



## STUDY OF ESI COVERAGE IN CERAMIC INDUSTRY IN THANGADH #



PEOPLES TRAINING  
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**REPORT**

**STUDY OF ESI COVERAGE IN CERAMIC INDUSTRY IN  
THANGADH**

**Abstract:**

PTRC carried out study of coverage of social security laws among ceramic workers in Than, Surendranagar district. ESI Act and PF Act are two important laws applicable. PTRC wanted to check if the workers are eligible to be covered by these laws or not and if they are covered by these laws. PTRC found that all the respondents who participated in this study are eligible to be covered. It found that 1.6% respondents participated in this study are covered under ESI Act and 2.7% are covered under PF Act. It also found that no respondent is issued pay slip in violation of the Payment of wages Act. Outcomes of the study is expected to improve the coverage and thereby decrease the out of pocket expenses in case of serious sickness to the workers and their family members and thereby prevent getting the families pushed to the below poverty line.

**INTRODUCTION:**

PTRC is working to locate victims of occupational diseases and help them claim their legal rights under social security laws. Where legal rights do not exist for a class of workers, it files complaints before the National Human Rights Commission (NHRC) for them to get monetary relief. Hearing PIL 110/2006, Honourable Supreme Court of India passed interim order directing the NHRC to act for the workers who die of silicosis to get them relief. For over two decades PTRC worked with the color gem stone polishers of Khambhat. Since 2019 PTRC started working in Surendranagar, Morbi and Rajkot districts to locate silicosis patients and work with them to get them social justice. It is also working with the workers covered under the ESI Act to educate them on the legal provisions and help them claim benefits under the Act.

**Need for the research:**

Large numbers of workers are employed by ceramic industry which is an organized sector. It is hazardous industry and therefore need for social security is very high. This research was carried out to study the coverage of the workers in this industry in Than.

**1. ESI Act**

ESI Act, 1948 is one of the important laws to provide social security to the workers in manufacturing and few other sectors. The law is applicable in the notified geographical areas. Notification is published from

time to time in consultation with the state Government. To extend and expand its services to other geographical areas, notifications are published under the Act by the State Government in consultation with the ESI Corporation. It is the State Government which decides which sectors it wants to extend the law. In some States, private health care providers and private school staff are also covered while in some states apart from manufacturing sector; cinema, newspapers and shop workers are also covered. The law is applicable to the units employing 10 or more workers. In the units where it is applicable, workers drawing wages up to Rs. 21000 are covered. Workers and employers both contribute for the premium for the insurance. Workers contribute 1% of their wages while employers contribute 3% of the wage bill.

Though it is mandatory for the areas notified by the Central Government, many employers do not cover all the workers employed but cover few selected workers.

The Act defines employees as under:

(9) "employee" means any person employed for wages in or in connection with the work of a factory or establishment to which this Act applies and-

(i) who is directly employed by the principal employer on any work of, or incidental or preliminary to or connected with the work of, the factory or establishment whether such work is done by the employee in the factory or establishment or elsewhere; or

(ii) who is employed by or through an immediate employer on the premises of the factory or establishment or under the supervision of the principal employer or his agent on work which is ordinarily part of the work of the factory or establishment or which is preliminary to the work carried on in or incidental to the purpose of the factory or establishment; or

(iii) whose services are temporarily lent or let on hire to the principal employer by the person with whom the person whose services are so lent or let on hire has entered into a contract of service;

14[and includes any person employed for wages on any work connected with the administration of the factory or establishment or any part, department or branch thereof or with the purchase of raw materials for, or the distribution or sale of the products of, the factory or establishment 15[or any person engaged as an apprentice, not being an apprentice engaged under the Apprentices Act, 1961, or under the standing orders of the establishment; but does not include]]-

(a) any member of 16[the Indian] naval, military or air forces; or 17[(b) any person so employed whose wages (excluding remuneration for overtime work) exceed 18[such wages as may be prescribed 136 by the Central Government]]:

PROVIDED that an employee whose wages (excluding remuneration for overtime work) exceed 18[such wages as may be prescribed by the Central Government] at any time after (and not before) the beginning of the contribution period, shall continue to be an employee until the end of that period;]

The Act defines Factory as under:

(12) "Factory" means any premises including the precincts thereof whereon ten or more persons are employed or were employed on any day of the preceding twelve months, and in any part of which a manufacturing process of being carried on or is ordinarily so carried on, but does not include a mine subject to the operation of the Mines Act, 1952 or a railway running shed;'

Reading these definitions, all the workers in Than are eligible to be covered under the Act.

Notification no. GF/14/1988/CH (“?” indicates illegible) dated 23/03/1988 reads as under:

Now, therefore in exercise of the powers conferred by Sub section (5) of Section (1) of Employees State Insurance Act, 1948 (34 of 1948) the Government of Gujarat in consultation with the Employees State Insurance Corporation, New Delhi and with the Approval of the Central Government hereby appoints 1<sup>st</sup> April 1988 as the date on which all provisions of the said Act shall extend to the classes of establishment and in areas as specified in the schedule annexed hereto.

Column 2 in the Schedule is titled as “Areas in which the establishments are situated.” In this column at (XVIII), The areas comprised within the Nagar Panchayat and revenue limits of Thangadh and in the Gram Panchyat and revenue limits of Thangadh and in the Gram Panchayat and Revenue limit of village Amrapar and Jamwadi of Chotila taluka, district Surendranagar.”

## **2. Provident Fund Act**

Provident Fund is an important social security law. The Act is applicable to the units employing 20 or more workers. For private sector workers there is no provision for pension after they retire due to age. For them under PF Act there is provision to pay them some amount of pension depending on the total amount they may have contributed from their wages to the PF Fund.

## **3. Payment of wages Act**

Under the payment of wages act there are several provisions. One of the important provisions is to issue pay slip. The pay slip will show the name of the employer, address and contact details as well as wages earned. It will show the numbers of days worked for which wages are being paid. It will separately show the overtime wages paid. It will show the numbers of leaves with pay and without pay. It will also show statutory deductions like ESI contribution and PF contribution. It will also show deduction of the loan installments, if any. It will also show the fine levied, if any. It is important employment evidence.

## **4. THANGADH – HUB OF SANITARY WARE, POTTERY AND CERAMIC:**

Thangadh is a town in Surendranagar district. It houses around 225 ceramic units<sup>i</sup> which manufacture sanitary ware and other ceramic items. More than 20,000 workers get employment in these units. Glazing is a process in which workers are exposed to fine silica droplets.

It was in 1913 that a Parsi entrepreneur established roofing tile industry in Than and then in 1934 Parshuram Ganpule took over the roof tile industry, invited ceramic technologists and developed the industry in Than during 1930 – 1940.<sup>ii</sup> So, it is a long history of ceramic industry in Than.

While working with these workers PTRC came to know that though this area is notified under the ESI Act, many workers are not extended coverage. ESI contribution is not deducted from their wages. PTRC also came across workers who contracted silicosis and are pushed out of the gainful employment due to sickness. Breathlessness and other complaints do not allow them to work anymore and they are forced to take premature retirement. In such situation there is no one to support their treatment cost or compensate them for the damage to their lungs. These workers then look forward for some

philanthropic help from any source they can find while they are deprived of their right for social security.

Most workers in Than are paid piece rate and not per day and many employers do not consider the workers to be their employees as they are employed through some contractor, who may not have been issued license under the Contract Labor (Regulation and Abolition) Act, 1970. Workers are not on monthly wages but on piece rate so, no overtime is to be paid. Workers can enjoy as many leaves as they want at their expense! Officially no weekly off is given. PTRC understands that there is no licensed contractor in Than. Interestingly, some workers informed the researcher that they employ a helper and helper is paid by them and not by the owner! So, this is a complex situation. When some workers approached PTRC to help them for medicines we thought of this study.

In response to our RTI application dated 20 July, 2019 ESIC Wankaner replied on 21/08/2019 that the numbers of IPs registered under Branch Office Wankaner + Pay office Thangadh are 6,347 as on 31.03.2018. This information corroborates with the findings of this study.

It should be noted that the workers of ceramic units in Than are not unionized. Had they been organized Unions would have addressed the problems of wages by entering into collective bargaining, coverage under social security and violation of other labor laws.

#### **5. Hazards of Ceramic workers:**

Ceramic workers encounter a number of hazards that place them at greater risk of disease. For more than one hundred years it has been well documented that ceramic workers experience higher rates for silicosis, Tuberculosis (TB) and lead poisoning.

The composition of ceramic products range up to 50% silica and exposures to this hazard occur throughout the production process. Workers in this industry are exposed to significant levels of silica dust from handling clay and also from lead used in ceramic glazes applied to these products. Studies conducted in the United States, Japan, Korea, Tunisia, and Mexico have demonstrated that ceramic workers have elevated blood lead levels at concentrations associated with significant health effects. Lead exposures in this industry were observed among spray painting, glazing, and kiln workers.

Ceramic workers are exposed to high levels of respirable silica dust. One study from Taiwan reported airborne respirable silica levels ranging up to  $1763.3 \mu\text{g}/\text{m}^3$  in ceramic factory workers with glazers, molding and granulation workers experiencing the highest exposures (Liao CM, et al. 2015). Another study from the U.S. found geometric mean respirable silica exposures ranging from 130 to  $220 \mu\text{g}/\text{m}^3$  in ceramic factory workers with glaze sprayers experiencing the highest exposures (Cooper et al. 1993). In contrast, the current U.S. Permissible Exposure Limit is  $50 \mu\text{g}/\text{m}^3$ .



#### **Objectives:**

Objectives of this exercise was to-

- Study ESI coverage.
- Study coverage of PF Act.
- Study issuance of pay slip
- Study pattern of sickness and diseases.

**Universe:**

Universe for this study was all the workers employed in ceramic units in Than, Amrapar and adjacent areas. Estimated 25,000 workers was the universe for us from which we had to select the sample. Sample size decided was 1,000 including male and female workers.

**Methodology:**

 Tool:

PTRC kept the interview tool simple and short. (See Annex.1) While conducting the survey, it was necessary for us to ascertain if the law is applicable to the unit as well as the individual respondent. To test this, we need to know whether the unit is located in the notified geographical area, whether the unit employed more than 10 workers and the individual respondent is drawing wages 21000 or less. So, the questions pertaining location of the unit, numbers of workers employed generally and the wages drawn by the respondent were included in the tool.

As stated earlier PTRC wanted the workers themselves to be volunteers to fill up the questionnaire but soon we understood that it will be difficult for them to join us. We had no option but to do it with the help of two staff members available. We started meeting workers in the end of February, 2021. In between one of the staff members left us and we had only one staff available that would daily travel from Surendranagar to Than by motorcycle. Trains were not in operation due to the pandemic. PTRC visited over 1453 workers out of which 1000 agreed to participate. It took us 5 months to complete the survey. So, it will be more apt to say that 1000 respondents voluntarily chose to participate in the study rather than saying we "randomly selected" subjects!

PTRC decided that its field staff shall physically visit the workers in their residential area and request them for filling up the questionnaire. We knew about their reservation due to fear. We also knew that most workers do not fully understand importance of being covered under the ESI Act. We prepared an informative pamphlet giving details of the provisions of the ESI Act in local language. We explained the benefits of the law and its clauses to each participant beforehand. PTRC also assured them of the privacy of their data.



After data collection, data was fed in MS Excel sheet and analysed.

 **Limitations of this study:**

The contractors in most cases do not get licence mandatory under Contract Worker Abolition Act, 1970. One of the limitations of this study is we did not inquire whether the respondent is employed by the unit or the contractor and if contractor, the name of the contractor. We also did not ask if they are piece rate worker or daily wage worker or monthly rated worker.

We had thought of getting this study done by the workers themselves. We organized a meeting with the workers and discussed their problems. They were not worried about unhealthy working conditions leading to silicosis but were more worried about treatment cost when they may contract silicosis and were looking forward the organization to help them get the treatment free of cost. We explained that they have right to free health care by the state but if they are paying contribution (part of premium) towards their insurance under Employees State Insurance Act, they are eligible for various benefits like medical benefit (free treatment), sickness benefit (compensation for wage losses due to sickness), disablement benefit (wage losses and disability due to work related accidents and ill health) and dependent benefit ( in case of death in accident in course and out of employment, the family is entitled for compensation in the form of lifelong pension).They said that most are not covered by the Act. It was at this juncture that we decided to carry out study to see how many are covered. We thought that if the workers join this exercise as volunteer we can quickly finish the study and present the report to the society. Volunteers can do this if the questionnaire is not complicated and not too long. So, we wanted to keep the questionnaire as short as possible.

When PTRC actually went to recruit the volunteers we found that they were hesitating to join as volunteer. They were scared to get fired in case employer knows about their involvement. Their fear was not totally unfounded. PTRC decided to do it on our own. PTRC had only one full time field staff. COVID waves also hampered the survey. It took much longer for us to complete the study, data entry, analysis and prepare report.

 **Sampling:**

As can be seen from the following table these 1000 respondents represent 208 ceramic units of Than.

**Table: 1**

<b>NO of respondents</b>	<b>No of units</b>	<b>Total</b>
<b>1</b>	61	61
<b>2</b>	41	82
<b>3</b>	28	84
<b>4</b>	19	76
<b>5</b>	10	50
<b>6</b>	05	30
<b>7</b>	05	35
<b>8</b>	06	48

9	06	54
10	04	40
11	04	44
12	01	12
13	03	39
14	03	42
15	01	15
16	01	16
17	03	51
19	01	19
26	01	26
28	01	28
29	01	29
35	01	35
39	01	39
45	01	45
<b>Total</b>	208	1000

This table shows the spread and concentration of the respondents. The range is from 1 respondent to 45 respondents from one specific unit. It can be seen that 45 respondents participated from one particular unit, 39 respondents from another unit, 17 respondents from 3 different units and so on.

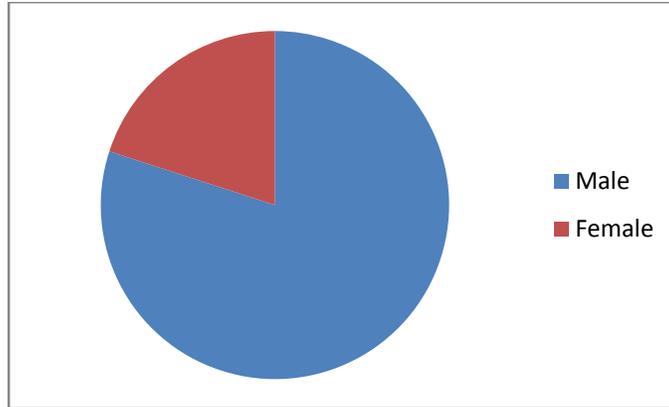
### Analysis and Interpretation:

#### 1. Sex:

Among the 1000 respondents 800 were male and 200 female workers. All the workers were local workers.

**Table:2**

Male	800	80%
Female	200	20%
Total	1000	100

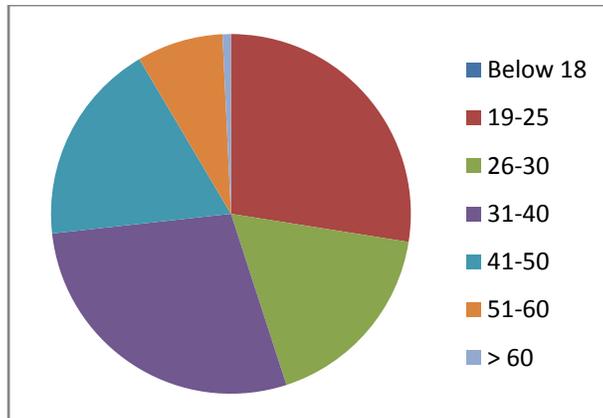


**2. Age:**

Majority of workers were in the age group of 31-40. Out of 1000, 715 were below the age of 40. There was no one below 18 is a good sign. 277 were in the age group 41-60 and only were in the age group more than 60.

**Table: 3 Age groups:**

Age group	Male	Female	Total
Below 18	00	00	00
19-25	220	36	256
26-30	140	28	168
31-40	226	65	291
41-50	146	53	199
51-60	62	16	78
> 60	06	02	08
<b>Total</b>	<b>800</b>	<b>200</b>	<b>1000</b>



### 3. Coverage under the ESI Act:

We requested respondents to share their ESI number if they are covered. 984 (98.4%) respondents said they are not covered. Only 16 respondents from 8 units said ESI contribution is deducted from their wages and they shared their ESI numbers also.

Among the 16 who are covered, 12 are male and 4 are female. They are in the age group 38 to 65. They are working since 1990 to 2012 i.e. from 9 years to 30 years. Out of 8 units which partially implement ESI Act, 5 units are employing 100 or less workers, 2 units employ more than 100 but less than 200 workers and 1 employs 500 workers.

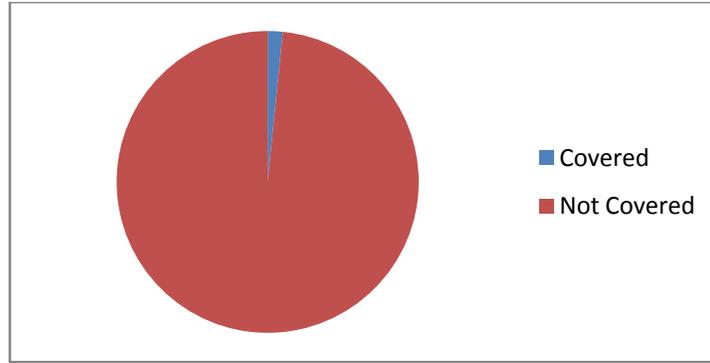
Out of 800 male respondents 12 (1.5%) and 200 female respondents 4 (2%) are covered under the ESI Act.

These 16 workers earn wages in the range of Rs. 6000 and Rs. 16,000. 12 respondents earn Rs. 9,000 or less. Rests of them earn more than Rs. 9000 and less than Rs. 16,000.

Out of 16, 8 are attached with the Than ESI dispensary while rest 8 is with the Wankaner ESI dispensary. Interestingly out of these 16 respondents, 15 are also getting advantage of PF Act. 4 of them have taken TB treatment.

**Table: 4 ESI Coverage:**

	Male	Female	Total	%
Covered under ESI Act	012 (1.5%)	004 (2%)	016	01.6
NOT covered under ESI Act	788 (98.5%)	196 (98%)	984	98.4
Total	800	200	1000	100

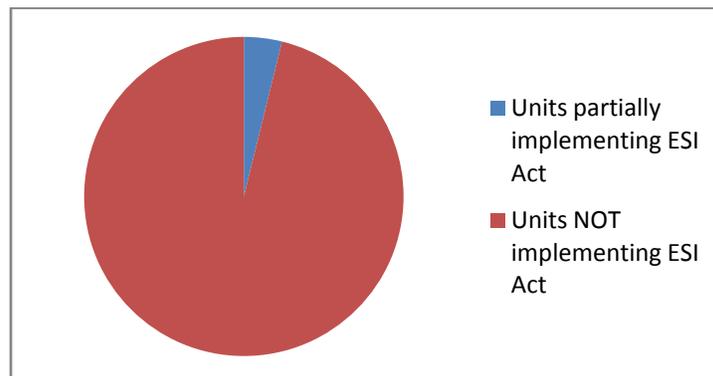


#### 4. Units implementing ESI Act Act

We have found only 8 units implementing these laws for social security. Out of 8 only one is found covering all its employees participating in this study to have covered under both these laws. We found 27 respondents saying PF contribution is deducted from their wages and 16 saying ESI Contribution is deducted from their wages. Among these 15 are common who enjoy benefits of both the laws. Out of 27 respondents who are getting benefit of PF Act, 12 are not covered under ESI Act. While 16 who are covered under ESI Act, 1 is not covered under PF Act.

**Table: 5 Units implementing ESI Act**

Units partially implementing ESI Act	<b>08</b>	<b>3.84%</b>
Units NOT implementing ESI Act	<b>200</b>	<b>96.15%</b>
<b>Total</b>	<b>208</b>	<b>100</b>



**Table: 6 Detail of 11 units implementing ESI Act/PF Act**

<b>NO</b>	<b>Name of the unit</b>	<b>Total no of respondents in this study</b>	<b>Numbers of respondents covered in this study covered under ESI Act</b>	<b>Numbers of respondents not covered in this study covered under ESI Act</b>	<b>Numbers of respondents covered in this study covered under PF Act</b>	<b>Numbers of respondents covered in this study not covered under PF Act</b>	<b>Remarks</b>
<b>1</b>	A	45	2	43	2	43	Those covered are same respondents
<b>2</b>	A	28	2	26	5	23	2 respondents are covered under both the laws while rest 3 are covered only under PF Act
<b>3</b>	G	16	2	14	2	14	Those covered are same respondents
<b>4</b>	J	3	1	2	1	2	Those covered are same respondents
<b>5</b>	L	3	3	0	3	0	Only unit to have covered all respondents in this study under both the laws. Those

							covered are same respondents
<b>6</b>	P	39	3	36	2	37	Those covered are same respondents
<b>7</b>	S	3	1	2	1	2	Those covered are same respondents
<b>8</b>	V	34	2	32	2	32	Those covered are same respondents
<b>9</b>	P	7	0	7	7	0	No one is covered under ESI Act but ALL are covered under PF Act
<b>10</b>	A	1	0	1	1	0	Only one respondent from this unit is not covered under ESI Act but is covered under PF Act
<b>11</b>	S	1	0	1	1	0	Only one respondent from this unit is not covered

							under ESI Act but is covered under PF Act
	Total	180	16	164	27	153	

## 5. Discrimination:

Units seem to be discriminating their employees. In the above we have seen that 16 respondents are contributing premium from their wages for ESI who are working in 8 different factories. We will know these units by their pseudo names – say A,B,C,D,E,F,G,H. In the following table we will see their behavior with their workers.

**Table: 7 ESI Act is partially implemented**

Name of the unit	Nos. of workers they employ	No. of respondents saying ESI is not deducted from their wages	No. of respondents saying ESI is deducted from their wages	Total no. of respondents in this study
A	300-600	26	02	28
B	100-200	43	02	45
C	70-130	02	01	03
D	60-80	14	02	16
E	50-80	00	03	03
F	70-130	36	03	39
G	60-75	02	01	03
H	100-160	32	02	

The units may have crafted their own criterion who to be given coverage under ESI Act, who to be given benefit of PF Act and who are to be left out. We appreciate unit E which, in this study at least, does not seem to be discriminating their employees. Rest 7 units, whether big or small are discriminating their employees. There is wide spread belief among the workers that those who are Permanent workers would get the benefits of laws for social security.

## 6. Salary/Wages:

For ESI coverage, wages should be 21000 or less. Thus, all the respondents covered in this study – 1000 – were eligible to get covered under the Act. Average salary



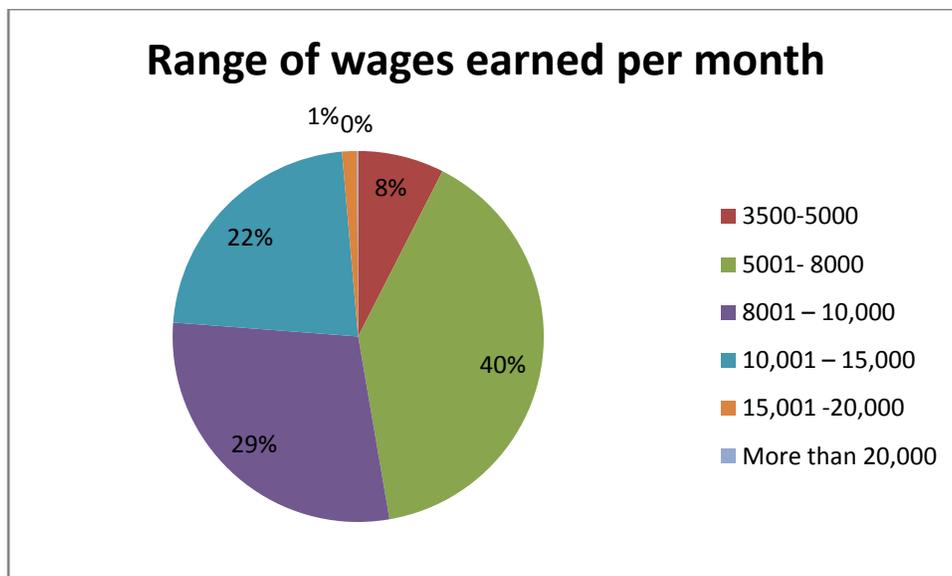
comes to Rs. 9101.5. We found 570 respondents receiving wages below this average while 430 above the average. 3 (2 male and one female) respondents said they earn Rs. 3500 per month, 17 respondents earn Rs. 4000/-, 3 respondents earn Rs. 4500/- and 50 respondents earn Rs. 5000/- By any standards this is much less than the minimum wages. They are from 41 units.

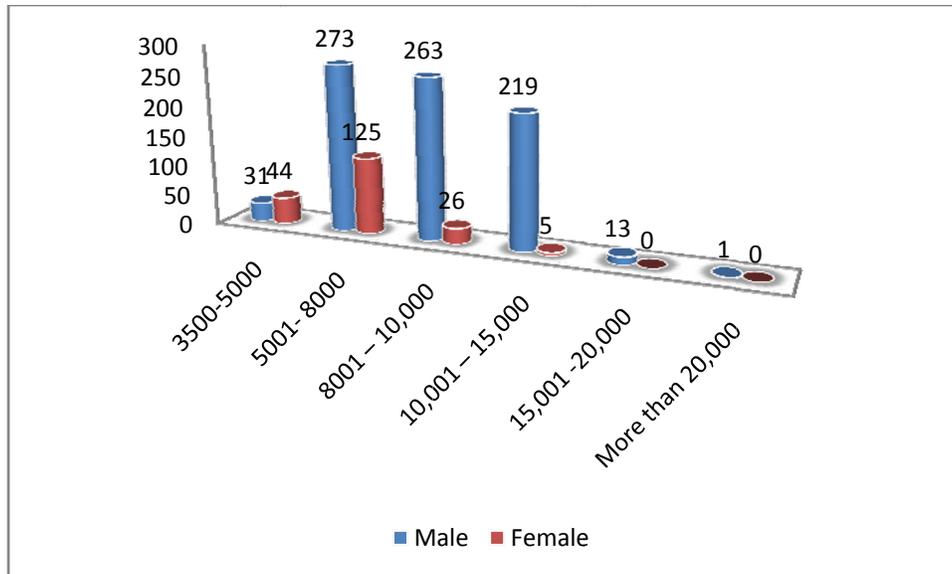
Disparity between the wages drawn by male and female workers is stark. Though we have law for paying equal wages for equal work, it is not implemented. In wage group 3500-5000, female workers outnumber male workers but, in all categories, above that male worker dominate the group. Most female workers end up earning Rs. 15,000/- per month, though only 2.5% female workers earn wages in the bracket of 10,000 and 15,000. Among male workers, 27% male workers are in this category.

Those 430 who earn wages above average, 415 (96.5%) are male workers and only 15 (3.48%) female workers. While those 570 who earn wages below average, 385 (67.5%) are male workers and 185 (32.45%) are female workers.

**Table: 8**

Range of wages earned per month in Rs.	Male	Female	Total
<b>3500-5000</b>	31	44	75
<b>5001- 8000</b>	273	125	398
<b>8001 – 10,000</b>	263	26	289
<b>10,001 – 15,000</b>	219	05	224
<b>15,001 -20,000</b>	13	00	13
<b>More than 20,000</b>	01	00	01
<b>Total</b>	800	200	1000





**7. No. of workers employed in the factory:**

Again, this was an important test to decide eligibility for coverage under ESI Act. If unit is employing 10 or less, unit is not eligible to get covered under the Act. In this study no respondent informed us that the unit one is working with is employing less than 10 workers. So, all the units are eligible as far as the respondents participating in this study are concerned.

**Table: 9**

No of workers employed	No of units
Less than 10	00
11-50	146
51-100	369
101-150	191
151-200	147
201- 300	80
301-400	33
401-500	26
500 -700	06
701 – 1000	01
>1000	01
	1000

**8. Location of the unit:**

Another condition for applicability of the Act is its location. Than was notified under the ESI Act in year 1988. Number of units located in different areas of Than can be seen in the table below.

**Table: 10**

NO	Name of the location	Nos. of units located in this area covered under this study	Nos. of respondents employed in these units
1	Abhepar Road	12	62
2	Amrapar	05	07
3	Amrapar Road	10	42
4	Ambedkar Nagar -1	01	05
5	Ambedkar Nagar -2	01	39
6	Ambedkar Nagar -3	01	01
7	Ansuya Kata	01	01
8	Bandiyabeli Road	01	01
9	Bypass Road	23	204
10	Bhagatsinh Market	01	009
11	Bordidhar	01	003
12	Chotila road	03	16
13	Devbhumi	01	01
14	Devliya Road	01	03
15	GIDC	09	22
16	Gugaliyana Road	02	04
17	Guj Housing Board	01	07
18	Gumadiya Hanuman	01	01
19	Hitarnagar	05	12
20	Jambudiya Patiyu Wankaner	01	03
21	Jamwadi/Jamwadi Road	09	61
22	Jay Ambe Society	03	33
23	Kapurvav	04	18
24	Khakhrali Road	01	02
25	Koli Society/Koli para	02	23
26	Lakhamachi Road	01	01
27	Mafatiyaparu	01	04
28	Marutinandan So	01	03
29	Morthala/Morthada	02	04
30	Navagam Road	41	154
31	Nr Khodiyar Mandir	01	02
32	Nr Panjrapol	01	03
33	Nr Usha Kata	01	02
34	Nr Railway Fatak	02	02
35	Panjrapol	01	02
36	Prajapati Park	01	02
37	Rajivnagar	02	04
38	Rupavati	01	07
39	Surya Chok	05	10
40	Tarnetar Road	29	140

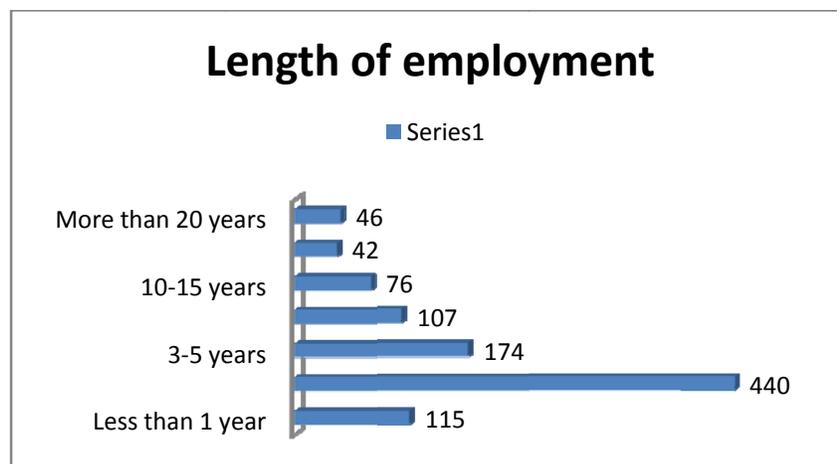
41	Vagadiya Road	16	60
42	Vakaner Road	02	10
43	Vijadiya Road	03	05
44	Zalawad Pottery	01	05
		208	1000

### 9. No. of years working in the factory:

ESI Act is applicable to the employee from the day one. Still this question gives us idea on the length of their deprivation. 44 respondents said they are working since last more than 20 years and still they have not been covered by the law. Little more than 50% respondents said they are working since last 3 years or less in the present employment. Among rest around 27% respondents are working since last 3 to 10 years in the present employment.

Table: 11

Period	Male	Female	Total
Less than 1 year	94	21	115
1 -3 years	364	76	440
3-5 years	141	33	174
5-10 years	81	26	107
10-15 years	50	26	76
15-20 years	34	08	42
More than 20 years	36	10	46
<b>Total</b>	<b>800</b>	<b>200</b>	<b>1000</b>



One of the respondents, aged 60, is working since 1980 is earning only Rs. 7000 /- month. After 40 years, he is earning only this amount much less than the minimum wages

Respondent no. 284 a male worker, aged 48 seems to have started working at the age of 8 while respondent no. 62 a 56 year male, may have started working at the age of 16.

Out of 115, those who are working for last 1 year or less, 26 are in the age group of 18-20. In this group of 26, 19 are male and 7 are female. For them this may be their first job. In this group there are 14 who are in the age group 45 or above (8 male and 6 female). They may have jumped the job for more times.

**10. Pay slip:**

As can be seen, no one is issued pay slip as required by the law.

**Table: 12**

	Male	Female
Yes	00	00
No	800	200

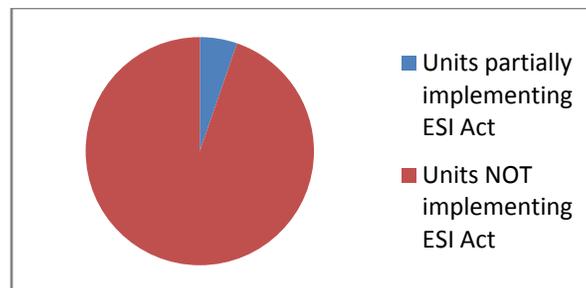
**11. Whether PF contribution is deducted from wages:**

We have found only 11 units implementing PF Act partially. We found 27 respondents saying PF contribution is deducted from their wages. 97.3% respondents have said that PF contribution is not deducted from their wages.

Out of 27 respondents who are getting benefit of PF Act, 12 are not covered under ESI Act. While 16 who are covered under ESI Act, 1 is not covered under PF Act.

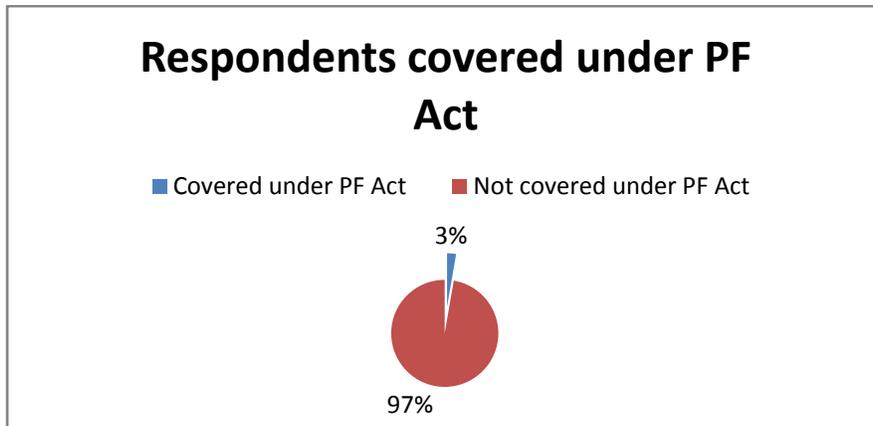
**Table: 13 Units implementing PF Act**

Units partially implementing PF Act	<b>11</b>	<b>5.28 %</b>
Units NOT implementing PF Act	<b>197</b>	<b>94.714 %</b>
<b>Total</b>	<b>208</b>	<b>100</b>



**Table: 14 Numbers of respondents covered under PF Act**

	Male	Female	Total
Yes	23	04	027
No	777	196	973



**12. Sickness status:**

**Table: 15**

	Male	Female	Total
No treatment taken for TB ever	793	196	989
TB	6	4	10

Since workers in ceramic are exposed to silica, they are vulnerable to get Silicosis. In addition, those who are exposed to silica are also vulnerable to get TB. One male worker, who is undergoing treatment for TB also, has complaint of breathlessness.

A 42-year-old male worker has been diagnosed having silicosis. His ESI contribution is not deducted. He is working since 2017 in the present employment.

**13. Any other sickness:**

**Table: 16**

Sickness	Male	Female	Total
NO sickness	784	191	975
Diabetes	00	03	03

Blood Pressure	02	02	04
Breast Cancer	00	01	01
Mental problem	00	01	01
Leg pain	00	01	01
Thalassamia	00	01	01
BP and ear problem	01	00	01
Intestine surgery	02	00	02
Bypass surgery done	01	00	01
Handicap	01	00	01
Deafness	01	00	01
Liver problem	01	00	01
Mouth Cancer*	01	00	01
Lung Cancer**	01	00	01
Past incidence of TB	02	00	02
Silicosis	02	00	02
Epilepsy	01	00	01
<b>Total</b>	<b>800</b>	<b>200</b>	<b>1000</b>

\* 52 yr old male; \*\*50 yr old male

Among the two cases of silicosis, one is 42 year old male and another is 55 yr old male. Both are not covered under either ESI Act or PF Act. Both are earning Rs. 7,000/- per month which is much less than the minimum wages decided by the State Government. Both are working at present.

One of them aged 42 started working from the year 2000. He jumped to another unit in 2007 where he worked till 2012. In 2012 he again jumped to the third unit where he worked till 2018. He has complaints of breathlessness since last 2 years. He also has complaint of anorexia, chest pain, cough with sputum and lack of sleep. He has two school going children to be supported. He was diagnosed having silicosis by Rajkot Civil Hospital in December 2019.

#### **Discussion:**

##### **1. Are unit owners responsible for covering their employees under ESI Act:**

In these ceramic units in Than most workers work as contract worker, as piece rate worker. Under the Act worker has to be registered by one's employer. If employer is contractor, contractor should get the code under the Act and then fill up the registrations forms of one's employees. However, the unit owner, being principal employer, has a responsibility to see that the workers working under the contractor. He has also responsibility to see that the contractor is issued licence by the Labor department under the Contract Labor (Regulation and Abolition) Act, 1970. The Act do not permit perennial work to be carried out by a contractor however since 1990 state has kept its eyes shut to allow contractors in regular production work.

##### **2. Is ESI Act applicable to all the units in Than?**

This is a question which needs more inquiry. Notification under the Act was published in 1988. Usually, the municipal area is covered. In course of time industry develops out of the boundaries and later even the municipal boundary may also be expanded. So as of now what is the status of these 208 units is not known to us. But if we believe the reply sent to the National Human Rights Commission recently with reference to a complaint, whole of Than is covered under the Act. May be that is the reason that a unit is covering all its employees who participated in this study under PF act but none under ESI Act. It is well known fact that Prime Minister is very eager to cover all the workers in whole of India under ESI Act. ESI corporation and Industry in Than should respect his ambitions.

We thank all the respondents, our local well wishers and field staff for their cooperation.

We hope that this report shall help the ceramic workers in Than to get the benefits of social security and improve their standard of life.

We urge the concerned authorities and elected members of the legislative assembly and parliament to take necessary actions to see that the workers enjoy the benefits of the laws enacted for their welfare.

#### **Recommendations:**

##### **For Central Ministry of Labor & Employment and ESI Corporation:**

1. In its 39th report, Parliamentary standing committee on labor released on 25 July, 2018, reports, "A glaring issue which has come to the notice of the Committee is that the onus of 'registration' under the ESU scheme is on the 'Employer' alone and not on the ESIC, which collects the contribution from the Insured Persons (IPs) and the employers. They are of the view that the 'onus' of registration should not only be on the employer but also on the ESIC/ESIS, as it received contribution from both employees as well as employers. The Committee feel that this will have a drastic effect in improving the coverage of ESIS and therefore recommend that this issue be examined by the Ministry of Labour and Employment as well as by the ESIC and necessary action be taken at the earliest of which the Committee be informed." In its 56<sup>th</sup> report released on 11/02/2019, again the Committee reiterated its recommendation. We would go one step further and recommend that the worker also should have right to register him/herself as s/he is contributing for the premium. This is long due change.

2. In its 39th report the parliamentary standing committee on labour released in July, 2018, it is noted that, "Under ESIC 2.0, ESIC is now implementing whole of the district wherever the scheme was partially implemented and targeted to 393 partially implemented districts out of which 325 districts has been fully implemented." We do not know if Surendranagar is listed as one of the targeted districts in the list of 393. If not, it should be covered fully as soon as possible. As of December 2018, 349 districts were fully covered.

3. Immediate steps need to be taken to cover all the workers in Than in Ceramic and other industries. Since this is silicosis prone industry, coverage of all the workers is very important. When workers get silicosis they are not paid any damages or compensation either under ESI Act or Employees Compensation Act. Those who get silicosis get pushed off the labor market sooner or later and then they

find it very difficult to lead their life as on one hand their income stops and on the other expenses on treatment increases many fold. ESI Corporation should take these findings seriously and decisively act to cover all the workers- whether employed by legal/illegal contractors or units themselves and whether they are piece rate workers or daily wagers. ESIC has decided to cover entire nation by 2022 under vision 2022. We hope ESIC succeeds in achieving this target as scheduled.

4. Steps need to be taken to get the PF law enforced in this industry.
5. Workers employing their own "helper" should be banned completely.
6. Salary slip is not issued to any employee. Stern actions should be taken by the labor department.
7. Implementation of minimum wages and equal pay for equal wages also should be done.
8. Contract Labor (Regulation and Abolition) Act, 1970 should be enforced strictly.
9. ESIC should educate the workers on the benefits to get covered under ESI Act. They should be encouraged by paying incentives for lodging complaint when not covered under the Act by the employer and other irregularities by the employer while assuring privacy.
10. ESIC should educate the industry on the benefits of the coverage and legal actions for violating the law

**Recommendations for the industry:**

Industry Association should encourage all its members to get all their workers covered under ESI Act, PF Act and other labor laws like Payment of wages Act and Minimum wages Act.

**Recommendation for the workers:**

They should cooperate the employer when they are being registered under the ESI and PF Act

**Conclusion:**

1. 1000 workers from 208 ceramic units participated in this study. [Table:2] Out of 1000 respondents, 98.4% are not covered under the ESI Act. [Table:4] All 208 units are located in the area notified under the ESI Act. [Table: 10]. All 208 units employ 10 or more workers. All 1000 respondents earn wages less than or equal to Rs. 21,000/- [Table: 8] and hence are eligible to be covered by the law. It is clear that out of 208 units, ESI is partially implemented in 8 units [Table: 7] while in rest 200 units it seems that it is not at all implemented. This indicates that the social security law needs to be well enforced.

Out of 16 respondents whose ESI contribution is deducted, 12 are male workers and 4 are female workers. [Table: 4].

2. Majority of the respondents- 570 (57%) - draw wage below average. Average wage is Rs. 9101.5. This is well below minimum wages. It can be concluded that large numbers of workers in this industry are not paid even minimum wages.
3. Inequality in wages between male and female workers is stark. Law for equal wages for equal work has largely remained on paper. [Table: 8].
4. 27 respondents from 11 units have replied that their PF contribution is deducted [Table: 13]. Rest 973 (97.3%) do not get benefit of PF Act. Out of 27, 23 are male and 4 are female workers. Disparity between male and female workers is seen here also.
5. Out of those 16 respondents whose ESI contribution is deducted, 15 are also getting benefit of PF Act. They are from 8 different units. We appreciate these 8 units though we do not know if they have covered all their employees under these both laws.
6. There is legal provision to issue pay slip but no respondent is getting salary or wage slip issued. The 8 units which implement PF and ESI Act also seem to be not implementing this legal provision. [Table: 12].

## Annexure -1

### Tool

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**ઇ.એસ.આઇ. સર્વે**

નામ

ઉંમર લીંગ: પુરુષ/સ્ત્રી

સરનામું

સંપર્કનીવિગત (ફોનનંબર)

આધારનંબર:

હાલની નોકરીની વિગત

એકમનુંનામ	સરનામું	ક્યારે કામ શરૂ કર્યું	એકમમાં કામ કરતા કામદારોની સંખ્યા	માસીકપગાર	ઇ.એસ.આઇ. નંબર

ઇ.એસ.આઇ દવાખાનું અને લોકલ ઓફીસની વિગત:

પગાર પાવતી આપે છે? હા / ના      પી.,એફ, કપાય છે?      હા / ના

વેતન બેકમાં સીધું જમા થાય છે? હા / ના      હાલ કે અગાઉ ટીબીની દવા લીધી છે? હા / ના

અન્ય કોઈ બીમારી હોય તો તેની વિગત:

ફોર્મ ભર્યા તારીખ:      ફોર્મ ભરનાર કાર્યકરનું નામ:

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<sup>i</sup> Status Quo And Outlook 2022, Indian Ceramic Industry, Market Study by EAC International, March, 2018

<sup>ii</sup> morbiceramicindustry.com/history.html