

Workshop on the Plight of Workers in Closed Industries

27 and 28 November 2004, Kolkata

AN APPROACH PAPER FROM NAGARIK MANCHA

GENESIS OF SICKNESS: PAST AND PRESENT

Today the number of closed and sick units in West Bengal stands at well over 54,000. Together with this, the haunting spectre of more industrial units falling sick and ultimately closing down with thousands of workers pushed to the brink of extinction is spelling doom not only to the workers of the affected units but also to the entire economy.

1. A HISTORICAL RECAP

Downslide of the industries in West Bengal actually has its root in the post independence industrial scenario of the country after the end of the British Raj. Following are the significant areas changes in which started in the 50's and deeply influenced the fate of future industrial scenario in West Bengal.

Level of industrialization: Over the entire world, the level of industrialization started undergoing a radical change from this period. Previously, the basis of industry was metallurgical and engineering. Later on the focus shifted to chemical industries. The emphasis was to develop new materials like plastics and polymers, polyester, polythene etc. This new level of industrialisation gave a stunning blow to the existing industrial structure of Bengal. Profit motives brought about yet another significant change. As the consumer product for ordinary people did not fetch huge profits, the emphasis shifted to luxury products or high-ended products targeting the wealthier class. Initially, modern technology was meant for better utilisation of labour involved in labour intensive activities. But subsequently it focused on labour substitution. World wide, technology created its own market. Initially the role of technology was limited to aid production process. Later, for the sake of this technology market, the production process had to change in order to suit the needs of a growing technology market. Apparently it seems that now 'production' is for the sake of 'technology' and not technology for the sake of production. Consequently, labour of Bengal, which was acclaimed world over for excellence and skill, started losing its importance. This is another reason why industries in Bengal started declining.

Demand structure: Initially it was thought that demand would develop mainly in three sectors: infrastructure, giving rise to more and new kinds of demand; demands for industrial goods; and demands for consumer goods for ordinary people and those in agricultural sector. But the demand structure suffered a miserable setback. It was expected that demand would be met by the manufacturing sector inside the country. But this was not to be since soon the Central Government shifted from import substitution to export led policies resulting in an increase of import. These were found to be incompatible with indigenous demand. In the agricultural sector instead of improvement, rural poverty became pronounced. As a result the demand from agricultural sector suffered. Add to it the influx of refugees from East Bengal as a consequence of partition of the country, which added great strains on the socio-economic conditions. The emerging industrial geography did not favour West Bengal. After independence the new wealthier class/new upper middle class emerged mostly in the other parts of the country. Since the newly emerged industries catered more to the wealthier class it failed to meet local demands of West Bengal. The impoverished mass of West Bengal with falling purchasing capacity further worsened the fate of local industries based on local demands. Lack of

modern communication and logistics and deteriorating infrastructure of Bengal made the plight of the industries in the State acute, particularly when the demand was located elsewhere.

Industrial geography: In the British period the industrial geography was tailor-made to suit the interests of the British capital. After Independence the geography was reshaped to suit the interests of various dominant political groups/parties. They dictated their terms: where would the new industries be set up? Where would the new infrastructure be built up? What would be the policy of industrial incentives/dis-incentives? To make this repositioning of industries viable the economic policies were reshaped accordingly. In this context, no West Bengal lobby existed in the national politics for decades. As a result, West Bengal did not get its place in the new policies of industrialization, investment and the reshaping of the industrial geography. The old industrial belts (mostly Port and Railway based) in West Bengal suffered a great deal, as the newly emerged political interests did not back it.

Growth of agriculture: Crisis in the agricultural production dealt a severe blow to the old infrastructure in Bengal. Agricultural sector is the source of raw material supply for industries viz. tea, sugar, jute, oil-seeds etc. On the other hand, it also creates demands for consumer and other products to fulfil the needs of people in agricultural sectors. But such kinds of demands suffered due to the crisis in agriculture. The agro-based industries in West Bengal also started suffering.

Infrastructure: On the pretext that old infrastructure created by the British already exists in West Bengal, no effort was given for improving the old infrastructure or building new infrastructure. As a result the old infrastructure deteriorated due to overuse and obsolescence. This affected the industrial scenario of West Bengal to a great extent.

Regional or local entrepreneurs: It is often said that West Bengal did not have local enterprises – most industries were in British hand. Factually, however, the Bengali capitalists were primarily instrumental in setting up the swadeshi enterprises found in our history. But the original capitalists in West Bengal ultimately got defeated. The local enterprises were based on local demands, local resources and indigenous technology. This concept could not find any place in the post-independence restructuring of our industry. In this new industrial structure there was virtually no place for local enterprises to thrive on local demands and local resources. Moreover, there is the proverbial Bengali mindset that lacks entrepreneurial culture. People without having any root in the state therefore held many of the ancillary industries appended to British capital. Their incentive during the British period was to reap the special local advantages enjoyed by Bengal due to British policy. The local advantage of Bengal during British period was due to the fact that British colonial power had their early roots in Bengal, which had developed an English knowing local bureaucracy and a socio-cultural environment, fast absorbing the fruits of western culture, which was beneficial to British capital. After the British left and the local advantage of Bengal ended, capitalists having roots outside the State did not find any lasting reason to stick to West Bengal. That is why when colonial power left the industries in West Bengal, local entrepreneurs did not step in while in other States local entrepreneurs did step in to take over industries from the British – many of which are still thriving today. On the other hand, the local rich, who had the resources for taking over industries – mostly, landed aristocracy – found it better and safer to invest in real estate, and not in the industries.

Technology up-gradation: Combination of all these factors did not provide incentives to the entrepreneurs – most of them having roots outside the State – for technological up gradation or improvement of their enterprises.

2. OUR EXPERIENCE

In the above backdrop and absence of pro-active policies for counteracting the legacy of industrial disadvantages widespread industrial sickness in West Bengal followed as a natural corollary and became predominant.

Role of BIFR: It is unfortunate that instead of becoming a forum for industrial revival BIFR had virtually turned out to be an industry dismantling mechanism. The principal emphasis of BIFR, it seems, was to refund the financial stake to the creditors and investors (excepting the workers and employees whose statutory claims are no less than other creditors) with whatever maximum return on capital as possible. That is why workers are barred from participating in the process of formulating the revival scheme although their stake in the enterprise is the strongest being their only means of livelihood. They appear on the scene as the last resort (that too not as a matter of right) when everybody else has failed. It appears, the priority is not to run a sick unit with the objective of its achieving long-term self-sustenance.

Role of nominees: Moreover, there is total lack of innovation about industrial recovery and accountability of the professionals/government nominees who are to be instrumental for reviving the unit. Result: a half-hearted, make shift arrangement to run the unit for sometime till its resources and possibilities for revival get exhausted and the erstwhile/new owners of the unit are able to squeeze out the last drop of blood from the unit. Finally, the unit gets dismantled and the workers always remain on the losing side. Had the government nominees/professionals selected on the board of directors been in the employment of BIFR or the revival agency they would have better accountability and greater responsibility.

Misuse of concessions: To revive sick units the government has so far given concessions mostly in the three areas: a) Sales Tax concession, b) Permission to use surplus land for real estate project so that income generated in this regard can be used for revival process, c) Declaring a sick unit as a Relief Undertaking so that during prescribed period no creditor can prefer any claim or move the court against the unit for recovery of dues. Unfortunately in all these areas the owners, to fatten their own purse instead of using the same for industrial revival, have misappropriated the concessions.

Trend set in the name of liberalisation: Instead of promoting (through competition) excellence in performance and well being for the workers, consumers and other stake holders of a company, liberalisation is ultimately rewarding the inefficient and reckless employers – both in the public and private sectors – by arranging for privatisation/disinvestments. As a result, employers can get away with fast buck by selling/gainfully transferring their stake while workers are sacrificed in the form of paltry compensation (like VRS), massive retrenchment and work force rationalisation in the name of corporate re-organisation.

Jute, Steel, Cotton, Wagon & Engineering Industries: It is common knowledge that the above industries in West Bengal are on the verge of extinction.. In the Jute industry the modernisation fund remains virtually unutilised. Most of the Jute Factory owners are not real owners but lease holders having no motivation for modernisation or improvement. Ultimately, the jute growers are also becoming the victim. In all these industries the workers are the worst sufferers while the management have numerous ways to escape after making quick money at the cost of the industry and its workers. Wittingly or unwittingly the government is becoming a party to this game to the detriment of the workers and the industry.

Technological up-gradation and workers' participation in management: As mentioned earlier, there is no comprehensive study/evidence backed by exhaustive facts and figures available as yet that establishes the fact about poor labour skill and labour productivity in West Bengal and its primary role behind industrial decline. On the other hand, there is sporadic statistical evidence that physical labour productivity in West Bengal is no less than other States. Lack of technological up-gradation,

on the other hand is a major factor behind the stagnation/decline of total productivity. The history of productivity movement in modern world shows that productivity & quality achievement (for which today Japan is competing with the most advanced countries of the world, for which the most industrialised countries of the first world have achieved the leadership position today) is not possible without the participation of workers in the management. This is different from participation of Trade Union leaders in the Board of Directors. The process of involvement of workers in the management has to start from the shop floor level as it has been done in Japan and western countries in the form of Quality Circles and should travel upwards right up to the Board level.

Productivity and Social Security: It is often contended that social security measures burdens the enterprises with unmanageable costs affecting cost-competitiveness and also the productivity and performance. On the contrary the history of advanced industrialised countries having strong social security base shows a strong positive relation between better social security and better performance.

Involvement of Social Action Groups in promoting the culture of industrial revival: In most cases, workers alone cannot bring in the desired level of revival management. There is the question of meaningful alliance with the professionals. Most important is the involvement of social action groups who can bring social awareness orientation in the industrial revival actions (both at the unit and macro level) by virtue of their experience, expertise as well as information and research power in the relevant fields so that the plans and actions for revival do not get biased by any interest group other than those representing broader social interests of industrial revival.

PLIGHT OF WORKERS

It was around the mid-eighties. There was a beeline of sorts for closing industries. Lockouts, lay-off, closures – had become a routine affair in the industrial zones of West Bengal. Closed industries stood as if in long files. It was an era of utmost uncertainties. Workers and employees in functioning units were terrorised. They were not sure, while they trudged from their homes, whether they would have to see the dreaded closure notice at the gates of their factories. Capitalising on this sense of extreme insecurity the management started adopting coercive tactics to effectively roll back the benefits of most labour rights. The contributions made by workers towards their Provident Funds remained un-deposited; ESI contributions were not deposited depriving the insured patients from their statutory medical benefits; post-retirement gratuity benefits were being held back for thousands of workers; workers were made to ‘sacrifice’ and compromise as regards many other standard financial benefits. As it is, most workers were deprived of the benefits of any wide and supportive social security network. To add to their woe whatever did percolate through was about to be ruthlessly restricted. The reason cited was the sickness of the unit – which perfectly fitted the misinformation campaign about industrial recession, launched by many a captain of our society.

The minimum wages fixed by the West Bengal Government was not being adhered to in most industrial units. The hapless workers were helpless in the oppressive industrial ambience. The baffled trade unions started on a defensive innings staying predominantly rooted on their back foot, seemingly struggling to remain in existence. Taking advantage of the situation a section of the workers representatives started patronising corruption for personal gains. Government remained inert, inept and inactive. At the receiving end, the workers observed a total eclipse of everything legal and beneficial. System existed, sans justice! There were a lot of people ‘around’ but few among them showed the urgency to learn about the truth!

We have documented until 1995, in our yearly publication ‘Aakraanto Shramik’, hundreds of cases of jobless and hungry workers compelled to take the path of least resistance – suicide. The wage dependant workers and the local economic infrastructure comprising of local street markets, bazaars, shops and establishments and other dependant downstream employment were facing the pangs of destruction. Yet, the political mainstream and the civil society perhaps were somewhat paradoxically silent. What was the real reason behind this somewhat strange silence and non-responsiveness? With some remnants of social consciousness, we started our search way back in 1989. Right from the beginning, Nagarik Mancha has endeavoured to match ground level reality with hefty claims of promise and propaganda by the West Bengal Government. Fifteen years is a long journey. We have tried to put in a consistent and protracted effort to develop pressure on behalf of the workers in their struggle to claim justice and legal rights. We may have achieved in bits but in many cases, we have not been able to do much.

We are witness to many painful moments in the life of struggling workers of closed industries withering under the multi-pronged attacks from its adversaries. With these testimonies, a non-governmental enquiry commission was organised under the Chairmanship of Justice Rajindar Sachar back in 1997. A lot of untold stories, lesser-known facts and revealing truth were exposed which are well documented in the pages of ‘Plight of Workers’ – a report of the said Fact Finding Commission. It is perhaps partially true that owing to the pressure developed by the entire exercise, the State Government was constrained to morally accept the responsibility of the pitiable plight of the closed industry workers. Consequently, it initiated a scheme for extending financial assistance to the tune of Rs. 500 for workers of locked-out industries until the age of 58. We were prompt to hail the well-meaning gesture of the West Bengal Government but hastened to formally submit a string of revival proposals for closed industries, lest this financial assistance is reduced in essence to dole for workers. The packages included specific proposals for generating alternative employment besides maximum utilisation of the skills of workers of closed units.

On 20 September 1999, we had handed over the proposal package to the Government of West Bengal and promptly followed it up with a series of discussions, meetings, rallies, sit-ins and other modes of awareness campaigning. The West Bengal Government on its turn retreated from the scene after offering dole to those very hands, which were laden with skill but lacked work or employment. There was no governmental initiative to arrange for the proper utilisation of these skilled hands.

Whether the West Bengal Government, which demands considerable success in various developmental issues concedes or not, death of jobless workers owing to lack of sufficient food or medical attention is on the rise. We are being pep-talked by intelligent intellectuals about the ‘difficult’ times and we are being told that the mere fact that the workers are surviving should be deemed a positive sign. Some of them are ‘logically’ stating that since the factories are being opened or closed as per the whims of its owners the government does not fit into the scheme of things. Was there anything that could really be done they ask almost naively. The legally omnipotent government has not taken any exemplary step to stem the rot.

There is a lot of talk circulating about technology, development, industrialisation and huge investments in West Bengal. Why then isn’t there any improvement in the plight of workers? Workers have their back against the wall perhaps like never before! Ominous signs of worse to come loom large on the horizon.

Let us look at some relevant figures:

1. (i) The rate of increase of the ratio of total working population to total population of West Bengal between 1991-2001 is more than that during 1981-1991. (ii) However the percentage of the workers in the primary sector having registered an increase 1991 fell significantly in 2001. On the other hand that for the workers in the secondary and tertiary sectors showed marked increase. (iii) The percentage of industrial workers in the working population has decreased while that for agricultural workers, workers in cottage and construction industry, have increased. ***This signifies that industrial workers are shifting from industry to agriculture and unorganised sector.***

2. (i) In the year 2003, 9120 workers got employment in 238 new units compared to 635000 workers losing their jobs owing to lockouts and strikes in 432 units. (ii) In the year 2003, on an average 38 workers are being employed per freshly set up industrial units while in the old units there were almost 4 times as many workers per unit (146). (iii) In 1980-81, for every crore being invested in the industry, 228 workers were getting fresh employment. This figure kept dropping and in 1998-99 only 16 workers were being employed for every crore invested, dropping 14 times in 18 years. (iv) Between 1991 and 2001, 19,775 crores invested in 545 units created 62,404 jobs. ***It is obvious that the number of workers getting jobs is a pittance when compared to those losing their jobs yearly. The types of industries coming up are not producing significant employment.***

3. (i) Of the 69,269 registered factories in West Bengal, 29,215 are closed. (ii) 72% of the small-scale units are not registered in the State. (iii) In the state there are 288 large units, which are sick affecting 4,27,750 workers. (iv) Of the total number of closures 92% are owing to lockouts accounting for 94% of annual man days lost. ***Hence contrary to common perception workers are not solely responsible for the lost man-days.***

4. (i) As per FAWLOI scheme (Financial Assistance to Workers of Locked Out Industries), Rs. 500 is payable to workers below the age of 58 in units under lockout for more than a year. (ii) In the

year 2003-2004, in 263 units 42,729 workers were paid Rs. 24.55 crores by the Government of West Bengal though the budgetary allocation stood at 50 crores. (iii) There are 2 lakhs of workers in large and medium locked out units in the State. (iv) Presently for the last 9 months the workers of locked out units haven't been paid their monthly stipends.

5. (i) In 1999, there were 37971 cases of violation of Minimum wages investigated resulting in 628 convictions/punishments. The same figures for 2003 were 28979 and 206. (ii) Similarly in 1999, 36377 cases of violation of all other labour laws were investigated of which 539 were punished. The same figures for 2003 were 22408 and 139 respectively.

Clearly the investment friendly State Government does not want to disturb the employers.

6. (i) Of the 2.67 crores working population only 8.7% is covered by PF in this state. (ii) The PF dues in West Bengal have climbed from 113.89 crores in 1989-90 to 348.11 crores in 2003-04. (iii) PF dues in Jute Industry has climbed from 138.37 crores in 1999 to 201.77 in 2003 (iv) The units under the exempted category covers about 25% of the total workers but are responsible for 70% of the PF dues. (v) Despite such huge arrears accumulating as PF dues in units whose PF is managed by trustee boards managed by representatives of employees and employers not a single case have been lodged against these boards. (vi) Whereas Rs. 12.68 crores towards PF subscriptions have been deposited by unorganised sector workers, the matching grant from State Government is strangely lagging behind at 8.65 crores.

The chaotic scenario on the PF front is taking unmanageable proportions.

7. (i) Beneficiaries of the ESI scheme have crashed from 10.75 lakhs in 1990 to 3.50 lakhs in 2003. (ii) ESI dues not deposited by employers have mounted sharply from 35 crores in 1990 to 203 crores in 2003 of which the 63 errant jute mills owe a massive 126 crores. (iii) Despite the volume of the dues the ESI Corporation has amassed Rs. 39 crores from West Bengal which an excess of income over expenditure during the last 6 years alone. (iv) ESI Corporation has a total fund of 7361 crores accumulated till date from all over the country. (v) The West Bengal Government boasts of a Minister of State for ESI affairs. (vi) 35 lakhs of workers in West Bengal working in the small scale manufacturing sector remains outside the ambit of ESI, which extends its coverage mainly to the large and medium sized units.

This important arm of the social security network is crumbling.

ROLE OF TRADE UNIONS

Each day some industrial units close down, some reopen while still others are reduced to graveyards. At some places in reaction, demonstrations, sit-ins, protest rallies or blockades are witnessed. At other places it is basically black agreements tantamount to brokering unconditional compromise on the part of trade unions; conspiracy on the part of governments of different hue to retrench workers; employers plots to deny the workers their legal rights. Like in the rest of the country in West Bengal too, this has become a dominant trend.

Our experience is a pile of nightmares! Still there are some who nurture a dream. A group of activists, who support, empathise, co-operate and function as a part of the pro-worker network. They dream of being able to act as a solidarity force in workers movements. When the workers fight for their rights in their factories, the pro-worker force believe that it is a struggle for survival; when they participate in a legal battle it is felt that it is actually a fight against social inequality. When this pro-worker force fights in solidarity they do so with a view to protect human rights.

Capital has forever wished that the role of workers should be strictly limited to providing labour. Employers wished that the workers remained alienated from capital and be like robots operating their machines against wages. The trade unions limited their focus on their right to fight for the value of labour in economic terms. The workers were tutored to do what they were being told to do at gate meetings – where a little knowledge, some symbolic fight and analysis of world politics were suitably catered. Trade unionists harbouring dreams of social change aimed at alienating workers from capital and the production process – lesser the workers laboured, lesser would be the surplus, lesser would be the power of capital and that could result in the fall of capitalism – an ethical strategy at the beginning later transformed into opportunistic *economism*. Consequently the role of the employers and the trade unionists, though at divergence, worked in tandem to guarantee that most of the workers knew little about their industrial units or the industry as a whole.

With the deepening of industrial crisis employers opined that their units could tide over the difficult times if the workers considered the plight of their industry and made sacrifices as deemed necessary. The Government proposed a new role for the workers in tune with changing times where they would have to understand their industry and make adequate sacrifices to overcome the economic crisis. The trade unions while condemning the employers for inadequate investments and fund siphoning, called upon the workers to try and understand their units and keep fighting, besides conceding a few sacrifices for a better future. Suddenly the workers were astonished to find everyone proposing that they come to know their industry and make sacrifices to combat the crisis. In most cases they started doing both.

Gradually, the unit-based trade unions are regaining the trust of its members. In many factories the *Majdoor* unions are making their presence felt in most cases relegating the units of the Central Trade Unions to ‘sign board’ status. With the number of such initiatives on the rise the workers are found to be less alienated from their unions as compared to that phase when they were equidistant from their factory and their union. There is a perceptible improvement towards accepting the need to know the unit and industry. Movements are undertaken increasingly with participation from below on matters of commonly felt interests. However in spite of such seemingly positive trends these workers initiatives are alienated from the other responsibilities of according support towards other social demands voiced by other non-worker section of the society.

The economic policies and the political dominance of the Government in power is such that the strongest *Majdoor* Union, which functions on a stand-alone basis, will find it very difficult to even be granted the rightful dues at an individual unit. This is an era of rollbacks. The legitimate rights enjoyed by the workers had been achieved not by the goodness of the governments in power but through long protracted workers struggle. The Central Trade Unions representing the majority of organised labour are

showing abysmal disinterest or indifference to put up the fight; even the pro-worker government has switched on to a compromise mode; the autonomous and independently functioning trade unions scattered around are unable to put up any unified opposition of any significance – the owner industrialists are having a hay day reaping rich dividends by shutting out one labour right after another without even a rumble of protest or opposition.

It is probably not just any coincidence that just when the labour issues reached crisis proportions the Central Trade Unions have mostly become mere signboards. They have weight, but no cutting edge; there are advices galore for sacrifices and compromises, but no resistance or struggle; they have lost their credibility, alienated workers from unions and caused loss of reliance on labour movements. The membership counts of many central trade unions is on the upswing and a number of them have national recognition but one must concede that during the last 20 years little has been achieved by way of organised resistance against the attack on labour rights. There could be many an analysis about the reasons but the fact remains that the powerful Central Trade Unions failed to protect the jobs, the labour rights and left the workers thoroughly deprived.

In West Bengal leftist trade union movement gained great support among the working class. This was owing to the economic benefits resulting from wage related labour movements pursued by the Leftists. The main claims of these Leftist Trade unions however was concerned with raising the conscious levels of the workers and induct them in the larger movement for social change. They used to talk about this main aim, they still talk about them but not so loudly any more. Failing to identify the raised level of consciousness they blame it on international conspiracy and the trend of some workers to organise themselves outside the ambit central trade union. They never forget to remind workers that it is the result of a higher level of consciousness among workers and other sections of the society, which has resulted in the Left Front Government remaining in power for these 28 years.

It is true that a series of anti Congress movements saw the opposition parties attain power. The working class including workers expected that with the Left Front in power the employers would be cut to size. There was a whole lot of expectations. Later the leaders lectured them about being more practical and pragmatic. They came to hear about central-state disparity and partial power of the ruling Left Front. On the brighter side they were still promised about the commitment of the Left Front about not to interfere in any democratic popular movement. But soon the workers were told on the ground level that the political party in power at the centre would topple the state government on the plea of deteriorating law and order situation if the workers launched any movements. In the absence of any movement the employers piled up pressure and some started behaving as if they were above law.

The suffering toilers failed to tangibly feel from their experience that the government was functional. Why weren't their PF subscriptions being deposited? Why were they being deprived from ESI benefits just because the errant employers were not depositing their subscription with the ESI? Why did the gratuity remained unpaid even after thousands of workers retired? Why were such agreements signed which curtailed the rights of workers? Most questions remained unanswered.

Since the early days of workers movements, besides fighting for economic benefits there was a declaration of an objective aiming at securing for the workers the right to health, shelter, education and social security against job loss. Since long there has ceased to be any meetings, rallies or slogans in favour of these demands. Now there are some agreements and some leaders surviving by signing along the dotted lines. Each factory has a number of unions; some unions have large office buildings with signboards and many office bearers whose primary tasks seem to be submitting annual returns. There is an elaborate infrastructure for protecting the rights of workers but the workers lack faith or confidence.

ROUNDUP

West Bengal Government is trying its level best to attract investment like its counterparts in Maharashtra, Gujarat, Karnataka, Andhra Pradesh and Orissa. We do not have anything against ushering in an era of industrialisation. The question is about the choice of its path.

In a state, which lacks basic industrial infrastructure starting from scratch, is obviously essential. On the contrary in a state like West Bengal, where 54,000 units are either closed or sick the path of industrialisation doesn't only mean setting up new factories and developing new infrastructure. In various pockets in the state, there can be found industrial estates, factory sheds, machines in disuse and skilled labour. Utilising whatever is of value will definitely allow us to start the process of industrialisation at a level much greater than zero. We must accept this reality for the sake of our state and stop taking the path of least resistance and behaving as if setting up new factories at new locations is our only viable option.

What is of utmost importance is a detailed survey and focused initiative to weave a futuristic industrial fabric, with fibres of old and new, keeping in mind the changes in demand, need and production process including appropriate technology. If the political will to do this matched the initiative of the present regime to attract investment and set-up factories, as if only that mattered, the future could have probably been really bright in this state.

In the name of industrial reconstruction there are tax relief and subsidy – but no planning, no initiative to involve experts in the process. What is actually going on is granting liberal government license for the employers to act as per their sweet will – sales tax exemption; freedom from paying up to creditors; unwritten permission to hold back wages of workers and PF, ESI deposits; using excess factory land for real estate purposes. All these in garb of declaring the units as relief undertakings. But for a few exceptions most of these relief undertakings have continued to suffer, along with its workers and creditors. In most cases such labelling has gone to the advantage of the unscrupulous management who had thereafter sucked up the remaining profit and deserted the unit. We need the attention of the government to get the road map to industrialisation in order. This cannot be the right path.

Starting from 1999-2000 a budgetary allocation of 50 crores had been ear marked for industrial reconstruction of closed and sick units in the state. From the year after the amount has been hiked to 100 yearly. Till date as against 125 revival projects submitted, 4 have been considered which involved 4 crores in all. Is there any real policy in this matter? On the other hand what is the amount of money doled out till date for the relief undertakings? How many of them are healthy? What are the outstanding workers dues on wage, PF, ESI, gratuity arrears? Is the relief accorded to such undertakings then, aimed at the personal relief to employers?

Extracts from the Report of Department of Industrial Reconstruction

The Department of Industrial Reconstruction, Government of West Bengal has completed a survey among 500 closed and sick industrial units in the State. Of these:

- 402 are sick and weak and the remaining 98 are closed
- 64 are in the public sector and the remaining are private run
- 327 are large or medium employing 3,38,920 workers and the remaining 173 are small units employing 13,343 workers
- Of the 327 large and medium units 226 have been referred to the BIFR

Of the 500 studied some of the important industries are as follows:

Iron and steel (87); Chemicals and pharmaceuticals (62); Engineering (46); Electrical and electronics (38); Jute (37); Textile (29); Plastic and rubber (28); Paper (22); Cement (18); Agro-based (17); other metals (14); Food processing (13).

Regarding the reasons of failure of these units the perception of the Management and the Banks/Financial Institutions have a varying viewpoint:

Whereas the management says failure of planning is to be blamed in 19.95%, production related failures in 44.18% and other factors in 34.61% cases the Banks/Financial Institutions hold that failure of planning is to be blamed in 9.52%, production related failures in 56.19% and other factors in 32.38% cases.

According to the report, leaving aside the casual workers, there are 3,52,223 affected workers in these 500 closed and sick industries.

Touching upon the geographical distribution of the sick industries under survey the report reveals that of the affected workers 1,57,000 are in the district of Bardhaman; 65,492 in North 24 Parganas; 32,576 in Howrah; 31,632 in Kolkata; 30,918 in Hugli; 30,918 in South 24 Parganas and the remaining 16,221 in six remaining districts.

SCHEDULED PROGRAMME

27 November 2004, Saturday

10.00 am – 11.00 am: Inaugural Session

1. Welcome speech – 10 min.
2. Self-introduction by participants – 25 min.
3. Introduction to the Workshop – 25 min.

11.00 am – 1 pm: Second Session: - Group Discussions

Group 1: Governmental role

(Initiator: Bishu Dasgupta)

Group 2: Legal intervention & Existing laws

(Initiators: Sadhan Roy Chowdhury & Naba Dutta)

Group 3: Role of Trade Unions and Civil Society

(Initiators: PG Bhattacharya & Subhendu Dasgupta)

1.00 pm – 2.00 pm: Lunch Break

2.00 pm – 5.00 pm: Third Session

Full house reporting and discussion on Topics
1, 2 and 3 stated above.

28 November 2004, Sunday

10.00 am – 1.00 pm: Fourth Session

Topic 4: National Policy and Networking

(Initiators: Naba Dutta & Subhashish Mukherjee)

1.00 pm – 2.00 pm: Lunch Break

2.00 pm – 5.00 pm: Concluding Session

1. Recapitulation
2. Open house discussion
3. Concrete action plan

Please Note:

1. Registration Fees for local participants: Rs. 100
(Not required for workers from closed units)
2. Donations will be welcome
3. Intimation of participation to reach us by 24 November 2004
4. Total number of participants limited

Naba Dutta
General Secretary
Nagarik Mancha

