



# Critical Reasoning

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## Factory accidents, a pointer to rusty inspection reform

An explosion of a reactor in a chemical factory in the Dombivli Maharashtra Industrial Development Corporation (MIDC) area in May 2024 resulted in the loss of lives and injuries to workers and people. It also caused damage to factories, shops and residences in the neighbourhood. The Maharashtra government announced compensation to the kin of the deceased and funds for the treatment of the injured.

Newspaper reports show that fatal industrial accidents were frequent in 2016, 2018, 2020 and 2023. The Maharashtra government is guilty of not relocating 156 chemical factories in the Dombivli MIDC area even after "deciding" in 2022 to relocate them to Patalganga. It is now known that the boiler in the chemical factory was not registered under the Indian Boiler Regulations, 1950.

### Poor inspection

In 2021, in Maharashtra, 1,551 of 6,492 hazardous factories were inspected, i.e., a 23.89% inspection rate. And, 3,158 out of 39,255 registered factories were inspected, i.e., an 8.04% inspection rate. The situation is no better in two other top industrial States. In Tamil Nadu, the general inspection rate was 17.04% and the hazardous factories inspection rate was 25.39%. In Gujarat, it was 19.33% and 19.81%, respectively. The all-India figure, of 14.65% and 26.02%, respectively, is not surprising (the data are from the Directorate General Factory Advice Service & Labour Institutes report, 2022).

The poor inspection rates could also be due to a shortage of personnel among other reasons. In Maharashtra, the appointment rate is just 39.34%; 48 out of the 122 sanctioned officers were appointed. The numbers are better in Gujarat (50.98%) and Tamil Nadu (53.57%). The all-India figure was 67.58%. Even the sanctioned posts relative to the number of registered factories have



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The recurrence of the same kind of industrial disasters highlights the need for more meaningful reforms in the inspection process

been inadequate to ensure that every factory is inspected in a year. For example, for an all-India reach, each of the 953 sanctioned inspectors would have had to inspect 337 registered factories in a year, in 2021. The inspection rates are poor because of the heavy workload of the inspectors. An inspector in Maharashtra must inspect 818 factories in a year; 589 in Gujarat; 532 in Tamil Nadu, and 499 at the all-India level.

The prosecution rate, i.e., the number of prosecutions decided as a percentage of total prosecutions (including pending cases) was 6.95% in Gujarat; 13.84% in Maharashtra, and 14.45% in Tamil Nadu. As a result, inspections lose their "deterrent effect".

From the data, it is clear that labour market governance through the labour inspection system is weak and does not perform efficiently. However, employers call it pejoratively as "inspector-raj", implying harassment and prevalence of compromising practices such as bribes.

### Need for the right reforms in inspection

The criticism is not without merit. Given the vast universe of inspection, the inspectors may "target" and "harass" several factories/establishments, exhibiting state power and also attempting to secure bribes. But this cannot be universal as the statistics are telling. The president of the Maharashtra Industry Development Association has admitted, in a media report in May 2024, that in many cases, safety inspection and certification were done "on an understanding" between the auditors and factory owners or managers". Employers are as guilty as the labour inspectors, and tackling the "supply side" of "rent seeking" is as important as reforming the "demand" side.

Reforms of the inspection system are necessary but not of the kind initiated in most States in response to employer criticism.

Self-certification, randomised inspections, online inspections, and third-party certification have been introduced by ruling political parties at the all-India level and in many States. These changes violate several articles in the International Labour Organization's Labour Inspection Convention (O81), 1947.

According to the Convention, there must be sufficient qualified and well-provided inspectors and they shall enter the establishments freely and without prior notice at any time to secure due compliance of the labour laws, among others. Instead of liberalising the inspection system, governments must ensure a strong labour market governance by implementing the provisions of the ILO Convention. Given the fast-paced changes taking place in technology, and the use of hazardous and chemical substances, the increased need for inspection is felt. Inspectors can both "inspect" and "facilitate" due compliance of laws by providing suitable advice to employers and unions. This is recognised by the ILO Convention.

### Penalties for the enforcer

If a firm or a trade union does not comply with laws, they are prosecuted by the state. If the state fails in its governance what is the penalty the state, viz. the government and the labour department officials pay? Simple and meagre compensation to the victims and their families? No. There must be a penal system for the enforcers also which will pave the way for complete legal compliance.

The recurrence of the same kind of industrial disasters shows a lack of learning by the government. In the name of reforms and a lean government, the state cannot abrogate its fundamental duty – to ensure a safe working and living environment. It should carry out meaningful reforms to ensure an "efficient" and "ethical" labour inspectorate.

### Question -1)

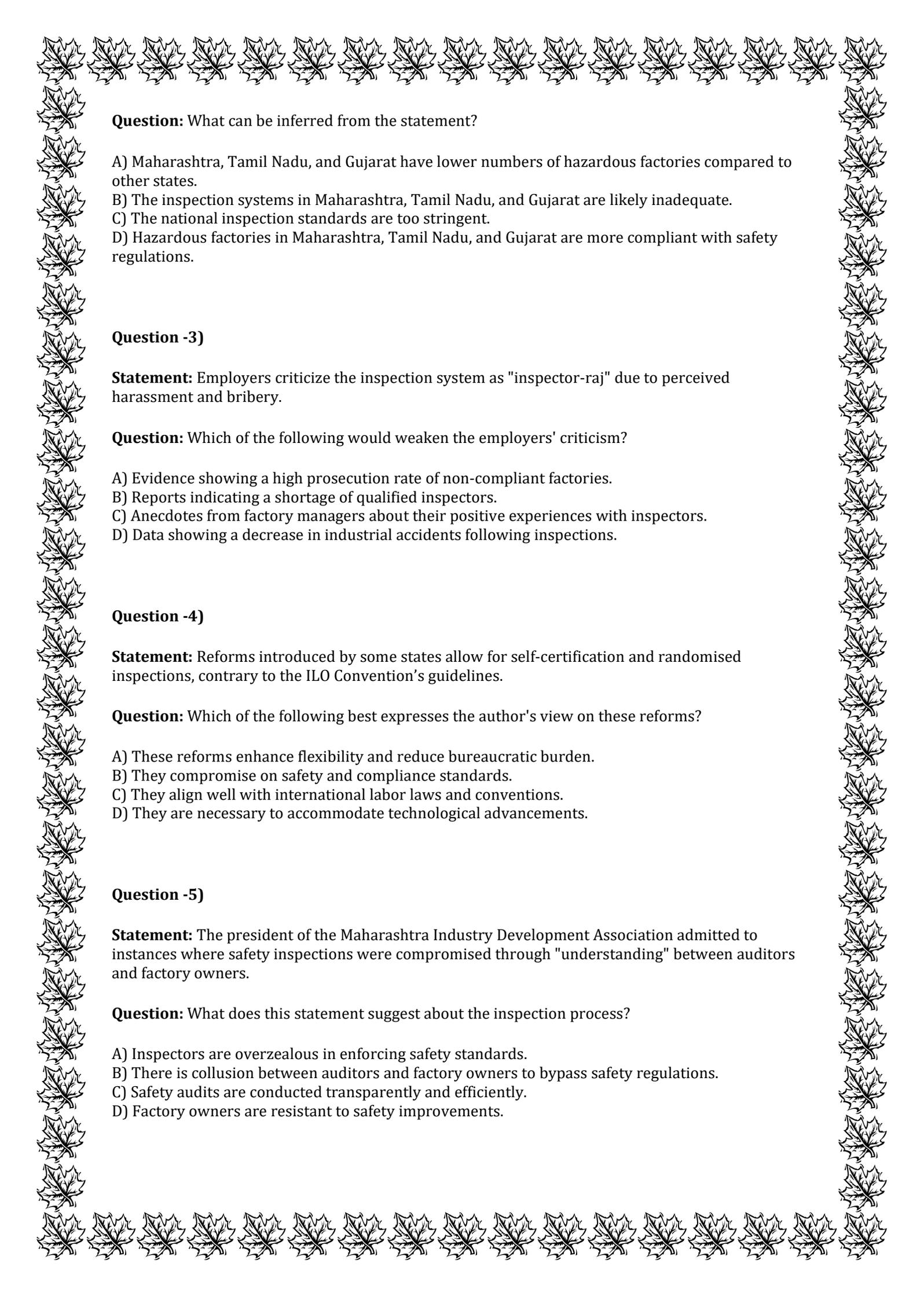
**Statement:** The newspaper reports highlight frequent fatal industrial accidents in Maharashtra, attributing blame to the government for not relocating chemical factories despite earlier decisions.

**Question:** Which of the following is the most likely implication of the statement?

- A) The government in Maharashtra lacks adequate resources to relocate chemical factories.
- B) The government's failure to relocate factories contributed to recurring industrial accidents.
- C) Newspaper reports often exaggerate incidents for sensationalism.
- D) Relocating chemical factories to Patalganga is not feasible due to environmental concerns.

### Question -2)

**Statement:** The inspection rates for hazardous factories in Maharashtra, Tamil Nadu, and Gujarat are significantly lower than the national average.



**Question:** What can be inferred from the statement?

- A) Maharashtra, Tamil Nadu, and Gujarat have lower numbers of hazardous factories compared to other states.
- B) The inspection systems in Maharashtra, Tamil Nadu, and Gujarat are likely inadequate.
- C) The national inspection standards are too stringent.
- D) Hazardous factories in Maharashtra, Tamil Nadu, and Gujarat are more compliant with safety regulations.

**Question -3)**

**Statement:** Employers criticize the inspection system as "inspector-raj" due to perceived harassment and bribery.

**Question:** Which of the following would weaken the employers' criticism?

- A) Evidence showing a high prosecution rate of non-compliant factories.
- B) Reports indicating a shortage of qualified inspectors.
- C) Anecdotes from factory managers about their positive experiences with inspectors.
- D) Data showing a decrease in industrial accidents following inspections.

**Question -4)**

**Statement:** Reforms introduced by some states allow for self-certification and randomised inspections, contrary to the ILO Convention's guidelines.

**Question:** Which of the following best expresses the author's view on these reforms?

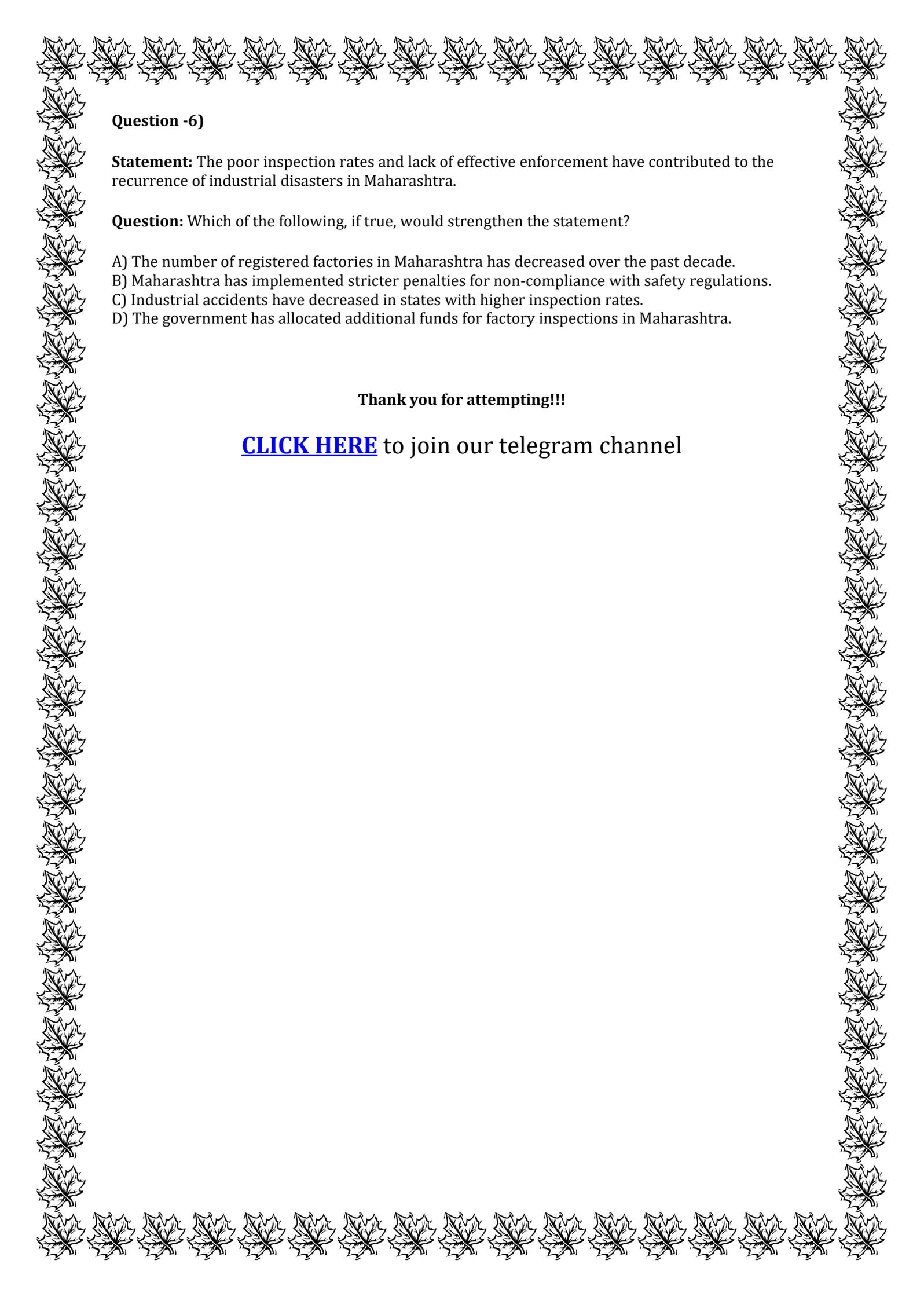
- A) These reforms enhance flexibility and reduce bureaucratic burden.
- B) They compromise on safety and compliance standards.
- C) They align well with international labor laws and conventions.
- D) They are necessary to accommodate technological advancements.

**Question -5)**

**Statement:** The president of the Maharashtra Industry Development Association admitted to instances where safety inspections were compromised through "understanding" between auditors and factory owners.

**Question:** What does this statement suggest about the inspection process?

- A) Inspectors are overzealous in enforcing safety standards.
- B) There is collusion between auditors and factory owners to bypass safety regulations.
- C) Safety audits are conducted transparently and efficiently.
- D) Factory owners are resistant to safety improvements.



**Question -6)**

**Statement:** The poor inspection rates and lack of effective enforcement have contributed to the recurrence of industrial disasters in Maharashtra.

**Question:** Which of the following, if true, would strengthen the statement?

- A) The number of registered factories in Maharashtra has decreased over the past decade.
- B) Maharashtra has implemented stricter penalties for non-compliance with safety regulations.
- C) Industrial accidents have decreased in states with higher inspection rates.
- D) The government has allocated additional funds for factory inspections in Maharashtra.

**Thank you for attempting!!!**

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