length of the service-4, Employment status i.e. permanent, | |
| temporary, casual-5, difference in educational qualifications-6, others-7, NA-9) | |

| 14. PARTICULARS OF FIELD WORK | | | | | | | | | | |
|-------------------------------|---------------|------|---------------------|--|---------|------|---------------------------|--|--|--|
| Field Officer | | | Supervising Officer | | | | For Headquarters Use Only | | | |
| Name | | Name | | | Receipt | | | | | |
| additional sheets attached | | Date | | | | Date | | | | |
| | Date | | Receipt | | | | Scrutinized | | | |
| Investigation | Investigation | | Scrutiny | | | | Name | | | |
| Submission to SO | | | dispatch to Hq | | | | Date | | | |
| Date | | | Signature | | | | | | | |
| Signature | | | | | | | | | | |

Government of India Ministry of Labour & Employment Labour Bureau Chandigarh

Evaluation Study on Implementation of Minimum Wages Act 1948 in Beedi Industry in Madhya Pradesh State <u>Labour Inspector/Labour Officer Schedule</u>

| Na | me of District | Cent | tre _ | | | | | | |
|----------|--|-----------|-------|---|--|--|--|--|--|
| 1. 2. | | | | | | | | | |
| 1. | The Minimum Wages Act, 1948 2. The payment of Wages Act, 1936 | | | | | | | | |
| 3. | The Equal Remuneration Act 1976 | | | | | | | | |
| 5. | The Mines Act, 1952 | | 6. | The Shop & Commercial Establishment Act. | | | | | |
| 7. | The Payment of Bonus Act, 1965 | | 8. | The Workmen's Compensation Act, 1923 | | | | | |
| 9. | The Employee State Insurance Act, 1948 | | 10. | The Employee Provident Funds & Miscellaneous Provision Act, 1952 | | | | | |
| 11. | The Maternity Benefit Act, 1961 | | 12. | The Payment of Gratuity Act, 1972 | | | | | |
| 13 | The Trade Union Act, 1926 | | 14. | The Child Labour (Prohibition & Regulation) Act, 1986 | | | | | |
| 15. | 15. The Contract Labour (Regulation and 16. The Industrial Employment (Stand | | | | | | | | |
| | Abolition) Act, 1970 | | | orders) Act, 1946 | | | | | |
| 17. | Any other Act. Please specify | | | | | | | | |
| 3. | Number of inspections usually mad lowing Acts. | de in a 1 | mon | th in Beedi Making industry under the | | | | | |
| 1. | Under the Minimum Wages Act, 1948 | | 2. | Under the Equal Remuneration Act, 1976 | | | | | |
| 3. | 3. Under other various Labour Laws other than (i) and (ii) above | | | | | | | | |
| 4. | 4. In the Beedi making industry | | | | | | | | |
| | No of inspections made in the sample u | | | 2. No of inspections made during 2013- | | | | | |
| | establishment December, 2014 under the | | | 14 | | | | | |
| _ | Minimum Wages Act, 1948. | | | | | | | | |
| | . No of employers/units prosecuted during 2013-14 | | | 4. No of claim application filed against the employers in 2013-14 | | | | | |
| | | | | | | | | | |
| 5. 1. | Transport facilities for inspection Nature of transport facility provided for | or insne | ectio | n (Two wheeler-1 Transport / petrol | | | | | |
| 1, | Allowance-2, No facility-3, Other-9 (specify) | | | | | | | | |

| 2. | Whether transport facility is adequate (Answer Yes-1, No-2) | | | | | | | |
|-----|---|--|--|--|--|--|--|--|
| 3. | If no, what do you expect in this regard? | | | | | | | |
| 4. | Distance of the farthest unit for inspection (in kms) | | | | | | | |
| 6. | In case of unregistered units/establishments | | | | | | | |
| I. | How do you locate unregistered beedi making | | | | | | | |
| | units/establishments? | | | | | | | |
| TT | II | | | | | | | |
| II. | How do you enforce the minimum wages in such units? | | | | | | | |
| | such units? | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 7. | How do you enforce the Act in the | | | | | | | |
| | units/establishment which fails to maintain | | | | | | | |
| | records prescribed under section18 of the Act? | | | | | | | |
| | TATE - 1100 141 6 11 | | | | | | | |
| 8. | What are difficulties faced by you in the | | | | | | | |
| | enforcement of the Minimum Wages Act? | | | | | | | |
| | | | | | | | | |
| 9. | What measures do you suggest for improving | | | | | | | |
| | the enforcement of the Act? | | | | | | | |
| | | | | | | | | |
| 10 | T31 (* (1 *1* 3.4* * 3.47 | | | | | | | |
| 10. | Please mention the prevailing Minimum Wages (per day/month) in your area for the skilled, | | | | | | | |
| | semi-skilled and unskilled workers in beedi | | | | | | | |
| | making units (Please attach a copy of Minimum | | | | | | | |
| | Wages Notification in this regard. | | | | | | | |
| | wages wouncation in this regard. | | | | | | | |