

PART IIITowards a Rational Wage Structure

10.0 Factors Affecting Wage Levels

Having identified the deficiencies in the existing wage structure in production section and studios, we shall try to understand possible causes of these defects. For, only by doing so, we shall be in a position to suggest necessary remedial measures. In this chapter an attempt is, therefore, made to find out the causes of short-comings in the existing wage level, namely, relatively low wage level, fall in comparative real wages and distorted structure of relative occupational wages. The factors outlined in the chapter do not act on the wage level in isolation. They exert their force simultaneously, carving out the course of wage behaviour.

10.1 Reasons for low wage level

We shall first discuss factors responsible for relatively low wage level in the production section and studios. The level of wages generally depends upon the capacity of industry to pay. Employers in film industry have attempted to suppress the real financial state of industry and to create a belief that the economic position of the industry is precarious. Although reliable information regarding the financial condition of film industry is completely lacking, there is sufficient indication to show the sound capacity of industry to pay. The box office, which is a barometer of the economic condition of film industry reveals a healthy economic climate. The net collections have increased during 1958-66 by about 84% in Bombay, inspite of an increase in entertainment duty.

But this intrinsic capacity of the industry has been rather seriously affected by factors such as:

1. High payments to top artistes;
2. Costly finance;
3. Lop-sided sectoral growth;
4. Lack of planning; and
5. Nature of production units.

These factors have in turn affected the wage level adversely.

High payments to top artistes

In the current 'period of stars' the artiste occupies a unique position. It is around him that the entire publicity of picture is centred, as the artiste alone is known to the public. He is paid huge amount of money¹, known in the industry as 'black payment'. In this connection the Film Enquiry Committee observes: "We have already referred to our doubts amounting to conviction that in the case of artistes, the fees drawn openly are only a fraction of the amounts that they actually get for each picture."² The payment of disproportionately high amount to artistes is due to their acute scarcity in relation to demand for them. The risk involved in discovering new artistes by producers has kept down their number to a few, while the producers' mad rush for artistes whose pictures have proved a success has resulted in boosting the demand for them. Besides, the active life of an artiste is generally limited to a few years. During this short effective life, it seems to be the dictum of artistes "to make money while the star shines."

1. The rate of payment to artiste current in the industry varies between Rs.2 lacs to Rs.10 lacs per picture.

2. See the Report p.20.

The perpetuation of the top heavy star system may be attributed equally to financiers, distributors, exhibitors, producers and directors. With a given popular cast the financier feels that his investment is safe. The distributor and exhibitor also think that returns from a picture are likely to be large when well-known stars are employed. The producer finds no difficulty in securing finance and early disposal of picture to distributors at competitive rates when renowned artistes are selected for key roles. The director has not to exert much in explaining to such artiste the role to be enacted by him. And in the circumstances it is no wonder that the system continues, raising the fees of star to new high every year. It seems, therefore, apparently difficult to do away with the star system on account of difficulties of raising finance and marketing picture.

The impact of star system has brought to the fore a number of problems for which the industry has to pay a heavy price. Payments to artistes take away a big chunk of the cost of production. The star craze has made producers blind to the selection of cast for the picture. The suitability of artiste for a particular role is no consideration and many a time they are misfits in the role they are called upon to play. By virtue of the dominating position of artistes, the producers who engage them have become subservient to them. They accept changes in the story suggested by artistes. These changes more often result in destroying all the values in the story with unfavourable consequences from the view point of success of the film. The artistes also interfere with the recruitment of certain top technicians and fellow artistes, which many a

time affects the production of pictures adversely.

Unlike in many countries, the artistes in India are 'freelance'. Instances are not wanting in which some artistes are simultaneously working in more than 15 pictures at a time. There is no code of conduct, limiting the artistes' assignments to a few, say 2 or 3 pictures concurrently. Such a state of affairs has caused a serious handicap to the artiste in giving his best in the performance of histrionic art and the portrayal of emotional expression. Moreover, having accepted a number of assignments, the artiste is unable to make himself available whenever the producer wants him. This has resulted in delaying production with consequent increase in overhead costs. On account of stress and strain, chiefly due to acceptance of innumerable assignments, the artiste usually comes late and much of the time is lost on this account. This also increases the number of shooting shifts and dislocates the production schedule, giving rise to high overhead expenditure³.

Another evil to which the star system lends its hand is the need for 'adjustment of accounts'. With a very few exceptions, there is good reason to believe that the account books relating to film production are almost entirely fake. 'Padding the budget' by suitably inflating expenditure on certain items to adjust the loss of unaccountable expenditure on some other items not supported by valid receipts is quite common⁴.

3. Technicians have often complained that most of the overtime, which they are called upon to work as a compulsion and working on Sundays and holidays are chiefly on account of 'stars'.

4. Cf. Government of India - Report of the Film Enquiry Committee, 1951 - p.92 and Bombay Government Gazette January 24, 1957, pp.460-462 - Ibid November 28, 1957, p.5427.

It would be seen from the foregoing analysis that high payments to artistes have adversely affected the industry's capacity to pay, assuming a high proportion of the cost of production and increasing the overhead costs.

Costly finance

Film production in India is mostly financed by borrowed capital. About 95% of pictures are produced by independent producers who have no security to offer and as such cannot obtain loans from banks at moderate rate of interest. Besides, the producer cannot count upon the continuity of the current sources of finance⁵. About 80% of the film finance comes from two sources viz., financiers and distributors. Risks being inherent in the film industry, a specialised class of financiers has sprung up, which in course of time has assumed a monopolistic position. As a result, interest rates have gone up very high to cover both risk and monopoly elements. Distributors, on the other hand, advance loans to producers during the production stage, subjecting them under their obligations and making them dispose of pictures under duress.

The worst part of the evil of film finance is the submission of producer to the dictates of financiers and distributors in regard to star cast, story, etc. Insistence by financiers and distributors on particular artistes has only helped to boost their remuneration beyond proportion. Changes in the story made at the suggestions of such persons, most of whom understand little about the art of story telling, have often resulted in damaging,

5. Cf. Ibid - p.96.

if not distroying, the very soul of films and in effect, the quality of films is bound to suffer.

It would thus appear that the method of film finance is not only costly but it also encourages undesirable 'star system' and adversely affects the marketing of pictures.

Lop-sided sectoral growth

The sectoral development of film industry has been lop-sided. Whereas production sector has expanded during the last two decades, the rate of growth in the exhibition sector has not been adequate, and the distribution sector expanded disproportionate to its requirements⁶. This has resulted in the dominance of exhibition sector⁷ both in relation to production and distribution sectors. Not only that the cinemas have assumed a bargaining position with distributors, but they also interfere with production values and star cast to the detriment of production sector. The economics of production on which depends the adequacy of wage level in that sector is thus closely linked to the dominance of exhibition sector. In Bombay, the number of theatres per million dropped from 25 in 1951 to 17 in 1967. This helped the exhibitors to introduce a clause relating to 'theatre protection' in their agreements with distributors, enabling them to earn the fortunes of industry without participating in the risks involved.

6. The average annual rate of growth of distributors during 1938-66 was 17.8% as against only 8.2% in the case of exhibitors.

7. The proportion of output of films to the number of theatres is 1:18 in India as against 1:74 in U.S.A. - United Nations, Statistical Year Book 1966, p.756-61, also refer to IMPPA'S Journal of Film Industry, January 1967, p.12. The exhibition sector has a lion's share in the film revenue viz. 41.5%.

Lack of planning

A broad observation of the working of Indian film industry would further reveal the absence of planning at every stage of production. Film making is a complicated art and unless production plans are properly pre-arranged and executed scrupulously according to schedule, the film lacks in quality and entails large expenditure. It ^{is} often argued that since the fate of the film is essentially dependent on artistes on one hand and the vagaries of box office on the other, it does not lend itself to any advance planning. Besides, every film is supposed to be unique in itself and hence the most carefully considered plans are modified to accommodate the last minute inspiration. However, it is now an established fact that planning, although difficult, is nevertheless necessary⁸.

Planning, called 'paper work' in the industry, consists in essence of completing all preliminary arrangements before commencing shooting. The preparation of these details requires the services of only top technicians such as story/dialogue writer, director, cameraman and art director and is preceded by discussions and conferences among them. The producer does not engage the entire production crew right from the first stage of selection of story and thereby saves considerable expenditure on salary account. By judicious planning, the number of shifts and the duration of picture production can be reduced to the minimum, resulting in considerable savings on studio hire, raw stock and overhead charges. Another advantage accruing from planning is improvement

8. Cf. Government of U.K. Report of the Working Party on Film Production Costs, 1949, Board of Trade London, p.18.

in the quality of picture. Since the shot is planned earlier, it is likely to be better than one improvised on the set.

At present, however, there is little planning undertaken before the picture commences shooting. It is not uncommon to see that dialogues are written on the set a few minutes before the shot is taken. The actual expenditure surpasses the estimates made earlier, throwing the producer again in the clutches of financiers. Moreover, in the absence of any discussion among themselves, top technicians understand little about the director's conception of the story. When each technician has his own ideas about the picturisation of story, confusion prevails and the quality of picture suffers. Due to air of secrecy which surrounds the script, neither artistes nor technicians know anything about it until the last hour of shooting. Rehearsals are seldom held and the dialogues are provided to artistes only on the set. Considerable time is wasted in lighting the set, even though much time can be saved by planning the shot earlier. Many properties that are not actually required are brought on hire at a higher rent, while a single item really required is thought of only at the eleventh hour, when it is brought with much cost by way of conveyance and loss of time. In India, the entire film technique has evolved out of 'trial and error' method and the industry does not seem to have realised the need for planning production programme in advance.

Planning assumes conceptual power of a high order, since the entire picture as it would appear on the screen has to be vividly conceived by the director, cameraman, art director and

editor. The success of planning is directly proportional to the extent to which the director is able mentally to visualise the picturisation before the film is shot.

It would thus appear that the lack of planning in picture production has resulted in increased costs and fall in the quality of production. This has led to lowering the profitability of the film industry and consequential prospects of workers securing an adequate wage.

Nature of production units

In film industry, only a few producers are genuine businessmen. There are two other types of producers. Some are stray producers, who are inexperienced in the art of film making but who have a desire to earn quick profits which the industry appears to promise. Some others are basically technicians themselves, who aspire to produce a picture to win a fortune. With both types of producers the industry cannot be stable nor ensure continuity in production. Most of these mush-room producers have no genuine interest in the well-being of industry. They are attracted by its glamour or by a desire to earn quick dividends. They try their hands at film production and after failing miserably, quit the industry, 'unwept, unhonoured and unsung', leaving behind them a tale of woes for technicians and workers, who not only receive inadequate wages but also lose their earned wages in the game. With the prospect of losing earned wages, workers are inclined to accept less wages, if they are assured of receiving them in full. To this extent the occupational wage rates get depressed.

This large turnover of producers (55% per annum⁹) has adversely affected the industry on account of keen competition among new and inexperienced producers. Payments to artistes and interest rates are forced upto new high every year. Besides, good quality of production cannot be expected of stray or casual producers.

In the case of studios, there have been a number of changes in management in several studios of Bombay. During the last 20 years, Central Studio, for instance, changed hands 9 times, while Filmalaya Studio recorded 7 changes in management. In consequence, workers do not enjoy security of service, nor do they receive adequate reward for their skill. Service conditions including wages are in fact determined at the unit level.

10.2 Causes of fall in real wages

We now proceed to examine the factors relating to another deficiency in wage level, namely, fall in the comparative real wages in production section and studios. These are:

- i) Slow growth of industry;
- ii) Weak organisation of workers;
- iii) Absence of State regulation;
- iv) Relatively low sectoral importance; and
- v) Higher proportion of wages to total costs.

Slow growth of industry

A study of real wages in the light of growth of industry in terms of capital investment, value of output and employment

9. Based on data regarding annual film production and the number of new producers during 1941-65. Journals of Film Industry - IMPPA.

indicates a certain relationship between real wages and growth of industry, as revealed by the following table:

TABLE NO.24

Growth of industry and real wages in
selected industries in Maharashtra
during 1960-65.

Industry	Percentage Increase in			
	Capital investment	Value of output	Employment	Real wages
1. Textiles	58	52	2	0
2. Engineering	229	211	77	6
3. Chemical	179	146	48	0
4. All industries	109	85	21	- 8
5. Film	14	78	17	- 10

The growth of engineering industry was most phenomenal on account of heavy stress on that industry during the Third Plan period. The growth is accompanied by an increase in real wages to the extent of 6%. As a result of moderate growth in textile and chemical industries, it was possible to maintain the real wages during the period. On the contrary, the rate of growth in the film industry was rather sluggish. Relatively slow growth of film industry is attributed to producers' inertia to plough back their profits in the industry, inadequate facilities for exploitation of film and large extent of overtime working, resulting in comparatively slow increase in capital investment, value of output and employment. Real wages have, therefore, declined by 10%. The fall in real wages in film industry is more than the decline in real wages in manufacturing industries

as a whole. It would thus appear that slow growth of industry leads to fall in real wages.

Weak organisation of workers

The existence of collective bargaining, which is essential for increasing real wages of workers, pre-supposes sound trade unionism. The formation of trade unions enables workers to assert their right to protect their wages against rise in prices. A study of wage levels in 'Union' and 'Non-union' concerns in studios, laboratories and exhibition sector indicates that the real wage level is generally low in concerns in which trade unionism has not influenced the employer-employee relationship. This is evidenced by the following table:

TABLE NO.25

Real wages in 'Union' and 'Non-union' sectors of film industry (1960-65).

Sector	Average monthly wages		Real wage Index number in 1965 with 1960 = 100
	1960 Rs	1965 Rs	
<u>Studios</u>			
Union	127	142	89
Non-union	114	118	83
<u>Laboratories</u>			
Union	176	245	111
Non-union	169	203	95
<u>Exhibition</u>			
Union	135	194	114
Non-union	118	134	90

The table shows that real wages in 'union concerns' in exhibition sector and laboratories have increased by 14% and 11% respectively in 1965 as compared to the level of 100 prevailing in 1960. On the contrary real wages in 'non-union' concerns in these sectors have declined by 10% and 5% respectively. Among the causes contributing to relatively higher increase in real wages in the exhibition section, strong trade unionism in that sector occupies an important position. Although real wages have fallen in studios in both 'union' and 'non-union' concerns, the decline has been more sharp in the latter concerns, where money wages have remained fairly stagnant. It follows, therefore, that where organisation of workers has been lacking or is weak, real wages have declined.

In the production sector, trade unions have not been able to introduce collective bargaining in wage negotiations. There are as many as 15 craft unions, which are small in size, weak in organisation and poor in resources. Although craft unions have formed a Federation, it seems to be loose in organisation, as member-unions still enjoy considerable autonomy in their working with the result that no uniform practices could be introduced and enforced for negotiating with producers. Individual bargaining still holds the field. Trade unions have not been able to counteract the evil effects of multiple assignments and group-working on wage level on account of deep-seated vested interests of trade union 'bosses'. These factors have resulted in fall in real wages of most of the categories of workers in the production section.
(Table No.20).

Absence of state regulation

On account of peculiarities of the film industry, particularly relating to the production section, there are neither institutional arrangements nor State regulation for determination and revision of wages. Labour legislation, although applicable to the industry, has benefited only a section of workers to a certain extent. Workers in the production section are not legally covered by the definitions of terms such as 'worker', 'workman' or 'employee' in various enactments and are precluded as a matter of course from enjoying the benefits of labour laws. The terms are used to cover a general section of industrial workers and the technicians of film industry, who are primarily artists fall outside the scope of these definitions. In the case of some cine workers who are lawfully covered by a particular legislation, it is hard to bring home legal advantages to them on account of difficulties of enforcement and inadequate inspection machinery.

The essential requirement of a person to be called a workman under the Industrial Disputes Act, 1947 is that he should be "employed in any industry to do any skilled or unskilled manual, supervisory, technical or clerical work". Artistes of all categories, directors, music directors, musicians, chorus singers, playback artists, dance directors, dancers, art directors, make-up artists, writers and lyricists perform mainly artistic, creative or literary work and not 'any skilled or unskilled manual, supervisory, technical or clerical work'. They are, therefore, excluded from the definition of 'workman'.

Cameramen, sound recordists and editors perform technical work. However, such technicians are primarily creative

10
 artists. There appears to be a thin line of demarcation between their artistic and technical work. Their personal qualities play a decisive role in the performance of their job. In view of this, such categories are not likely to be covered by the definition 'workman'. As regards their assistants, they do technical work under the supervision of their 'Chiefs'. They, therefore, appear to be covered by the expression 'workman'.

The definition of the term 'employee' under the Minimum Wages Act, 1948 is even much narrower, since it covers only such persons as are employed to do any skilled or unskilled manual or clerical work. As the definition stands, a large section of free-lance workers who are artistes or technicians are unlikely to be covered by the scope of the Act, even if the 'Employment in the film production industry' were added in the schedule to the Act.

The Payment of Wages Act, 1936 legally covers all workers in the film industry earning less than Rs.400 per month. Practical difficulties, however, would make the coverage of free-lance workers mere illusory.

Similarly, there are real difficulties in covering production units by social security legislation or the Factories Act. Workers in the production section who constitute about half the number of workers in the film industry seem almost ignored by every piece of legislation. As a result, they could not make use of the machinery of conciliation and adjudication to settle their wages,

10. Cf. 'The work of so-called technicians is gradually assuming a more artistic character.' Government of India, Report of the Film Enquiry Committee, 1951, p.73.

nor could they be benefited by other labour laws. Individual bargaining continues to dominate the sphere of wage determination and hence real wages could not rise.

Relatively low sectoral importance

Experience indicates that real wages are high in industries which are important in the national or sectoral economy. A rise in real wages in textiles, engineering and chemical industries, for instance during 1958-65 (Table No.22) may be explained by their importance in the economy. A perusal of Table No.1 shows that the film industry occupies relatively less important position among the manufacturing industries in India from the view point of capital invested or value of output produced, each of which constitutes hardly 1% of the respective total.

Among the different sectors of film industry, distribution and exhibition sectors are more dominant than the production sector. Even in the production sector, laboratories are in a better position in the business sphere than either production section or studios. Real wages in distribution and exhibition sectors as well as laboratories have, therefore, increased against a decline in real wages in the production section and studios.

Comparatively high wage costs

It is generally observed that where wage costs are critical, it is rather difficult to increase the real wages of workers. A slight rise in wages in such cases can be effected only by inroads into profits. An analysis of costs of production of feature films¹¹

11. Source - Film Finance Corporation.

entailing a wide range of expenditure between Rs. 1.12 lacs to Rs. 13.78 lacs shows that wages of all persons excluding top 12 artistes constitute about 25.5% of the total cost of a picture. Taking into account the cost of payment to top artistes, which alone works out at about 32% of the total cost of production, the overall cost of wages and salaries assumes about 57.5% of the total cost of a picture. This explains the fall in real wages of workers, whose wage level could not be improved adequately.

The study of wage costs in selected concerns reveals that wages in studios constitute 25.7% of the total costs, which appear to be relatively high. In comparison to western countries, studios in Bombay appear to be rather out-dated, requiring more labour to carry out manual operations. For instance, in the absence of proper lighting arrangement and equipment more lightmen have to be employed with resultant rise in wage costs. It may be noted that although wage cost in studios is high, the number of persons employed is also large. The per capita wage is, therefore, low.

We shall now deal with factors mainly responsible for unsatisfactory wage differentials, namely, the creative nature of work, peculiarities of employment and occupational anomalies. These factors are also responsible for low wage level.

-
12. If we confine to wages of workers exclusive of top technicians such as director, music director, cameraman etc., and supporting artistes, the wage cost comes to hardly 20%.

10. 3 Elements Responsible for Distorted Relative Occupational Wages

Creative nature of work

As stated in Chapter 2, the film industry stands out distinctly from other industries on account of creative nature of its work. It is amply clear from the discussion on artistic and technical excellence (Chapter 5) that the different facets of film making cover a wide field of specialised treatment of blending science and art to the highest stage of perfection. Not only have imagination, conception and deliberation considerable scope at every stage in the production of a highly finished piece of creative art, but these qualities are also part and parcel of the technique of film making. During the production of a picture at different stages, the individual technician identifies himself with the film so much that he detaches himself from the rest of the world. He has the sublime satisfaction that in the final stage he has made some contribution towards creating an illusion of another world. This satisfaction goads him to give his entire self for achieving the best results. The technician, solely motivated by such lofty ideas, continues to give consistently good results, despite such offsetting set-backs as lack of technical training, absence of appreciation about his creation and inadequate technical facilities.¹³

13. The fact has been frankly brought out by the acclaimed American director, Mr. Frank Capra, who visited India in 1953. Acquainting himself with the prevailing conditions, he could not resist the temptation of complimenting the Indian technicians with the remarks: "I am simply amazed at the miraculous results given by technicians in India under conditions in which they work in local studios, which are no better than stables."

The economic laws which determine wages and wage differentials in other industries, therefore, do not help to fix the remuneration of senior technicians who undertake creative work. The creativity is a personal factor and hence every wage rate is a personal rate and not the rate of remuneration for the occupation. Wage differentials between the director and his assistant or the cameraman and his assistant are, therefore, very high as indicated in Table 'A' - Appendix 4.

Creativity may perhaps impel some technicians to accept low remuneration which, according to them, is compensated by creative happiness they derive from film production. In view of this, the wage behaviour is rather erratic in the case of such categories of workers.

Peculiarities of employment

In the absence of any minimum entry qualifications and with the peculiar method of employment, the number of persons seeking jobs in the film production sector is fast increasing, creating an imbalance between the supply and demand for labour.

In the circumstances, wages would have been normally determined freely by the forces of supply and demand. However, the rate of remuneration of a majority of artistes and technicians largely depends upon personal factors such as, the degree of their association with independent producers, group-working, motivations, etc. The ability of showmanship and winning over persons rather than technical qualities is perhaps the greatest asset of this class of workers. The

larger the personal contacts, the greater are their chances of securing employment in one or more pictures simultaneously. Multiple employment is quite common with free-lance workers, which may be chiefly attributed to the insecurity of employment.

The absolute as well as relative level of wages of free-lance workers depends upon many erratic forces of multiple assignments. For example, a technician who may have already a number of pictures on hand may at times quote a high rate of remuneration for additional picture with a view to rejecting the offer or many times a low rate so as to accept as many assignments as possible. In the latter case, the general level of wages for the category concerned stands reduced.

Of late, the recruitment of top technicians and artistes is governed by leading artistes who dictate the employment of particular technicians or fellow artiste. In view of this, skill as a major determinant ~~factor~~ of wage differentials has receded in the background.

Assistants in all departments are generally recruited on the advice of the respective heads of departments. The 'chiefs' insist that particular assistants who have worked under them would be more useful to the production unit as they take little time in following the instructions of their 'chiefs'. They secure, therefore, employment when the 'chiefs' are in demand and remain idle when the chiefs are 'out of market'. This has led to pockets of unemployment and under-employment among a large section of free-lance workers in the midst of 'over employment' among a few of them, resulting in out-throat competition among workers to secure employment at the cost of fair wages.

Among the factors which inspire workers in the production section to join the film industry are curiosity, glamour, ambition, desire to acquire quick fortune or to earn easy money, apart from creative happiness. On account of these factors, which again cannot be precisely measured, there is no free play even in individual bargaining, since workers are prepared to accept an assignment in the film industry ~~at the cost~~ on wages incommensurate with the amount of their strain and skill. Moreover, some inexplicable factors such as popularity with the audience and a chance of having a few 'hit' pictures to one's credit have greatly influenced wage determination in some cases.¹⁴

It would thus appear that on account of peculiar employment problems relative wages have been adversely affected.

Occupational anomalies

Unlike textile industry, occupations are not standardised in the film industry. In some concerns workers are not assigned any designation, while in others, numerous nomenclatures are used for the same occupation. Some of the designations are rather misleading. For example, two distinct jobs of assistant sound recordist and boom-man are designated by the same name viz., sound assistant. However, a distinction has to be drawn

14. For instance, the success of the hit picture 'Bees Saal Baad' was largely due to factors such as story value, music and the best supporting casts. But the principal artiste found his rate of remuneration suddenly increased five-folds purely on account of having a 'hit picture' to his credit. Under such circumstances the rate of remuneration paid to top technicians and artistes immediately shoots up.

between the sound assistant who operates a sound camera and one who attends to boom.

Where occupations are not standardised considerable anomalies are apt to creep in, particularly in the unorganised sector of industries. The most common example is to be found when multiple jobs are performed by a single man. It is not uncommon to witness in the film industry two distinct jobs, requiring different skills being carried out by the same person. Thus, the jobs of settingman and lightman are sometimes entrusted to same persons in a number of studios. Another example of the case in point are laboratory assistants who do the jobs of developing, printing, checking and cleaning.

Some times occupations are underdesignated. It is not very unusual to find that in the projection department, the most senior person is designated as a projectionist, while all others are treated as assistant projectionists. Where there are two preview theatres and more than one shift is worked every day, it would be incorrect to call the projectionist, who works independently on the machine as an assistant projectionist. In one studio, the background painter is called a painter and as such paid the wages of a set painter. In another studio, the assistant sound recordist is called the assistant and paid lower wages on that count. There are several instances of setting master being called setting mistry, assistant editor as joiner, assistant director as assistant to director, etc. Where an award of Industrial Tribunal exists fixing wages according to categories, there

appears to be a tendency to wriggle out of the award by under-designating occupations.

It is also observed that jobs are not well-defined. Frequently, some of the categories of workers are simply termed as mazdoors. For example, in quite a large number of studios trollymen are called camera coolies, boom-men as sound coolies, assistant projectionists as helpers, lightmen as light coolies, painters as painting boys, and so on. Distinction between I-assistant cameraman and II-assistant cameraman or I-assistant director and II-assistant director is not drawn in some cases. Workers are designated merely as camera assistant, assistant director, etc., and are usually paid the wages of lower category.

In some concerns posts carrying principal occupations are kept vacant, while their jobs are actually performed by persons who are designated as mere assistants. In one studio, recording is done by an assistant recordist as no sound recordist is employed by that studio. By not designating him as a recordist he is deprived of the recordist's wages. In another studio, the entire technicolour picture is photographed by a person who is designated as assistant cameraman. In one laboratory, the job of mixing chemicals is done by a mixer without the guidance of chemical-in-charge.

There are cases where peculiar designations exist, such as apprentice for chemical-in-charge (this designation continued for several years) assistant hamal for trollyman or boom-man and assistant gardener where a small garden is maintained. In some instances, jobs exist but no distinct categories are designated.

For example, the job of crane operating exists in a few studios but in none of them is any person designated as crane operator.

It is thus clear from the foregoing that occupational anomalies have deprived many workers of their legitimate earnings, which when compared to the actual work performed appear to be very low. Wage differentials are, therefore, erratic.

10.4 Conclusions

An attempt has been made in this Chapter to discover factors responsible for deficiencies in wage structure found earlier. Relatively low wage level in the production section and studios is due to causes such as high payments to top artistes, costly finance, lop-sided sectoral growth of industry, lack of planning and nature of production units which have adversely affected the capacity of industry to pay. This has resulted in the reduction in profitability of film industry on which depends the prospects of workers to earn adequate wages.

The fall in comparative real wages is attributed to slow growth of industry, weak organisation of workers, absence of state regulation, relatively low sectoral importance and comparatively high proportion of wages in total costs. In view of these considerations wages could not move fast enough to offset the increase in price level.

The distorted structure of relative wages is traced to factors such as creative nature of work, peculiarities of employment and occupational anomalies. In view of this, skill

as a major factor of determining rational wage differentials has been almost sidetracked in the film industry.

This analysis would help us greatly to formulate proposals for improving the conditions which give rise to shortcomings in wage levels in certain sectors of film industry.

11.0 Formulation of a Rational Wage Structure

We have analysed the factors responsible for deficiencies in the wage level, namely relatively low wage level, a fall in comparative real wages and distorted structure of relative occupational wages in production section and studios. We may now suggest measures for improving the factors giving rise to these short-comings. Before doing so, we shall spell out the requirements of a rational wage structure to provide a broad frame-work for our suggestions.

11.1 Requirements of a Rational Wage Structure

A rational wage structure is built-up by conscientious efforts on the part of employers and trade unions through the process of collective bargaining. It provides for an optimum absolute wage level, adequate from the view point of cost of living and comparative wage levels in other industries in the locality and conducive to productive efficiency. The real value of wages should be at least maintained at the same level so that the workers' standard of living to which they are accustomed is preserved or if possible improved. This requires a machinery for regulating wages to meet changes in price levels. Besides, as stated earlier, the workers are not interested only in their own earnings. Those obtained by others doing comparable work are equally relevant to them. Any disparity in comparable wage levels, therefore, causes heart burning and disturbs industrial harmony. Lastly, wages should be sufficient to increase progressively their productive efficiency.

Such a measure helps to expand the industry and employment potential.

Another requirement of a rational wage structure is to provide for proper wage differentials as an incentive to enable workers to improve their skills. This ensures a self-sustained growth of industry by the improvement of skill-composition of its labour force.

Lastly, the rational wage structure should increase employment potential of the industry consistent with its growth. A full benefit of the wage rise would not accrue to the society if it entails curtailment of employment opportunities or interferes with the development of industry.

In the context of these requirements, we shall formulate proposals for improving the wage level in the Bombay film industry. We shall first suggest measures for improving the low wage level in the production section and studios.

11.2 Proposals for increasing the absolute wage level

The proposals include stabilisation of financial base of industry, improvement in the organisation and methods of work and regulation of producers.

Stabilisation of the financial base of industry

The low wage level of workers in the production sector is to a large extent attributed to near-chaotic financial conditions obtaining in the film production industry, which are mainly caused by fabulous payments to leading artistes, high interest charges paid to financiers and stunted

growth of the exhibition sector. These problems should be satisfactorily resolved simultaneously with our attempt to evolve any rational wage structure.

Remuneration to top artistes seems to be still on the increase¹. Evils of this type cannot be checked by any legislative action, as such deals are effected in camera to which both producer and artiste are parties. Under conditions existing in the industry today, few producers venture to engage new artistes in their pictures, because financiers or distributors are reluctant to finance or distribute pictures starring altogether new cast with the attendant risk of their going flop.

The situation in which only a few artistes secure high payments is primarily the outcome of a limited supply of top artistes. It would be possible, therefore, to remove the evils of the system only by creating conditions under which the supply of good artistes would increase adequately to meet the demand for them.

Since earlier attempts to introduce new faces have failed miserably, a bold bid may have to be made by Government stepping into the sphere of feature film production along with other producers in the private sector. To begin with, about 10 pictures may be undertaken for production by Government every year under

1. It was recently reported that one leading artiste quoted as high as Rs.20 lacs as remuneration for his role in one picture with a view to driving the producer to some other artiste, as his own hands were full. To his surprise, the producer agreed to pay him the desired amount and succeeded in securing the artiste for his picture.

conditions of perfect planning, tight budgeting, appealing story value and enlisting star cast unknown to the audience but specifically chosen to play the roles most suited to them. Such pictures are likely to succeed at the box office. Continuous film production with new artistes would increase the stock of available artistes, ultimately leading to lowering the rate of their remuneration per picture. The artistes then would have at a time only a few pictures on hand and hence they would be able to devote more attention to each picture undertaken by them, resulting in reducing the production period and consequential over-head costs. This process will provide a solution to most of the problems emanating from monopoly of stars besides improving the tone of the films, an outcome of healthy competition.²

Yet, another way of increasing the stock of good artistes is to subsidise the film production of co-operative film producing societies of artistes and technicians and the production of reputed individual producers on certain conditions. Such societies or individual producers should produce pictures by introducing budding fans with latent talent in them. Government on its part can help the co-operatives and individual producers by arranging more liberal finance from the Film Finance Corporation, subsidising a part of their cost or purchasing pictures outright to release them along with its own. Alternatively, Government may initiate special awards for good pictures introducing new artistes in the leading roles.

2. The above proposal would not involve any grave risks on the part of Government. The profits or losses, if any, would be spread over 10 pictures per annum and on an average the picture production would be a profitable business, if films are produced on sound lines. They would also serve as guidelines to other producers in the economics of film production.

The artistes' bid for exorbitant remuneration may be attributed to their apprehension that they would have little to fall back upon during their old age as the span of their glamorous life is short. This fear complex can be overcome by a scheme of insurance specifically designed for them. The scheme is based on equal contributions paid into a Fund by artistes and producers. Each artiste who has played a principal role in a picture at least once becomes eligible for insurance, his annual contribution being 10 per cent of his yearly aggregate income from the film industry. When the artiste voluntarily retires or does not secure any contract continuously for at least a year after five years of his becoming a member of the insurance scheme, or dies or becomes permanently incapacitated, irrespective of the period of membership, he or his nominee as the case may be should be entitled to receive his as well as the producers' contribution. In all other cases, the artiste should receive only his contribution. The amount thus payable in either case is not paid fully in lump sum but by regular monthly instalments ranging between 120 to 240 according to his choice.

The scheme provides enough security to artiste and his family. It should be managed by a small company to be floated for the purpose or by a section of the Life Insurance Corporation. A small advisory committee of artistes and producers may also be constituted to advise the company or Corporation on problems relating to the scheme.

Another way of dispelling the apprehensions of top artistes regarding the provision for future is by encouraging them to

deposit surplus money into a Special Fund to be operated by Government. Money so deposited will be both tax-free as well as interest-free and shall be repaid to artistes after the lapse of specified period by suitable annual or monthly instalments.

Finance

Film production involves inherent risks on account of uncertainties of box office. Coupled with this, monopolistic position attained by the specialised agency of film financing has forced interest rates to move up. If pictures can be produced with better organisation and planning and finance is liberally made available to produce them even with comparatively high but not excessive rate of interest, film production should become a profitable business proposition. Various suggestions made in subsequent paragraphs in this chapter may be followed for the production of quality films and production technique and organisation should be improved accordingly. For ensuring adequate finance, the Film Finance Corporation should enlarge its capital and suitably amend its bye-laws. Film financing procedure should be so formulated that it should loosen the private monopoly financiers' grip on producers. In this connection the following specific suggestions may be adopted with advantage:-

- 1) While applying for loan, the producer should submit to the Corporation (a) the script, (b) details of planning such as shot analysis, number of shooting shifts, approximate time schedule, set designs, etc., (c) names of leading artistes and technicians, (d) details regarding the last 3 pictures produced, if any, such as the experience of producer in the capacity of producer, director, artiste, technician or craftsman, number of shooting shifts, duration of production, sources of finance, etc., (e) financial budget with detailed break-up and sources of finance;

- 2) The Corporation should finance the picture to the extent of 60 to 75 per cent of the likely expenditure depending upon the merits of each case, instead of observing the existing limit of Rs.3.5 lacs per picture;
- 3) Due weightage should be given to the commercial aspect of film business, which at present is completely lacking;
- 4) It should be ensured that shooting schedule is strictly adhered to. Any deviation from the schedule or from budget estimates should render the film liable to be taken over by the Corporation. The observance of tight schedule should entitle the producer to more liberal facilities such as grant of loans, reduction in the rate of interest, etc.
- 5) The Corporation should grant more liberal terms in respect of the amount of loans and the rate of interest to producers who undertake to produce pictures with altogether new artistes, though with necessary backing ground, in the leading roles.
- 6) The Corporation should undertake financing studios and laboratories as well, which need to be modernised.
- 7) The industry should be associated with the management of the Corporation more effectively; and
- 8) The rate of interest should be realistic. In view of grave risks involved in picture production and the current rates of interest, it would be more practical to charge a much higher rate of interest, say 25% per annum and finance a large number of pictures than charge a lower interest rate and finance only a few pictures.

Adoption of these provisions would go a long way in easing the financial situation and assisting genuine producers with adequate finance. Producers obtaining relatively cheap finance from the Corporation would be in a better position to dispose of their pictures to distributors than those utilising 'costly' finance from professional financiers. This would ultimately extricate producers from the clutches of both commercial financiers and calculating distributors. The proposal would also tend to inculcate pre-production planning, which would

limit production costs to a reasonable level.

The suggestion to liberalise finance requires the provision of large capital. On the basis of an average cost per picture amounting to about Rs.5 lakhs and assuming that 60% of the total capital requirements would be provided as financial assistance to about 200 pictures per year, the Corporation should have a working capital of Rs.6 crores. This capital could be raised by selling debentures and borrowing from the Reserve Bank of India by offering higher rate of interest to cover inherent risks involved in film production. The share capital of the Corporation should also be raised, the Central Government contributing 51% of shares, while keeping the remaining shares open to State Governments, institutions and private parties.

Growth of exhibition sector

The above schemes relating to picture production and finance would be defeated unless they are accompanied by a provision for building at least one new theatre by Government or the Film Finance Corporation in every metropolitan city of India. It is necessary to ensure exhibition facilities before the production or financing of film is undertaken. If they are not pre-arranged, producers in the state, co-operative or private sectors would be at the mercy of exhibitors who insist on well-known star cast and the vicious circle would go on.

As indicated in the last chapter, the film industry has witnessed a lop-sided growth mainly caused by comparatively small number of cinema theatres. They should be increased, therefore, to exploit fully the film production of the country and increase the profitability of industry. This can be

achieved either by encouraging the industry to build new theatres with liberal loans and facilities granted by Government or by building more theatres by the state and entrusting their administration to a separate Corporation. The measures would help to increase the overall share of producers, so essential in stabilising the film production.

Improvement in the organisation and methods of work

Considerable economy can be effected and higher output ensured by rationalising organisation and introducing improved method of work. Instances are not lacking where inspite of fair returns from a picture, the producer has sustained heavy losses. This can be explained by high cost of production due to various factors such as lack of planning, inefficiency and the like. High level organisation and improved methods of work will go a long way in making the film production a profitable business and the industry self-sustaining.

Like other industries, advance planning of a high order is essential for the success of film making. In the early stage, sufficient time should be devoted to preparing analytical notes on shots, giving details about set designs, artistes, their movements, camera angles, make-up, costume, dialogues, etc. Rough sketches may also be drawn, indicating different camera and lighting positions, so that no time is lost in lighting the set. Such a method is likely to increase "screen minutes"³ per shooting shift, cut down wastage and keep the number of

3. The edited footage of film which when projected on the screen lasts for a minute, viz., 83.3 feet.

shifts to the minimum. If the shot is conceived earlier in proper perspective, it would avoid temptations to have more 'takes'⁴ of the same shot from different camera angles with a view to choosing the best out of them. Director, cameraman, art director and editor should hold frequent discussions to help technicians to grasp correctly the director's conception of the story. The shooting programme should be completely finalised before production begins. Advance planning on lines indicated above is the key to the success of film industry in western countries.⁵

Rehearsals of artistes, if held earlier, would improve the quality of picture, besides saving considerable time on floors. Producers should ensure that artistes attend sets punctually so that no time is lost or no occasion arises for overtime work on account of artistes' delay.

The practice of shooting in more than one studio should be discouraged as it affects the quality of picture. If producers are attached to a given studio for a particular picture, it would ensure clientele for the studio, which would then strive its best to satisfy its regular customers rather than work for 'nomadic' clients.

Rewards should be given to producers who complete their films in the shortest possible time and the fewest number of shifts, consistent with their quality. This would promote

4. 'Take' is generally synonymous with a shot, but in cases otherwise, it indicates the number of repetitive picturisation.

5. In British and American film industry, all 'paper work' is ready before shooting begins. The picture is then completed according to schedule, resulting in keeping costs within estimated limits.

rapid production with emphasis on higher 'screen minutes' per shooting shift. Further, in order to encourage shooting efficiency and schedule, the scheme of granting rewards should also be extended to producers consuming minimum raw stock, bearing the lowest ratio to released footage.

The export potential of our films has been poorly explored and this has resulted in inadequate exploitation of films. A concerted effort should be made for export promotion which would earn more revenue and foreign exchange.

Regulation of producers

The crop of mushroom producers every year has adversely affected wages by maintaining a section of workers at the starvation level. It is, therefore, necessary to regulate the entry of new producers without attracting the provision of the Constitution of India relating to freedom to conduct any business, trade or profession. This can be achieved by an agreement between the associations of producers and the Federation of craft unions. Accordingly, no technician would work with a producer who is not a member of one of the existing producers' organisations. The existing associations of producers on their part will exert great care while admitting a new member, as is done by any other business organisation by examining the professional career and knowledge and financial backing of the person concerned. The existing Steering Committee of Producers which advises the Controller of Imports on distributing raw stock can also play an important role in weeding out mushroom producers by exercising judicious

discretion in granting raw stock⁶ A few producers who conduct business on sound lines will provide more stable employment and a better wage level than a large number of producers who enter the industry with ulterior motives.

We now turn to the measures for improving the second deficiency in wage level, namely, fall in comparative real wages.

11.3 Suggestions for raising the real wage level

These suggestions include the growth of exhibition sector, improvement in organisation of trade unions, machinery for determination and revision of wages, better utilisation of leisure ~~for avoidance of monotony~~ and wage incentives.

In order to give impetus to the growth of industry, it would be necessary to expand the exhibition sector more rapidly than before. This would alone ensure a balanced development of industry leading to higher returns for the products of industry and more equitable distribution of film revenue among the constituent sectors of industry. We have already dealt with this proposal earlier.

Improvement in organisation of trade unions

Since wages are closely related to the degree of sound organisation of workers, it is imperative that trade unions are properly organised. It is high time that small craft unions are

6. Cf. Government of Maharashtra - Report of the Committee for Employees in the Film Production Industry, 1966 - pp.87-88.

amalgamated into a strong and healthy union of workers in the production section. Special craftwise committees may be formed to advise the union on special problems of crafts as and when they crop up.

The trade union of production workers should propagate in favour of single employment against multiple assignments. This would help in introducing collective bargaining, which will strengthen the organisation of workers and provide an institutional base to the industry.

The union may organise 'film star programmes' with a view to improving its financial position. Many programmes have been arranged by cine workers so far for the benefit of institutions other than their own. The funds raised by such programmes should be utilised for the welfare of union members.

Machinery for determination and revision of wages

The question of inapplicability of labour laws and the desirability of formulating a special legislation for film industry has recently attracted the attention of the Central and State Governments. The Government of India has set up a tripartite committee to examine the question. While this committee has prepared an outline for special legislation for film industry, the Committee for Employees in the Film Production Industry appointed by the Government of Maharashtra in 1964, with one of the terms of reference as above, has reacted in favour of some voluntary arrangement for the determination of service conditions by the parties themselves.⁷

7. Ibid - pp.111-113.

It appears that there are practical difficulties in the enforcement of labour legislation even if it is made applicable to the film industry as envisaged in the Central Government's proposal for special legislation. A solution would seem to lie in providing a voluntary machinery of negotiation and settlement of disputes, which under the peculiar conditions obtaining in the industry is likely to function more effectively than the statutory machinery. Moreover, the working of existing bipartite machinery encourages to introduce such machinery in other areas too.

A joint machinery of 'Area Wage Councils' is, therefore, suggested for determining and revising wages by collective bargaining and resolving all wage disputes amicably. A council should be constituted for each sector in a given area. It should be composed of equal representatives of employers and employees, say 4 each and an independent chairman, chosen by both the parties with power to decide the issue in case of a stalemate. Every effort should be made to settle the issue mutually in the council. If an agreement is arrived at, a memorandum of agreement should be signed by the parties. In case the issue cannot be mutually resolved, the chairman gives immediately his decision which shall be binding on the parties. No appeal should lie against the decision of the council or its chairman.

In the case of individual wage disputes, attempts should be made to settle the matter at the establishment level by union officials and concerned company executives. Failing this, the matter may be referred to Area Wage Council. Time limit should be prescribed to settle the issue at each stage. Until the

matter is finally settled, existing service conditions should remain unaffected. No strike or lockout should be declared

(a) unless the dispute is attempted to be settled at the establishment level, if it is an individual wage dispute or it is referred to the Area Wage Council and the Council decides it finally,

(b) against the joint decisions of union official and establishment executive, the agreement arrived at in the Area Wage Council or the decision of its chairman, and (c) in contravention of the existing wage agreement.

Given good-will on the part of employers and employees, this machinery would work to the mutual advantage of both the parties. It is expeditious in settling disputes and simple in execution as there is finality in decisions. If this experiment succeeds, it will open a new chapter in the history of wages and industrial relations in India and similar councils would be set up in other industries. This would ensure an enduring industrial peace. Area Conciliation Boards have given a good account of themselves in Great Britain and several agreements covering a wide range of service conditions have been arrived at, resulting in lasting industrial harmony in that country. In Bombay too, the experiment of the Disputes Settlement Committee in film industry is quite encouraging. This gives sufficient ground to hope that the bilateral machinery suggested above would suit the requirements of the industry and its labour.*

Better utilisation of leisure

Although the importance of film industry in the economic sphere is not significant, the industry should stand out distinctly in the social and cultural field. As an entertainment industry

* Please refer to footnote at the back of this page.

its position is unique in this country.

With the rising tempo of industrialisation, life would become more monotonous unless leisure is properly utilised to maintain spirits and efficiency. Considerable facilities for utilisation of leisure exist in more advanced countries, notable among these being holiday homes, sports, hunting, fishing, clubs, parks etc. In the absence of such facilities on a large scale in India, cinemas which provide entertainment at cheap rates, need to be developed more rapidly. In this context the role played by film industry as a source of healthy recreation is being increasingly felt. The Government must shed its negative attitude towards the industry as a mere source of collecting tax and take positive steps to promote this industry as a useful medium providing better utilisation of leisure.

With the acknowledgement of this role, the film industry would attain its rightful place of importance. This would help the workers in this industry to achieve fair wage.

Wage incentives

Wage costs could be reduced and real wages increased by improving the productivity of labour. This is sought to be achieved by wage incentive methods.

Incentive wage is one of the components of wage structure. A willing co-operation between employers and employees is a prerequisite to the introduction of any wage incentive scheme. Congenial atmosphere of harmonious industrial relations must be brought about in order to enthuse workers' response. Workers should be associated with fixing work-load or minimum production

standards and incentive rates, which should be so determined as to enable them to surpass their normal output and encourage them to earn higher wages. At the same time adequate steps should be taken to see that workers' health and safety are protected and the quality of performance does not deteriorate on account of undue haste on the part of workers.

As stated in chapter 4, excessive overtime is worked in film industry, workers earning substantial amount on that account. Any sudden withdrawal of overtime work would be resisted by workers, as it would deprive them of significant proportion of their earnings, resulting in widespread industrial unrest. If, however, workers are given an alternate scheme which would enable them to earn as much as before within normal hours of work, they would be willing to accept it. The employers would also be inclined to introduce wage incentive scheme, if the output per man-hour increases. A wage incentive scheme is intended to do away with overtime work and wages in the interest of both employers who save overhead expenses and employees who earn leisure without any curtailment in total wages.

Broad features of the wage incentive schemes suggested for the production sector are:-

- 1) Workers are guaranteed a minimum wage or a 'fall-back wage', irrespective of output, or where individual output can be measured, the minimum wage relates to standard output to be evolved by collective agreements;
- 2) A group incentive scheme is adopted in preference to individual incentive scheme, since the work in the film industry is a product of co-operative endeavour of a number of workers;

- 3) The scheme covers as many workers in the establishment as possible in order to avoid ill-feeling among workers; and
- 4) Before introducing any wage incentive scheme, anomalies in individual earnings, if any, are removed to create an atmosphere most conducive to the success of the scheme.

Three wage incentive schemes are outlined below: The first scheme covers workers engaged by producers and those in the camera, sound and light departments of a studio. The other two schemes apply respectively to studio (other than the above mentioned departments) and laboratory sections. No incentive scheme is proposed for the distribution and exhibition sectors on account of the routine nature of work in those sectors.

The efficacy of incentive scheme for workers in the production section depends upon the punctual attendance of top artistes, the degree of planning effected by producer in picture production and the availability of sufficient material and equipment in studios such as lights, setting properties, etc. Most of the shift time currently lost is attributed to the late arrival of principal artistes and nonavailability in time of material and equipment required for shooting. Studies undertaken by the author reveal that in India the average productivity per shift can be measured by 1.88 screen minutes. This may be taken as a basic work-load per shift and any increase in the productivity should be duly rewarded by an incentive wage calculated at the rate of an average shift wage per screen minute per shift of output. An average shift wage may be estimated by dividing the contractual amount per picture by 80 in the case of black and white picture and 120 in respect of colour film, based on the average number of shifts generally required to produce a film. If a worker is

employed on monthly pay basis, his average shift wage is worked out by dividing the wage rate by 6.67 in the case of black and white as well as colour films.⁸

The incentive scheme in studios would succeed if independent producers co-operate and hand over their set designs to the studio atleast 4 to 6 days in advance. During this period, advance preparations such as drawing a ground plan, making ready set properties etc., can be initiated. The studio setting-in-charge should estimate the number of shifts normally required for set erection. If the setting staff completes the set in less than the estimated number of shifts, all studio workers (excluding the shooting staff covered by the earlier scheme) become entitled to an incentive wage calculated at a rate which should be more than the average daily wage of each worker for each shift thus saved. The quantum of additional incentive amount over the average daily wage should be decided by collective bargaining by the parties themselves.

The incentive scheme in process laboratories is related to output in the printing department which depends upon output in other departments such as developing, light suggesting, cleaning and checking, etc. The footage printed generally varies with black and white or colour photography as well as according to whether the film is 16 mm. or 35 mm. In the case of black and white 35 mm. film, the footage printed also changes with the type of printing machine. Job studies conducted by the author indicate that the following printing norms per shift may be

8. This represents the average number of shifts per month. The black and white picture is generally completed in 12 months, while the colour film takes about 18 months to finish.

adopted as a basis for the incentive plan:

<u>Type of film/machine</u>	<u>Basic printing norm per machine</u> (Feet)
<u>Colour</u>	
16 mm.	3,200
35 mm.	12,500
<u>Black and White</u>	
16 mm.	4,500
35 mm.	
Bell and Howell	14,500
Debie'	13,500
Depue	14,500
Selecta	18,000
Union	23,000

If the total output in the course of a shift exceeds the minimum work-load based on basic printing norms per machine, all laboratory workers should be entitled to a total incentive wage calculated at the rate of Rs.5 and Rs.10 per 1,000 feet of black and white and colour film respectively for additional output produced. The total incentive wage should be distributed among all laboratory workers according to the inter-se' proportion of each worker's basic wage to the total basic wages.

The benefits of incentive schemes are two-fold to both the parties. Workers receive additional wages without working overtime, which period could be better utilised by them. The employer benefits in savings in excessive overtime wages and food money which he is now required to pay and in better utilisation of idle shift hours. As a result, it would be possible to regulate working hours and grant sunday as a regular weekly holiday. It would also help to improve real wages.

The suggestions discussed so far would help to increase absolute as well as real wage levels in the film industry. We shall now suggest measures for rationalising wage differentials.

11.4 Measures for rationalising wage differentials

These include regulation of employment and training and standardisation of occupations. It may not be realistic to bridge the large gap existing between the wage levels of top technicians and those at the bottom. The former would continue to get remuneration for their creative work, if it is not to be stifled. The scope of rationalising wage differentials is confined, therefore, to the wages of categories other than those in highly skilled (A) grade.

Regulation of employment and training

The problem of imbalance in employment created by the excess of supply over demand for free-lance artistes and technicians is further complicated by the existence of multiple employment among a section of workers. In order to regulate employment so as to increase the employment potential of industry and improve relative wage level, the associations of producers, artistes and technicians should encourage the system of single employment and discourage multiple assignments. To achieve this objective, the following steps should be taken immediately:-

- 1) A provision should be made in the standard contract of employment for specifying by the artiste or technician the number of pictures already on hand and the priority for his new assignment or whether he would work exclusively with one producer;
- 2) Minimum wage rates as agreed between the associations of employers and employees should apply only to workers engaged on exclusive assignment;

- 3) In case the artistes or technicians are engaged exclusively for one producer, they become entitled to 'Employment Benefit Fund' to which every concerned producer deposits each month additional 10% of the average monthly wages of the workers on exclusive contract. The fund which would be managed on the lines of provident fund, is in lieu of benefits such as provident fund, leave, overtime payment, bonus, etc;
- 4) If the picture is stuck up or stranded i.e., off the floor for a continuous period of more than 3 months, the worker exclusively engaged for one picture should be free to terminate the contract on receiving wages for 3 months, on a pro-rata basis as compensation for likely loss of employment;
- 5) Every contract of employment should be 'period bound'. In case the picture is not completed within the specified period, the contract should be extended for such further period as may be agreed by both the parties on payment of additional remuneration on a pro-rata basis. In the absence of any clause relating to the period of contract, it should be construed to be of 12 months in case of black and white picture and 18 months in case of colour film.

An Employment Bureau should be constituted as a bipartite organisation consisting of equal number of representatives of producers' and workers' associations. All producers, artistes and technicians should register their names with the Bureau, giving details about their pictures under production, qualification and experience. All contracts of employment entered into between the producer on one hand and artistes or technicians on the other should be registered with the Bureau, which would also deal with cases of non-acceptance of contracts by employees and non-supply of such documents by producers. The Bureau should determine from time to time the number of new entrants to be admitted and lay down conditions such as qualifications etc., for their entrance. It should also decide all questions relating to the retirement of employees such as superannuation and compensation, if any, required to be paid to such employees. The Bureau would

manage the 'Employment Benefit Fund' and deal with all problems arising out of it. Finally, it would function as an effective employment service whereby producers would secure the services of the required type of artistes and technicians available for employment.

The measures outlined above are expected to foster single employment by creating conditions most conducive to its acceptance. This would ultimately lead to an institutional base for the production unit, so essential for regulating service conditions including relative wages. It would also regulate employment by somewhat even distribution of work, resulting in lessening unemployment. We shall now look into the training aspect of employment, which ensures equitable wage differentials.

Whatever limited technical advance is made by the Indian film industry, it has been achieved by technicians themselves through trial and error method. Despite the fifty years' life of the industry, no attempts have been made by the industry to train the personnel required for operating such highly complex appliances as movie camera, mixer, sound camera etc. If the country is to keep pace with the rapid technological advancement in the international field and build up an export potential, it must seriously think of the right type of technicians to handle the ultra modern equipment available for the purpose. It is now high time that only trained personnel should be recruited and no new entrants who are untrained should be allowed to seek jobs in departments like direction, camera, sound, projection and editing. Like electricians, wiremen, etc., such personnel should

be required to possess a licence based on theoretical qualifications⁹.

The most significant part of training should be a refresher course for a large body of existing untrained technicians. The pace of refresher course contemplated by the Film Institute of India should be accelerated and a more ambitious programme should be chalked out in conjunction with the Institute with a view to training all technicians on the job within 10 to 15 years. At the end of this period no untrained technician should be permitted to work in the film industry. In order that production programme should not be thrown out of gear 'sandwich courses' as suggested by the Film Enquiry Committee or "Evening classes" on the lines of those in U.K. would be very appropriate.

A formidable difficulty may perhaps arise on account of nonavailability of qualified instructors to train technicians on the job. Instructors should be recruited from persons within the industry, as they alone can have sufficient practical bias and can impart instruction in 'a language' understood by all. Some top technicians may not be able to impart training. Such persons would need prior training in theory with a view to giving them a thorough grasp of their craft. In order to adapt themselves to fast changing technical advancement, they should willingly submit themselves to such prior training.

In laboratories and theatres, a well-defined scheme of apprenticeship should be introduced for certain categories of personnel like developers, printers, light suggesters and

9. The system of requiring projectionists to acquire a licence is already current in Madras State.

projectionists. Apprenticeship would be meaningful only when apprentices receive both theoretical as well as practical training. Such courses should begin simultaneously in all laboratories and theatres which require trained hands, so that it would be possible to hold combined theoretical classes to train all apprentices. The scheme should prescribe the period of apprenticeship (say 2 years), and payment during the period (say Rs.150 per month), offer facilities such as leave etc., and provide for trade test after completion of training. The number of apprentices to be trained every year should be ascertained in advance according to likely vacancies in the concerned departments of each laboratory or theatre arising on account of retirement, promotion, etc. Suggestions regarding refresher courses outlined earlier also hold good for existing laboratory and cinema technicians.

Finally, the associations of producers should recognise certain schools of music and dancing and examinations conducted by them. All future entrants to music and dance departments such as singers, musicians, dancers, music directors and dance directors should possess requisite certificate of proficiency from such recognised schools.

These proposals are intended not only to improve the quality of film production but also to enhance the intrinsic value of technicians by acquisition of theoretical knowledge and skills with a view to enabling them to command higher wages. With these job preparations, wage differentials would be more rational.

Standardisation of occupations

On account of several occupational anomalies, workers are deprived of their legitimate wages commensurate with the nature of work performed by them. It is, therefore, essential to standardize occupations and to see that workers are properly designated in accordance with the jobs assigned to them. An attempt at standardization of occupations is already made in our study earlier and the list of standardized occupations is provided in appendix 1. Job descriptions given in appendix 2 would help the employers in assigning proper designation to each worker and defining the scope of his duties.

11.5 Conclusions

Several suggestions are made in this chapter to meet the factors affecting wage level, keeping in mind the requirements of a rational wage structure. When implemented, they would not only raise the absolute wage level of cine workers but also increase real wages and rationalise wage differentials to enable them to acquire more skills. The measures outlined above are not isolated in nature and, therefore, should not be implemented piecemeal. They together constitute one integrated scheme for formulating a rational wage structure. How far is such a wage structure consistent with increasing employment opportunities and sustaining growth of industry now remains to be examined in the next chapter.

12.0 Wages, Employment and Growth of Film Industry :

In the context of formulating a wage structure through trade union activity or legislation, it is sometimes argued that these interventions in the labour market may have adverse effects on employment and growth of the industry concerned. It is on account of these considerations that some times the adoption of a positive government policy for a rational wage structure is opposed. We have made certain suggestions in the last chapter conducive to formulating a rational wage structure for the film industry. It is, therefore, necessary to examine the impact of such a wage structure on employment situation and economic growth of the film industry, based on past trends.

The subject of inter-relationship existing between wages, employment and economic growth is complex. It is not the purpose of this Chapter to go into the details of theoretical niceties underlying the study of the impact of higher wages on expansion and employment. However, to the extent theoretical analysis is necessary to arrive at some broad conclusions about the effects of increase in wages, a theoretical framework is unavoidable. Against the back-ground of such a framework we shall be able to discover certain relationship between the variables under study. After having arrived at the theoretical framework we shall try to apply it to the specific area of our study and attempt to deduce certain conclusions about the impact of higher wages on employment situation and economic development of film industry. These issues are of great practical significance, for the decision to adopt a rational

wage structure would largely depend upon the type of effects it is likely to have upon employment and economic growth of film industry.

12.1 Theoretical Framework

The problem of inter-relationship between wages, employment and economic growth can be examined theoretically at different levels of abstraction. In the first place there is the well-known static partial equilibrium technique¹, which abstracts a lot from the reality but at the same time helps us in arriving at certain broad conclusions within the limits of assumptions made.

The broad conclusions of the static partial equilibrium analysis are -

- (1) If the labour market is imperfect in the sense that larger supplies of labour can be drawn in the market only at higher wage cost and if the implementation of higher wages through legislation or collective bargaining makes the supply perfectly elastic, higher wages lead to larger volume of employment ;
- (2) If the labour market is already perfect in the sense that the supply of labour is perfectly elastic with reference to wage rate and if higher wages are introduced through legislation or collective bargaining, the rise in wages would lead to contraction in employment.

1. Stonier and Hague - A Text Book of Economic Theory, Longmans Green and Co., London, 1953, P. 353.

Similarly, using the static framework of analysis we can say that if higher wages lead to a rise in the volume of employment and if the profitability per unit of labour remains the same, higher wages would lead to higher total profits and if profits largely or wholly are re-invested, this would lead to higher rate of growth of the industry. On the other hand, if the raising of wages leads to decline in employment and if the profit per worker remains the same, total profits in the industry would shrink and this may arrest the growth of the industry.

The above conclusions arrived at by using the simplified static framework of analysis are likely to get modified when we take into account the dynamics of the situation. In the static framework it is assumed that there are no technological changes which time and again raise the productivity of labour. It is also assumed that there is no relationship between real wages and the efficiency of workers. Both these assumptions will have to be relaxed and the conclusions derived from static analysis adequately modified before applying it to the real situation.

Normally, technological changes raise the productivity of workers and make it possible for the industry to bear easily the higher wage cost. ^{wages} ~~Real~~ ^{may} themselves induce technological changes and thus raise the productivity of labour. In this way once a higher real wage structure is introduced in a progressive industry (in the technological sense) it may create conditions favourable to its own maintenance. However, it is difficult to generalise what ultimate effect technological changes would have on the total employment situation unless we clarify the nature of technological changes and the nature of demand for goods produced by the industry.

Without going into this highly complex matter, it can be said that in ²¹⁷ a progressive industry, the introduction of a rational wage structure may not adversely affect the level of employment and economic growth. In cases where real wages are at a very low subsistence level, it is possible that the rise in real wages increases the efficiency of labour. If the efficiency rises at a rate faster than the rise in real wages, the introduction of a rational wage structure would result in both expansion in employment and economic development of the industry. These are some of the tentative conclusions which can be drawn on the basis of the theoretical analysis. How far these conclusions can be valid in the case of the film industry may be now examined briefly.

12.2 Impact of Wages on Employment and Growth :

Though some of the economic models do not admit of an easy explanation in an industry where creativity, job satisfaction and glamour are major considerations of employment and wage determination, an attempt is made to ascertain the relative impact of higher wages on employment and development of film industry during the ten year period between 1955-65.

Analysis of wages ³ :

Table 26 reveals that the period between 1955-65 generally witnessed a rise in wage levels in all sectors of film industry in Bombay.

-
- 2 : Since the growth levels of various industries differ considerably, the available data would not provide meaningful comparisons in all cases from the middle of this century. Only such data are, therefore, presented which would be indicative of more significant trends in other industries in general and the film industry in particular.
- 3 : In order to make this chapter self-contained, wages in film industry are re-analysed with a difference. Here, they relate to workers earning less than Rs. 400 per month to afford comparison with wages of workers in other industries in Maharashtra and India in the same wage bracket.

Table No. 26 : Extent of increase in Wage Levels in film industry in Bombay during 1955-65 (in respect of workers earning less than Rs. 400 p.m.)

Sector	Average monthly Wage Levels			% increase in Wage Levels in 1965	
	Oct. 1955 (Rs.)	March 1960 (Rs.)	March 1965 (Rs.)	Over 1955	Over 1960
1. Production Section *	102	118	126	23	7
2. Films Division	142	192	242	70	26
3. Studios	84	104	111	32	7
4. Laboratories	122	171	204	67	19
5. Indian film distribution	145	157	182	23	16
6. Foreign film distribution	156	208	300	92	44
7. Exhibition	96	123	143	50	16
All Sectors	112	127	144	29	13

* NOTE : Wage level relates to only monthly rated employees.

SOURCE : Government of Bombay, Report on an enquiry into the conditions of Labour in the cinema Industry in Bombay State, 1955.

The table reveals that the range of wage increases varied between the lowest of 23% in the production and Indian film distribution sections and the highest of 92% in the foreign film distribution section during 1955-65 and the lowest of 7% in the production section and studios and the highest of 44% in the foreign film distribution section during 1960-65. Relatively large increases

in wages were also recorded in the case of Films Division (70% during 1955-65 and 26% during 1960-65), laboratories (67% during 1955-65 and 19% during 1960-65) and exhibition sector (50% during 1955-65 and 16% during 1960-65). The causal factors which characterise relatively low wage structure in the production section include, among others, individual bargaining, creativity, lack of proper trade union organisation and glamour. Occupational anomalies, lack of organisation in some studios where wages have remained at a stagnant level and the absence of any urge to improve basic wage structure among employees who seek to increase their wages by overtime earnings are some of the causes responsible for low wages in studios. On the other hand, higher wage increases in foreign film distribution section, laboratories and exhibition sector were possible due to their greater capacity to pay as well as relative sectoral importance in the infra-structure of film industry. They obviously reflect the impact of strong trade unions and their steady and effective functioning along with other economic propensities. In the Films Division of the Government of India, the impressive wage rise is due to steady rate of increments earned by workers every year.

The wage comparisons between film industry and other industries reveal a paradox of relationship. Thus, in other industries increase in labour supply comes from three principal sources - firstly, those looking for the first regular job, secondly, those who have been laid off and thirdly, those who have jobs but could be induced to change them if the prospects look brighter elsewhere. In the case of film industry on the other hand, the additions to labour supply by and large result from the first source, besides there is 'clinging' to this sector (due to absence of relative mobility). And, therefore, what attracts them is the existence of job openings in film industry without

close comparisons of relative wage rates. Table No. 27 indicates the comparative increases during 1960-65 in wage levels in selected industries, viz. textiles, engineering and chemicals, which constitute the major industries of Maharashtra.

Table No. 27 † Comparative Wage Levels in selected industries in Maharashtra and India (1960-65).

Industry	Maharashtra			India		
	1960 -Rs.-	1965 -Rs-	% increase	1960 -Rs-	1965 -Rs-	% increase
1. Textiles	155	194	25	129	150	16
2. Engineering	137	182	33	134	154	15
3. Chemicals	166	210	26	137	155	13
All Manufacturing Industries	146	169	16	128	152	19

Source - Government of India, Indian Labour Statistics, 1965 P. 53 (Provisional) (Statistics under the Payment of Wages Act, 1936).

The table indicates that the rate of wage increases has been more rapid in Maharashtra than in India in the case of selected industries. This is due to locational advantages and the level of growth of industries attained in Maharashtra. Wage rise is almost similar in textile and chemical industries in Maharashtra (i.e. 25 to 26%). However, the increase in wage level in engineering industry is more pronounced in Maharashtra (33%) than in India (15%). This is mostly attributed to low wages paid to engineering workers in West Bengal State, where there is concentration of engineering industry. Lastly, it is apparent from the table that wages in other industries have moved faster in States outside Maharashtra. Thus, the manufacturing

industries index for Maharashtra shows a rise of only 16 percent as against a rise of 19 percent for whole of India during the period between 1960-65.

As compared to wage levels in selected industries in Maharashtra and India, the level of wages in film industry as a whole in Bombay appears to be low. Thus, wage level in film industry (all sectors) stood at Rs. 144/- in 1965 as against Rs. 169/- for all manufacturing industries in Maharashtra and Rs. 152/- for all manufacturing industries in India. However, wages are relatively higher in the Films Division of the Government of India and the foreign film distribution section and wages in film processing laboratories in Bombay are comparable to those in chemical industry in Maharashtra. The comparison further reveals that the wage increase has been similar in the case of textile and chemical industries on one hand and the Films Division of the Government of India on the other. The rise in wages in the exhibition sector has been commensurate with the increase in wages in all manufacturing industries in the State. The wage rise in the foreign film distribution sector has been at once striking.

Wages and employment :

Employment trends in film industry in Bombay and India are indicated in Table No. 28

Table No. 28 : Employment Trends in film industry
in Bombay and India (1955-65)

Sector	Bombay			India		
	1955	1965	% increase	1955	1965	% increase
1. Production Section	4,400	6,400	45	12,000	14,000	17
2. Films Division	600	800	33	700	1,000	43
3. Studios	2,200	2,200	0	6,000	6,200	3
4. Laboratories	625	1,000	60	1,300	1,800	38
5. Indian Film Distribution	675	675	0	6,700	9,650	44
6. Foreign Film Distribution	225	225	0	300	350	16
7. Exhibition	2,200	2,700	23	63,000	77,000	22
Total	10,925	14,000	28	90,000	1,10,000	22

Source - Journals of Film Industry -
IMPPA.

The table reveals that the increase in employment in film industry in general has been more for Bombay (28%) than for India as a whole (22%). The rise has been particularly large in the production sector (45%) and laboratories (60%). Employment growth in the exhibition sector has been more or less on similar lines both for Bombay (23%) and India (22%). On the contrary, the rise in employment in the Films Division of the Government of India has been more, marked for India as a whole (43%) as compared to Bombay (33%). In other sectors i.e. studios and distribution sector, employment remained stationary in Bombay as against a small rise in studios and foreign film distribution section and a substantial rise in the

Indian film distribution section (44%) in India.

It may be seen from the table that employment has increased in the production section even though the wage structure has stayed at the lower level. The reason for this is that under conditions of free economy where high level of employment exists, it is necessary to offer workers a higher wage than what they are getting where they are in order to expand the volume of employment. However, in certain sections of economy like the film industry, where the conditions of substantial 'unemployment' (and along with the principle of 'clinging') exists, even a lower wage rate than what prevails elsewhere for similar labour may help to expand the volume of employment. And this explains the paradox of wages and employment in film industry. Thus, though in production section employment increased by 45% between 1955-65, the average wages have shown an increase of 23% during the same period.

Another paradox between wages and employment exists in certain sectors of film industry such as studios, Indian and foreign film distribution sections in as much as employment has remained at a stagnant level (has not increased at all), although wages have shown an increase of 32%, 23% and 92% respectively. The explanation is to be found in certain economic, social and organisational factors which have a significant bearing in the wage-employment relationship in the above sectors.

In studios, in the context of the existing conditions of relative 'sweating' and unregulated and unorganised sector, wages had to increase due to the growth of labour organisation (at least partially), implementation of Industrial Tribunals' awards and the rise of social conscience, irrespective of changes in employment

situation. Thus wages in this sector increased from Rs. 84 to Rs. 111 or by 32%⁴ during 1955-65. The small size of units with small turnover, absence of unionism and employment of near relatives (unregulated labour market) in the Indian film distribution section as against the larger proportion of turnover, strong trade unionism, regulated sector and well-organised labour market in the foreign film distribution section would explain the relative positions in the two sectors, namely, the wage increase of 23% in Indian film distribution section as compared to the wage rise of 92% in the foreign film distribution section.

In laboratories, the analysis of wages and employment would show that employment in that sector has more or less kept pace with the rise in wages, perhaps both of them being developing functions of general growth of film industry as such. In the exhibition sector, however, wages have moved faster (50%) than the increases in employment (23%). The crucial significance of exhibition sector relating to the end processes and the final product alone can explain the kind of relationship between wages and employment.

A comparative picture of employment trends in selected industries in Maharashtra and India may be seen in Table No. 29.

4 : None - the less the wage level in this sector still stands at the lowest level in the entire industry.

Table No. 29 : Employment Trends in selected industries
in Maharashtra and India (1960-65)

Industry	Maharashtra			India		
	1960	1965	% increase	1960	1965	% increase
	(000)	(000)		(000)	(000)	
1. Textiles	307	313	12	1174	1,312	12
2. Engineering	52	92	77	201	464	131
3. Chemicals	31	46	48	139	195	40
All Manufacturing Industries	746	903	21	3764	4,682	24

Source - Government of India -
Indian Labour Statistics -
Labour Bureau, Simla,
1967 - P.29-29.

It is clear from the table that employment has increased relatively faster in India as a whole than in Maharashtra State in all manufacturing industries in general and textile and engineering industries in particular. From the view point of employment, the textile industry in Maharashtra is in an anaemic condition. In view of high wages prevailing in Maharashtra State and Government's deliberate planning for economic growth of all regions, industries seem to have developed at a faster rate outside Maharashtra. Engineering industry, has, therefore, developed more rapidly in Punjab, Madras, Bihar and Madhya Pradesh. The chemical industry, however, still enjoys locational advantages in Maharashtra, where it continued to keep the pace of development.

Comparing the trends in wages and employment in selected industries, one finds that employment has increased at a faster

rate than wages in engineering and chemical industries, while it lagged behind wages in the textile industry. In Maharashtra, the highest wage increase and the largest employment growth occurred in engineering industry, mostly due to economics of development. On the other hand, in the textile industry, the rise in employment was rather sluggish. It is an economic phenomenon that in the early stages of development employment seems to increase at a faster rate than the rate of increase in wages. The textile industry has already passed that stage and this explains the smaller rate of increase in employment in that industry i.e. two percent.

Wages, employment
and growth of
industry

The economic growth of an industry is largely indicated by the increase in capital investment, value of output and gainful employment. Apart from these, there are other indicators of growth in the film industry, namely ^{number} of picture houses including the number of shows per day, the number of picture goers and the value of exports. Taking these factors into consideration, the extent of growth of film industry in India and Bombay may be assessed from the following table :

Table No. 30 Extent of growth of film industry in
Bombay and India (1955 - 65)

Growth Indicator	Bombay			India		
	1955	1965	% increase	1955	1965	% increase
1. Capital investment (Rs. in Crores)	20	25	25	70	85	21
2. Value of output (Rs. in Crores)	3	8	167	46	97	111
3. Employment (000) ^s	11	14	27	90	110	22
4. No. of Pictures	134	125	-7	287	322	12
5. No. of cinemas	78	83	6	4,200	5,600	33
6. No. of cinegoers (Millions)	40	54	35	1,565	2,190	40
7. Earnings from exports (Rs. in lakhs)	-	-	-	111	212	91

Source: - Journals of Film Industry
IMPPA

The table shows that capital investment increased more rapidly for Bombay (25%) than for India as a whole (21%) mostly due to higher investment on costlier colour films. Similar trends continue to be witnessed in the field of value of put-put (167% and 111%) and employment (27% and 22%). The rise in value of output has been particularly striking. Cinemas are now more popular and have come to stay as the outstanding source of recreation. The rise in employment in Bombay was significant in the production section and laboratories on account of increased number of colour films necessitating larger volume of employment.

5. The number of colour films in Bombay increased from 2 in 1955 to 21 in 1965 as against an all-India production of 3 in 1955 and 33 in 1965.

On the contrary, the table indicates a decline in the number of pictures produced in Bombay, as more colour films have taken relatively longer time to produce. The number of picture houses also exhibited a smaller rate of growth in Bombay as compared to all-India. This relatively slow growth is largely compensated by increased capacity use of cinema theatres by running extra shows daily in almost all theatres in Bombay. In 1955, only 3 shows were run every day, whereas normally 4 shows are run now-a-days in all theatres in Bombay. The number of cinegoers, therefore, increased faster than the number of cinema theatres, indicating greater utilisation of the capacity.

On the Indian plane, most of the industrial growth took place in Madras and the adjoining areas. The emergence of Madras as an outstanding centre of film production is particularly marked in view of the decline of production industry in Calcutta.

As a general analysis between wages, employment and economic growth, experience has further shown that curtailment of employment has seldom become necessary in the process of technological development of the film industry. On the other hand, such changes are accompanied by increase in employment unlike the situation obtaining in industries such as cotton textile. During the period 1955-65 the film industry has taken to colour photography with consequential increase in employment on account of colour processing in laboratories from 625 workers in 1955 to 1000 persons in 1965 or by 60%, although this was one of the factors responsible for the rise in employment. This period has also witnessed remarkable improvement in the artistic and technical quality of films through innovations in those

6
spheres. In consequence, the personnel requirements have increased in most of the departments. Many more musicians are now employed in the orchestra giving exquisite musical performance and the exotic dance sequences now provide employment to more dancers and consequently more make-upmen and costume assistants. In the process, although the employment of top technicians has remained more or less at a constant level, the employment of subsidiary personnel, such as production assistants, has increased in course of time.

We have seen in Table No. 19 that real wages in process laboratories and cinema theatres have increased by 12% and 6% respectively during 1955-65. This seems to have resulted in increased efficiency in those sectors by about 20% increase in footage processed and almost cent percent increase in box office collections in Bombay. This was also accompanied by the rise in employment opportunities to the extent of 60% and 23% in respective sectors. It may be noted here that real wages increased relatively faster in laboratories, which also recorded larger increase in employment. Real wage rise, therefore, appears to have reacted favourably on employment and expansion in laboratories and exhibition sector.

Inter-Sectoral growth in capital investment is depicted in Table No. 31.

-
6. Among quality pictures may be mentioned a few films like Chandralekha, Zanak Zanak Payal Baje, Jagate Raho and Mugale Azam which provided employment to a comparatively larger complement of labour.

Table No. 31 : Growth in capital investment in different sectors of film industry in Bombay and India (1955 - 65).

Sector	Bombay		India	
	1955 (Rs. in crores)	1965 (Rs. in crores)	1955 (Rs. in crores)	1965 (Rs. in crores)
1. Production Section	4	6	12	19
2. Studios and Laboratories	7	8	18	21
3. Distribution	2	3	6	8
4. Exhibition	7	8	34	41
Total	20	25	70	85

Source - IMPPA - Journals of
Films Industry

The table reveals lop-sided sectoral growth of film industry, reflected by a relatively slow growth rate of capital investment in the exhibition sector. The table further shows increased proportion of capital investment in the production and distribution sectors in Bombay. In 1955, capital investment in these sectors of film industry in Bombay assumed 36% of the investment in comparable sectors in India. This proportion increased to 39% in 1965, which is indicative of relatively faster growth of production and distribution sectors of industry in Bombay. On the contrary, the proportion of capital investment in the exhibition sector almost remained constant during the period 1955-65.

Table No. 32 shows the extent of growth of selected industries in Maharashtra and India during 1960-65.

Table No. 32 : Extent of Growth of selected industries in Maharashtra and India (1960 - 65)

Area/Industry	Capital Investment			Value of output		
	1960	1965	% increase	1960	1965	% increase
	(Rs. in crores)			(Rs. in crores)		
<u>Maharashtra</u>						
Textile	104	164	58	272	414	52
Engineering	38	125	229	61	190	211
Chemicals	67	187	179	103	254	146
All manufacturing industries	533	1,114	109	924	1,711	85
<u>India</u>						
Textile	369	627	70	903	1,461	62
Engineering	123	480	290	176	559	218
Chemicals	186	490	163	234	570	144
All manufacturing industries	2,000	6,300	215	3,150	6,420	104

NOTE - Data pertain to factories employing 50 or more workers.

Source - Government of India - Annual Survey of Industries, (Central sector) Central Statistical Organisation. 1960 to 1965,

As compared to the film industry the increase in capital investment has been remarkable in all selected industries as well as all manufacturing industries. The pace of growth of capital investment in film industry was relatively slow on account of shyness of

7 : See also Table No. 30.

capital due to inherent risks involved in film making. The rise in the value of output in film industry compares favourably with textile, chemicals and all manufacturing industries in Maharashtra and textile and all manufacturing industries in India. The increase is most outstanding in engineering industry (211 to 218%), because it formed the backbone of industrial and economic development of the country in the Second and Third Plans.

Further analysis of table shows that the increase in wages in selected industries was also accompanied by the growth of industry as well as rise in employment. The growth was faster and employment larger, where the wage rise was comparatively more. Engineering industry is a case in point.

12.3 Conclusions :

From the foregoing analysis of wages, employment and growth of industry, certain generalisations, explaining the inter-relationship can thus be deduced.

Firstly, growth in employment in a developing sector is always faster at the initial stage as compared to the growth in employment in the established sector. Secondly, the increase in employment in a developing sector assumes a priority over the increase in wages in the same sector. Thirdly, the rise in wages in the developing sector tends to be relatively slow, compared to the wage level in the established sector. Fourthly, when industry grows in an established sector (region) due to advantages of economies which the growing

8. : The apparent situation of disequilibrium in engineering industry at present is a temporal phenomenon and the static partial equilibrium theory does not offer an adequate explanation of the situation.

Industry can avail of, it tends to create a situation where increased employment is accompanied by rise in wages. Fifthly, whenever there is a greater discipline in the economic relationship between wages and employment, economic growth in that sector and area tends to be rapid and steady. Finally, in the process of industrial development that sector of industry attains equilibrium at a higher level in which rapid and steady growth of the sector⁹ is accompanied by higher wages and increased employment.

The analysis of wages, employment and industrial growth in film industry, thus indicates that an equilibrium has been attained by at least two sectors of industry, namely, the Films Division of the Government of India and film processing laboratories, wherein the steady growth of these sectors is accompanied by higher wages and increased employment. On the contrary, higher wages have led to stagnation in employment in studios and the distribution section.

9 : It would be clear from the analysis that these conclusions are in the nature of ramifications and improvements over the Static Partial Equilibrium Model mentioned earlier. They help to explain the "relative differential equilibrium" in the growth structure of industry.

13.0

Summary of Conclusions and Suggestions :

The chapter high-lights the conclusions of study and suggestions for improvement of wage level in the film industry:

13.1

Nature of Wage Structure :

(2) The existing wage structure of the Bombay film industry consists of two types. In the production section (excluding casual workers) and the Indian film distribution sector, wages are consolidated and have no incremental scales. They are determined by individual bargaining on account of instability of units, quick turnover of management, non-existence of unions in the distribution sector, existence of small unions and legal difficulties regarding the coverage of certain categories of workers in the production section. There are practically no fringe benefits. Wage rates of casual workers in the production section, however, are determined by collective bargaining and are embodied in bilateral agreements, which provide for details such as hours of work per shift, overtime-rates and method of wage payment. The wage structure in these sectors of film industry has, therefore, remained totally unaffected by the wage structure in other industries in Bombay.

In studios, laboratories, foreign film distribution sector, Films Division of the Government of India and exhibition sector, wages comprise four components-basic wages, dearness allowance, other allowances and non-wage benefits. Workers generally enjoy scales of pay. Industrial Tribunals have played a leading role in studios and laboratories in determining wages on ad-hoc basis without due regard to skill and technical and artistic attainments of workers.

In foreign film distribution and exhibition sectors, however, wages are determined by collective bargaining through the statutory machinery of conciliation. In all cases, wages are fixed at unit and not industrial level. The wage structure in these sectors of film industry more or less corresponds to the wage structure in other industries in Bombay.

13.2 Results of Wage Analysis :

(3) On analysing wages, large variations in wage levels in the different sectors of film industry have come to the surface. These are mostly due to differences in their paying capacities and dissimilarities in the skill compositions of their labour force. The general level of wages is relatively poor in the production section and studios and comparatively high in process laboratories and foreign film distribution section. This is evidenced by a majority of workers in the production section and studios earning less than Rs. 150 per month and a large proportion of workers in process laboratories and foreign film distribution section receiving more than Rs. 300 per month. The analysis has further brought out that wages of some categories of workers in the production sector such as assistant cameraman, editor, make-up man, sound recordist, back-ground painter, electrician, etc., are low in the light of skill displayed by them. Some of the semi-skilled categories in studios receive wages either on par or even lower than those of unskilled workers. High wage level in the latter sectors may be explained by greater paying capacity and stronger trade union organisation in those sectors. A comparison of wage levels in film industry in Bombay with the levels of wages in the same industry

in Madras and Calcutta indicates that wages of semi-skilled and unskilled categories in studios in Bombay are relatively lower than those in Madras. A similar comparison with wages in other industries in Bombay confirms the finding that the level of wages in production section and studios is relatively low.

An analysis of trends in real wages shows that during 1955-65, real wages increased by 12% in laboratories and 6% in the exhibition sector. On the contrary, they have declined in studios by 3%. A fall in real wages in studios in Bombay is further high-lighted by comparative studies of real wages in film industry at Madras and Calcutta and in other industries in Bombay. While real wages of studio workers have risen by 7 to 26% in Madras and 24 to 76% in Calcutta, those in Bombay declined by 2 to 7% in the selected occupations during 1959-65. Further, as against a rise in real wages to the extent of 7% in chemical industry, 8% in textile industry and 16% in engineering industry in Bombay, real wages in studios declined by 18% during 1958-65.

Existing wage levels are further evaluated in the light of wage norms constructed by the job evaluation method. The study reveals that wages ^{are} comparatively more at higher levels of skill, while they are relatively less at lower levels. They are particularly very low in the case of semi-skilled categories, in which case wages and skills are in inverse proportion. There are several wage disparities and inconsistencies in the relative ranking of jobs such as make-up artist and back-ground painter, trolleyman and boom-man, etc.,

Thus, the analysis of wages in the Bombay film industry has identified the pockets of low wages by evaluating them from

three angles namely, comparative wages, trends in real wages and job evaluation.

13.3 Deficiencies in wage levels :

(4) The foregoing analysis brings to the fore the deficiencies in wage levels in the production section and studios, namely,

- (i) Relatively low wage levels in the production section and studios;
- (ii) Fall in comparative real wages; and
- (iii) Distorted structure of relative occupational wages.

The wage level in production section and studios is neither adequate from the view point of cost of living and comparative wage levels nor conducive to productive efficiency. Besides, wage differentials do not encourage workers to acquire higher skills.

13.4 (5) Reasons for Short-comings in Wage Levels :

Although the capacity to pay of the film production sector is reasonably sound, it is seriously affected by some structural factors of industry. High payments to top artistes form a high proportion of production cost. Film finance is not only costly, but it also encourages undesirable 'star system' and adversely affects marketing of pictures. The lop-sided sectoral growth of industry has resulted in the dominance of exhibition sector which has assumed a dictating bargaining position to the detriment of production sector. Further, the lack of planning in picture production has led to increased costs and fall in the quality of production with the result that the profitability of film industry is seriously affected. Lastly, as a result of large turnover of management in production section and studios, workers do not

receive adequate wages nor do they enjoy any security of service.

Among the factors responsible for the fall in real wages may be mentioned slow growth of industry, weak organisation of workers, absence of state regulation, relatively low sectoral importance and higher proportion of wages to total costs of production. Trade unions in the production section are small in size, relatively weak in organisation and poor in resources. Although labour legislation is applicable to the film industry, it has helped only a section of workers to a certain extent. Workers in the production section are not legally covered by the definitions of terms - "Worker", "Employee", "Workman" and are therefore, precluded from the scope of legislation. Again, on account of high payments to "Stars", wages and salaries form very significant portion of the cost of production.

Large and distorted wage differentials are due to creative nature of work, peculiarities of employment and occupational anomalies. The nature of work of top technicians is creative. Since creativity is a personal factor, wage differentials between the departmental heads and their assistants are very high. Apart from this, wages of cine technicians depend upon a number of personal factors such as the degree of their association with producers, group-working, motivations, glamour, ambition, desire to earn quick fortune, etc., On account of these considerations wages are not fixed by the free play of supply and demand. There are occupational anomalies whereby workers are relegated to lower categories and are paid lower wages accordingly.

The identification of causes for these deficiencies in wage level would help us to formulate proposals for a rational wage structure.

13.5 (c) Integrated Scheme for a Rational Wage Structure :

A rational wage structure must be founded on a sound financial base, (which at present is upset by high payments to top artistes, costly finance and lop-sided sectoral growth of industry). To resolve the problems created by artistes, Government should attempt to increase their stock by undertaking the production of at least 10 pictures per year with altogether new artistes, or by subsidising co-operative film producing societies of artistes and technicians or other producers on condition that they produce films by introducing new artistes in the leading roles.

Existing film financing procedure by the Film Finance Corporation should be re-organised in order to loosen the grip of private monopoly financiers on film producers. Not only that the maximum limit for financing needs to be liberalised but also that commercial aspect of film business has to be kept in view by increasing the rate of interest to a more realistic level, if necessary. Government and Film Finance Corporation should also build new theatres in all metropolitan cities of India so as to ensure the exhibition of pictures produced, subsidised or financed by them.

The organisation and method of work should be improved in order to reduce over-head costs substantially. The entry of new producers needs to be regulated by producers' associations on lines of other business organisations.

The question of raising the real wages of workers is closely linked to the balanced growth of industry, sound trade union organisation, availability of suitable machinery for determination ~~for~~ and revision of wages, better utilisation of leisure and

adoption of wage incentive schemes. A voluntary machinery of negotiation in the form of 'Area Wage Councils' should be constituted with a view to dealing with fixation and revision of wage rates expeditiously. Wage incentive schemes should be adopted in the production sector, which when implemented would increase the output and wage level per man-hour.

The film industry requires to be developed with an institutional base. For this purpose employment must be regulated by encouraging single employment and discouraging multiple assignments simultaneously. This could be achieved by confining the benefit of 'minimum agreed wage rates' and the 'Employment Benefit Fund' (in lieu of provident fund, leave facilities, bonus, etc.,) to workers on exclusive assignments. An Employment Bureau should be constituted for regulation of employment, registration of producers and workers and their contracts of employment and for providing effective employment service to the industry.

In order to improve the intrinsic skill of workers, mass refresher course programme should be undertaken in the production section in close conjunction with the Film Institute of India and apprenticeship courses should be organised for technical personnel required in studios, laboratories and exhibition sector. Finally, occupations should be standardised to do away with any malpractices regarding under-designations, etc. current in the industry.

13.6 (1) Impact of Wages on Industrial Relations.

Employment and Growth of Industry :

Cine workers do not appear to be generally prone to strikes. Non-political trade union organisations, similarity of socio-economic strata from which both employers and employees spring,

efficacy of the voluntary machinery of Disputes Settlement Committee evolved by the parties themselves, employees' desire to maintain cordial relations with producers on account of multiple assignments and group working, costly nature of strikes in the film industry and weak and ineffective organisation of employers in general and employees in the production section are some of the causes which have helped to maintain relative peace in the industrial sphere.

A study of wages and industrial relations in studios and laboratories indicates that higher wage level leads to better industrial relations and vice-versa. Experience in the foreign film distribution and exhibition sectors shows that strong organization of employers and employees and a will to settle disputes across the table promote better industrial relations and ensure enduring industrial peace.

The study of wages, employment and growth of film industry in Bombay in the light of relationship existing between these aspects on an all-India plane and in other industries in Maharashtra and India reveals the paradoxes of relationships and indicates certain broad trends which help to improve the Static Partial Equilibrium theory. The data lead to the conclusion that in the process of industrial development that sector of industry attains equilibrium at a higher level in which rapid and steady growth of the sector is accompanied by higher wages and increased employment. Thus in the Bombay film industry, such equilibrium seems to have been achieved by atleast two sectors of film industry, namely Films Division of the Government of India and film processing laboratories.

13.7 (8) A Perspective :

The study of wage structure and the level of wages in the Bombay film industry has brought out the plight of workers who earn wages totally unrelated to their artistic and technical skill but cherish an illusive hope of a better life. Several factors are responsible for the current state of affairs. When each one of them is considered in isolation, the problem does not seem to admit of any solution. The colossal task of improving the structure and level of wages consistent with the stability of industry and expanding employment opportunities calls for an urgent and drastic solution. The suggestions outlined in the study providing for a rational wage structure, a sound financial base of the industry, improvement in organisation and methods of work, regulation of employment of free lance workers, and technical training through mass refresher course programmes should be considered as an 'integrated scheme' for achieving the objective in view. It would appear that a five-tier wage structure comprising basic wages, dearness allowance, incentive wages, bonus and other fringe benefits would provide for a sound foundation of a rational wage policy.

If the measures outlined above are fully implemented, the industry would reasonably boast of being one of the most profitable industries in the country, sharing its prosperity with workers. This will pave the way for the dawn of "the period of technicians" in which they will occupy an honourable place which has been denied to them from the inception of industry.

Technicians and craftsmen have generally gone unnoticed so far. However, the study endeavours to bring them into limelight. The Creator is not seen but His presence is felt. Similarly, technicians who are the creators of film are not seen, as they are behind the camera. They have been totally ignored up-till now on account of the absence of any knowledge about their art and technique. If the attempt made in this study to assess the technicians correctly makes their presence felt while seeing the picture, the author will feel duly rewarded for this efforts.