



INTERNATIONAL JOURNAL OF ADVANCE RESEARCH, IDEAS AND INNOVATIONS IN TECHNOLOGY

ISSN: 2454-132X

Impact factor: 4.295

(Volume 4, Issue 3)

Available online at: www.ijariit.com

Causes and impact of industrial dispute in coal industry with special reference to a premier organization Bharat coking coal limited

Mita Malkhandi

mita_malkhandi@rediffmail.com

Shree Shree Lakshmi Narayan Trust Mahila Mahavidyalaya,
Dhanbad, Jharkhand

ABSTRACT

In the present era of Liberalization, Privatization and Globalization i.e. LPG, the country needs a more specific industrial policy for conducive growth of an industry. It is well known fact that labour is means and end both. So issues of labour problems should be addressed properly. Keeping such view in mind, the basic objective of this paper is to find causes of industrial unrest in BCCL and its impact on production and productivity drive.

Keywords: BCCL, CIL, VRS, NEIS, Industrial Relation.

1. INTRODUCTION

We have completed 70 years of Independence and started economic reforms in the year 1991. But industrial relations have not been conducive for augmenting production and productivity. For the last few years, the industrial growth is declining year after year.

Being born and brought up in the midst of industrial area i.e. coal belt, I have come across the slogans of workers against the management for one reason or the other. At this backdrop, I want to analyze the causes and impact of industrial unrest in coal industry particularly BCCL, a premier organization of Coal India Limited (CIL) in Dhanbad district of Jharkhand State.

Brief History of CIL

Coal India Limited (CIL) was set up in 1975 to streamline the working of the coal industry in a manner conducive to more efficient administration and rapid enhancement of coal production. CIL is a "Maharatna" company under the Ministry of Coal, Government of India with its headquarters at Kolkata, West Bengal. CIL is the single largest coal producing company in the world and one of the largest corporate employers with a man power of 333097 (as on first April 2015). CIL operates through 82 mining areas spread over 8 provincial states of India. It has 430 mines of which 227 are underground, 175 opencast and 28 mixed mines.

CIL has 8 fully owned Indian subsidiary companies (direct), which are as follows:

Company	Headquarter
Bharat Coking Coal Ltd (BCCL)	Dhanbad (Jharkhand)
Eastern Coalfield Ltd (ECL)	Sanctoria (West Bengal)
Central Coalfield Ltd (CCL)	Ranchi (Jharkhand)
Northern Coalfield Ltd (NCL)	Singrauli (MP)
South Eastern Coalfield Ltd (SECL)	Bilaspur (Chhattisgarh)
Western Coalfield Ltd (WCL)	Nagpur (Maharashtra)
Mahanadi Coalfield Ltd (MCL)	Sambalpur (Orissa)
Central Mines Planning and Design Institute Ltd (CMPDIL)	Ranchi (Jharkhand)

CIL has a foreign subsidiary in Mozambique viz. Coal India Africa Ltd (CIAL). The mines in Assam i.e. North Eastern Coalfield is managed directly by CIL.

Brief History of Jharkhand

Jharkhand is a State in eastern part of India, was carved out of the Southern part of the State of Bihar on 15th November 2000. Jharkhand shares its border with the States of Bihar to the North, Uttar Pradesh, and Chhattisgarh to the west, Orissa to the south and West Bengal to the east. It is spread over an area of 28833 square miles (74677 square km).

Jharkhand Profile

Population	32988134
Male	53%
Female	47%
Sex Ratio	948
Literacy Rate	80.78%
Male Literacy	87.93%
Female Literacy	72.69%

(Source: Census India 2011)

Jharkhand is the leading producer of mineral resources in the country, endowed as it is with a variety of minerals like iron ore, coal, copper or, mica, graphite, lime stone and uranium.

Most of the parts of the state lie on the Chota Nagpur Plateau, which is the source of Koel, Damodar, Brahmani, Kharkai, and Subarnarekha rivers. Soil content of Jharkhand state mainly consists of soil formed from the disintegration of rocks and stones.

Dhanbad is a city in the state of Jharkhand. It is famous for coal mining and has some of the largest mines in India. It has 112 coal mines. Originally the name of Dhanbad was Dhanbaid which comes from the word Dhan (Paddy) and baid ie the Paddy Land.

Introduction of Dhanbad District

Area	2052 Km ²
Population	2684487
Density	1284/ Km ²

(Source: Census India 2011)

Geography of Dhanbad

Dhanbad has an average elevation of 227 m (745ft). Its geographical length (extending from North to South) is 15 miles (24 km) and the breadth (stretching across East to West) is 10 miles (16 km). Dhanbad was in Manbhum district from 1928 up to 1956. However, on 24th October 1956, Dhanbad has declared a district on the recommendation of the States Reorganization Commission vide notification 1911 and from 1956 to 14th November 2000 it was under Bihar.

Brief Profile of BCCL

BCCL is a public sector undertaking engaged in mining of coal and allied activities. It occupies an important place as it produces a bulk of coking coal in the country. BCCL meets almost 50% of the total prime coking coal requirements of the integrated steel sector. It also supplies a substantial quantity of coal to the pig iron sector and bulk of the coal requirements of the power station in the northern region.

Area of operation of BCCL is spread over 270 square kilometers of the Jharia Coalfield and 32 square kilometers of Raniganj Coalfield.

The industrial relation is an important issue for any industry. So we have to discuss this aspect for a proper understanding of the concept.

The origin of industrial relation lies in the employers-employee relationships. The moment workers are divorced from any ownership of the instruments, materials, and means of production they become wage earners depending for their livelihood upon wages alone. The people who own the instruments and materials of production become their employers and own the product. At the beginning of the modern industrial society, the economic system consisted of a large number of small competitive business and industrial establishments each employing a small number of workers. The relationship between an employer and his employees was informal, personal and intimate, but with the growth of the giant-sized joint-stock companies and business houses, each employing in many cases thousands of workers, the relationship between the employer and his employees is no longer intimate and informal. Formal institutions have grown up to regulate this relationship. Such factors as the intervention of the state, the growth of trade unions and their federations, employer's associations, the growth of the science of personnel management, industrial psychology, and industrial sociology have all tended to influence the spirit and the course of the relationship between employers and employees.

These factors have changed the nature of the employer-employee relationship and have converted this private relationship into the relationship of public importance affecting the welfare of the community as a whole.

There is two important aspects of the industrial relations scene in a modern industrial society: (1) Co-operation, (2) Conflict.

Co-operation

Modern industrial production is based upon co-operation between labor as well as capital. Here labor stands for the workers and capital stands for the owners of business enterprises. The co-operation between the two is one of the basic requirements for the functioning of modern industries and the growth of industrialization. This needs no further elaboration, as it is clear that large factories and other business establishments cannot run successfully unless there is a close co-operation between labor and capital. Hence cooperation among employers and employees is certainly a key for the smooth running of any industrial establishment. Lack of cooperation creates a lot of constraints in the industrial development as well as the growth of the economy. Lack of cooperation opens the doors of conflict.

Conflict

The second aspect of the system of industrial relations obtaining today is the existence of the conflict. Conflict like co-operation is inherent in the industrial relations set up for today. It becomes apparent when industrial disputes resulting in strikes and lockouts become frequent in an industrial unit. The prevailing industrial unrest, the frequency of work – stoppages resulting either from strikes or lockouts and the slowing down of production are the occasional expressions of the ever-present and latent conflict between workers and the management.

2. CAUSES OF DISPUTES IN BCCL

The prime causes of disputes in the Company are wages, salaries, arrears and other fringe benefits as per National Coal Wage Agreement (NCWA). The demands of the Unions other than the above mentioned are mainly related to the following:

- A) Employment to the dependents under death, medical unfit and VRS (F).
- B) Cases of correction of Date of Birth in Non-Executive Information System (NEIS).
- C) Cases of regularization from
- I) Piece Rate/Time Rate to Monthly Rate including clerical cadre.
- II) Piece Rate to Time Rate.
- III) Time Rate to Piece rate.
- D) Cases of reinstatement of workmen, Dismissed charges of absenteeism etc.

E) Payment of wages/left-out wages arising out of deletion of name due to Absenteeism and new insertion cases and diversion from PR to TR.

F) Issues relating to transfer/posting within the company and diversion from Underground to surface.

G) Cases of employment to land losers.

H) Implementation of Awards.

I have interviewed some of the trade union leaders on the matter of industrial disputes in BCCL. When I indicated about an adverse impact of disputes, they opined, in a democratic country every person has right to fight against the oppression mooted out by the management. They stressed when the rights of the workers were in danger or the oppression of workers by the management reached a considerable height, trade union leaders had no option but to fight against such injustice meted out to the poor working class. They mentioned some of the causes of industrial disputes in BCCL. These are as follows _

1) Dismissal on the grounds of long absence- Dismissal on the grounds of long absence without leave or information has also remained a point of disputes - mostly prompted by trade union leaders. Some years back 100 of employees in Coal India were dismissed because of long absence from their work place. At last, it was decided that before dismissal enough time would be given to the absentees to put their points against dismissal. So the Coal India Management agreed to give one month notice to the employees before dismissal through newspapers. Later on, the publication of such notices was withheld. The reason is not clear. But the difference over such dismissals still continues and there are frequent disputes regarding such dismissals.

2) Employment to the dependence - There have been frequent demands by employees and their union leaders to give employment to the dependents of the employees after their retirement. But the Supreme Court annulled this demand because employment can never be taken as ancestral.

However, for some years, different units of Coal India Ltd. gave employment to the dependence of the employees in case of their invalidity problem or decapacitation. Medical Boards were constituted to judge the invalidity problem or capacitation. Some dependence got employment on the basis of the Medical Board recommendations. But later on, it became a major source of corruption. The union leaders took huge money from all the applicants whereas only a few of them were appointed. At last this system was also discontinued.

However in case of immature death or death during work, within the service period has been recognized by the CIL as a reason of employment of their dependence. This continues. More than that if an employee dies due to mines accident his dependence is given enough compensatory amounts apart from the employment of one of his dependence as stated above.

It may be mention that if a worker died due to an accident while working in the mines only then any of his dependents can be employed on compassionate ground.

So in this way, the question of appointment due to death stands close today. The Apex Court has given its final decision. But still, some workers and their leaders want to put undue pressure on the management for an appointment. This is absurd. It is one of the causes of industrial conflict in BCCL.

3) The large scale of transfer- Sometimes when a colliery is exhausted or it is closed due to accidents for a long time the employees working there are shifted to other coal mines. Even though the employees have got nothing to oppose it; the union leaders incite them to remain an idle at the same place for years together. It is simply unfortunate that when a new coal mine is worked out old workers of closed mines cannot be absorbed there. New heads have to be appointed to work in those mines. This is a big cause of disputes in BCCL. Here we give an example. The workers seized Chaitudih Colliery office on 3rd May 2007 and they went on hunger strike for the return of 90 coal miner loaders from East Katras Colliery to Chaitudih.

They alleged that the transferred workers were assured that they would be brought back to Chaitudih after their work at East Katras was over. But they have yet not been brought back. On the other hand East Katras Colliery Management says that the purpose for which they were brought is yet to complete. The colliery needs them there.

4) Lack of regularization of workers in permanent jobs- There are frequent demands and agitation to absorb the part-time or temporary workers in permanent grade. According to factory law if a worker continues for 180 days at a time, he is liable to be absorbed as a permanent worker. This is the reason why temporary workers are removed for a few days before the completion of 6 months i.e. 180 days.

5) Employment in lieu of lands – Since its inception the Coal India Ltd. took a policy to recruit at least one person from the families whose lands are acquired for coal mining. But it was feasible only where new coal mines were set up. Prior to nationalization the companies had already settled the issues with land losers. Where new coal mines are setup land losers are given employment in lieu of their lands. But the land should be at least two acres or more. Unfortunately there were many claimants for job whose lands were very less or whose lands were not at all acquired although they belong to adjacent the colliery. It is not essential that one who lives in a coal area must have lands. So such cases shot up in good quantity. As per rule the coal companies are unable to provide them job facility. Many of the persons knocked the door of the judiciary to get themselves for the job. Most of the cases either decided or remained pending. So it creates a problem for the coal management as these fellows made hue and cry and created disturbances in the coal area.

It was reported that some of the outsiders acquired the land of the same locality and claimed the jobs foregoing the piece of land to the coal management. These owners have not legally occupied the land but they made it falsely which has created another problem

in the colliery area. Hence most of the claimant did not get proper assurance from the BCCL. Hence these fellows put hindrances in the extract in coal from the mines.

Here I use an example. One of the trade union leaders of BCCL and the ex-MLA of Jharia has threatened the BCCL Management with dire consequences if employment against land and compensation claims were not settled in Mahuda Area under Moonidih Project. It has created another problem before the management for proper coal extraction from the bowl of the earth.

6) Closure of mines – There are complaints of colliery being closed without any concrete reasons and to transfer the workers to other collieries. The leaders of the collieries often provoked the workers to strike. But this is not a convincing reason. No running colliery is closed if there is coal inside the mine. A colliery is closed only when the coal stock is exhausted. According to a newspaper report dated 13th June 2007 VI no. pit of Barari Colliery under BCCL had to be closed under the direction of gas leakage. But the workers and the leaders did not take it as a welfare measure; rather they started protesting against the closure. They had been alleging that the local coal management (GM) and the DGMS have colluded in a conspiracy to close the unit. They have alleged that the minors were working inside the mine without any difficulties. So the closure was quite unwanted. Such type of protests is another cause of industrial conflict.

7) Matter of corruption – Rampant corruption from head to heel in the collieries has also remained a cause of confrontation between the management and employees and their leaders. Near about 20 years back the CMD of ECL was arrested by the CBI when his office locker was opened and more than 1.45 lakhs of rupees were discovered there. Omission and Commission are really made any organization financially weak. At every stage of management from top to bottom we will find such examples of corruption. Union Leaders for getting the shares of the pie put undue pressure on the Management through resorting to strike.

8) Failure of welfare measures - We see all round failure in welfare measures cause disputes among workers, management and unions. Since inception lot of welfare works done by management, but still the condition of workers is not in good position. We see atmosphere of declining in everywhere. The condition of workers quarter is pathetic. It is impossible to think how a human being can leave in those quarters where pigs and swans will also avoid living. There is no arrangement of filtered water and water supply to the miners is brought directly from the pits.

Similar is the condition of many coalmines where miners are kept in the most unhygienic conditions. Corers of rupees are being spent for the welfare of the miners. But ground realities tell different story. The amount earmarked for welfare measures are being diverted for the personal gain of the management. Workers remain unattended.

9) Outsourcing problem – There has been frequent demonstration against the coal companies on the question of outsourcing. But there is confusion. There are some abundant mines under the Coal India where there is good deposit of coal. Because the workers object to be transferred the company is trying to out sources to dig out the deposited coal there. When I visited one of the Mines located at Jharia I found that workers are agitating against the outsourcing. Akashkinari Colliery under the BCCL is a burning example in this regard. The coal workers and their leaders are agitating against the outsourcing. What will the company do? The miners of any other coal mine do not want to be transferred there. When coal production is needed the management has no option but to resort to outsourcing. The leaders demand is unjustified. Either the workers of other collieries should agree to go there or they should not object to outsourcing. It is a major cause for resentment among the workers.

The other phase of this problem is the leasing the coal block to private entrepreneurs. A coal block near Asansole was given to Eastern Coal Mines Company by the Govt. of West Bengal. The same company has manipulated other coal block near Amrapara under Pakur district in Jharkhand. Those coal blocks have been given to private Parties on the plea that they would supply coal exclusively to the Calcutta Electric Supply Corporation. But this is a simple case of manipulation. The recognized unions under CIL should go to object there because they are employing people on contract basis at their sweet will.

Due to increasing discontentment regarding VRS, there have been disturbances in many collieries. At last, the Govt. had to stop this scheme. Under VRS hundreds of workers in Engineering Sector (Under Coal Companies) were retired. Consequently, it became difficult to maintain the machines and the very existence of workshops was in-danger. Then the step of outsourcing was taken for which prior permission of the Govt. was already secured. At the initial stage, some trade unions objected to the policy of outsourcing, but later on they succumbed.

After that begin the fake man – power budget. Every year man – power budget was prepared, but it was never made public. The Coal Management feared that if man power budget was made public, it would invite serious objections from the labor unions. Hundreds of coal workers were transferred from one mine to another mine and by a management purport able moved towards privatization. During the last few years, thousands of coal workers were retired, but not a single new hand was recruited in general categories. Only technical hands were appointed. Now even the union leaders cannot understand where the coal companies are being led to.

It is being perceived that so many new coal blocks have been handed over to the private companies where as the general resolution placed in the parliament before nationalization was that all the coal block, new or old would be under the CIL except a very few collieries being already run by different State Govt. Mining Department.

10) Controversy on age issue – There are some complaints regarding retirement before the age target. This is due to uncertainty in the birth certificates of the employees. Sometimes they are fake and challengeable. But this is not a very big problem because in the days of modern medical science age can be determined clearly.

3. IMPACT OF DISPUTES ON PRODUCTION AND PRODUCTIVITY OF BCCL

Most of the industrial units in India make losses due to lack of cordial atmosphere. Units which made losses were actually helpless in the hands of those in power. They suffered because of various reasons such as over-staffing, poor management, instigated labor union strike, demands for higher wages and prevalent corruption in the top to bottom. BCCL is not free from such situations.

Industrial peace is very important for the development of any industrial organization and making them a profit-making venture. Unfortunately, condition in an industrial area is being vitiated due to lack of co-ordination between management and trade union leaders and the workers. Impact of industrial disputes on BCCL is the same as in general impact of disputes in all the industries. Disputes affect the workers, unions, management of BCCL as it generally happens. The general public of coal belt is also affected by disputes because 80% of the economy in Jharkhand, especially Dhanbad is related to coal mining, coal transportation, and briquetting plants. It hampers production process in BCCL. So production and man-days' loss also cause financial losses to the already ailing company like BCCL.

Use of Econometrical Model in BCCL

With the use of the Econometric model in BCCL, I have found that when there is lightning strike due to unavoidable circumstances abnormality in every sphere have come out in this organization. If there is no dispute then the situation is known to be normal. I have shown it with the help of Dummy variable.

$$Q_{it} = \beta_0 + \beta_1 N_{it} + \beta_2 N_{it-1} + \beta_3 Q_{it-1} + \beta_4 J + U_t$$

Q_{it} = Production of i th Industry in t period

Here i = BCCL

Q_{it-1} = Lagged Value of Production

N_{it} = Employment in t period

N_{it-1} = Lagged Employment

J = Dummy Variable for Strike

U_t = Random Term

$J = 1$ in abnormal years (strike)

$J = 0$ in normal years

4. CONCLUSION AND SUGGESTIONS

Really industrial relation is a complex issue in the era of globalization. BCCL is not aloof from such changes. About 10 million workers are working in different areas of BCCL. Their economic, social, religious and political needs are different. Working under difficult situations in underground mines, workers need more attention by the employers. But poor facilities in working place as well as in residential areas forced them to place their grievances before the management. When their genuine demands were not fulfilled they resort to strike, which are only methods to express their resentment against the management. In course of my study, I have delved deep into the causes of industrial conflict in the BCCL. I found that workers need to be was to get job security, income security, employment security, social security, medical security and security for life. When there is lack of such security workers of BCCL resort to different methods of resentment including a strike. BCCL is incurring losses year after year. It is a pointer that due to lack of cordial industrial relation in BCCL, this organization is facing a lot of problems including production and productivity.

My suggestion to the BCCL management is that there should be one union in any unit for the proper functioning of this organization. With one union, the management, as well as the workers, can get benefits. It will definitely increase production and productivity in the long run.

5. REFERENCES

- [1] Verma Pramod, (1979), Management of Industrial Relations, Vora Prakashan, Ahmedabad, p-1.
- [2] Mamoria Late Dr. C.B. and Mamoria Late Dr. Satish (1997), Dynamics of Industrial Relations, Himalaya Publishing House, p-26.
- [3] Project Report of BCCL, 2006.
- [4] Interview of Sri S.K. Bakshi (CITU) at Jharia 2005, Interview of Sri A.K. Roy (BCKU) at Dhanbad 2006.
- [5] Prabhat Khabar, Daily (A local News Paper)
- [6] Report of Special Correspondence of Awaz
- [7] Giri V.V. (1958), Labour Problems in Indian Industry, Asia Publishing House, p-80
- [8] Gaur Dr. G.L. (1986), Trade Unionism and Industrial Relations, Deep and Deep Publications, Delhi, p- 125.
- [9] Various Issues of Indian Labour Yearbook, Labour Bureau, Indian Labour Statistics, Labour Bureau, Indian Labour Journal, Labour Bureau.
- [10] Project Report of BCCL, 2006
- [11] Coal Directory of India, 2014-15, 2015-16 and Official Papers of BCCL, Koyla Bhawan Dhanbad
- [12] Various Years Annual Report of BCCL and Official Papers of BCCL, Koyla Bhawan, Dhanbad