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**STANDING COMMITTEE ON LABOUR
(2010-11)**

(FIFTEENTH LOK SABHA)

MINISTRY OF TEXTILES

DEVELOPMENT OF JUTE SECTOR

SIXTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2011/Phalguna, 1932 (Saka)

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(FIFTEENTH LOK SABHA)

MINISTRY OF TEXTILES

DEVELOPMENT OF JUTE SECTOR

Presented to Lok Sabha on 8th March, 2011

Laid in Rajya Sabha on 8th March, 2011



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2011/ Phalguna, 1932 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR
(2010-11)

SHRI HEMANAND BISWAL - CHAIRMAN

2. Shri M. Anandan
3. Shri Raj Babbar
4. Dr. Shafiqur Rahman Barq
- **5. Shri Sudarshan Bhagat
6. Dr. Kakoli Ghosh Dastidar
7. Shri Paban Singh Ghatowar
8. Shri Hassan Khan
9. Shri Kaushalendra Kumar
10. Shri P. Lingam
11. Shri Hari Manjhi
12. Shri P. Balram Naik
13. Shri P.R. Natarajan
14. Smt. Mausam Noor
15. Shri S. Pakkirappa
16. Dr. P.L. Punia
17. Shri Ramkishun
18. Shri Mahendra Kumar Roy
19. Shri Chandu Lal Sahu
20. Shri Murarilal Singh
- ***21. Dr. Virendra Kumar

RAJYA SABHA

22. Shri Aayanur Manjunatha
23. Dr. E.M. Sudarsana Natchiappan
24. Shri Rudra Narayan Pany
25. Smt. Renubala Pradhan
26. Shri Rajaram
27. Shri Praveen Rashtrapal
- *28. Shri Swapan Sadhan Bose
- *29. Shri G.N. Ratanpuri
- *30. Shri Ranbir Singh Parjapati
31. Vacant

SECRETARIAT

- | | | | |
|----|---------------------|---|-------------------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri B.S. Dahiya | - | Director |
| 3. | Shri Ashok Sajwan | - | Additional Director |
| 4. | Shri Suresh Kumar | - | Senior Executive
Assistant |

* Nominated *w.e.f* 21st September, 2010

** Change in nomination from Committee on Labour to
Committee on Petroleum and Natural Gas *w.e.f* 8th December,
2010

*** Nominated *w.e.f* 8th December, 2010

INTRODUCTION

I, the Chairman of the Standing Committee on Labour (2010-11) having been authorized by the Committee to submit the Report on their behalf, present this Sixteenth Report on 'Development of Jute Sector.'

2. The Committee selected this subject for detailed examination for the year 2009-10 and continued it in 2010-11. The Committee found that entire Jute sector is marred with multiple problems, such as, non-payment of provident fund dues to the workers, non-payment of ESI deductions of the workers to the ESIC, poor safety conditions in the mills, varied wage structure and non protection to the industry in view of its environment-friendliness, besides, absence of any research and development to enhance productivity in the industry. More so, to get their legitimate dues, irate jute mill workers resort to frequent strikes which not only hamper the growth of the Jute Industry but affect the livelihood of poor and hapless workers badly. In fact, the 61 day strike by 52 jute mill workers in December, 2009 was the whistleblower for the Committee and which convinced the Committee that all was not well with Indian jute sector. The Committee, in order to examine the matter in depth and to know what really ails this sector and why there are repeated strikes, held interactions with the Ministry of Textiles on 18th January, 2010 and with Ministry of Labour and

Employment on 28th January, 2010. The Committee also called a joint meeting of both the Ministries on 8th February, 2010 to examine the issues threadbare. The Committee noted that though the issues pertained to both the Ministries yet neither of them accepted direct responsibility in the matter. The Committee also understood the limitations of both the Ministries in resolving the issues of this sector vis-à-vis jute mill workers.

3. The Committee further heard the views of the representatives of the major Central Trade Unions and Indian Jute Mill Association, separately on 17.2.2010. The Committee also undertook an on-the-spot visit to Kolkata on 16th and 17th June, 2010 and held interactions with all the stakeholders there. Not only this, the Committee even visited two privately run Jute mills in Kolkata to take first hand information and gauge the real problems being faced by the jute mill workers.

4. The Committee wish to express their thanks to the representatives of the Ministry of Textiles and Ministry of Labour and Employment for placing before them their views and also for providing detailed written notes and information on the subject.

5. The Committee also thank the representatives of the Central Trade Unions and Indian Jute Mill Association who expressed their views in the matter freely and in an unhesitating manner.

6. The Committee would also like to place on record their deep sense of appreciation for the valuable assistance rendered to them at every stage of examination of the subject by the officials of the Lok Sabha Secretariat attached to the Committee.

7. The Committee considered and adopted the draft Report at their sitting held on 4.2.2011.

8. For facility of reference and convenience, the observations/recommendations of the Committee have been printed in bold type in the body of the Report and have also been reproduced in a consolidated form in Appendix of the Report.

New Delhi,

4th February, 2011,

15 Magha 1932 (Saka)

HEMANAND BISWAL,

CHAIRMAN,

STANDING COMMITTEE ON LABOUR

REPORT

Chapter-1

The Indian jute industry is an integral part of the India's textile industry. The first jute mill in India was established in the year 1855. The jute industry witnessed remarkable growth in the first century of its existence. After independence India lost a major chunk of jute growing areas to Bangladesh. Cultivation of raw jute was stepped up as a measure to compensate for this loss. Today, the jute industry is one of the major industries in the eastern region, particularly in West Bengal. Jute, is a lingo and cellulosic golden fibre, meets all the standards for 'safe' packaging being a natural, renewable, biodegradable and eco-friendly product. It supports the livelihood of about 40 lakh farm families and provides direct and indirect employment to about 4 lakh workers.

1.2 Jute is an important cash crop which is an intercrop before paddy transplantation. Production of jute is concentrated in 36 districts of West Bengal, Orissa, Bihar, Assam, Meghalaya, Tripura and Andhra Pradesh. In the jute growing States, the share of jute crop is nearly 1.4 per cent of the total crop area. There are 33 odd districts spanning West Bengal, Orissa, Bihar and Assam, which account for 98.41 per cent area under jute cultivation and 98.43 per cent of total raw jute production in the country. Nadia, Murshidabad, Purnea, Cooch Bihar, West Dinajpur, Jalpaiguri, North 24-Pargana, Hoogly and Malda districts in West Bengal account for 71 per cent of area under jute cultivation in India and 73.09 per cent of total raw jute production in the country.

1.3 The total area under jute cultivation in India varies between 8.96 lakh hectares to 10.49 lakh hectares, which is the highest in the world.

The area under jute cultivation and crop size from 2001-02 onwards is as under:-

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Crop size (Lakh MT)	16.2	19.8	16.2	13.5	15.3	18.0	17.82	14.76	16*
Area (Lakh Ha)	10.49	10.21	9.59	9.16	8.96	9.49	9.71	9.25	9.25*

(*)Tentative

1.4 The above table shows that the total area under jute cultivation in the country has slightly decreased since the year 2001-02 onwards. The crop size has also shown significant fluctuations during the same period.

1.5 Why there is a continuous decrease in the area under cultivation of jute from 2001-02 onwards despite increase in domestic as well as international demand, the Ministry stated as follows:

‘There is always significant fluctuation in the area under jute cultivation in India. The year to year fluctuations arise out of three factors namely, (i) fluctuation in rainfall during the sowing season, (ii) the average raw jute prices realized during the previous jute season, and (iii) the returns realized from competing crops during the previous season. A significant area under jute competes with Aus paddy during the same season. Hence, year to year fluctuations in the prices of jute relative to the prices of Aus paddy would generally influence the relative allocation of land between the two crops.’

1.6 As regards fluctuation in crop size per hectare every year since 2001-02 onwards despite advancement in technology and other cultivation/farming methods, the Ministry stated as under:

‘The reasons for fluctuation in the crop size per hectare every year from 2001-02 onwards are mainly:-

- a) *Fluctuation in rain-fall during the sowing season and variable weather conditions.*
- b) *Inadequate and imbalanced use of fertilizer at the appropriate stage,*
- c) *Non adoption of plant protection measures*
- d) *Non availability of labour and increasing cost of mechanization*
- e) *Lack of irrigation facilities; and*
- f) *Inadequate availability, supply and distribution of good quality seeds.’*

Most of the jute and mesta farmers belong to the small and marginal farming community. Their capacity to undertake modern commercial agriculture on large scale is limited despite the plethora of promotional and subsidy schemes. As the jute and mesta crops are cultivated mostly by small and marginal farmers, they do not have the resources to adopt modern technologies.'

1.7 Regarding the steps taken by the Government to arrest the fluctuations/decline and to ensure regular increase in the crop size as well as area under cultivation, the Ministry informed as under:

'The Government of India launched Jute Technology Mission with an outlay of Rs 35555.82 lac which is under implementation during 2007-12.

The break-up of each of the four Mini Missions is as follows:

Mini Mission (MM)	Amount (Rs. In lakhs)	Nodal Ministry
MM -I	705.78	M/o Agriculture
MM-II	4990.04	M/o Agriculture
MM-III	5660.00	M/o Textiles
MM-IV	24200.00	M/o Textiles
Total	35555.82	

- (i) Under MM-I, Schemes have been undertaken relating to Agricultural Research on Jute, Mesta and allied fibre crops. The objective is to raise productivity by 25% and to develop new varieties with desirable qualitative characteristics as well as genetic up-gradation.
- (ii) Under MM-II, steps are being taken to harness the best production and management of technologies for jute, mesta and allied fibre crops and their post-harvest technology to accelerate the production and quality improvement of the

- crops. It would introduce new initiatives in transfer of technology of production and improving retting practices.
- (iii) Under MM-III, JCI is organizing demonstration for retting technology of jute to various places. The market yards and purchase centres of JCI are also being developed with various facilities like purchase platform, assortment shed, storage godowns, information centre with daily display of market rates, jute testing instruments, banking and others for benefit of farmers.
- (iv) Under MM-IV, one of the objectives is to create demand for jute fibre through modernization, technological upgradation, improved productivity, diversification and human resource development for the jute industry.'
- (v) The MSP of raw jute is also gradually being increased and it is ensured by JCI that growers get above the MSP price. The growers are getting good prices that are almost double the MSP from last two years.
- (vi) Continuation of Jute Packaging Material (Compulsory Use in Packing Commodities) Act, 1987 to generate more demand keeping in view the interest of raw jute growers and workers involved in the jute industry.'

1.8 Regarding reasons for not being able to yield any positive outcome despite launch of Jute Technology Mission (JTM), the Ministry stated as under:

'...The success / failure of the Mini Missions under JTM will be assessed through a Mid-term evaluation which is to be shortly undertaken. Necessary steps for improvement of the mission and schemes thereunder will be taken on the basis of feedback received from the mid-term evaluation report.'

1.9 The Ministry provided the following details regarding production of jute per hectare in India as well as the other jute producing countries:

Table-I (Area: '000 Hec), (Crop: '000' bales) & (Yield: Bales/Hec)

Year	India			Bangladesh		
	Area	Crop	Yield	Area	Crop	Yield
1998-99	1025	9811	9.57	477	4733	9.88
1999-00	973	9950	10.22	415	4064	9.77

2000-01	1018	10556	10.36	448	4000	8.94
2001-02	1047	11678	11.15	464	4870	10.50
2002-03	1040	11336	10.90	426	4316	10.11
2003-04	1002	11173	11.15	499	5350	10.72
2004-05	916	10272	11.21	418	4500	10.77
2005-06	898	10840	12.07	466	5361	11.50
2006-07	934	11272	12.06	500	5500	11.00
2007-08	960	11209	11.68	500	5500	11.00
2008-09	926	10846	11.71			

Table-II
(Area: '000 Hec), (Crop: '000' bales) & (Yield: Bales/Hec)

Year	Nepal			Thailand			Myanmar		
	Area	Crop	Yield	Area	Crop	Yield	Area	Crop	Yield
1998-99	12	84	6.8	30	262	8.7	37	186	5.0
1999-00	12	84	7.2	18	165	8.8	33	147	4.4
2000-01	14	84	5.8	18	165	8.9	31	154	5.0
2001-02	11	91	8.0	18	164	8.8	31	156	5.0
2002-03	11	94	8.0	33	311	9.2	58	233	3.9
2003-04	12	94	8.0	25	230	9.2	44	233	5.2
2004-05	12	94	8.0	20	198	10.0	35	187	5.2
2005-06	12	98	8.0	20	200	9.7	41	205	5.0
2006-07	12	95	7.9	20	200	9.7	51	242	4.7
2007-08	12	95	7.9	20	200	9.7	50	222	4.4

1.10 The Ministry informed that they have made the following efforts to make jute farming viable and remunerative for the farmers:

The declaration of Minimum Support Price (MSP) every year of raw jute and purchase operation made by JCI in this regard

are aimed to provide remunerative prices to the farmers and to make the jute farming a viable proposition.

Under MM-I, and II of JTM, steps are being taken by the Agriculture Ministry to improve quality and productivity of jute fibre by development and distribution of new varieties of seeds, developing and dissemination of modern agronomical practices through R & D and reduction cost of production of raw jute which will be beneficial for the jute farmers and make jute farming economically viable and remunerative for the farmers.

Under MM-III, schemes are underway for setting up of more number of Market Yards, Departmental Purchase Centres, Development of ribbon retting technology, construction of retting tanks and dissemination of technology to farmers.'

1.11 The Ministry further informed that under MM-II of JTM, demonstration of production and retting technology of jute are being carried out. Further, training on agronomical practices using nutrient minikit, foliar spray of urea, post harvest operation, integrated pest management etc. are also being undertaken. Distribution of implements for raw jute production like multi row seed drill, wheel – hoe, ribboner, sprayer are also being made.

1.12 The Committee have been informed that no study has been undertaken in the recent years to ascertain the real causes responsible for losing interest by farmers in jute cultivation.

1.13 The Committee desired to know the provisions incorporated in JTM to enable the small and marginal farmers to adopt modern technology for Jute cultivation and how far the Government have been successful in their effort in this direction. The Ministry informed as under:

The MM-II of JTM was launched from 2007-08 with the main objective of increasing production and productivity. For increasing production and productivity, various components like seed, implements, demonstration, training etc. have been included in MM-II of JTM. In the Jute growing areas, majority of the farmers belong to Small and Marginal category and, as

such, they are getting the maximum benefit of JTM to adopt improved production technology with the support of JTM.’

1.14 The Committee desired to know the provisions incorporated in JTM to enable the small and marginal farmers to adopt modern technology for Jute cultivation and how far the Government have been successful in their effort in this direction. The Ministry informed as under:

‘The MM-II of JTM was launched from 2007-08 with the main objective of increasing production and productivity. For increasing production and productivity, various components like seed, implements, demonstration, training etc. have been included in MM-II of JTM. In the Jute growing areas, majority of the farmers belong to Small and Marginal category and, as such, they are getting the maximum benefit of JTM to adopt improved production technology with the support of JTM.’

1.15 The Committee have also been informed that the Government procures raw jute from the farmers through Jute Corporation of India. JCI has 171 purchase centres all over the jute growing area. JCI procures jute at MSP rates announced by the Government every year. The prevailing market rate vis-à-vis the MSP for raw jute during the last three years are given below:

Year	MSP of TD-5 grade of raw jute (Rs/quintal)	Market rate of TD-5 grade (Rs./Quintal)
2007-08	1055	1140
2008-09	1250	1598
2009-10	1375	2450

1.16 The Committee when enquired about the reasons for procuring only one quality of jute i.e. TD-5 under MSP operations, the Ministry replied that there are two varieties of jute namely TD and W produced in the country. Each variety has eight grades i.e. 1 to 8. JCI procures whatever quality of raw jute offered by the farmers at MSP.

1.17 Regarding reasons for import of jute despite India being the largest producer, the Ministry informed that import of raw jute, primarily higher grade jute, is made by private parties mainly for producing diversified jute products.

1.18 With regard to providing insurance coverage to jute growing farmers, the Ministry stated as under:

‘Yes, Jute growing farmers of Notified Blocks are covered under National Agricultural Insurance Schemes (NAIS) since Kharif, 2007 season as per Notifications issued by Govt. of West Bengal from time to time.’

1.19 The performance of National Agricultural Insurance Scheme (NAIS) during last three years, as stated by the Ministry, is as under:-

In principle, NAIS is an Area Yield Guarantee Scheme launched by Govt. of India, being implemented in the State with active support and participation by Govt. of West Bengal. Unit of Insurance i.e. notified area is selected Blocks. Comprehensive risk insurance is provided to cover yield losses due to non preventable risks i.e. almost all natural calamities. Farmers availing loans from Banks for raising the crop are compulsorily insured but optional to non-loanee farmers. If the Actual Yield per hectare of the insured crop for the notified area in the insured season falls short of the specified Threshold Yield, all the insured farmers growing that crop in the Notified area are deemed to have suffered shortfall in their yield. In such case compensation is paid against the shortfall in yield as per scheme provisions.

1.20 Regarding the coverage of farmers under NAIS in West Bengal during the last three years, the Committee were informed in a written reply as under:

Season	No. of Notified Area i.e.Blocks	Coverage recd. From no of notified areas	Farmers Insured	Area Insured in hectare	Sum Insured (in Rs.)	Level of Indemnity %	Prem Rate % on sun Insured	Prem. Recd (Rs.)	Notified Area Benefited	Claims paid (Rs.)	Farmer s benefited
Kh-2007	134	46	3213	1343	21170802	80	3.05	645709.51	3	97823.06	401
Kh-2008	134	35	2636	1527	23990247	80	1.65	395839.11	2	227217.45	322
Kh-2009	134	85	6645	3830	64400468	80	1.60	1030407.49	Season Cont.....		

Crop Insurance for Jute growing Farmers:-

1.21 The Committee find that the National Agricultural Insurance Scheme (NAIS) launched by Government of India is being implemented through the State Government of West Bengal for providing crop insurance coverage to the jute growing farmers. This Scheme is, however, limited to certain blocks only, selected by the State Government. The total number of beneficiaries during the years 2007, 2008 and 2009 were 3213, 2636 and 6645 respectively in West Bengal whereas there are more than 40 lakh jute growing farmers in the country. The jute farmers of other States are not provided any crop insurance coverage as on date. The Committee are aware that, apart from natural calamities, jute crop is also prone to certain diseases which adversely affect its overall production. Considering the fact that the jute crop is prone to natural calamities and certain diseases and the fact that Jute is environment friendly and biodegradable fibre, it is imperative that crop insurance protection be given to Jute cultivators. The Committee, therefore, recommend that the NAIS be extended to all Jute

growing areas or a new central scheme be launched at the earliest to extend crop insurance coverage to jute growing farmers in all jute growing States so as to cover the damage caused to the jute crop either by natural calamities or by any disease. The Committee desire that the modalities of such a Scheme be finalized and implemented well before the next sowing season of the jute crop.

Minimum Support Price (MSP):-

1.22 The Committee observe that in the past five years, the total area under jute cultivation and the per hectare yield have decreased despite launch of various schemes by the Government. Strangely, the Government have, so far, not conducted any study to ascertain the factors responsible for decline in the production of the jute crop. During the last three years, the gap between MSP and the market price has constantly widened significantly. The trend further exacerbated when market prices shot up to the tune of Rs. 458 and Rs. 852 during the years 2008-09 and 2009-10 respectively whereas the MSP, during the

same period was increased marginally, to the tune of Rs. 200/- and Rs. 125/-. The Committee find that decrease in area is mainly due to the fact that the farmers are not getting remunerative price and hence losing interest in jute cultivation. It is a hard fact that the figures shown as market prices are meant for the best quality produce and the comparatively lower grades do not get profitable prices. Though the Government announces MSP only for TD-5 grade but claims that every grade of jute is purchased through Jute Corporation of India at MSP. Since each category of jute has eight grades, the farmers are likely to be exploited in the absence of declared MSP for other grades. The Committee, therefore, recommend that the Government should not only declare MSP for each grade every year but the price so declared should also be profitable enough to motivate the farmers to continue jute cultivation. Also, the MSP announced before sowing season be reviewed when the crop comes to market and it should be appropriately hiked so as to keep it in consonance with the market price. The Committee further recommend that in order to promote jute farming in other States wherever it is

feasible, the Government must adopt certain policy measures under which special incentives/facilities be provided to the farmers for growing jute. The measures may include subsidy on farm equipments, cheaper power tariffs, well devised procurement policy, opening of nearby purchase centres, making certified/subsidized seeds easily available through JCI centres, providing training to farmers at regular intervals, disseminating advanced technology to them etc. The Committee also desire that the proposal for construction of canals, on the lines of irrigation system in the States of Punjab and Haryana, be considered and taken up with the concerned State Governments for its early execution. The Committee are optimistic that such a step will definitely help in overcoming the problems of low rain/dry monsoon which, at present, is a disturbing factor affecting the production of jute crop.

Chapter-II

Problems of workers of Jute Mills:-

The Committee find that the entire jute sector is plagued with myriad problems due to which workers resort to repeated strikes. The main demands of the workers relate to non-payment of statutory dues, non-issue of Identity Cards, and refusal to show service records to them. During the last three years, the workers have gone on strike every year. Recently, the jute workers of 52 mills in West Bengal went on strike on December, 14, 2009 for a period of 61 days in support of their demands which mainly included stoppage of the unfair labour practices, payment of statutory dues, clearance of arrears of DA, regularization of contract workers and deduction of provident fund and ESI contribution on actual wages.

2.2 The Committee took the matter of repeated strikes by jute mill workers very seriously and held interactions with the Ministry of Textiles, Ministry of Labour and Employment, Central Trade Unions and representatives of Indian Jute Mills Association (IJMA).

2.3 The Committee first examined the representatives of Ministry of Textiles in the matter. According to the Ministry, the main demands of striking jute workers are as under:

1. (i) All workmen are legally entitled to ESI and P.F. benefit from the day one he joins the work of the Mill. The legal protections must be implemented.
- (ii) There are instances where P.F and ESI contributions are deducted on low rate of wages than what is actually paid. This unfair and illegal practice should also be stopped immediately. Workers are also entitled for Bonus.
- (iii) Unfair Labour practice in the matter of engagement of worker in the name of so called casual, Badli, Contract Labour at low rate of wages(i.e. below agreed minimum pay and current rate of D.A.) in the Regular and permanent nature of work be stopped. There are instances in many cases where no

records of such workers are maintained and their payments are made in the separate sheets or vouchers.

(iv) All workers working in the mill must be provided with Identity Card at the cost of the company and provided with service books which should be maintained regularly.

(v) Engagement of Contractor workers in perennial and regular nature of work and outsourcing be stopped.

(vi) All workmen be paid statutory benefits i.e. Bonus and Gratuity, Annual leave with wages.

(vii) The ratio of 90% permanent and 20% Special Badli on the basis of existing total complement be maintained in each mill.

(viii) All arrears of D.A. due to workmen over CPI No.2427 be paid without any delay.

(ix) D.A. neutralization rate be increased to Rs.2.50 per point rise/fall of Consumer Price Index (Base 1960).

(x) Grades and Scales of Pay including rate of annual increment which was fixed long time back be revised and upgraded through negotiation subject to minimum 20% increase in case of each individual at the time of fitment, over and above, the existing pay.

(xi) There should not be any discrimination in the matter of retirement age of male and female workers.

All retirements are at the age of 58 years. Gratuity to the retired employees be paid within one month of the date of retirement.

(xii) All workers who have already retired but not paid gratuity due to them, be immediately paid their gratuity with interest.

(xiii) P.F. contribution be raised to 12% and Central Govt. be requested to take immediate step in this regard.

(xiv) All workers should be provided quarters with proper sanitation, water supply and electricity.

2.4 As regards conciliation proceedings initiated to avert the strike after receiving the notice for strike by the workers, the Ministry replied as under:

‘As per the provisions of the Industrial Disputes Act, 1947, the jute mills fall within the ambit of State sphere and concerned State Governments are the “Appropriate Governments” vested with legal powers to settle the issues concerning jute mills.

It has been learnt that the Trade Unions operating in jute Mills especially in West Bengal have reported to have given notice to go on indefinite strike from December 14, 2009, in support of their demands. The State Government of West Bengal being the appropriate government has already initiated conciliation proceedings in this matter to avert the strike.

The Ministry of Textiles had taken up the matter on November 30, 2009 with Secretary Ministry of Labour & Employment and Chief Secretary, Government of West Bengal at Secretary Level to immediately start conciliation process and redress the grievances of jute mills workers to avert the strike. Subsequently the Minister of Textiles took up the matter on December 02, 2009, with Minister for Labour & Employment as well as Chief Minister of West Bengal to take measure to avert impending strike. Subsequently, the Minister of Textiles had requested the Minister of Labour and Employment on January 14, 2010, to associate with the State Government and resolve the crisis in the jute mills.

The Government of West Bengal had called a Tripartite Meeting on December 03, 2009, December 08, 2009, and December 11, 2009 and last on December 13, 2009 to resolve the issue. The negotiations reached a deadlock and an indefinite strike in 52 jute mills located in West Bengal, had started from 6.00 A.M. of December 14, 2009. Tripartite meetings were held on 19th December 2009, 29th December, 2009, 4th January 2010, 22nd January, 24th January, 29th January and 31st January to resolve the issue. In addition to that CLC also took meeting on 23rd December 2009.

The Minister of Finance, also convened a meeting on January 27, 2010, with the Minister of Textiles and the Minister for Agriculture, Food and Consumer Affairs to discuss issues

which had led to an indefinite strike in jute mills. In the meeting, the Labour Commissioner, Government of West Bengal sought the intervention of Ministry of Labour and Employment to resolve the issues. In pursuance of the decision taken in the meeting, the Ministry of Textiles asked the Ministry of Labour and Employment, at Secretary Level, on January 29, 2010 to intensify conciliation measures in coordination with State Government to resolve the dispute between the striking unions and mills management.'

2.5 On the issue of whether the demands of the jute workers are likely to be acceded to, the Ministry replied as under:

'...As per provisions of the Industrial Disputes Act, 1947, the jute mills fall within the ambit of State sphere and the concerned State Governments are the "Appropriate Governments" vested with legal powers to settle the issues concerning Jute mills. Therefore, the onus to resolve the demands of the workers is on the mill owners and the State Government.'

2.6 The Committee, thereafter, held interaction with the representatives of the Ministry of Labour and Employment to ascertain the efforts made by them to resolve the strike. According to the Ministry of Labour and Employment, the major issues of the workers are as under:

- (i) Revision of grades/pay scales including rates of annual increment.
- (ii) Payment of DA with outstanding arrears.
- (iii) Enhancement of neutralization rate of DA from Rs. 1.90 to Rs. 2.50 per point rise in CPI.
- (iv) No engagement of contract workers in perennial and regular nature of work.
- (v) Regularization of contract workers.
- (vi) Rate of PF contribution be raised from 10 per cent to 12 per cent.
- (vii) All NJMC sick mills be reopened with proper revival package.
- (viii) Import of raw jute/finished products should be monitored to protect the market of indigenous products.

(ix) Payment of Gratuity arrears.

2.7 On the question of concrete efforts made by the Ministry of Labour and Employment to avert the strike, the Ministry stated that “After receiving strike notice dated 26.11.2009, the Labour Commissioner of West Bengal convened conciliation meetings on 27.11.09, 08.12.09, 12.12.09 and 13.12.09 in presence of Hon’ble Minister-in-Charge, Labour Department, Government of West Bengal with a view to averting the strike. Separate discussions were also held before the Minister in-Charge of Labour Department, Government of West Bengal on 09.12.09.”

2.8 With regard to the resolution of the demands of the workers by the Government, the Ministry of Labour and Employment stated that the State Government considered that the demands should be resolved amicably through conciliation machinery. The State Government held 13 conciliation meetings on different dates with a view to resolving the matter amicably. A meeting was also held before the Hon’ble Chief Minister, West Bengal on 08.01.2010 with the representatives of the Central Trade Unions.

2.9 The reasons for such frequent strikes by the jute mill workers, the Ministry of Labour and Employment stated that non-implementation of earlier agreements, including agreement dated 05.01.2002, regarding payment of DA on the basis of rise and fall of CPI @ Rs. 1.90 per point; Non-payment of Gratuity to large number of retired workers by the Employers due to paucity of funds, were some of the main reasons.

2.10 Whether Central Labour Commissioner of his own or in consultation with Jute Commissioner also holds meetings with jute workers and jute mills owners at regular intervals so that jute workers do not go on strikes so often, the Ministry of Labour and Employment stated as under:

The State Government/Labour Commissioner held a number of meetings with the Trade Unions and representatives of IJMA. The management, however, pleaded their inability to pay the increased DA to the workers due to non-implementation of the Report of the Tariff Commission on all occasions. The State Government sought the intervention of

the Ministry of Finance in this matter and requested the Ministry of Textiles to expedite a decision on the recommendation of Tariff Commission which could help resolve the present impasse in a big way.

With a view to expediting the issue the Minister in Charge Labour, Government of West Bengal alongwith the Secretary Labour, Government of West Bengal, Labour Commissioner, West Bengal, Addl. Labour Commissioner, West Bengal met the Union Finance Minister, Union Textile Minister and the Union Minister of State Labour & Employment. The Chief Minister of West Bengal has also written to the Union Finance Minister in this regard.'

2.11 The Committee observe that as per the tripartite agreement of December, 2008 to end the strike which took place on 1 December, 2008, a tripartite expert Committee was formed. The report of this Committee is with the Ministry of Textiles. The representatives of the Trade Unions, during their deposition before the Committee, were strongly in favour of implementation of the recommendations of this expert committee. As regards recommendations of the expert Committee, the Ministry of Textiles informed as under:-

The Expert tripartite Committee on jute industry formed three sub-committees to look into three terms of reference as follows:-

- (i) To study the implementation of laws relating to wages and social security in jute industry, including existing collective agreements.
- (ii) To study demand for skills and improvement of skill level of workers in jute industry for enhanced productivity; and
- (iii) Analysis of wage structure in the context of costing of various items of expenditure and profitability of jute mills.

A. Recommendations made by the tripartite committee on jute on the observation of sub-committee no. 1 is as follows.

Enforcement machinery of the State Government as well as PF Commissioner and ESIC should take immediate steps for strict implementation of the provisions of different applicable acts in the jute industry

and take every step so that the intended benefits under the provisions of the law should reach to the jute workers without any hassle.

- B.** Recommendations made by the tripartite committee on jute on the observation of sub-committee no. 2 is as follows.

The committee felt that, in recent past due to gradual retirement, natural waste, capacity addition, increasing attrition rate, lack of training facilities/infrastructure, the industry as a whole has been facing serious shortage of skilled manpower. Hence, there is a need for training facilities to the workers and staff of the jute mills to increase the skill of the workers and employees for enhancing productivity.

The implementation of this recommendation is within the purview of the Ministry of Labour.

- C.** Recommendations made by the tripartite committee on jute on the observation of sub-committee no. 3 is as follows.

The majority of the jute mills made profit in the recent years. More so, for the increase in wage on account of DA increase, at best 45% of the production of jute Mills is compensated by the Government due to inbuilt system of the price formula as recommended by the Tariff Commission in pricing of B.Twill jute bags.

The members of the tripartite expert committee are of the view that the acceptance of the recommendations of the TC-Report 2009 may go a long way in overcoming most of the problems plaguing jute industry including the problems of jute workers namely payment of wages fixed DA with arrears on account of rise in CPI index, payment of gratuity, payment of bonus and arrears of employers contribution in respect of PF/ESI etc.

The recommendation regarding the acceptance of the Tariff Commission Report-2009 relates to the Ministry of Textiles. The report was examined by the

Ministry. Certain discrepancies in the report were found. Accordingly it has been decided to undertake a fresh study with Tariff Commission.'

2.12 When asked to furnish the reasons for not accepting any of the recommendations of this tripartite Committee report, the Ministry stated as under:

'Recommendation Nos. 1 and 2 are within the purview of Ministry of Labour. As regards recommendation no. 3, the Tariff Commission formula is a dynamic formula, and the Govt. is fully compensating the jute mills any wage revision that accrues to the workers. Thus, any rise in CPI index, payment of gratuity, bonus etc. are fully paid/compensated to the jute mills.

The Ministry, on examination of Tariff Commission Report 2009 found certain discrepancies in their calculations and assumption. Adoption of the report would have led to extra burden on public exchequer, and would have further disincentives the mills to modernize and diversify. Thus, Ministry has decided to make a fresh reference to the Tariff Commission, and undertake fresh study'.

2.13 The Ministry of Textiles, being the nodal Ministry to ensure overall growth of the jute sector, was asked by the Committee regarding regular strikes in jute mills, the Ministry replied as under:

'As per the Allocation of Business Rules, 1961 the trade union, industrial and labour disputes fall under Ministry of Labour. Ministry of Textiles attempts to improve the economics and viability of jute mills through its various schemes.'

2.14 The Committee then held interactions with the representatives of trade unions of jute Mill workers to know what really ails jute sector and why strikes in jute mills are perennial. The Committee also took up this matter during their study visit at Kolkata in June, 2010. While apprising the Committee regarding the problems of

Jute workers, the representatives of Central Trade Unions submitted that the 61 day long strike in jute sector in December, 2009 was called off after reaching a tripartite agreement on 12th February, 2010. They stated that this was an interim kind of settlement and the real issues are still pending before State Government/ Union Government and the mill owners. According to Trade Unions, the major issues on which the Jute workers were compelled to go on strike are as follows:

1. The Jute workers are practically deprived of their wages. The current rate of minimum wages as fixed by the tripartite committee is Rs. 220/- but it is not practically paid.
2. The workers do not have identity cards due to which they cannot prove that they are the employees of a particular Mill and hence cannot claim the rights and privileges due to them as per law.
3. The workers are deprived of gratuity benefits since many years. The estimated number of such workers is 40,000.
4. As per the tripartite agreement signed on 18th December, 2008, a tripartite expert committee was formed. The recommendations of the tripartite expert committee have not been accepted by the Government till date. These recommendations should be implemented.

5. The workers are deliberately not made permanent. They are forced to continue as contract/temporary workers despite the fact that an agreement was signed according to which 90% of total working staff would be made permanent and the remaining will be provided minimum 220 days work.
6. The Mills under public sector are lying closed from last 4-5 years. Therefore, the very purpose of nationalizing some of the jute Mills in order to end monopoly of private mill owners has failed. The fate of these nationalized jute mills is yet to be known.
7. The service records of the workers are not being given to them. The Mill owners deprive the workers of their statutory dues by not providing the service records.
8. A large number of workers are not covered under PF and ESI Scheme. The more alarming situation is that the contribution of those workers who are covered under PF Scheme are regularly deducted from their salaries by the Mill owners but the amount so collected is not forwarded to the Central PF department. This amount is approximately Rs. 150 crore.
9. Non disbursement of D.A. as per the current

Consumer Price Index and also the long pending arrears of D.A. This is the main reason of workers' strike in jute industry. The matter is under the purview of State Government.

2.15 The Committee also held interaction with the representatives of the Indian Jute Mills Association in the matter. The following submissions were made by them before the Committee:

- (i) The focus of the Ministry of Textiles for Jute sector in the last 20 to 25 years has basically changed from the organized sector to decentralized sector.

There is need for the Government to focus on the organized jute industry for its overall development.

- (ii) Out of the total production of 16 to 17 lakhs tonnes of jute products every year, diversification is not more than 15,000 tonnes. The Ministry of Textiles is focusing more on diversification which is a small part of the total production.

Jute should be protected as a packaging material.

- (iii) There has not been any big modernization in the Jute sector since long by the Government.

A consolidated approach from the Government of India is needed with regard to modernization of Jute Mills so that this organized sector which feeds about 40 million farmers and 2.5 lakh mill workers

prosper.

- (iv) The Indian Jute Mills Association finds it very difficult to negotiate with more than 20 trade unions at a time, more so, when they have different views/opinions. This unnecessarily delays the negotiation process.

There is a need to appoint a sole bargaining agent so that issues of workers can be settled quickly and strikes are not stretched for so long.

- (v) The funds under Government Schemes are not fully utilized and these funds are also not sufficient for the development of entire jute sector.

The financial targets under various schemes being implemented by the Government need to be revised accordingly.

- (vi) The Jute sector is still under the purview and control of Labour department of the State Government. This sector contributes Rs. 7,000 crores to the entire packaging system of the country, but is not given the status of an 'Industry'.

There is an urgent need to declare 'Jute sector' as an Industry.

- (vii) The entire Jute sector is damaged by futures trading of raw Jute/Jute products. This affects the spot pricing of Jute.

There is a need to ban futures trading in Jute. sector as this is still not an ideal commodity for stocks due to less profitability and comparatively low production.

- (viii) There is a need to increase investment by the State Governments to enhance seed quality and production of raw Jute.

- (ix) There is a need for intensive research and development activities in Jute sector for technological advancement.

- (x) Adequate funds should be provided to Mills under Jute Technology Mission for modernization of plants and machinery.

- (xi) Workers should be provided training by the Government for their skill development.

- (xii) Direct intervention of the Government is required to increase the productivity of farmers as well as the Mills. Government should also make efforts for

increasing market size, both, domestic as well as international.

2.16 The Committee during their study visit to Kolkata in June, 2010 noticed that the jute workers were living in very pitiable conditions where even the basic amenities like drinking water, electricity, toilets etc. were lacking and the workers are forced to live in shifts. The Committee enquired as to how the Government propose to address the issue of poor and unhygienic dwelling space of jute workers. The Ministry responded as under:

‘The matter of working conditions of labour force is under the jurisdiction of State Government/ Labour Ministry. However, in order to assist the industry in improving the working condition, a new scheme under the Non-Plan funding has been put into operation with effect from 1st April, 2010, as per approval of the Ministry of Textiles, Govt. of India, for the benefit of the workers of the jute industry:

The “Schemes for Workers’ Welfare in Jute Sector”, as approved, are appropriately oriented towards overall welfare and benefit of the workmen employed in Jute Mills and in Small Units producing jute diversified products. The schemes contain (i) sanitation, health facilities and working conditions in the mill sector (ii) provision of incentives to the small and medium jute diversified products units for compliance with social audit including prescribed working conditions and (iii) health facilities by way of extension of health insurance benefits for the mill sector on the same lines as the Rajiv Gandhi Shilpi Swasthya Bima Yojana and to the registered workers of the small and medium scale units employing a minimum of 25 workers each.’

2.17 The Committee during their visit also found that the jute workers have not been issued any identity card by the mill owners. Even the service records of workers, particularly those working on contract basis, have also not been maintained and the workers were not shown any records for their service since long.

2.18 When enquired about the reasons for not including issuance of identity cards to jute cultivators/farmers/mill workers and other associated workforce, as a component under Jute Technology Mission, the Ministry responded as under:

‘Under JTM (MM III), Jute farmers’ Registers are being prepared at Departmental Purchase Centers of JCI covering villages in the catchments. The issuance of identity cards to mill workers is not considered an appropriate mechanism/intervention required to meet the objectives of JTM. Hence, it has not been included.’

2.19 With regard to maintaining of all records of the base level workforce of implementation of schemes with realistic targets and for ensuring harmonious industrial relations as well, the Ministry of Textiles submitted that as per the Allocation of Business Rules, 1961 records of the base level workforce fell under the Ministry of Labour.

2.20 The Committee also noticed that the workers of closed jute mills are covered under Textile Workers Rehabilitation Fund Scheme (TWRFS). The Committee find that though nine private jute mills are lying closed in different States, yet not a single jute worker has been benefited, under the Scheme so far. When the matter was taken up with the Textiles Ministry, it stated in a very casual manner that ‘no application has been received from the office of Textile Commissioner so far’.

2.21 Since TWRFS is a central scheme, the Committee enquired as to why the Textile Commissioner did not suo-motu enroll the workers after the jute mills were declared closed. The Ministry replied as under:

‘Under the TWRF Scheme, the eligibility of mills of textile units is defined as below:

1. This Scheme applies to such textile unit which is either licensed under industries (Development & Regulation) Act, 1951, or registered with the Textile Commissioner as medium scale unit.

2. Such unit should have been completely closed, meaning that its production had come to a complete grinding halt after 05.06.1985.
3. In addition, such a unit should have been declared as closed unit under Section 25(O) of the Industrial Disputes Act, 1947, or alternatively, an Official Liquidator should have been appointed under Companies Act, 1956, for the purpose of winding up of the unit.
4. An illegal strike by workmen, as defined in the Industrial Disputes Act, 1947, leading to the closure of the mills either Section 25(O) of the said Act, 1947, or by an Order of the High Court upon which an Official Liquidator should have been appointed, would not entitle the workmen to relief under the Scheme.

As may be seen from the above, jute mills can be considered under TWRF Scheme. However, in order to provide relief to the workers, they need to be declared closed under Section 25(O) of the Industrial Disputes Act, 1947 by the State Governments. At present none of the mills have been declared closed under Section 25(O) of the Industrial Disputes Act and hence the information is Nil.

The question of proactive functioning of the Office of Textile Commissioner does not arise as the initial step is required to be undertaken by the State Government under the ID Act before the Office of the Textile Commissioner comes into the picture.'

Use of Safety Equipments by Workers:-

2.22 In the course of their study visit to some private jute mills in Kolkata, the Committee were shocked to see hazardous and stifling working conditions of the workers. The age old machinery, used in the mills, that rattle noise crossing standard decibel norms, apart from creating deafening noise, pose a serious threat to the lives of poor and hapless workers in absence of any proper safety equipments. Yet, another more hazardous aspect of the working condition of the Jute workers is that the jute fibre particles present in the air and inhaled by the workers affect their lungs badly. The Committee were astounded to find that in such extremely hazardous condition not a single worker was found using any safety equipment viz., helmet, mask, handgloves, safety jackets etc. The workers even informed the Committee that they `have not been provided any safety equipments by the mill management`.

The Committee find that the jute mill owners are blatantly violating the statutory norms on safety and health of the workers due to inaction on the part of the Regional Labour Commissioners and apathetic attitude of the Government.

The Committee, therefore, strongly recommend that all the Regional Labour Commissioners of the States where jute mills are situated, be asked to carryout inspections in each jute mill with immediate effect and prepare a fact finding report in the matter within a month and submit the same to the Chief Labour Commissioner recording clearly the nature of violations. The Committee further recommend that all the RLCs undertake inspections of each jute mill under their jurisdiction to ensure proper use of safety equipments by the workers followed by periodic visits so as to ensure that the prescribed safety norms are in place and strictly adhered to. The Committee further feel that there is an urgent need to review and amend the Labour Laws so as to ensure effective

implementation of the statutory safeguards extended to the labour. The Committee would like to be apprised of the concrete action taken and progress made in the matter.

Payment of Statutory Dues of Workers:-

2.23 The Committee are pained to note that the Ministry of Labour and Employment have virtually and time and again failed in extending social security benefits to the workers of jute mills in West Bengal due to which they have to take recourse to strikes per force every year. Crores of rupees of workers are pending recovery from jute mill owners/management under PF and ESIC. The position regarding payment of gratuity and DA to workers is all the more shocking as more than 200 crore rupees are pending as old dues. The more unfortunate part is that even the Ministry of Labour and Employment do not have exact records of these statutory dues of workers, some of which are even 10 years old. This raises a serious question over the efficacy of the functioning of the offices of the Chief Provident Fund Commissioner, DG, ESIC and Chief Labour Commissioner. Obviously, the workers

are forced to go on strikes every now and then when the law enforcement machinery abdicates its responsibility or fails to uphold the law. The Committee, therefore, strongly recommend that a mill-wise assessment of the dues of workers be undertaken with immediate effect and the recovery process, wherever applicable, be started simultaneously. To overcome the paucity of funds with the mill owners, if any, a mechanism could be devised to provide soft loans to the mills strictly for the purpose of settling dues of the workers. The entire exercise must be completed within a definitive time-frame but not exceeding six months.

The Committee also recommend that all the departments/agencies of Central Government, *viz*, Jute Commissioner, Textile Commissioner, Chief Provident Fund Commissioner, DG, ESIC and Chief Labour Commissioner (Central) should compulsorily meet, along with the officials of State labour departments, atleast in every six months, to discuss and resolve the issues pertaining to the jute growing farmers, workers engaged in the Jute mills and the mill owners. A report on issues raised, discussion held and

the action taken/ proposed to be taken in every such meeting should invariably be furnished to and monitored by both the Ministries at highest level regularly till the problems of Jute Industry persist.

Problems of Dwelling Space for Workers:-

2.24 The Committee observe that jute workers are living in very pitiable conditions. They are even deprived of basic amenities like drinking water, electricity, toilets etc. and their living areas are unhygienic and grossly unfit for human habitation. More so, the workers are forced to live in shifts due to space constraint. Though several developmental schemes for jute sector have been launched by the Government from time to time yet the issue of dwelling space for jute mill workers has never been addressed. After Committee's intervention in the matter, the Government, however, furnished details of a scheme, implemented from 1st April, 2010, which covers 'Sanitation, health facilities and working conditions in the mill sector' as one of its components. The Committee find that even this scheme does not

address pinpointedly the issue of providing dwelling space to the workers. The Committee, therefore, strongly recommend that specific guidelines be issued to each mill owner/management asking them to provide space for construction of dwelling units for their workers out of the surplus land available with the mills. To help the mill owners in their endeavour to do so, a well devised central scheme could be launched with a suitable component of financial assistance to the mill owners who undertake construction of dwelling units for the workforce. By constructing suitable multi storey dwelling units, the problem of a clean and hygienic living area for the workers can be addressed to a large extent. Such a step will also benefit the mill owners as well as it would minimize the cases of absenteeism, late coming and illness of the workers.

Textile Workers' Rehabilitation Fund Scheme (TWRFS):-

2.25 The Committee observe that not even a single worker of the closed jute mills has been provided with any financial benefit under the Textile Workers

Rehabilitation Fund Scheme. The insipid explanation furnished by the Ministry was that no application had been received in this regard from the office of Textile Commissioner. Further, when the Committee sought to know why suo-motu action was not taken by the office of Textile Commissioner in the matter, the Ministry replied that 'at present none of the jute mills have been declared closed under sector 25(O) of the Industrial Disputes Act and hence no relief has been extended under the scheme'. The Committee find such an attitude of the Ministry irresponsible and anti worker. It is a hard fact that a large number of jute mills have undergone closure since the launch of the scheme and the workers have been rendered jobless. The Committee feel that the very purpose of launching TWRFS is defeated if workers do not get the intended relief under it. The Committee strongly feel that relief to workers ought to be provided immediately after the closure of a mill so as to enable them to feed their families without any difficulty. The Committee, recommend that guidelines of the TWRFS be amended and the requirement of permission under section 25(O) of the Industrial Disputes Act, 1947 be done away with.

The Committee are of the view that senior officers from the office of Textile Commissioner should visit the mill which is declared closed and after due verification, the approval for disbursement of relief to its eligible workers must be given expeditiously but preferably within three months positively. The Committee further recommend that for any undue delay in disbursement of relief, personal responsibility of the concerned officer must be fixed. The steps taken in this direction and the progress made be intimated to the Committee within a period of six months.

Issuance of Identity Cards:-

2.26 The Committee find that the jute mill workers have not been provided any identity proof by the mill owners. Further, the workers are also not shown their service records and details of their contributions to the social security funds viz., PF and ESI. By doing so, the workers are kept in the dark thereby depriving them of their statutory dues after retirement. The Committee believe that this is done deliberately by the mill owners so as not to pay their statutory contribution to the

social security funds. The Committee, therefore, recommend strongly that this be enquired into without any loss of time by the office of Chief Labour Commissioner. While making mill-wise assessment of PF and ESI dues, it should simultaneously be ensured that each worker, whether permanent or casual or on contract, is issued identity card by the respective mill owner. The office of the Chief Labour Commissioner should also give specific instructions to all the mill owners that the service records of every worker be shown and verified by the individual at least once in a year. Further, in order to ensure strict compliance, penal action must be taken against defaulting mill owners. The Committee would like to be apprised of the action taken indicating the details of the mills who have taken satisfactory corrective action and the defaulter mills.

Chapter-III

Industrial Growth vis-à-vis implementation of Technology Mission on Jute:-

The Committee have been informed that a total number of 15 Jute mills are lying closed as on date including six mills of JMDC. The term “closed” here means discontinuance of operation and Not declared closed under Sec. 25 of ID Act.

3.2. State wise list of the closed jute mills as furnished by the Textiles Ministry is as under:

A. MILLS IN WEST BENGAL

SL. NO.	NAME OF THE JUTE MILL	DATE OF CLOSURE
1	NJMC-NATIONAL	17.02.2003
2	NJMC- KINNISION	26.03.2004
3	NJMC-KHARDAH	26.03.2004
4	NJMC-ALEXANDRA	01.09.2002
5	NJMC-UNION	11.03.2003
6	KANORIA	25.04.2004
7	SOORAH	29.03.2004
8	GOURIPORE	04.09.1998
9	NUDDEA JUTE	22.01.2005
10	North Brove	June 2010

B. MILLS IN UTTAR PRADESH

SL. NO.	NAME OF THE JUTE MILL	DATE OF CLOSURE
11	KANPUR Udyog	13.04.1987
12	KANPUR JK	Nov/ Dec.2009

C. MILLS IN ANDHRA PRADESH

SL.NO	NAME OF THE JUTE MILL	DATE OF CLOSURE
13	CHITTAVALSHAH JUTE MILL	19-04-2009

D. MILLS IN BIHAR

SL.NO	NAME OF THE JUTE MILL	DATE OF CLOSURE
14	RBHM NJMC	24-03-2004

E. MILLS IN CHHATTISGARH

SL.NO	NAME OF THE JUTE MILL	DATE OF CLOSURE
15	MOHAN JUTE MILL	20-12-2008

3.3 Out of the total mills closed, 11 mills are permanently closed for more than five years, four mills have been closed within the last two years, one in 2008, two in 2009 and one in June, 2010.

3.4 Whether the Ministry of Textiles have conducted any survey regarding viability of the closed jute mills, the Ministry stated that 'no viability study in respect of private mills have been conducted'.

3.5 The Committee observe that out of six mills in public sector, under NJMC, there is a proposal to revive 2 mills in west Bengal i.e Kinnision and Khardah and one jute mill viz. RBHM, Katihar in Bihar. The Cabinet approved the revival plan of the three mills viz. Kinnision, Khardah and RBHM through NJMC and closure of the remaining three mills.

3.6 The Committee when sought views of the Ministry on taking over of closed private viable units by the Government under public sector for their revival, the Ministry replied as under:

‘Under the present liberalized regime, industrial units need to run on economic and viability criteria. The private mills wherever viable are being revived by their private owners. Considering the resource constraints with the Government, it is not feasible to nationalize private mills. As far as Government mills are concerned, the Government is attempting to revive the viable mills’.

3.7 The Committee also desired to know the percentage utilization of installed capacity in each of the 78 functional jute mills in the country. The Ministry furnished the following information:-

SL.No.	Name of the Mills	Capacity Utilization in %
1.	Agar para	91.2
2.	Alliance	93.8
3.	Ambica	60.9
4.	Anglo India	60.2
5.	Angus	80.5
6.	Aruna	62.5
7.	Assam Co-op	59.8
8.	Auckland	88.9
9.	Bally	74.1
10.	Baranagar	65.8

11.	Bharat	83.0
12.	Birla	89.1
13.	Bobbilli	59.9
14.	Bowreah	69.6
15.	Budge Budge	87.2
16.	Calcutta	55.9
17.	Caledonian	88.2
18.	Champdany	87.8
19.	Cheviot	116.7
20.	Dalhousie	106.5
21.	Delta	63.5
22.	East Coast	67.1
23.	East India	86.0
24.	Eastern	80.8
25.	Empire	71.6
26.	Ganges	87.8
27.	Ganges Jute Pvt.	72.6
28.	Gloster	109.2
29.	Gondolpara	72.8
30.	Hastings	89.3
31.	Hooghly	60.6
32.	Howrah	96.6
33.	Hukumchand	66.6
34.	India	70.5
35.	J.K.	57.3
36.	Jagatdal	87.7
37.	Kamarhatty	61.7
38.	Kanknnarra	62.7
39.	Kamakshi (new composite mill)	76.0
40.	Katihar (Sun Bio Lid)	58.2

41.	Kelvin	81.9
42.	Konarak	52.0
43.	Ludlow	76.9
44.	Mahabir	57.4
45.	Mangalpur	65.0
46.	Megna	73.2
47.	Naffarchandra	74.2
48.	Naihati	96.0
49.	Nellimarla	62.9
50.	New Central	50.2
51.	Northbrook	95.6
52.	Prabartak	84.4
53.	Premchand	79.8
54.	Rameswara	99.8
55.	Reliance	97.4
56.	Samnnuggar	109.3
57.	Sree Bajrang	95.2
58.	Mahadeo	68.4
59.	Gouri Shankar	96.2
60.	Tepcon	68.3
61.	Tirupati	68.0
62.	Titaghur	69.3
63.	Tripura	11.3
64.	Victoria	89.5
65.	Vijaishree	70.9
66.	Waverly	61.1

3.8 On the question of any proposal regarding monitoring mechanism of its own to detect sickness in jute mills at incipient stage, the Ministry replied in the negative.

3.9 As regards the reasons for not having any monitoring mechanism to detect sickness in jute mills, the Ministry replied as under:-

‘Under the present liberalized regime, industrial units need to run on economic and viability criteria. The private mills wherever viable are being revived by their private owners. The Government on the other hand can intervene only at the macro level, i.e. creation and development of market, improving the efficiency and reduction of costs. For this purpose, the Government of India has launched a large number of Schemes/policy initiatives for jute mills to run in a viable manner. Under the Jute Packaging (Compulsory Use in Packing Commodities) Act, 1987 the reservation of certain commodities for packaging in jute is mandated to sustain demand. Under Jute Technology Mission, the mills are being provided assistance for modernization, processing improvements, improving efficiency as well as market development. It is not feasible for the Government to handhold individual private jute mills to operate in an economically viable manner.’

3.10 The Committee find that obsolete technology, old machinery, lack of optimum utilization of installed capacity, defunct procurement policies of the Government, poor industrial relations etc are some major agents obstructing the growth of entire jute sector in the country.

In this connection, the Committee enquired about the steps taken/proposed to be taken by the Government to overcome these problems so as to ensure sustainable and inclusive growth of jute sector. The Ministry replied that several schemes were launched by the Government to overcome the problems grappling the jute sector. However, most of these schemes either failed or were dropped due to their slow progress. The details of these schemes including the schemes which are currently being implemented in jute sector are as under:-

Sl. No.	Name of the Scheme & Objective	Year of origin	Fund allocated	Fund Utilized	Reasons for failure / slow uptake
	Past Schemes				
	<i>Jute Modernization Fund Scheme (JMFS)</i> Scheme objective: Long Term loans for Renovation, Modernization, rehabilitation and Diversification.	1985	Rs.150 Cr.	51.73 Cr.	(i) The jute industry's pre-occupation with traditional products like sacking and Hessian had little scope for search of any modern spinning and weaving machinery. (ii)The accumulated financial losses of many jute mills made them ineligible for banking finance till such time a rehabilitation-cum-modernization package was approved by the BIFR.

Sl. No.	Name of the Scheme & Objective	Year of origin	Fund allocated	Fund Utilized	Reasons for failure / slow uptake
2	<p><i>Special Jute Development Fund (SJDF)</i></p> <p>OBJECTIVE :</p> <ul style="list-style-type: none"> • Development of raw jute sector • Promotion of jute industry • Labour welfare • R&D efforts for modernization • Promotion of jute diversification. 	1985	Rs. 100 Cr.	35.21 Cr.	<p>IJIRA and other Textile R&D institutions have been assisted under the scheme to take up jute related R&D activities relevant in the context of Government's Multi Fibre Policy. The SJDF has helped in the promotion of the use of Jute Yarn and Jute Fabric in the Handlooms/Power looms/Small Scale Sectors for production of jute based textile items and a wide range of consumer utility items.</p>

Sl. No.	Name of the Scheme & Objective	Year of origin	Fund allocated	Fund Utilized	Reasons for failure / slow uptake
3	<p><i>UNDP Assisted National Jute Development Programme</i></p> <p>The programme was approved by GOI with counterpart funding of Rs. 58 Cr. Altogether 26 projects were sanctioned under this programme, pertaining to R & D for new JDP, HRD, retting & ribboner development, market development strategy and development of NCJD to run the Jute Entrepreneurs Assistance Scheme (JEAS).</p>	1992	US\$ 23 million (GOI – 58.0 cr.)	US\$ 18.23 million (GOI-44.8 Cr.)	<p>The UNDP programme suffered from several weaknesses like:</p> <p>(i) Absence of scheme for genetical engineering including gene tagging, ribboning m/c design, enzyme treatment etc,</p> <p>(ii) Inadequate expansion of JEAS credit facility, and</p> <p>(iii) Lack of proper information network and other dissemination mechanisms to improve institutional linkages and information flows among participant in the jute industry.</p>

Sl. No.	Name of the Scheme & Objective	Year of origin	Fund allocated	Fund Utilized	Reasons for failure / slow uptake
4	<i>Sub-programme on jute under fibres and handicrafts programme of CCF-1.</i> The activities under this programme have been formulated to be built with a thrust on small –scale entrepreneurship and micro-enterprises.	2000	Rs. 9.12 crores	Rs. 4.42 Cr.	The CCF-1 programme was a small programme with a meager allocation of Rs. 9.12 crores. The programme was confined to the decentralized sector leaving aside the organized sector entirely.
5	JMDC Incentive scheme for the modernization of the Jute Industry (ISMJI): Objective: To speed up modernization and up-gradation of technology in jute mills.	2002	No fund allocated specifically for the scheme	21.64 Cr.	Low ceiling of incentive hampered progress. Further, lack of availability of modern technology machinery is another reason.

PRESENT SCHEMES:

Sl. No.	Name of the Scheme	Year of origin	Fund allocated	Fund Utilized	Reasons for failure / slow uptake
	<i>Present Scheme</i>				
6	Technology Up-gradation Fund Scheme (TUFS): Introduced to provide an interest subsidy of 5% on borrowed capital from financial institutions and banks for selective machinery intended for modernization of textile and jute industry.	1999-2000	No fund allocated specifically for the scheme	19.38 Cr.	Most banks do not exhibit an interest in extending loans to the jute industry for historically poor financial credibility. However, the matter has been taken up with the banks and mills having requisite financial strength are taking up the incentives being offered under the scheme.
7	Scheme Acquisition of Machinery & Plant of Jute Technology Mission	2007 onwards	80 Cr	23.9 Cr.	Reason for slow uptake was that the low ceiling on subsidy of Rs 75 lakh per mill imposed a restriction in modernization projects of individual mill. The ceiling is now raised to Rs 3.5 Cr per mill and encouraged large scale modernization initiatives.

Sl. No.	Name of the Scheme	Year of origin	Fund allocated	Fund Utilized	Reasons for failure / slow uptake
8	Scheme for Development of Jute Machinery 10 new technology machines are to be developed by Centre for Jute Machinery Development (CJMD) and through individually sponsored machinery development programme.	2007 onwards	28 Cr	13.5 Cr	The individually sponsored machinery development programme has not taken off due to lack of response from the machinery manufacturers/ developers. New initiatives are being taken to directly approach globally renowned manufacturers of textile machinery to take up necessary developments in jute machinery.

3.11 The Committee further asked as to why the entire jute sector is still plagued with obsolete technology and old machinery despite the launching of aforesaid schemes for its modernization since the year 1985. The Ministry replied as under:

‘The jute sector has improved in recent years as more than Rs 600 crore has been invested for modernization in last 10 years through GOI sponsored schemes. Under the JTM, the process is being accelerated and in coming years more such investments are likely to take place. The reason for slow adoption and failure of past schemes has already been provided. One major reason for lackluster response to modernization incentive is due to the Government policy of protected market (by way of 100% reservation given in the past) and Administered price system for Government supplies, which has created a monopolistic situation with no incentive to modernize.’

Jute Packaging Materials (compulsory use in packing commodities) JPM Act, 1987

3.12 The Committee find that Jute Packaging Materials (compulsory use in packing commodities) Act, 1987 was enacted by the Government to provide protection to the jute industry. Under the Act, packaging of certain commodities for export has been exempted. Small, consumer packs of 25 kilograms and below and bulk packaging of more than 100 kilograms have also been exempted keeping in view the consumer preference. In the current jute year, 100% reservation has been mandated for packaging of only foodgrains and sugar. The Committee also notice that earlier packaging of cement and fertilizer were also compulsory under the JPM Act. Cement and Fertilizer were removed from Compulsory Packaging item list in the years 1998 and 2001 respectively due to complaints of manufacturers of cement and fertilizers. The manufacturers of cement and fertilizers were facing problems of seepage and moisture absorption due to packaging in jute bags.

3.13 The Committee desired to know the difficulties being faced by the Government in ensuring 100% replacement of the synthetic/poly packs by jute. The Ministry informed that price and supply bottleneck are the main difficulties in replacement of synthetic by jute. At present price of a jute bags is Rs. 28/- against Rs. 16/- per synthetic bag. Demand from the foodgrains, sugar and other sectors have increased substantially. The production of the jute industry has remained more or less stagnant.

3.14 The Committee came to know that the orders issued under clause 3(1) of the JPM Act, 1987 with regard to the coverage of commodities to be considered for compulsory packaging are reviewed annually. The Committee desired to know the objective behind reviewing these orders annually. The Ministry informed as under:

‘Clause 5 of the Jute Packaging Material (Compulsory Use in Packaging Commodities) Rule, 1987 stipulates that Standing Advisory Committee shall meet at least once a year to review the commodities or class of commodities or percentage thereof

required to be packed in jute packaging material under section 3 of the JPM Act, 1987.

The Standing Advisory Committee constituted under section 4(1) of the JPM Act submits its recommendations to the Central Government, after considering the following matters:-

- (a) the existing level of usage of jute material;
- (b) the quantity of raw jute available;
- (c) the quantity of jute material available;
- (d) the protection of interests of persons engaged in the jute industry and in the production of raw jute;
- (e) the need for continued maintenance of jute industry;
- (f) such other matters as the Standing Advisory Committee may think fit.

The objective behind the annual review is to examine the demand, supply position of each year, and to determine level of reservation that on one hand protects the interest of farmers and persons engaged in jute industry, and on the other hand, does not adversely impact the economy and supply chain of commodities.'

3.15 Regarding inclusion of certain items like foodgrain, sugar etc. for compulsory packaging on permanent basis under the JPM Act, 1987 in order to boost the confidence of Jute manufacturers, the Ministry responded as under:

'Under the liberalized regime, jute manufacturers should not expect perpetual protection. Annual review is mandated by the Jute Packaging Material (Compulsory Use in Packaging Commodities) Rule, 1987 and going on since inception of the Act. Over the last 23 years protection has been given to the jute sector under the Act. A permanent reservation would be counter-productive as it would give permanent monopoly to the jute industry, which in turn may harm the economy of the commodities so packed compulsorily in jute.'

3.16 The Committee desired to know whether any R&D activities are being undertaken by the Government to improve the quality of 'Jute' as a packaging material so as to make it suitable for packaging of cement, fertilizers and other such commodities. The Ministry stated that 'Government does not directly carryout R&D. It funds through its agencies. No R&D project for improving the quality of jute has been undertaken through this Ministry.'

3.17 The reasons for not conducting any R&D activities, the Ministry replied as under:

'Packaging is the mainstay of Jute. As per provisions of the Mandatory Jute Packaging Materials (MJPM) Act, a certain percentage foodgrains and sugar decided every year are to be packed in jute packaging material manufactured in India from jute produced in India. During the last few years, it is seen that the demand of jute packaging material from the currently reserved commodities (foodgrain & Sugar) is sufficient to consume the jute produced. Therefore, further expansion of packaging products is not a priority.'

3.18 Regarding the monitoring mechanism in place to ensure 100% compliance of the Act, the Ministry replied that in exercise of the powers conferred by Section 13 of the JPM Act, 1987, it has issued an Order dated 02-07-2002 delegating powers under sections 6, 7 & 8 of the JPM Act to the Jute Commissioner and other officers of his office, Joint Secretary (Policy), MCAF&PD and Chief Director (Sugar), Department of Food. Section 6 provides – Power to call for information and samples, Section 7- Power to enter and inspect & Section 8- Power to search and seize.

3.19 At present, jute industry, which is a schedule industry under Industries (Development and Regulation) Act, 1951, generates funds around Rs. 7000 crore annually through packaging material sales. Further, this sector has huge potential in the wake of jute diversification.

3.20 The Committee note that the Government is focusing on the diversification part of jute since last few years and relevant components are being suitably incorporated into the developmental schemes pertaining to the jute sector. At present around 1600 thousand metric tonnes of jute goods are produced every year. The Committee were informed by the Ministry that major areas of diversification in the jute sector are small-capacity carry bags (for mass consumption), Home-textiles (Floor Coverings, Wall Hangings, etc.), Jute and Jute blended fabrics (serving mainly as decorative fabrics), Food Grade Jute bags, Jute Geotextiles, Jute Composites and Particle Board. Production of all these diversified products in volume works out to 176 thousands metric tone. This works out to 11% of total jute goods production.

TRADE MARK:-

3.21 In response to a query regarding developing a trade mark for quality jute products, the Committee were informed that ‘the Government of India intends to develop Eco-labelling for jute products, namely : (i) Yarn (ii) Hessian (iii) Hydrocarbon-free quality Jute Hessian Bag iv) Floor Covering, (v) Jute Geotextiles (woven & non-woven) and (vi) Shopping Bags.’

3.22 The Ministry further stated that to establish eco-labeling and disposal protocols of jute products, National Jute Board is in the process of engaging competent Agencies / Consultants who will facilitate development of suitable protocols, practices to be adopted by the jute industry for their jute products to be labeled as “Eco-friendly (Eco-labelled)”.

The Terms of Reference (TOR) for engagement of such Agencies / Consultants have already been prepared and a global tender has been floated inviting suitable offers from the international agencies / consultants. The terms of reference include:

- 1: Validation of the existing criteria document against existing international protocols
- 2: Establishment of an Eco-labelling Body to apply and register Eco-label
- 3: Establishment of testing facilities for Eco-labelling the Jute products

4: Sensitizing Indian Jute goods manufacturers about Eco-label, licensing process and benefits

5: Sensitizing national and international institutional Jute goods buyers about Eco-labelled Indian jute goods and their disposal protocols.

The Ministry further stated that the matter for selection of agency is in the process.

Technology Mission on Jute

3.23 The Government, on June 2, 2006, approved the Jute Technology Mission (JTM) keeping in view the growing contribution of the industry to the economy. JTM is likely to benefit jute growers, the workers engaged in this sector, jute entrepreneurs and other employed in related activities. JTM has four mini-missions constituents. The Department of Agricultural Research & Education, Ministry of Agriculture, launched the Mini Mission I of the JTM on November 9, 2006. Department of Agriculture & Cooperation, Ministry of Agriculture, launched the Mini-Mission II of JTM on December 21, 2006. The Mini Mission III & IV of JTM were launched by the Ministry of Textiles on February 6, 2007.

The Jute Technology Mission (JTM) will be executed during the XIth five year Plan with an overall outlay of Rs. 355.56 crore. The objectives of JTM are:

- To improve yield and quality of jute fibre;
- To strengthen existing infrastructure for development and supply of quality seeds;
- Improvement of quality of fibre through better methods of retting and extraction technologies;
- To increase the supply of quality raw material to the jute industry at reasonable prices and to develop efficient market linkage for raw jute;
- To modernize, technologically upgrade, improve productivity, diversify and develop human resource for the jute industry and

- To develop and commercialise innovative technology for diversified use of jute and allied fibres.

The objectives and outlay of Jute Technology Mission are given below:-

Mini Missions	Objectives	Executing Ministry	Proposed Outlay (Rs. in crores)
Mini Mission-I	To strengthen agricultural research and technology achievements	Ministry of Agriculture	7.06
Mini Mission-II	Development/extension of raw jute and transfer of improved technology	Ministry of Agriculture	49.90
Mini Mission-III	To develop efficient market linkages for raw jute	Ministry of Textiles	56.60
Mini Mission-IV	To modernize, technologically upgrade, improve productivity, diversify and develop human resource for the jute industry	Ministry of Textiles	242.00
	TOTAL		355.56

3.24 The Committee enquired about the details of financial and physical targets, their actual achievements and the reasons for shortfall. The Ministry submitted as under:

'The Government of India launched Jute Technology Mission (JTM) spanning a period of 5 years, during the 11th Five Year Plan period (2007-08 to 2011-12). The initial year 2007-08 was required mainly to frame the rules, procedures and guidelines for implementing the nine schemes under the MM IV. The implementation effectively commenced in 2008-09 onwards, but the progress was again hindered by the strike in the Jute industry in 2009-10. NJB is in the process of engaging an independent agency to make a mid-term appraisal of the implementation'.

FINANCIAL ACHIEVEMENTS
SCHEME-WISE EXPENDITURE OF JTM MM-IV FUNDING

Sl.No.	SCHEMES	Approved Fund for Total Mission Period (2007-12)	FUND UTILISED			
			Total 2007-08	Total 2008-09	Total 2009-10	Cumulative TOTAL
			Rs./Crore	Rs./Crore	Rs./Crore	Rs./Crore
6	SCHEMES FOR MODERNISATION OF ORGANISED JUTE MILLS					
6.1	Training of Workers & Supervisors	4.50	2.00	0.77	0.50	3.27
6.2	Machinery Development	28.00	0.08	5.75	7.62	13.45
6.3	Productivity Improvement & TQM Facilitation	6.00	0.04	0.12	1.00	1.16
6.4	Acquisition of Machinery and Plant (subsidy)	80.00	5.86	7.46	11.24	24.56
	TOTAL (6)	118.50	7.98	14.10	20.36	42.44
7	SCHEMES FOR PROMOTION OF JUTE DIVERSIFICATION					
7.1	Design and Development of JDP	14.00	2.20	2.56	1.52	6.28
7.2	For helping the NGOs and WSHGs for developing JDPs	17.00	0.38	1.52	1.79	3.69
7.3	Scheme for Promotion of Jute Diversification:	23.52	1.97	5.21	4.91	12.09
7.4	Scheme for Commercialization of Technology	1.00	0.00	0.00	0.00	0.00
7.5	Scheme for setting up Jute Parks for the Diversified sector	60.00	0.06	0.83	1.50	2.39
	TOTAL (7)	115.52	4.61	10.12	9.72	24.45

	Total Mini Mission-IV (Schemes)	234.02	12.59	24.22	30.08	66.89
	Administrative / Monitoring Expenses					
	JMDC		0.11	0.46	0.65	1.22
	NCJD		0.24	0.51	0.93	1.68
	Total Mini Mission-IV	234.02	12.94	25.19	31.66	69.79

3.25 The Jute Technology Mission documents do not prescribe scheme-wise annual physical targets. However, the Mission aims at raising the modernization of the Jute mills from its existing 30% level to 55% by the end of the JTM period. The Mission also aims at 15% rise in productivity level resulting in decrease of the man power requirement for the standard B Twill (665 gm) bags from the existing norms of 38.33 to 35 man days per MT. Status of implementation of schemes under Mini Mission IV of JTM and functional bearing of the schemes implemented on the Jute Industry and the Jute Sector is furnished below:

PHYSICAL ACHIEVEMENTS

Sustainable Human Resource Development in Jute Mill Sector (Scheme 6.1)

- (i) Since inception training has been imparted to 2691 Master trainers and Supervisors in 28 jute mills, 191 Maintenance Workers in 14 jute mills and 7856 Workers in 21 jute mills, i.e. 10,738 trained in all. These Master Trainers and Supervisors have already trained a further 8957 workers; by the end of the Mission period a total of 25,000 MTs, Supervisors, etc. will have been directly trained and a sustainable cycle of training established.

Development of Jute Mill Machinery (Scheme No.6.2)

- (ii) A Centre for Jute Machinery Development (CJMD) under PPP mode has been established to develop 3 identified machines viz. Carding, Drawing and Spinning for jute industry.

Productivity Improvement & TQM Facilitation (Scheme No.6.3)

- (iii) The scheme to improve productivity and to establish Total Quality Management (TQM) facilities in the jute industry has been provided under Mini Mission – IV of the JTM with NJB as facilitating agency of the scheme. The identified areas of operation (i) Productivity Improvement & TQM Facilitation (ii)

Total Quality Management, (iii) Energy Management (iv) Waste Management (v) Maintenance Management (vi) Work Study & Ergonomics. To facilitate these studies, NJB has engaged 4 National level reputed Agencies / Institutions to conduct the studies under the scheme and implement recommendations in selected 6 jute mills.

Modernisation and Upgradation of Technology in Jute Mills – Capital Subsidy (Scheme No.6.4):

- The upper limit of the subsidy has been raised to Rs. 350 lakhs per mill for the existing units and Rs.400 lakhs for mills at North Eastern States and for setting up new unit.
- Since inception (1st March, 2007), 107 claims were settled and subsidy of Rs.25.30 crores has been released against investment for modernization of Rs.126.54 crores all over India.
- 76.87% % of the investments have been for Mill-side machinery meant for preparatory to spinning and winding processes. 20.51% of the investments have been for weaving to finishing processes of manufacturing. Remaining 2.62 % was for Material handling and other miscellaneous machinery.
- 56 units have so far availed the benefits under the scheme, which included 41 composite jute mills, 21 yarn & twine mills, 1 diversified jute product unit and 3 units in NER.

Design and Development of JDPs (Scheme No.7.1)

(iv) Total 18 R&D Studies on different aspects have been awarded to the following institutions

- Indian Institute of Technology, Kharagpur – 5 studies
- South India Textile Research Association, Coimbatore – 2 studies

- National Institute of Research on Jute and Allied Fibre Technology, Kolkata – 1 study.
- Indian Jute Industries Research Association, Kolkata – 6 studies
- Institute of Jute Technology, Kolkata – 4 studies

Helping NGOs and Women Self Help Groups (WSHGs) for developing jute diversified products (Scheme No.7.2):

(v)

- 22 NGOs have been identified
- 80 Clusters developed
- 530 Women Self Help Groups in 40 districts of 11 states imparted training to 6300 artisans on production of JDPs
- 182 Nos. machines were distributed to 87 Women Self Help Groups at total cost of Rs.14.03 lakh.

Scheme for Promotion of Jute Diversification (Scheme No.7.3)

(vi)

- 29 Jute Service Centres have been established
- 40 Jute Raw Material Banks have been established
- 794 training programmes were organized by Jute Service Centre benefiting 17000 artisans.
- 262 JDP, SHG units were setup.

Setting up of Jute Park (Scheme No.7.5)

(vii) In-principle approval has been accorded to 11 Jute Parks including 2 in NER. 1st installment of funds has been released to 3 Parks where construction has started. Procedural formalities for other Parks are in the final stages.

The reply related to Mini Mission – III is stated below:

SI No	Scheme	Target		Achieved	
		Physical (Nos)	Financial (Rs. in Lakh)	Physical (Nos)	Financial (Rs. in Lakh)
1	Scheme- I, Development of Market Yard	12	1220	7	700
2	Scheme- II, Construction of Departmental Purchase Centers	40	4400	20	2200
3	Scheme- III, Construction of Retting Tank	50+	500	34	154
4	Scheme- IV, Demonstration of Retting Technology	200	200	120	126
5	Scheme- V, Development of improved/ high speed Ribboner	Projects	160	2 projects in progress	94.50
	TOTAL		6480		3274.50

Modernization of jute mills:-

3.26 The Committee observe that the jute industry makes significant contribution to the country's economy and has good potential to propel it further. However, the jute industry is gripped with numerous problems. Some of the causes attributed are obsolete technology, old machinery, low productivity of both machine and labour due to lack of modernization, underutilization of installed capacity, poor or no Research & Development; absence of any brand image for jute, non-formulation of need based wage structure, large scale sickness, increase in the cost of inputs, poor industrial relations etc. The Committee find that, as on date, there are 78 jute mills in the country, out of which the Government could furnish details of capacity utilization of only 66 mills. The data regarding the rest is said to be under collection on the query of the Committee. The capacity utilization in most of these 66 mills is between 50 to 83 per cent only. The Committee further find that though modernization of mills is one of the issues incorporated in Jute Technology Mission, yet implementation part of the JTM is so dismal as nothing significant has actually

been done so far for modernization of jute mills. As a large number of mills have been closed year after year for one reason or the other, it is imperative to ensure that the mills which are functional and are in production, utilize their optimum capacity. The Government cannot shrug off its responsibility for under-utilization of production capacity by the mills whether in public or private sector. The Committee, therefore, recommend that the hurdles in the development of jute sector be removed and a multi-pronged strategy be formulated for modernization of jute mills under JTM. Further, the norms under JTM be relaxed to the extent that maximum funds are availed of by the mill owners under JTM for modernization of their mills. The Committee further recommend that a mill-wise study be conducted to ascertain the actual requirement of funds by the mill owners for modernization. The Government may, thereafter, make available the required funds for the purpose under JTM, if need be. The Committee are quite optimistic that such efforts would not only go a long way in ensuring enhanced profitability of the jute

mills but also enable the mill owners to clear all the statutory dues of the workers in time.

Implementation of Jute Technology Mission (JTM):-

3.27 The Committee observe that the Government launched Jute Technology Mission in the year 2007 with the aim of modernization, diversification and overall development of the jute sector. The scheme is operationalised through four mini missions. Mini Mission I and II are executed through the Ministry of Agriculture whereas Mini Mission III and IV are implemented by the Ministry of Textiles. The Committee note that Rs. 64.80 crore and Rs. 234.02 crore under MMI and MMN respectively were approved for implementation of various projects/ Schemes during the entire XIth Plan period. The Committee find that the Ministry have not been able to achieve even 50 per cent of the physical and financial targets under both the Missions despite completion of three and half years of the XIth Plan period. The Committee find it quite shocking that under some schemes of Mini Mission IV viz., commercialization of technology, setting up jute parks for the diversified sector,

productivity improvement etc., the expenditure of funds is either nil or below 10 percent. The Ministry are now in the process of engaging an independent agency to make a midterm appraisal of the implementation status of various schemes under JTM. The Committee recommend that after getting the said appraisal report, the existing targets should be reviewed and set afresh in a realistic manner covering maximum number of beneficiaries in the remaining plan period. The Committee, while considering the significance of the Mission for the revival of jute sector, recommend that JTM be further extended to the 12th Five Year Plan and instead of setting cumulative targets for five years, yearly targets be fixed under each scheme for their effective implementation. Taking note of the poor implementation of the Mission, the Committee strongly recommend that a high level Monitoring Committee be set up to keep a strict and constant vigil over the implementation so that the targets stipulated are achieved within time.

Promotion of R&D Activities:-

3.28 The Committee observe that Research and Development in the Jute Sector is a *sine-qua-non* for quality improvement, particularly in the diversification zone. The Committee find that no R&D project has been undertaken so far, either by the Ministry themselves or through any expert agency. Moreover, the Ministry have not even incorporated R&D as a component under Mini Mission III and IV of JTM. The Committee find it quite strange as to how in the absence of any R&D, the Ministry can expect any tangible growth in the jute sector loaded as it is with obsolete technology. The Committee, therefore, recommend that R&D be introduced as one of the essential components under Mini Mission IV of the JTM with immediate effect and sufficient funds be allocated for the purpose. The Committee further recommend that proactive steps be taken by the Ministry for engagement of reputed institutions like Indian Institutes of Technology to find out ways and means for the development of jute sector. The Committee also desire that IITs and other technical institutions of repute may be approached to introduce 'Jute

Development Technology’ as one of the chapters in the already run textiles courses keeping in view the huge potential of this eco friendly and biodegradable fibre.

Trade Mark and quality assurance:-

3.29 The Committee also observe that the Ministry propose to develop eco-labelling for jute products namely (i) yarn (ii) Hessian (iii) Hydrocarbon-free quality jute hessian bag (iv) Floor covering (v) jute Geotextiles and (vi) Shopping bags. For the purpose, selection of competent agency/consultants is in process with the National Jute Board. The Committee appreciate the vision of the Ministry as such a step would definitely enable jute products to carve a niche in domestic as well as international market. However, the Committee find limiting the criteria of the eco-labelling to the aforesaid six categories of items unjustified. Also the marking of ‘quality assurance’ has not been included in the terms of reference of the eco-labelling body. The Committee, therefore, impress upon the Ministry that the scope for inclusion of new items introduced as a result of the R&D activities in diversification of jute products be kept open for eco-

labelling and all the labelled jute items be given subsidy to promote quality production and sale. The Committee also urge the Ministry to include marking of 'quality assurance' as part of the label. The Committee expect the Ministry to complete all the procedural formalities expeditiously but within a stipulated timeframe.

Revival of NJMC Mills:-

3.30 The Committee observe that out of the six closed jute mills of the National Jute Manufacturers Corporation (NJMC), the Government propose to revive three of them and necessary approval has since been obtained in the matter. However, the Committee do not find any valid reason as to why the rest of the mills under NJMC cannot be survived. Obviously, with the best of intention and dogged determination, the revival of six closed jute mills, on the lines of revival of sick mills of NTC (which has revived 40 of them) is not an uphill task. The Committee are of the considered view that opening of more NJMC mills will not only boost the growth of the jute sector but will also generate employment in the sector. The Committee would

therefore, like that a fresh revival plan be mooted for the remaining three NJMC mills on urgent footing. As regards, paucity of funds for revival of these mills, the Government may consider generation of funds through sale of surplus land and old machinery as has been done by the NTC. If more funds are required for the purpose, the Ministry of Finance could be approached for term loans. The Committee also desire that the entire process of revival/modernization of the already approved three mills be completed in a time bound manner and in no case dragged beyond XIth Plan period. The Committee also desire that the target may also be set for revival of the remaining three mills which have not been included in the ongoing revival scheme.

Revival of sick private jute mills:-

3.31 The Committee find that nine private jute mills are temporarily lying closed as on date besides 29 mills which have gone for permanent closure during the last five years. The major reasons attributed are financial sickness and workers unrest. The Ministry of Textiles launched eight schemes from 1985 onwards for the development of the sector, including TUFs. However, all these schemes resulted in complete failure and had to be withdrawn by the Government at different stages. Even the popular scheme like TUFs could not make any headway in the Jute sector as not a single rupee has been utilized under it. The Committee believe that all these schemes failed due to lack of focused approach and calibrated efforts on the part of the Government. The zero performance of TUFs which is one of the signature schemes of the Ministry itself speaks volumes about the Ministry's efforts in strengthening the jute industry. The Committee note that the Government neither have any mechanism to

detect sickness in the mills at incipient stage nor any viability study has ever been conducted for the purpose of reviving them. The Committee deprecate such languid approach of the Ministry towards such an important sector and recommend that the Jute Commissioner be entrusted with the task of conducting a viability study of all the nine mills in a time bound manner. Further, the mill-wise quantum of funds required for revival be assessed and accordingly a specific scheme be devised under which financial assistance on soft terms be provided to all the mill owners who come forward to revive/modernize their mills. The Committee also recommend that a monitoring mechanism be set-up in the office of Jute Commissioner to detect sickness in jute mills at initial stage and to suggest remedial measures. The steps taken and progress achieved in the matter be intimated to the Committee within six months.

Widening the purview of JPM Act:-

3.32 The Committee observe that jute packaging materials (compulsory use in packaging commodities) Act, 1987 was enacted by the Government to provide protection to the jute industry. At present, only foodgrain and sugar are under the purview of the Act. The Committee note that the orders issued under the clause 3(1) of the Act with regard to the coverage of commodities to be considered for compulsory packaging are reviewed annually by the Government. On one hand, the Committee have been apprised by the representatives of the industry that reviewing these orders every year leads to uncertainty about protection under the Act, while the Ministry feel that under the liberalized regime, jute manufacturers should not expect perpetual protection. The Ministry further stated that permanent reservation would be counterproductive as it would give permanent monopoly to the jute industry, which in turn may harm the economy of the commodities so packed compulsorily in jute. The Committee are not

convinced with the reason put forth by the Ministry that the jute manufacturers should not expect permanent protection since, in Committee's view, the very purpose of JPM Act is to protect 'Jute' as a packaging industry. The Committee also could not comprehend the contention of the Government regarding monopoly by the Jute Industry due to permanent reservation, keeping in view the fact that the Government themselves are the biggest buyers of the jute bags/sacks for packaging purposes and the prices are controlled and announced by the Jute Commissioner every year. The Committee deplore such a lopsided approach of the Ministry and recommend that at least packaging of food grain and sugar be made compulsory under the JPM Act so as to put an end to any speculation of volatility and to create an atmosphere of confidence in the jute sector. The Committee also recommend that keeping in view the huge potential and further scope for growth in production of jute, more commodities be brought under the purview of the JPM Act. The Committee also recommend the Ministry of Textiles to undertake R&D

activities to improve the quality of jute as a packaging material.

**New Delhi;
4 February, 2011
15 Magha , 1932 (Saka)**

**HEMANAND BISWAL,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR.**

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 18TH JANUARY, 2010.**

The Committee met from 1500 hrs. to 1630 hrs in Committee Room `E', Parliament House Annexe, New Delhi to have briefing by the representatives of the Ministry of Textiles on `Development of Jute Sector'.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri M. Anandan
3. Dr. Shafiqur Rahman Barq
4. Shri Sudarshan Bhagat
5. Shri Hassan Khan
6. Shri Kaushalendra Kumar
7. Shri Hari Manjhi
8. Shri P.R. Natarajan
9. Shri S. Pakkirappa
10. Shri Ramkishun
11. Shri Murari Lal Singh

RAJYA SABHA

12. Shri G. Sanjeeva Reddy
13. Shri Rudra Narayan Pany
14. Shri Rajaram
15. Smt. Renubala Pradhan
16. Shri G.N. Ratanpuri

SECRETARIAT

- | | | |
|------------------------|---|---------------------|
| 1. Shri Devender Singh | - | Joint Secretary |
| 2. Shri B.S. Dahiya | - | Director |
| 3. Shri Ashok Sajwan | - | Additional Director |

Witnesses

Ministry of Textiles

1. Smt. Rita Menon, Secretary
2. Shri Bhupendra Singh, Joint Secretary (Jute)
3. Shri Binod Kispotta, Jute Commissioner
4. Shri Atri Bhattacharya, Secretary, JMDC
5. Dr. R.C. Tiwari, CMD, JCI
6. Shri Manish Kumar Gupta, Director (Jute)

2. At the outset, the Chairman welcomed the representatives of the Ministry of Textiles and invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker, Lok Sabha. The Chairman, thereafter, expressed concern of the Committee over the dissatisfactory performance of entire jute sector and the inability of the Government to address the issues of workers in right earnest. He also observed that the ongoing strike in 52 jute mills in West Bengal had further worsened the situation. The Chairman then asked the Secretary to brief the Committee about the problems prevailing in jute sector and the steps taken by the Government for ensuring overall development and growth of the jute sector and for resolving the legitimate demands of the workers of the jute mills in West Bengal who are on strike.

3. The Secretary then briefed the Committee on the subject. A power point presentation was also given highlighting various facts about the jute sector and steps taken/proposed to be taken by the Government for growth of jute sector.

4. The Chairman and other members of the Committee, thereafter, sought clarifications on several points which *inter-alia* included:
- (i) To bring out some workable solution to end the ongoing strike in 52 jute mills in West Bengal.
 - (ii) To promote the use of jute products and simultaneously ban the synthetic/polythene material/items in the country.
 - (iii) To provide subsidy to jute sector as a whole.
 - (iv) Need for revival of the mills of National Jute Manufacturers Corporation.
 - (v) To popularize Technology Upgradation Fund Scheme specifically in the jute sector.
 - (vi) Need for concerted efforts by the Government to increase area under jute cultivation and per hectare yield.
 - (vii) Need to boost the exports by finding new markets worldwide.
 - (viii) To address all the issues/demands of workers of jute sector in totality and in right earnest.
 - (ix) Need to produce high yielding varieties of seeds of jute and to ensure sufficient supply of raw jute to the mills.
 - (x) To constitute the National Jute Board at the earliest.
 - (xi)I To explore the use/consumption of jute products in other areas also apart from their conventional use.
 - (xii) To bring more products under the JPM Act, 1987.
5. The Secretary and other officials then responded to the aforesaid queries of the Chairman/Members.

6. The Chairman expressed his thanks to the representatives of Ministry for giving free and frank replies on the subject. The Chairman also directed the Secretary to furnish written replies to the queries raised by the members which could not be replied during the meeting and also to the List of Points handed over to her during the meeting, at the earliest.

7. The Committee decided to have their next sitting on 28th January, 2010, to have briefing by the representatives of the Ministry of Labour and Employment on 'Welfare of Beedi Workers' and also on the 'Ongoing strike in 52 jute mills in West Bengal'.

A verbatim record of the proceedings was kept for record.

{The witnesses then withdrew}

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 28TH JANUARY, 2010.**

The Committee met from 1500 hrs. to 1700 hrs in Committee Room 'D', Parliament House Annexe, New Delhi to have briefing by the representatives of the Ministry of Labour and Employment on the subjects 'Welfare of Beedi Workers'; and 'Ongoing strike in Jute Mills in West Bengal'.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri M. Anandan
3. Shri Sudarshan Bhagat
4. Shri Hassan Khan
5. Shri Kaushalendra Kumar
6. Shri Hari Manjhi
7. Shri Ramkishun

RAJYA SABHA

8. Shri G. Sanjeeva Reddy
9. Shri Rajaram
10. Smt. Renubala Pradhan
11. Shri G.N. Ratanpuri

SECRETARIAT

1. Shri Devender Singh - Joint Secretary
2. Shri B.S. Dahiya - Director
3. Shri Ashok Sajwan - Additional Director

Witnesses

Ministry of Labour & Employment

- | | | |
|----|--------------------------------|--|
| 1. | Sh. Prabhat Chandra Chaturvedi | Secretary |
| 2. | Shri S.K. Srivastava | Additional Secretary |
| 3. | Dr. C.S. Kedar | Director General, ESIC |
| 4. | Shri Sharda Prasad | JS & Director General
Employment & Training |
| 5. | Shri S.K. Dev Verman | Joint Secretary |
| 6. | Shri Anil Swarup | JS & Director General
Labour Welfare |
| 7. | Shri N.K. Prasad | Deputy Chief Labour
Commissioner (C) |
| 8. | Shri Suraj Bhan | Economic Advisor |
| 9. | Shri B.K. Sanwaria | Welfare Commissioner
(HQ) |

2. At the outset, the Chairman welcomed Shri P.C. Chaturvedi, Secretary and other officers of the Ministry of Labour and Employment and invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker, Lok Sabha. The Chairman expressed concern of the Committee on the 'ongoing strike in 52 jute mills in West Bengal'. The Chairman then informed that the Committee has also taken 'welfare of beedi workers' as a subject for detailed examination and report considering the gross inadequacy of the welfare schemes run by the Government for ameliorating the conditions of the beedi workers.

The Chairman then asked the Secretary to brief the Committee on 'ongoing strike in jute mills in West Bengal' first and the steps taken by the Ministry of Labour and Employment in resolving the problem.

3. The Secretary then briefed the Committee on the ongoing strike by jute mills workers in West Bengal and the steps taken by the Government to address their demands and also efforts being made to bring out a workable solution to end the strike.
4. Thereafter, the Chairman and other members of the Committee, sought clarifications on several points concerning the strike by jute mill workers which were replied to by the representatives of the Ministry to some extent.
5. The Secretary then briefed the Committee on the subject 'welfare of beedi workers' and also made a power point presentation highlighting various facts and the schemes for the welfare of beedi workers and steps taken/proposed to be taken by the Government for their welfare.
6. The Chairman and other members of the Committee, thereafter, sought clarifications on several points which were replied to by the representatives of the Ministry.
7. The Chairman thanked the representatives of Ministry for giving free and frank replies on the subject. The Chairman also

directed the Secretary to furnish written replies to the queries raised by the members which could not be replied during the meeting and also to the List of Points handed over to him during the meeting, at the earliest.

8. Since the Committee found the deposition of the Secretary, Ministry of Labour and Employment in contradiction with the deposition made by the Secretary, Ministry of Textiles before the Committee on 18th January, 2010, in certain vital aspects with regard to the ongoing strike in jute mills in West Bengal, the Committee decided to hear the representatives of both the Ministries at their next sitting on 8th February, 2010. The Chairman accordingly directed for issue of notice.

Verbatim proceedings of the sitting was kept for record.

{The witnesses then withdrew}

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON 8TH FEBRUARY, 2010.

The Committee met from 1500 hrs. to 1630 hrs in Committee Room 'D', Parliament House Annexe, New Delhi to have further briefing by the representatives of the Ministry of Labour and Employment and Ministry of Textiles on 'Ongoing strike by workers in Jute Mills in West Bengal'.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri M. Anandan
3. Shri P. Balram
4. Dr. Shafiqur Rahman Barq
5. Shri Sudarshan Bhagat
6. Shri Hassan Khan
7. Shri Kaushalendra Kumar
8. Shri P. R. Natarajan
9. Shri S. Pakkirappa
10. Shri Ramkishun
11. Shri Chandu Lal Sahu
12. Dr. Kakoli Ghosh Dastidar

RAJYA SABHA

13. Shri G. Sanjeeva Reddy
14. Shri Rudra Narayan Pany
15. Shri Rajaram
16. Smt. Renubala Pradhan
17. Shri G.N. Ratanpuri

SECRETARIAT

1. Shri B.S. Dahiya - Director
2. Shri Ashok Sajwan - Additional Director

Witnesses

Ministry of Labour & Employment

1.	Sh. Prabhat Chandra Chaturvedi	Secretary
2.	Shri S.K. Srivastava	Additional Secretary
3.	Dr. C.S. Kedar	Director General, ESIC
4.	Shri Uday Kumar Verma	Central Provident Fund Commissioner
5.	Shri Sharda Prasad	JS & Director General Employment & Training
6.	Shri Anil Swarup	JS & Director General Labour Welfare
7.	Shri S.K. Dev Verman	Joint Secretary
8.	Shri S. K. Mukhopadhyay	Chief Labour Commissioner (Central)
9.	Shri S. K. Verma	Director (SS)
10.	Shri Rajiv Dutt	Financial Commissioner, ESIC
11.	Shri Arun Kumar	Director (Revenue), ESIC
12.	Shri Shankar Pathak	Director (HQ), EPFO

Ministry of Textiles

1.	Shri Bhupendra Singh	Joint Secretary (Jute)
2.	Shri S. S. Gupta	Joint Secretary (Parl.)
3.	Shri Binod Kispotta	Jute Commissioner
4.	Shri Manish Kumar Gupta	Director (Jute)

2. At the outset, the Chairman welcomed Dr. Kakoli Ghosh Dastidar, on her nomination by the Speaker, Lok Sabha to the Labour Committee for the remaining period of the term 2009-10.

3. The Chairman, then, welcomed the representatives of the Ministries of Labour & Employment and Textiles and invited their attention to the provisions contained in Direction 55(1) of the Directions by the Speaker, Lok Sabha. The Chairman observed that the ongoing strike by Jute Mill workers in West Bengal over the last 52 days had been engaging the serious attention of the Committee for quite some time past. He also observed that the Committee were greatly concerned and agitated and wanted early resolution of the problem so as to safeguard the interest of workers and the jute industry. The Chairman expressed the serious concern of the Committee over the approach of both the Ministries as they accepted only limited responsibility in ascertaining the causes and resolution of the strike and did little concrete except exchanging letters between them with the result the problem of jute workers and jute industry continued to elude solution. The Chairman further clarified that the Committee were interested in resolving the problems of jute industry and protecting the statutory rights of jute workers. He cautioned the Ministries that the Committee wanted their replies and action plan based on the principle of collective responsibility of the Government to Parliament.

4. The Chairman, thereafter, asked Joint Secretary, Ministry of Textiles to apprise the Committee regarding the specific action taken by them to resolve the problem of Jute mill workers in coordination with the Ministry of Labour.

5. The Joint Secretary, Ministry of Textiles informed the Committee about the current demands of Jute mill workers and action taken on the demands pertaining to his Ministry. He explained that majority of these issues needed to be addressed by the State Government of West Bengal being the appropriate Government and the Ministry of Labour & Employment at the centre.

6. The Chairman then asked the Secretary, Ministry of Labour to brief the Committee on the action taken by his Ministry on the demands of Jute mills workers and particularly the role played by the Chief Labour Commissioner in resolving the issue in the last 50 days.

7. The Secretary, Ministry of Labour then informed the Committee that several rounds of tripartite conciliation meetings have been arranged by the Chief Labour Commissioner in the matter. He further informed that the Ministry have already taken steps to resolve the issues within their domain. He also stated that certain issues which came under the jurisdiction of Ministry of Textiles still needed to be addressed.

8. The Chairman and members of the Committee, thereafter, sought further pointed clarifications from both the Ministries regarding steps proposed to end the strike.

9. The representatives of both the Ministries replied to the queries of the Chairman and other members. The Secretary, Ministry of Labour & Employment also informed the Committee that the Chief Labour Commissioner and the Joint Secretary (Jute) in the Ministry of Textiles proposed to go to Kolkata on 9th February, 2010 to discuss the issues at the tripartite forum with a view to ending the strike.

10. The Chairman expressed thanks to the representatives of both the Ministries for their submissions before the Committee on the subject. He conveyed best wishes of the Committee to the representatives of both the Ministries for the proposed meeting on 9th February, 2010 with a view to call off the strike. The Chairman also directed them to furnish written replies to the queries raised by the members which could not be replied during the meeting and also to the List of Points handed over to them, at the earliest.

11. The Committee then decided to hear the representatives of Indian Jute mills association and Trade Unions in the matter at their next sitting.

The verbatim proceedings of the sitting was kept for record.

{The witnesses then withdrew}

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 17TH FEBRUARY, 2010.**

The Committee met from 1500 hrs. to 1715 hrs in Committee Room 'B', Parliament House Annexe, New Delhi to hear the views of the representatives of central Trade unions and Indian Jute Mills Association on the 'Development of Jute Sector' with particular reference to the strike by workers in Jute Mills in West Bengal.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri M. Anandan
3. Shri P. Balram
4. Dr. Shafiqur Rahman Barq
5. Shri Hassan Khan
6. Shri Kaushalendra Kumar
7. Shri P. Lingam
8. Shri Shri Hari Manjhi
9. Shri P. R. Natarajan
10. Shri Raj Babbar
11. Dr. Kakoli Ghosh Dastidar

RAJYA SABHA

12. Shri Rudra Narayan Pany
13. Shri Rajaram
14. Smt. Renubala Pradhan

SECRETARIAT

1. Shri Devender Singh - Joint Secretary
2. Shri B.S. Dahiya - Director
3. Shri Ashok Sajwan - Additional Director

Witnesses

Representatives of Trade Unions

Sl. No.	Name	Designation	Name of Trade Union
1.	Shri Abani Roy	General Secretary	United Trade Union Congress
2.	Shri D.L. Sachdev	Secretary	All India Trade Union Congress
3.	Shri Debasish Dutta	General Secretary	Federation of Chatkal Mazdoor Union
4.	Shri Dilip Dasgupta	Secretary	Bengal Chatkal Mazdoor Union
5.	Shri Subarao	Vice President	Bhartiya Mazdoor Sangh

Indian Jute Mills Association

1.	Shri Sanjay Kajaria	Chairman
2.	Shri Nirmalya Mukherjee	Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee and informed them that the strike in jute mills in West Bengal has been called off. He congratulated the Members for the same. He, however, emphasized the need for finding the real causes of strikes which have become a perennial feature in jute industry. Thereafter, he informed the Members that the representatives of the Central Trade Unions and the Indian Jute Mills Association have been invited to express their views on the causes of such frequent strikes, the demands of the jute mills workers and mill owners and overall development of jute sector.

3. The Committee then took up the draft action taken Report on the recommendations contained in 39th Report (14th Lok Sabha) on 'Employees' Provident Fund Organisation-Employees Pension Scheme 1995' for consideration and adoption and adopted the same without any modification/ amendment. The Committee authorized the Chairman to present the same in the ensuing session of Parliament.

5. The Committee, thereafter, called in the representatives of Central Trade Unions. The Chairman welcomed the representatives to the sitting of the Committee and invited their attention to the provisions contained in Direction 55(1) of the Directions by the Speaker, Lok Sabha. He observed that the pitiful condition of workers engaged in the Jute Industry is a matter of great concern to the Committee and the Government have done little to ensure payment of fair wages and protection of various social security measures of the workers due to which the workers are forced to resort to strikes every now and then demanding their rightful claims and dues.

5. The Chairman then invited the representatives of Trade unions to offer their views regarding the real problems of the jute workers and the efforts that need to be made for their welfare. The representatives of Trade unions then expressed their views on the various problems of jute mill workers. The suggestions given by them *inter-alia* included:

- (i) Need to issue identity cards to workers.
- (ii) Need to ensure appropriate wages to the workers.
- (iii) Need to implement all the statutory provisions enacted for the welfare of workers in order to ensure social security to them, including PF, ESI, gratuity and DA benefits.
- (iv) Need to prepare a data base of the workers with regard to their total strength, nature of service viz; contract, casual, permanent etc., details of PF and ESI contributions, service records etc.
- (v) Need for pre-emptive measures to be taken by Ministries of Labour and Textiles to avert strikes/ lockouts in jute mills.
- (vi) Regularization of contract workers.
- (vii) Modernization of old and dilapidated machinery of mills.
- (viii) Implementation of the recommendations of Tripartite Expert Committee Report.
- (ix) Need for audit of the financial position/ records of all the jute mills on a regular basis.

6. Thereafter, the Chairman and members of the Committee, sought clarifications on several points concerning the strike by jute mill workers and the other core issues related to the subject which were replied to by the representatives of the Trade unions.

7. The Chairman thanked the representatives of Trade Unions for deposing before the Committee and replying to the points raised by the Members in a candid manner. The Chairman also requested

them to furnish written replies to the List of Points handed over to them within fortnight.

{The witnesses then withdrew.}

8. Thereafter, the representatives of Indian Jute Mills Association were called in. The Chairman welcomed them to the sitting of the Committee and invited their attention to the provisions contained in Direction 55(1) of the Directions by the Speaker, Lok Sabha. The Chairman observed that the condition of workers as well as jute Industry is deteriorating day by day mainly due to lack of focused schemes and programmes of the State Governments as well as the Union Government. He also observed that there is a huge potential for the growth of Jute sector considering its nature friendly qualities and increasing demand worldwide.

9. The Chairman then invited the views of the representatives of Indian Jute Mills Association specifically on the real problems plaguing the entire Jute sector and the efforts required for its sustainable and inclusive growth. The representatives of Indian Jute Mills Association expressed their views. The suggestions given by them *inter-alia* included:

(i) Need of Government support for modernization of jute mills under Jute Technology Mission.

(ii) Need to elect sole bargaining agent to smoothen the negotiations with IJMA on issues pertaining to the jute mill workers.

(iii) Need to give the status of 'Industry' to Jute sector.

(iv) Need for framing specific policies/ schemes for Jute sector particularly with regard to diversification of Jute products.

(v) Need for giving greater protection to Jute as a packaging material.

10. Thereafter, the Chairman and members of the Committee, sought clarifications from them and asked them to see that the mill owners implement without exception all the social security provisions guaranteed to the mill workers by law and to clear all their dues within a stipulated time.

11. The representatives of the Indian Jute Mills Association then replied to the points raised by the Chairman and members. They also submitted a copy each of the four reports which pertain to review/ study carried out on the status/position of entire jute sector in the Country.

12. The Chairman thanked the representatives for deposing before the Committee on the subject and replying, in a free and frank manner, to the points raised by the Members. The Chairman also requested them to furnish written replies to the List of Points handed over to them within fortnight.

The verbatim proceedings of the sitting was kept for record.

{The witnesses then withdrew}

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 4TH FEBRUARY, 2011.**

The Committee met from 1500 hrs. to 1530 hrs in Room no. 116, Parliament House Annexe, New Delhi to consider and adopt the draft Report on 'Development of Jute Sector' of the Ministry of Textiles.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri P. Balram Naik
3. Shri Shafiqur Rahman Barq
4. Shri Raj Babbar
5. Shri Hassan Khan
6. Shri Kaushalendra Kumar
7. Shri Paban Singh Ghatowar
8. Shri P.R. Natarajan
9. Shri Ramkishun
10. Dr. Kakoli Ghosh Dastidar
11. Shri P. Lingam
12. Shri S. Pakkirappa
13. Shri Mahendra Kumar Roy

RAJYA SABHA

14. Shri Rudra Narayan Pany
15. Shri G.N. Ratanpuri
16. Shri Ranbir Singh Parjapati
17. Shri Rajaram

SECRETARIAT

- | | | | |
|----|---------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri Ashok Sajwan | - | Additional Director |

2. At the outset, the Chairman welcomed the Members and apprised them about the draft Report on 'Development of Jute Sector' of the Ministry of Textiles.

3. The Committee took up the draft Report for consideration. The Committee, after detailed deliberations, adopted the same without any modification.

4. The Committee then authorized the Chairman to present the same to both the Houses of Parliament.

The Committee then adjourned.

APPENDIX**STATEMENT OF RECOMMENDATION/OBSERVATIONS**

Sl. No.	Para No.	Recommendations/Observations
1.	1.21	<p><u>Crop Insurance for Jute growing Farmers:-</u>The Committee find that the National Agricultural Insurance Scheme (NAIS) launched by Government of India is being implemented through the State Government of West Bengal for providing crop insurance coverage to the jute growing farmers. This Scheme is, however, limited to certain blocks only, selected by the State Government. The total number of beneficiaries during the years 2007, 2008 and 2009 were 3213, 2636 and 6645 respectively in West Bengal whereas there are more than 40 lakh jute growing farmers in the country. The jute farmers of other States are not provided any crop insurance coverage as on date. The Committee are aware that, apart from natural calamities, jute crop is also prone to certain diseases which adversely affect its overall production. Considering the fact that the jute crop is prone to natural calamities and certain diseases and the fact that Jute is environment friendly and</p>

		<p>biodegradable fibre, it is imperative that crop insurance protection be given to Jute cultivators. The Committee, therefore, recommend that the NAIS be extended to all Jute growing areas or a new central scheme be launched at the earliest to extend crop insurance coverage to jute growing farmers in all jute growing States so as to cover the damage caused to the jute crop either by natural calamities or by any disease. The Committee desire that the modalities of such a Scheme be finalized and implemented well before the next sowing season of the jute crop.</p>
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2.	1.22	<p><u>Minimum Support Price (MSP):-</u></p> <p>The Committee observe that in the past five years, the total area under jute cultivation and the per hectare yield have decreased despite launch of various schemes by the Government. Strangely, the Government have, so far, not conducted any study to ascertain the factors responsible for decline in the production of the jute crop. During the last three years, the gap between MSP and the market price has constantly widened significantly. The trend further exacerbated when market prices shot up to the tune of Rs. 458 and Rs. 852 during the years 2008-09 and 2009-10 respectively whereas the MSP, during the same period was increased marginally, to the tune of Rs. 200/- and Rs. 125/-. The Committee find that decrease in area is mainly due to the fact that the farmers are not getting remunerative price and hence losing interest in jute cultivation. It is a hard fact that the figures shown as</p>
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market prices are meant for the best quality produce and the comparatively lower grades do not get profitable prices. Though the Government announces MSP only for TD-5 grade but claims that every grade of jute is purchased through Jute Corporation of India at MSP. Since each category of jute has eight grades, the farmers are likely to be exploited in the absence of declared MSP for other grades. The Committee, therefore, recommend that the Government should not only declare MSP for each grade every year but the price so declared should also be profitable enough to motivate the farmers to continue jute cultivation. Also, the MSP announced before sowing season be reviewed when the crop comes to market and it should be appropriately hiked so as to keep it in consonance with the market price. The Committee further recommend that in order to promote jute farming in other States wherever it is feasible, the Government must

3.	2.22	<p>adopt certain policy measures under which special incentives/facilities be provided to the farmers for growing jute. The measures may include subsidy on farm equipments, cheaper power tariffs, well devised procurement policy, opening of nearby purchase centres, making certified/subsidized seeds easily available through JCI centres, providing training to farmers at regular intervals, disseminating advanced technology to them etc. The Committee also desire that the proposal for construction of canals, on the lines of irrigation system in the States of Punjab and Haryana, be considered and taken up with the concerned State Governments for its early execution. The Committee are optimistic that such a step will definitely help in overcoming the problems of low rain/dry monsoon which, at present, is a disturbing factor affecting the production of jute crop.</p>
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Use of Safety Equipments by Workers:-

In the course of their study visit to some private jute mills in Kolkata, the Committee were shocked to see hazardous and stifling working conditions of the workers. The age old machinery, used in the mills, that rattle noise crossing standard decibel norms, apart from creating deafening noise, pose a serious threat to the lives of poor and hapless workers in absence of any proper safety equipments. Yet, another more hazardous aspect of the working condition of the Jute workers is that the jute fibre particles present in the air and inhaled by the workers affect their lungs badly. The Committee were astounded to find that in such extremely hazardous condition not a single worker was found using any safety equipment viz., helmet, mask, handgloves, safety jackets etc. The workers even informed the Committee that they `have not been provided any safety equipments by the

mill management’.

The Committee find that the jute mill owners are blatantly violating the statutory norms on safety and health of the workers due to inaction on the part of the Regional Labour Commissioners and apathetic attitude of the Government.

The Committee, therefore, strongly recommend that all the Regional Labour Commissioners of the States where jute mills are situated, be asked to carryout inspections in each jute mill with immediate effect and prepare a fact finding report in the matter within a month and submit the same to the Chief Labour Commissioner recording clearly the nature of violations. The Committee further recommend that all the RLCs undertake inspections of each jute mill under their jurisdiction to ensure proper use of safety equipments by the workers followed by periodic visits so as to ensure that the

		<p>prescribed safety norms are in place and strictly adhered to. The Committee further feel that there is an urgent need to review and amend the Labour Laws so as to ensure effective implementation of the statutory safeguards extended to the labour. The Committee would like to be apprised of the concrete action taken and progress made in the matter.</p>
4.	2.23	<p><u>Payment of Statutory Dues of Workers:-</u></p> <p>The Committee are pained to note that the Ministry of Labour and Employment have virtually and time and again failed in extending social security benefits to the workers of jute mills in West Bengal due to which they have to take recourse to strikes per force every year. Crores of rupees of workers are pending recovery from jute mill owners/management under PF and ESIC. The position regarding payment of gratuity and DA to workers is all the more shocking as more than 200 crore rupees are pending as</p>

old dues. The more unfortunate part is that even the Ministry of Labour and Employment do not have exact records of these statutory dues of workers, some of which are even 10 years old. This raises a serious question over the efficacy of the functioning of the offices of the Chief Provident Fund Commissioner, DG, ESIC and Chief Labour Commissioner. Obviously, the workers are forced to go on strikes every now and then when the law enforcement machinery abdicates its responsibility or fails to uphold the law. The Committee, therefore, strongly recommend that a mill-wise assessment of the dues of workers be undertaken with immediate effect and the recovery process, wherever applicable, be started simultaneously. To overcome the paucity of funds with the mill owners, if any, a mechanism could be devised to provide soft loans to the mills strictly for the purpose of settling dues of the workers. The entire exercise must be completed

within a definitive time-frame but not exceeding six months.

The Committee also recommend that all the departments/agencies of Central Government, viz, Jute Commissioner, Textile Commissioner, Chief Provident Fund Commissioner, DG, ESIC and Chief Labour Commissioner (Central) should compulsorily meet, along with the officials of State labour departments, atleast in every six months, to discuss and resolve the issues pertaining to the jute growing farmers, workers engaged in the Jute mills and the mill owners. A report on issues raised, discussion held and the action taken/ proposed to be taken in every such meeting should invariably be furnished to and monitored by both the Ministries at highest level regularly till the problems of Jute Industry persist.

5.	2.24	<p><u>Problems of Dwelling Space for Workers:-</u></p> <p>The Committee observe that jute workers are living in very pitiable conditions. They are even deprived of basic amenities like drinking water, electricity, toilets etc. and their living areas are unhygienic and grossly unfit for human habitation. More so, the workers are forced to live in shifts due to space constraint. Though several developmental schemes for jute sector have been launched by the Government from time to time yet the issue of dwelling space for jute mill workers has never been addressed. After Committee's intervention in the matter, the Government, however, furnished details of a scheme, implemented from 1st April, 2010, which covers 'Sanitation, health facilities and working conditions in the mill sector' as one of its components. The Committee find that even this scheme does not address pinpointedly the issue of providing dwelling space to the workers. The</p>
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	<p>Committee, therefore, strongly recommend that specific guidelines be issued to each mill owner/management asking them to provide space for construction of dwelling units for their workers out of the surplus land available with the mills. To help the mill owners in their endeavour to do so, a well devised central scheme could be launched with a suitable component of financial assistance to the mill owners who undertake construction of dwelling units for the workforce. By constructing suitable multi storey dwelling units, the problem of a clean and hygienic living area for the workers can be addressed to a large extent. Such a step will also benefit the mill owners as well as it would minimize the cases of absenteeism, late coming and illness of the workers.</p>
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6.	2.25	<p><u>Textile Workers' Rehabilitation Fund Scheme (TWRFS):-</u></p> <p>The Committee observe that not even a single worker of the closed jute mills has been provided with any financial benefit under the Textile Workers Rehabilitation Fund Scheme. The insipid explanation furnished by the Ministry was that no application had been received in this regard from the office of Textile Commissioner. Further, when the Committee sought to know why <u>suo-motu</u> action was not taken by the office of Textile Commissioner in the matter, the Ministry replied that 'at present none of the jute mills have been declared closed under sector 25(O) of the Industrial Disputes Act and hence no relief has been extended under the scheme'. The Committee find such an attitude of the Ministry irresponsible and anti worker. It is a hard fact that a large number of jute mills have undergone closure since the launch of</p>
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the scheme and the workers have been rendered jobless. The Committee feel that the very purpose of launching TWRFS is defeated if workers do not get the intended relief under it. The Committee strongly feel that relief to workers ought to be provided immediately after the closure of a mill so as to enable them to feed their families without any difficulty. The Committee, recommend that guidelines of the TWRFS be amended and the requirement of permission under section 25(O) of the Industrial Disputes Act, 1947 be done away with. The Committee are of the view that senior officers from the office of Textile Commissioner should visit the mill which is declared closed and after due verification, the approval for disbursement of relief to its eligible workers must be given expeditiously but preferably within three months positively. The Committee further recommend that for any undue delay in disbursement of relief,

		<p>personal responsibility of the concerned officer must be fixed. The steps taken in this direction and the progress made be intimated to the Committee within a period of six months.</p>
7.	2.26	<p><u>Issuance of Identity Cards:-</u></p> <p>The Committee find that the jute mill workers have not been provided any identity proof by the mill owners. Further, the workers are also not shown their service records and details of their contributions to the social security funds <u>viz.</u>, PF and ESI. By doing so, the workers are kept in the dark thereby depriving them of their statutory dues after retirement. The Committee believe that this is done deliberately by the mill owners so as not to pay their statutory contribution to the social security funds. The Committee, therefore, recommend strongly that this be enquired into without any loss of time by the office of Chief Labour Commissioner. While making mill-wise</p>

		<p>assessment of PF and ESI dues, it should simultaneously be ensured that each worker, whether permanent or casual or on contract, is issued identity card by the respective mill owner. The office of the Chief Labour Commissioner should also give specific instructions to all the mill owners that the service records of every worker be shown and verified by the individual at least once in a year. Further, in order to ensure strict compliance, penal action must be taken against defaulting mill owners. The Committee would like to be apprised of the action taken indicating the details of the mills who have taken satisfactory corrective action and the defaulter mills.</p>
8.	3.26	<p><u>Modernization of jute mills:-</u></p> <p>The Committee observe that the jute industry makes significant contribution to the country's economy and has good potential to propel it further. However, the jute industry is gripped with numerous</p>

problems. Some of the causes attributed are obsolete technology, old machinery, low productivity of both machine and labour due to lack of modernization, underutilization of installed capacity, poor or no Research & Development; absence of any brand image for jute, non-formulation of need based wage structure, large scale sickness, increase in the cost of inputs, poor industrial relations etc. The Committee find that, as on date, there are 78 jute mills in the country, out of which the Government could furnish details of capacity utilization of only 66 mills. The data regarding the rest is said to be under collection on the query of the Committee. The capacity utilization in most of these 66 mills is between 50 to 83 per cent only. The Committee further find that though modernization of mills is one of the issues incorporated in Jute Technology Mission, yet implementation part of the JTM is so dismal as nothing significant has actually been done

so far for modernization of jute mills. As a large number of mills have been closed year after year for one reason or the other, it is imperative to ensure that the mills which are functional and are in production, utilize their optimum capacity. The Government cannot shrug off its responsibility for under-utilization of production capacity by the mills whether in public or private sector. The Committee, therefore, recommend that the hurdles in the development of jute sector be removed and a multi-pronged strategy be formulated for modernization of jute mills under JTM. Further, the norms under JTM be relaxed to the extent that maximum funds are availed of by the mill owners under JTM for modernization of their mills. The Committee further recommend that a mill-wise study be conducted to ascertain the actual requirement of funds by the mill owners for modernization. The Government may, thereafter, make available the required

		<p>funds for the purpose under JTM, if need be. The Committee are quite optimistic that such efforts would not only go a long way in ensuring enhanced profitability of the jute mills but also enable the mill owners to clear all the statutory dues of the workers in time.</p>
9.	3.27	<p><u>Implementation of Jute Technology Mission (JTM):-</u></p> <p>The Committee observe that the Government launched Jute Technology Mission in the year 2007 with the aim of modernization, diversification and overall development of the jute sector. The scheme is operationalised through four mini missions. Mini Mission I and II are executed through the Ministry of Agriculture whereas Mini Mission III and IV are implemented by the Ministry of Textiles. The Committee note that Rs. 64.80 crore and Rs. 234.02 crore under MMI and MMN respectively were approved for implementation of various</p>

projects/ Schemes during the entire XIth Plan period. The Committee find that the Ministry have not been able to achieve even 50 per cent of the physical and financial targets under both the Missions despite completion of three and half years of the XIth Plan period. The Committee find it quite shocking that under some schemes of Mini Mission IV viz., commercialization of technology, setting up jute parks for the diversified sector, productivity improvement etc., the expenditure of funds is either nil or below 10 percent. The Ministry are now in the process of engaging an independent agency to make a midterm appraisal of the implementation status of various schemes under JTM. The Committee recommend that after getting the said appraisal report, the existing targets should be reviewed and set afresh in a realistic manner covering maximum number of beneficiaries in the remaining plan period. The Committee, while

		<p>considering the significance of the Mission for the revival of jute sector, recommend that JTM be further extended to the 12th Five Year Plan and instead of setting cumulative targets for five years, yearly targets be fixed under each scheme for their effective implementation. Taking note of the poor implementation of the Mission, the Committee strongly recommend that a high level Monitoring Committee be set up to keep a strict and constant vigil over the implementation so that the targets stipulated are achieved within time.</p>
10.	3.28	<p><u>Promotion of R&D Activities:-</u></p> <p>The Committee observe that Research and Development in the Jute Sector is a <i>sine-qua-non</i> for quality improvement, particularly in the diversification zone. The Committee find that no R&D project has been undertaken so far, either by the Ministry themselves or through any expert agency. Moreover, the Ministry have not even incorporated R&D as</p>

a component under Mini Mission III and IV of JTM. The Committee find it quite strange as to how in the absence of any R&D, the Ministry can expect any tangible growth in the jute sector loaded as it is with obsolete technology. The Committee, therefore, recommend that R&D be introduced as one of the essential components under Mini Mission IV of the JTM with immediate effect and sufficient funds be allocated for the purpose. The Committee further recommend that proactive steps be taken by the Ministry for engagement of reputed institutions like Indian Institutes of Technology to find out ways and means for the development of jute sector. The Committee also desire that IITs and other technical institutions of repute may be approached to introduce ‘Jute Development Technology’ as one of the chapters in the already run textiles courses keeping in view the huge potential of this eco friendly and biodegradable fibre.

11.	3.29	<p><u>Trade Mark and quality assurance:-</u></p> <p>The Committee also observe that the Ministry propose to develop eco-labelling for jute products namely (i) yarn (ii) Hessian (iii) Hydrocarbon-free quality jute hessian bag (iv) Floor covering (v) jute Geo-textiles and (vi) Shopping bags. For the purpose, selection of competent agency/consultants is in process with the National Jute Board. The Committee appreciate the vision of the Ministry as such a step would definitely enable jute products to carve a niche in domestic as well as international market. However, the Committee find limiting the criteria of the eco-labelling to the aforesaid six categories of items unjustified. Also the marking of 'quality assurance' has not been included in the terms of reference of the eco-labelling body. The Committee, therefore, impress upon the Ministry that the scope for inclusion of new items introduced as a result of the R&D activities in diversification of</p>
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		<p>jute products be kept open for eco-labelling and all the labelled jute items be given subsidy to promote quality production and sale. The Committee also urge the Ministry to include marking of ‘quality assurance’ as part of the label. The Committee expect the Ministry to complete all the procedural formalities expeditiously but within a stipulated timeframe.</p>
12.	3.30	<p><u>Revival of NJMC Mills:-</u></p> <p>The Committee observe that out of the six closed jute mills of the National Jute Manufacturers Corporation (NJMC), the Government propose to revive three of them and necessary approval has since been obtained in the matter. However, the Committee do not find any valid reason as to why the rest of the mills under NJMC cannot be survived. Obviously, with the best of intention and dogged determination, the revival of six closed jute mills, on the lines of revival of sick mills of NTC (which has</p>

revived 40 of them) is not an uphill task. The Committee are of the considered view that opening of more NJMC mills will not only boost the growth of the jute sector but will also generate employment in the sector. The Committee would therefore, like that a fresh revival plan be mooted for the remaining three NJMC mills on urgent footing. As regards, paucity of funds for revival of these mills, the Government may consider generation of funds through sale of surplus land and old machinery as has been done by the NTC. If more funds are required for the purpose, the Ministry of Finance could be approached for term loans. The Committee also desire that the entire process of revival/modernization of the already approved three mills be completed in a time bound manner and in no case dragged beyond XIth Plan period. The Committee also desire that the target may also be set for revival of the remaining three mills which

		<p>have not been included in the ongoing revival scheme.</p>
13.	3.31	<p><u>Revival of sick private jute mills:-</u></p> <p>The Committee find that nine private jute mills are temporarily lying closed as on date besides 29 mills which have gone for permanent closure during the last five years. The major reasons attributed are financial sickness and workers unrest. The Ministry of Textiles launched eight schemes from 1985 onwards for the development of the sector, including TUFs. However, all these schemes resulted in complete failure and had to be withdrawn by the Government at different stages. Even the popular scheme like TUFs could not make any headway in the Jute sector as not a single rupee has been utilized under it. The Committee believe that all these schemes failed due to lack of focused approach and calibrated efforts on the part of the Government. The zero performance of TUFs which is one of the signature schemes</p>

of the Ministry itself speaks volumes about the Ministry's efforts in strengthening the jute industry. The Committee note that the Government neither have any mechanism to detect sickness in the mills at incipient stage nor any viability study has ever been conducted for the purpose of reviving them. The Committee deprecate such languid approach of the Ministry towards such an important sector and recommend that the Jute Commissioner be entrusted with the task of conducting a viability study of all the nine mills in a time bound manner. Further, the mill-wise quantum of funds required for revival be assessed and accordingly a specific scheme be devised under which financial assistance on soft terms be provided to all the mill owners who come forward to revive/modernize their mills. The Committee also recommend that a monitoring mechanism be set-up in the office of Jute Commissioner to detect

		<p>sickness in jute mills at initial stage and to suggest remedial measures. The steps taken and progress achieved in the matter be intimated to the Committee within six months.</p>
14.	3.32	<p><u>Widening the purview of JPM Act:-</u></p> <p>The Committee observe that jute packaging materials (compulsory use in packaging commodities) Act, 1987 was enacted by the Government to provide protection to the jute industry. At present, only foodgrain and sugar are under the purview of the Act. The Committee note that the orders issued under the clause 3(1) of the Act with regard to the coverage of commodities to be considered for compulsory packaging are reviewed annually by the Government. On one hand, the Committee have been apprised by the representatives of the industry that reviewing these orders every year leads to uncertainty about protection under the Act, while the Ministry feel that under the</p>

liberalized regime, jute manufacturers should not expect perpetual protection. The Ministry further stated that permanent reservation would be counterproductive as it would give permanent monopoly to the jute industry, which in turn may harm the economy of the commodities so packed compulsorily in jute. The Committee are not convinced with the reason put forth by the Ministry that the jute manufacturers should not expect permanent protection since, in Committee's view, the very purpose of JPM Act is to protect 'Jute' as a packaging industry. The Committee also could not comprehend the contention of the Government regarding monopoly by the Jute Industry due to permanent reservation, keeping in view the fact that the Government themselves are the biggest buyers of the jute bags/sacks for packaging purposes and the prices are controlled and announced by the Jute Commissioner every

		<p>year. The Committee deplore such a lopsided approach of the Ministry and recommend that at least packaging of food grain and sugar be made compulsory under the JPM Act so as to put an end to any speculation of volatility and to create an atmosphere of confidence in the jute sector. The Committee also recommend that keeping in view the huge potential and further scope for growth in production of jute, more commodities be brought under the purview of the JPM Act. The Committee also recommend the Ministry of Textiles to undertake R&D activities to improve the quality of jute as a packaging material.</p>
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