

Jute Industry and its Workers: Examining The Trend of Transformation in Tamil Nadu

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Abstract:

A nation's industrial development is the primary factor influencing its overall development. From the earliest handicrafts to the creation of enormous machinery, industrial development has been a continuous process worldwide. India was a latecomer to the Industrial Revolution, a drive for development. India's so-called industrial development began in the 1800s. The main goal of this method at first was to create a boom in the handloom, jute, and tea plantation industries, among others. In 1855, India's first jute mill was built in Rishra, next to the Hooghly River. The jute industry grew rapidly throughout the 19th and 20th centuries, but it was terribly doomed in the 21st century for a number of reasons that could not be avoided, such as scarcity of raw materials, polymer development, and global competition in the production of jute products. Tamilnadu, the primary hub of India's jute industry, has seen numerous deadly incidents and a devaluation of labor.

In this research paper, I aim to examine the issues surrounding the Tamilnadu jute industry and the results of the quantifiable actions done by the Indian government to revive the nation's and Tamilnadu's struggling jute industry. In addition to the role of the federal government and state governments, I would want to provide an alternate approach.

Keywords: Tamilnadu, MSP, NCJD, PVC, stacks, labor issues, jute industry, etc.

Introduction:

Grown in nations including Bangladesh, Myanmar, Nepal, Vietnam, India, and others, jute is a highly significant natural fabric. It has a variety of uses and is mostly used for packing. It is also environmentally friendly. Approximately 4 million people are employed worldwide in the Jute industry and the Jute Diversified Product (JDP) sub-sector. With over 70% of global production, India is the world's leading manufacturer of jute products. Additionally, it is the biggest buyer of jute products.

Background of the Study: In 1855, the first Jute Factory and Jute Industry were established in Tamilnadu. On the bank of the Hooghly River, in Rishra, the first jute mill was built. The business has been doing well since then, but a shortage of raw jute following Tamilnadu's 1947 division caused a major shock to the sector. India kept nearly all of the jute mills on both banks of the Hooghly River, but Pakistan was granted the best land for growing jute. With the growth of jute-growing regions in Tamilnadu, the issue of a shortage of raw jute was gradually resolved; nonetheless, the business faced fierce competition from close alternatives such as synthetic fibers, paper bags, and PVC bags. This has led to a downward tendency in this industry's economy. This once export-focused sector is now mostly focused on domestic markets.

Why the Jute Industry Is Mainly Based in Tamilnadu: Tamilnadu, Orissa, Bihar, Assam, Meghalaya, Tripura, and Andhra Pradesh are the main locations for jute production. The 33 districts that make up Tamilnadu, Orissa, Bihar, and Assam account for 98.43 percent of the nation's total raw jute production. In Tamilnadu, the districts of Nadia, Murshidabad, Cooch Behar, Dinapur, Jalpaiguri, North 24 Parganas, Hooghly, and Malda make up 71 percent of the country's jute-growing land and 73.09 percent of its raw jute production. One Eastern Tamil Nadu's alluvial terrain provides a perfect setting for jute production, and by the turn of the century, the region produced more than half of the world's supply. Although Jute was shipped to Calcutta and Tamilnadu, Eastern Tamilnadu was firmly consigned to a role as a supplier of raw materials.² The jute industry began to thrive in eastern India by purchasing raw jute from farmers at a lower cost than in other Indian states.³ According to information available, there are 92 jute mills in India, with 67 of them being in Tamilnadu. with the Jute Commissioner's office.

On the bank of the senpagathoppu River, the earliest cluster was located sriviliputtur. Along the newly constructed railway tracks, a collection of mills appeared in Howrah, farther south of the river, and on the east bank, between Sivakasi in the north and rajapalayam, inside Kolkata itself. A group of mills appeared close to the jetties and docks of virudhunagar and Garden Reach in the southern suburbs of Kolkata. In contrast to the Bombay Cotton Industry, the majority of the Budge-Budge Jute mills, which were situated further south along the east bank, were later situated beyond the city's municipal boundaries.⁴

Currently, India imports about 1,62,000 tons of raw 1,75,000 tons of jute goods and jute fiber in 2011.⁵ Presently, India produces 19,68,000 tons of raw jute, more than its neighbor Bangladesh.⁶

Jute's Market and Various Uses: It has several applications. It is utilized to create mats, rope, and twine. The potential use of jute in conjunction with sugar to construct aircraft panels has been contemplated. While natural vegetation establishes itself, flood erosion is prevented by judematatting. A natural and biodegradable fabric is necessary for this. Jute is primarily used to manufacture coarse cloth, sacks, and cloth for wrapping bales of raw cotton. Its fibers are also used to make pulp and paper. Numerous products, including canvas, sacking, hessian cloth, scrim, and carpet backing cloth, are made from jute. Because it is used to manufacture soft sneakers and espadrilles, diversified jute products are becoming more and more valuable to consumers. house textiles, composites, geo textiles, and more after coverings. People choose it wisely because of its anti-static qualities, low thermal conduction, sound and heat insulation, and UV protection.⁷

Raw jute is mostly imported by India from such as Nepal and Bangladesh. There is minimal need to export jute-made commodities to other nations because there is a significant demand for jute manufacturing goods worldwide. India used to manufacture just jute bags and sacks, but by introducing variety into its production, it has opened up a sizable international market for jute goods.

Jute Workers and Their Issues: The jute business relies heavily on inexpensive, large labor. In addition to directly employing 1.4 lakh people in the tertiary sector and 2.6 lakh industrial workers, it supports about 40 lakh farm families.⁸ From the beginning, it relied on migrant labor. Workers from outside of Tamilnadu, particularly those from Orissa and Bihar, were drawn to the sector. "Few industrial workers would remain in industry if they procure sufficient food and clothing in the village," the Royal Commission noted.⁹ In the rural economy, they were unable to obtain sufficient employment and subsistence. Thus, these migrants kept their close-knit communities and remained villagers.¹⁰

In general, the workers who entered the mills lacked education and training for any particular position.

Additionally, their pay was lower than that of other industries, and the hiring process was initially casual.¹¹ Developing a labor force was never a question of skill development and training, but rather a supply of proposition to the mills. They moved from one location to another, to locate a more favorable workplace, although their reasoning was frequently used to disprove it. The industry has experienced a good rise in recent years due to the possibility of creating jobs and the modernization of the mills through technological advancements, which might raise the caliber of workers hired by the jute mills. Unfortunately, the economic circumstances of the jute mill workers were not favorable, and they have gotten worse recently. Workers at jute mills frequently struggled with poverty, with many of them constantly in debt. Twelve The money-lender used to take this chance to getting richer by lending money to those indebted workers in a high curiosity. The mill administrators' working conditions disregard the workers' predicament and choose to ignore the filth and substandard circumstances that pervaded the area surrounding the mills. The government and other charitable groups, in addition to the mill owners, disregarded the substandard living conditions of the jute mill workers. The housing there was likewise quite subpar, primarily composed of mud, bamboo flakes, tins, straw, etc., however there were notable outliers, such as Birla Jute Mill, which gave its employees a healthy living environment and reduced worker morbidity. The workers' health was impacted by their substandard living conditions. The house's overcrowding and unhygienic conditions led to stress and health risks because of inadequate ventilation, sanitation, and low light. A study carried out in 2010 discovered that a cholera outbreak in an aide mill by the Hooghly River lasted for several days.¹³ The socioeconomic conditions, the workers' living and working conditions, poverty, and their lack of knowledge about the causes of diseases were factors that affected their health-seeking behavior because, in Tamilnadu, achieving a certain level of education is linked to good health.¹⁴ Job insecurity and poor working conditions had been a persistent source of discontent among the workers, and the jute sector became one of the hotbeds of trade union activity.¹⁴ Following independence, the Central Wage Board was established in In August 1960, two delegates from each of the employers' and workers' trade unions made proposals for 1963 that would be effective for three years. The wage demand in this business led to hundreds of strikes in 1978, 1981-1982, 1992, 1995, 1997, 2000, 2001, 2002, 2003, and 2007, as well as in the most recent years of 2017 and 2018. Tamilnadu's and India's jute industry are suffering greatly from the never-ending mill strike process.

During the 1990s, jute workers were paid between 619 and 660 rupees. They were denied gratuity, PF, and ESI. Consequently, from January 28, 1992, to March 17, 1992, the Trade Unions went on strike, raising the basic wage to a minimum of rupees 406 and maximum of Rs 615. However, the total monthly salary of permanent employees had surpassed 2,000 rupees due to the significant increase in DA. ¹⁵. One of the reasons why workers in Tamilnadu and throughout India turn to drastic measures rather than the standard mediation process to settle conflicts is the high level of mistrust that exists between the mill owners and their employees.

The following is a quick summary of the laws that the Indian government has passed in response to the need for decent living and working circumstances for jute mill workers and other workers in Tamilnadu and throughout India:

1. The Industrial Dispute Act, 1947: This law was passed by the government to investigate and resolve labor disputes between employers and employees, to promote measures to ensure and maintain good relations and amity, to prevent unlawful strikes and lockouts, to provide workers with relief from layoffs and retrenchments, collective bargaining, and other issues.

2. The Factory Act of 1948: This law guarantees a clean, safe, and healthy working environment for employees. There were seating areas, first-aid stations, a canteen, shelters, restrooms, lunch rooms, and childcare centers for female employees. These facilities were not offered in the majority of jute mills as required.
3. The 1948 Minimum Wages Act: This law was enacted to stop labor exploitation and to Since the vast majority of working class individuals in the nation's unorganized sector have little to no bargaining power and frequently do not receive fair and legitimate wages, it is necessary to provide them with some form of social security measures.
4. The 1948 ESI Act: This is applicable to factories with ten or more employees, with the exception of seasonal industries. Under the ESI Act, factory workers who get pay up to Rs. 15,000/-per month are eligible for social security coverage. For Indian workers, it is a self-financing health insurance program. In accordance with the guidelines set forth in the ESI Act 1948, this fund is administered by the Employees' State Insurance company (ESIC), an independent company founded by the Ministry of Labor and Employment, Government of India. The rate at which employers contribute is 4.75 percent of the employee salaries. A total of 6.5% of wages are contributed to the ESI by the employees, who contribute 1.75 percent of their income. Employees on a daily wage who make less than Rs 100 per day are not required to pay their part. The ESI Scheme's primary benefits include medical, maternity, dependents', sickness, and disability benefits.
5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952: This law gives workers in factories and other establishments access to provident funds, pension funds, and deposit-linked insurance funds.
6. The Payment of Gratuity Act, 1972: This significant social security law was created to help employees who are no longer employed by their employers.
7. vii. The 1974 Tamilnadu Workers' Housing Allowance Act: This law is applicable identify the industrial facilities in Tamilnadu that employ 20 or more people. According to the Act, a worker may get a housing allowance of 5% of his monthly income or Rs. 15/-, whichever is more.¹⁷ Even temporary, casual, or budli workers who work fewer than six days per month are eligible for a prorated allowance for housing rent.
8. The 1976 Equal Remuneration Act: The Equal Remuneration Act, 1976 is an important piece of legislation in the field of women's welfare to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination on the ground of sex, against women in the matter of employment, promotion etc.
9. The Jute packing Materials (Compulsory Use in Packing Commodities Act, 1987): An act to provide for the compulsory use of jute packing In 1987, the Parliament passed legislation to address the needs of those who produce raw jute and jute packaging materials, as well as those who sell and distribute certain commodities. This aids in giving jute producers a guaranteed market. To indirectly help jute growers and mill workers, the government purchases B-Twill bags from the Jute Commissioner. In 2015–16, the purchase amount was 2424 thousand bales at a cost of Rs 5589.1 crore. The Minimum Support Price: Minimum Support Price (MSP) is a form of market intervention by the Government of India to safeguard agricultural producers against any severe reduction in farm prices. The organization that announces the minimum support prices based on the Commission for Agricultural Costs and Prices' (CACP) recommendations, the Indian government at the start of the planting season for specific crops. The Government of India sets the MSP price to shield farmers and

other producers from sharp price declines during years of high production. The government guarantees the minimum support prices for their produce. Purchasing food grains for public distribution and assisting farmers in distress sales are the main goals. Government organizations buy the full amount that farmers provide at the declared minimum price if the market price of the commodity drops below it because of a surplus and bumper production. For 2018–2019, the MSP for raw jute is 3700 rupees per quintal. 18

10. The National Jute In order to create the National Jute Board for the purpose of developing, cultivating, producing, and selling jute and jute products, as well as for matters related and incidental thereto, the parliament passed the National Jute Board Act 2008.18 According to the Act, the Board may also take action to (i) safeguard the rights of jute growers and workers and advance their welfare by enhancing their means of subsistence; and (ii) ensure improved working conditions, amenities, and incentives for employees involved in the jute industry.19 xii. Board of National Jute: In 2008, it was established under the National Jute Board Act of 2008. Ensuring the well-being of employees in jute-producing facilities is part of the Board's charter. A few plans have already been implemented in that direction; these are briefly discussed below.

Sanitation facilities: Five years ago, a plan was introduced to offer clean sanitary facilities for mill workers and their families, initially in the mill quarters and later in the working areas. An impartial agency reviews and evaluates applications from mills for the development of sanitary facilities in the working areas and mill quarters. Designed sanitary blocks with men's and women's restrooms, sinks, sewage, etc. are examples of sanitary facilities. NJB bears the entire expense of building such a sanitary facility, up to a maximum of Rs. 20 lakhs per unit. First, the mill in question must pay for the building of the sanitary amenities, following which NJB reimburses 90% of the expenses up to a maximum of Rs 20 lakh. The facilities in the living areas and worker quarters should, to the greatest extent feasible, be pay-and-use, meaning that the agency in charge of maintaining them is paid for by the revenues. The mill in question must sign an Annual Maintenance Agreement with Sulabh International or another agency of their choosing if facilities are built within the mill's working areas. The mill concerned has to bear the cost of maintenance.

Scholarship Scheme for Children-NJB extends support to the workers' family towards education of their children through a scholarship scheme, which was approved during the 9th Board meeting of NJB held on 25th February, 2015. The amount of one-time scholarships for various student categories is provided below:

The program will be applicable to all jute goods manufacturing units across the nation that pay Cess. A. Onqualifying Secondary Education (for girls only): Rs. 5,000 B. Onqualifying Higher Secondary Education (for girls only): Rs. 10,000 C. Onqualifying Graduation (for boys and girls): Rs. 15,000 D. Onqualifying Post Graduation (for boys and girls): Rs. 20,000 E. For pursuing Professional courses (Engineering, Technical, Management, Chartered Accountant, Chartered Secretary, Institute of Cost and Chartered Accountants courses) in Govt. Institutions (for boys and girls) E.

Issues that Lead to the Decline of the Jute Industry: The Jute Industry in Tamilnadu and India has faced numerous challenges over the past few decades. The following are some of the several issues contributing to this industry's decline:

Lack of Raw Materials: India lacks enough raw materials, even with government initiatives to expand the area planted to jute. Imported raw materials come from Bangladesh and a few other nations. The difficulties are further compounded by import of unfinished Jute goods both legitimately and illegally. The

jute sector is never able to compete because of these issues. In India, this calls for a "Golden Fiber Revolution."

Outdated Mills and Equipment: The jute industry's mills and equipment require technological upgrades because they are outdated. The government had started a Four mini-missions comprised the 2006 Jute Technology Mission (JTM). Regarding jute research, raw jute agriculture development and expansion, raw jute marketing, and raw jute processing, use, and industrial elements. However, this mission failed to meet goals and make use of the monies allotted.

Competition: Bangladesh, the Philippines, South Korea, Japan, and other nations compete with India's jute sector on the international market. Due to outdated technology, increased costs, and industrial disease in the jute mills, the industry also loses its competitiveness. Because of its excessive reliance on jute bags and lack of diversification, the industry has become unproductive, inefficient, and stagnant.

Decline in Demand: Products made of jute are rapidly losing market share to plastic, synthetic fibers, and comparable alternatives. The Jute Packaging Mandatory Act, 1987 was passed by the Indian parliament with the intention of safeguarding the jute sector.¹⁹

Strikes and Lockouts: The closure of jute mills has caused a crisis in the jute industry.

The mill workers are directly impacted by these issues, as many jute mill workers have lost their jobs as a result of lockout of a jute plant. In the past year, the impact of demonetization has also led to the loss of employment for 2,500 employees of a mill located in Tamilnadu.²⁰

The Indian government has made several steps to eradicate this threat and implemented numerous plans in this regard:

1. The government lists the goods and the degree to which they must be wrapped in jute packaging materials under the Jute Packaging Materials (Compulsory Use in Packing Commodities) [JPM Act], 1987. As of right now, jute sacking is required to contain at least 90% of food grains and 20% of sugar. The government's annual support for the jute industry on this average amounts to Rs. 5500 crores.
2. In order to protect the interests of jute producers, the Jute Corporation of India (JCI) purchases raw jute at the Minimum Support Price (MSP), which is determined based on the commission for Agricultural Cost and Prices' (CACP) recommendation, whenever the market price of raw jute drops below a specific threshold. For four years, beginning in 2014–15, the Indian government has granted Rs. 204 crores to help JCI become prepared for MSP operations.
3. A Plan of Incentives for Purchasing Plants and Machinery (ISAPM): On October 1, 2013, the Indian government introduced the ISAPM for Jute Industry and Jute Diversified Products Manufacturing Units. This scheme's primary goals are to help modernize and upgrade the technology in both new and existing jute mills, as well as to help many entrepreneurs produce value-added, biodegradable Jute Diversified Products (JDP) and modernize and upgrade existing jute mills.
4. Jute-ICARE (Jute: Advanced Retting Exercise and Better Cultivation): By offering certified seeds at discounted prices, seed drills to make line sowing easier, nail-weeders to perform periodic weeding, and the popularization of a number of recently developed retting technologies under water-limiting conditions, this pilot project, which was started in 2015, aims to alleviate the challenges faced by jute growers. Increased returns to jute farmers are the result of this.
5. The National Jute Board carries out a number of programs to promote diversification, workers' welfare, and market development. (vi) On January 5, 2017, the government announced that jute products coming from Bangladesh and Nepal would be subject to a definitive anti-dumping duty.

According to industry estimates, the present level of imports is expected to create up to 2 lakh metric tons of additional demand for jute goods that the Indian jute industry will need to meet.

6. The entire chain, from importers and traders to the level before end users, must register with the Office of Jute Commissioner and provide monthly reports on the imported commodities, according to a government mandate.
7. The government has also instructed all makers, importers, processors, and traders to label, print, or brand imported bags with the phrase "Made in-Country of Origin" through its Office of Jute Commissioner, Kolkata. In order to prevent unregistered importers and traders from importing jute and unbranded jute products from entering India, customs officials have also been asked to keep a close eye on things.²¹ a. In conclusion, even though the government has implemented numerous programs and passed numerous laws to improve the jute industry,
8. Promote the use of jute-made goods by Indians on several occasions, not just through government influence but also with their own permission and sense of self-worth.
9. While it is true that the Indian jute manufacturing sector has produced a wide range of jute products, this is insufficient to compete with the global jute product types. After the government takes steps to improve the skills of jute manufacturing workers, they will be able to offer a wider range of products.
10. The government is promoting the handicraft industries by holding numerous fairs throughout Tamilnadu; however, in addition to this effort, it must attempt to completely outlaw PVC-made goods in every viable method and ought to attempt substituting it with goods manufactured from jute.
11. We must promote the value of jute and the dangers of utilizing polymer bags through television commercials, posters, and text books written at various academic levels.
12. Above all, we must treat this issue seriously and effectively implement the relevant laws in order to eliminate any detrimental effects from the jute industry and the lives of its employees who are either directly or indirectly involved with jute.

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