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# UNIT 11 WORKING CLASS MOVEMENTS\*

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## 11.0 OBJECTIVES

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After going through this unit, you should be able to:

- Explain the process of emergence of the urban working class in India
- Describe the urban occupational structure
- Analyse the features of urban working class, and
- Discuss the concept, growth and characteristics of urban labour movement.

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## 11.1 INTRODUCTION

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We begin with a discussion on the emergence of urban working class in India. The urban working class, in its modern sense, emerged in India as a consequence of colonial rule. The British colonial policy destroyed the self-sufficient village community system of production. It destroyed the traditional village and cottage industries. These altogether led to the displacement of an important section of rural craftspeople and artisans from their traditional avenues of employment and pushed them to seek alternative employment in the urban areas. We discuss all these aspects in this unit. This unit also discusses the emergence of urban working class in terms of industrialisation and urbanization in the colonial and post-independence period. We also present an overview of urban occupational structure

and the major features of the contemporary urban working class. Labour movement has been an inseparable part of the socio-political lives of urban working class. In this unit, we also discuss the concept, growth and characteristics of labour movement in India.

## **11.2 EMERGENCE OF WORKING CLASS IN INDIA**

In another unit we defined urbanization as the movement of people from village to town/city where economic activities are centred on non-agricultural occupations, such as trade, manufacturing, industry and management. In the process of urbanisation, in India, cities have been the centres of diverse economic activities. They attract people from the rural areas. This attraction which pulls a significant section of the rural population to the urban areas is called the pull factor. However, rural poverty, backwardness of agricultural economy and the destruction of cottage industries also push villagers to the urban areas - this is known as the push factor.

Thus, the push and pull factors of migration which play an important role in the process of urbanization also play a significant role in the emergence of the urban working class in India. However, in our country the push and pull factors do not operate in isolation. Rather these have been affected tremendously by the political economy of the state since the colonial period.

### **11.2.1 The Political Economy of Colonial Administration**

The urban working class is a product of the eighteenth century Industrial Revolution in Europe. India was one of the colonies of England at that time suffering a forced disintegration of traditional economic income. The Industrial Revolution of Europe was characterized by a phenomenal development of capitalist, transition from man made products in craftspersonship to the use of machinery in large scale industry, invention and use of modern machinery and emergence of the modern working class. In this context, it is essential to examine the impact of colonial rule in India.

The imperialist rulers, to maximize their industrial production plundered the natural resources of India. Their prolonged colonial administration and intensified exploitation reduced a large section of Indian people to a miserable, impoverished mass. Their rule amounted to :

(i) Destruction of the Self-sufficient Village Community : In the earlier unit (Unit 24) we have discussed how the British administration brought complete destruction to self-sufficient village community system of production. It gave, through its new land systems, unabated scope to the new strata of landlords originating from the money-lenders, traders etc., to exploit the rural poor, (especially the poor peasants, sharecroppers and agricultural labourers).

#### **Destruction of Traditional Village and Cottage Industries:**

Their policy also paved the way for the destruction of traditional village and cottage industries in India. In 1813, the Britishers introduced free trade policy in India. Indian market was made open to the British capitalists resulting in a rapid increase of British exports to India. However, they imposed heavy import duty varying between 70% to 80% on the cost of imported Indian textile and silk products in England. This discrimination in the colonial trading policy particularly

ruined the textile industry in India and adversely affected her economy. The Britishers introduced modern road and railway transport to suit their import and export operations. It helped the Britishers to smoothen the process of export of raw material from India to England and to flood Indian markets with their industrial products. This unscrupulous trading policy designed by the imperialists converted India into an agrarian raw material adjunct of capitalist Britain.

**Displacement and Migration of Rural Artisans and Craftsmen:** Since traditional cottage and village industries in India were destroyed in this period an important section of the displaced artisans and craftsmen joined the army of agricultural labourers while a small section of these impoverished workers migrated to the urban areas for employment. In the process of extreme economic insecurity and pauperization of the lower strata of the society, India emerged to be a reservoir of cheap labour. The Britishers took the full opportunity of this situation.

They arranged large-scale immigration of Indian labourers to the plantation industries in different British colonies. The Indian labourers were sought to be introduced in the plantations of the colonies like British Guiana, West Indies, Mauritius etc. There is no need to mention that immigrant Indian labourers were subjected to unscrupulous exploitation.

There was also interregional migration of the working class people. Impoverished people also migrated to distant places in search of jobs where some industries were set up or mining or plantations had developed. Since, these workers were settled in the areas which were far away from their home places they were also exploited by their employers. The workers were never recruited directly by the employer, rather there was always a middleman between the worker and the employer. These middlemen were largely responsible in employing workers under exploitative terms and conditions of work.

### **11.2.2 Industrialization**

In India, industrialization has undergone various stages. Work participation in the industries has also changed accordingly. Let us examine the various stages of industrialization in India.

#### **i) The Early Industrialisation**

Factory production started in Calcutta and Bombay (now known as Mumbai) for jute and textile products respectively in the early part of the 1850s to export manufactured goods to markets in Britain. Later, factories were established in Madras (now known as Chennai), another port town. One of the reasons for setting up industries was that costs of production were much lower in India as labour was available at very cheap rates. A couple of decades earlier, in 1839, tea plantations came up in the north-eastern province of Assam. The tea produced was again for consumption in Britain (Bhowmik, 2010).

In India modern industries were introduced initially in the period between 1850-1870 which also coincided with the emergence of the industrial working class by 1890 when certain large factories were established in India. There were around 3,00,000 people employed in factories and mines, while around 2,00,000 people were in cotton and jute mills and coal mines. In the early twentieth century jute factories flourished in Bengal. During 1913-14, these

factories alone employed 2,16,000 workers. Textile industries also flourished in Bombay. In 1905, these factories employed altogether 1,95,000 workers. Similarly, housing and communication industries also developed in this period.

The industrial base in India remained narrow during the initial years. The census of 1911 showed that there were around 800,000 workers engaged in the secondary and tertiary sectors. Of these 524,000 were employed in factories and plantations. In fact the jute industry and tea plantations employed 400,000 workers, namely, half the total labour force. The situation improved with the onset of the First World War in 1914. The war created a need for industrial goods and the colonial government sought to meet this by expanding the engineering goods sector in India. During this period the first steel mill was set up in Bihar in northern India. This region has an abundance of mineral wealth. The railways, introduced in 1860s primarily to carry raw materials to the cotton textile mills in Mumbai and the jute mills in Calcutta, increased its network. (Gadgil 1982. Bhowmik, 2010)

However, the working conditions of the workers in these industries were terrifying. They were made to work at a stretch for more than sixteen hours, irrespective of age and sex. There was no precautionary measure against any accident. Usually, wages were below the subsistence level. Many a time workers had to work for weeks without any break. When the workers physically broke down under the strain of this labour which was unbearable for any human being, one set was replaced by another set of new recruits just like replacing a broken cog of a wheel by a fresh one.

The workers were unorganised and the industrialists were able to make them work for long hours at low wages. Women and children were the most affected in this system, as their wages were even lower.

The lack of any regulations on the textile mills in Bombay had helped the mill owners to sell their goods at cheap rates. Workers in Bombay, males, females and children, worked in the factories for 16 hours a day or more. The miserable plight of the textile workers, especially the children, caused concern among social workers. One of them, Shapoorjee S. Bengalee, a Parsee philanthropist and social reformer, tried to convince the government to enforce some legislation to protect children working in factories. He even drafted a bill on this subject and he sought the help of his friends in England to help in convincing the British government to pass regulations (Bhowmik 2010).

Pressures from both sides led the government to pass the First Factories Act in 1881. This was the first legislation that regulated working conditions in the factories. However it had hardly any effect on the working conditions. Ten years later, in 1891, the Second Factories Act was passed that reduced the working time of children to seven hours and of women to eleven hours a day. A half hour recess was allowed for workers to take their meals. At the same time there was no move to regulate the working hours of males and there was also no regulation of wages. Working hours of male workers were regulated only after passing of the Third Factories Act in 1911 which laid down that males could not work for more than 12 hours in a day. (Bhowmik 2010)

ii) Industrialization between the two World Wars

It is necessary to mention here that in the period between two World Wars there was a phenomenal increase in the demand of the factory products in India because of the decrease in imports from England. Indian mills and factories increased their production to meet the growing demands of iron and steel, jute, textiles, leather and other products. However, because of the absence of heavy industries their production was not fast enough. Indeed the British administration had made no serious effort to foster the development of capital goods industries, rather it hampered its growth in the Indian soil.

iii) Industrialisation in the post-Independence period

It was only after Independence that the Government of India, made a conscious and deliberate effort for industrialisation. Since the Second Five Year Plan the process of industrialization has got a boost in India. However, the process of industrialisation has not been able to solve the problem of unemployment in India. Between 1960 and 1965 the rate of growth of employment in the factory was 6.6%, but during 1965-70, it declined to 1.3% only. Even in 1970 factory employment absorbed only 2% of the labour force.

### 11.2.3 Urbanisation

Emergence of urban working class is closely related to the process of urbanization. Though traditional urbanization was continuing since long, (with the coming of the European colonial traders) the process of urbanization entered into a new phase in India. Gradually cities grew up in the coastal areas and with the spread of the British power, urban centres emerged in various parts of the country. In this period, there emerged new social and political institutions, new modes of transport and communications. All these widened the scope of economic opportunity and mobility of people. Since the rural areas were witnessing the process of destruction of village and cottage industries, the new economic avenues pulled a significant section of the rural people towards the urban areas. In this period, India witnessed a large-scale migration of rural labour force towards the newly established industrial areas (we have already discussed these in the earlier section). The British colonization led to the emergence of new urban centres and the expansion of the traditional ones as well. It also made the urban centres an integral part of their economic system. In these urban centres various social groups emerged viz., the administrative and business elites, professional groups, the educated white collar workers and the working classes. The working classes consisted mainly of factory workers and unskilled manual labourers engaged in various service occupations. The majority of the working class belonged to the low strata of the caste hierarchy.

The process of urbanization has achieved a new dimension since Independence. In the process of planned economic development and technological modernization the degree of urban industrialization has increased in India since the early fifties. This has brought about a phenomenal change in the urban occupational structure. We shall be discussing this aspect in the next section.

**Check Your Progress 1**

- Note:** i) Use the space given below to answer the question  
ii) Compare your answer with the one given at the end of this unit
- i) Explain the impact of British trade policy on Indian traditional textile industry.

Answer in about six lines.

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- ii) Explain how the process of destruction of cottage and handicraft industries contributed to the growth of industrial working class in colonial India. Answer in about seven lines.

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**11.3 URBAN OCCUPATIONAL STRUCTURE**

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In this section, we shall be discussing the urban occupational structure. Initially, we shall introduce you to changes in the occupational structure and the emergence of unorganized sectors in the urban areas which have affected urban occupational structure. Lastly, we shall examine the feature of urban working class.

**11.3.1 Change in the Occupational Structure**

Inspite of rapid rate of industrialization and urbanization, there has not been much change in the occupational structure in India. In the period between 1901 to 1971, the work force in agriculture (primary sector) was around 72%.

**Employment in the Primary, Secondary and Tertiary Sectors 1901-2011**

Year	Primary	Secondary	Tertiary
1901	71.8	12.6	15.6
1951	72.2	10.6	17.3
1961	72.3	11.7	16.0
1971	72.1	11.2	16.7
1981	70.59	12.92	16.49
1993-94	64	16	20
1999-2000	60.4	15.8	23.8
2011-2012	49.9	24.3	26.8

Since 1951 there has been marginal shift of workers in favour of secondary sector from 10.6% in 1951 to 11.2% in 1971 and there has been decline in work participation in the tertiary sector from 17.3% in 1951 to 16.7% in 1971. Large investment in industries has contributed towards this shift. Since 1981 census shows a significant shift of workers from agriculture to other sectors. It shows that the secondary sector has increased (to around 24% in 2011) from around 11% in 1971.

Distribution of workforce by industrial sectors shows substantial shift from farm work to non-farm work. In 1972-73, about 74 per cent of workforce was engaged in primary sector and in 2011-12, this proportion has declined to about 50 per cent. Secondary and service sectors are showing promising future for the Indian workforce. You may notice that the shares of these sectors have increased from 11 to 24 per cent and 15 to 27 per cent, respectively.

The distribution of workforce in different status indicates that over the Growth of Employment and Gross Domestic Product, 1951–2012 (%) last four decades (1972-2012), people have moved from self employment and regular salaried employment to casual wage work. Yet self-employment continues to be the major employment provider. Scholars call the process of moving from self-employment and regular salaried employment to casual wage work as casualisation of workforce.

In recent years, there has been a gradual shift of workers towards the urban sector. In 1951, of the total workers only 14% were urban. However, in 1981, the urban workers constituted around 20% of the Indian work force. In the same period the workers employed in mining and quarrying increased from 13.5% to 16.5%, in the manufacturing sector it increased from 44.2% to 52.2%, in the construction it increased from 48% to 50.5% and in the service sector from 55.2% to 58.2%. It is important to note that the maximum increase of the urban work force has been in the manufacturing sector. This is a reflection of growth in industry in our country since the induction of the Second Five Year Plan. Data is available about the employment in the organized sector. Till March 1988, altogether 440.29 lakhs of workers were employed in the urban organized sector of which 183.19 lakhs and 257.10 lakhs were employed in the public and private sectors respectively.

### 11.3.2 Emergence of Urban Unorganised Sector

In recent years, there has been a sharp emergence of the urban unorganized sector in various parts of the country.

The unorganized sector of India's urban economy absorbs a significant part of the total urban working force in India. It has been estimated that about 45% of the industrial workforce is in the unorganized sector. Besides unorganized industrial workers, there are also workers like construction workers, small vendors, hawkers selling vegetables, food items, newspapers, washermen, scavengers, domestic servants etc. who belong to the unorganized sector.

### 11.3.3 Features of Urban Working Class

The urban working class in India possesses some distinctive features:

- 1) One of the important features is that most of them have migrated to the cities from rural areas. These migrant labourers still maintain a relationship with their relatives residing in the villages. They also pay regular visits to their native villages.
- 2) Though most of the migrant labourers have left their traditional occupation there is still an important segment of migrant workers who have retained their traditional occupations. This segment of urban workers belong to the lower sections
- 3) A significant section of urban working class is illiterate. Many of them are unaware of legal protection.
- 4) They are diversified on the basis of caste, religion, region, language etc. It is found that the extent of diversity is higher in the big cities in comparison to that of the small urban centres.
- 5) A significant section of the urban working class work in the unorganized sector. The economic problems faced by them are not always identical to those of the workers in the organized sector. Payment of wage to workers in the organised sector is governed by Payment of Wage Act, 1936 and the Minimum Wage Act, 1948. Legal provisions are also made for the equal remuneration to men and women workers doing similar kind of work. Workers in the organized sector are also paid bonus on the basis of profit or productivity. These provisions are generally ignored by the employers in the unorganized sectors while giving remunerations to their workers.
- 6) Urban working class is more exposed to modern means of communication than their rural counterparts. Thus, they are aware of the alternative avenues of employment and have relatively more bargaining capacity. This exposure also helps them to form organizations to fight for their common causes.

In recent years there have been enormous proliferation of workers associations in the urban areas. It is not only that the urban industrial class has been united, but the workers of the organised sector are also found to be united in many parts of the country.

- 7) Many of the urban workers work under unsafe work conditions. Again they have no adequate housing facilities. Many of them live in the slum areas.

Regular problems of the slum areas are usually faced by them. These problems include unhealthy living conditions, poor housing, lack of drainage and electricity, prevalence of delinquency, crime and gambling etc.

- 8) Though there are diversities among the urban working class in terms of sectors of employment, language, region, caste and ethnicity, there are also common elements of unity among them. One of the significant common elements of their unity is their lower economic status. Many of them suffer from regular economic insecurity and uncertainty. They are also exploited by their employers in many ways. These common elements have brought them together against their employers. They have also been united to get adequate legal protection.

A significant section of the urban working class is the industrial working class. There have been conflicts between the industrial workers and their employers. There have been industrial conflicts on the issues of higher remuneration, good working conditions, bonus etc. These conflicts have taken the form of organized protest. From the side of the workers the format of their protest have been strikes, gheraos, demonstrations etc. These organized protests have been inseparable part of trade unionism and labour movement of the urban working class. In the following sections of this unit, we shall be discussing these aspects in detail.

### Check Your Progress 2

Tick mark the correct answers.

- i) According to a recent estimate around
- a) 45% of the urban workers belong to organized sector
  - b) 45% of the urban workers belong to unorganized sector
  - c) 95% of the urban workers belong to organized sector
  - d) 95% of the urban workers belong to unorganized sector
- ii) Most of the urban workers in India
- a) have migrated from rural areas
  - b) original inhabitants of urban areas
  - c) migrants from other countries
  - d) belong to the upper strata of the caste hierarchy
- iii) Most of the urban workers in India
- a) work under daily wage work condition
  - b) have adequate housing for cities
  - c) live in the healthy environment
  - d) None of the above

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## 11.4 WORKING CLASS MOVEMENTS IN INDIA: CONCEPT, GROWTH AND CHARACTERISTICS

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In this section, we shall concentrate only on industrial labour movement in India. Industrial workers form a large chunk of the urban work force. In a modern industrial society there is a strong tendency towards creating an inequality of bargaining power between two major social groups, workers and capitalists. The labour movements seek to augment workers' strength to match the heightened power of capitalists. Let us know what we mean by labour movement.

### 11.4.1 Concept

By labour movement we mean the organized efforts of wage-earners directed towards the advancement of their economic interests. An allied long-term objective of the movement is to secure social and political leverage for the working class people. The urban labour movement is closely related to the trade union movement. Let us study the major characteristic features of a trade union.

A major question relates to the exact characterization of the trade union. There is a controversy among specialists in this regard. An influential opinion characterizes union as an economic agent "seeking to maximize one or many variables on the sole labour market." J. Dunlop provides a model based on wage bill maximization through union activities. He argues that political factors may have short-term relevance, but long-term union activities are influenced by economic forces that determine wages and employment. But this point of view is contested by some specialists, notably A.M. Ross. His main argument is that among all the participants in the economic process, "the trade union is probably least suited to purely economic analysis." The union leaders are obliged to mediate and compromise between divergent interests of the members for their maintenance in power. This internal political process plus the need for the unions to forge strong links with mainstream political parties to achieve their objectives, show that the union is essentially a political body. A recently formulated view, especially by Reder and Levinson is that the union has a distinctive political personality which, however, can work within the constraints of the economic environment.

A major segment of India's urban class structure comprises the industrial work force. Their organized efforts have taken the shape of a movement, called Indian labour movement. According to the figures available for 1986 the registered union workers in India numbered 45,095. There are also many unions which are unregistered. At the apex of the union organizational structure there are fourteen federations at the national level, but these are actually the officiating bodies without substantial power at the plant level. However, notwithstanding its long ancestry, the labour movement in India has failed to evolve a conspicuous working class ideology. The lack of ideological articulation in India's labour movement reflects a set of historical circumstances under which the movement has developed.

### 11.4.2 Growth of Workers' Movements

Let us examine the growth of labour movements in India:

- 1) **Colonial Period:** Although the labour movement in India had its beginning in the colonial period, its overall character was and continues to be different

from that of the British labour movement. The pattern of growth, unlike in the West, did not accommodate into its process the old-style artisans or craftsmen. As such, the skilled workers did not constitute the backbone of the early labour movement. This had the effect of restricting the working class consciousness and of bringing in outside leadership. At the same time, since the labour movement in its early stage grew under the domination and influence of India's struggle for freedom and since, moreover, no clear socialist ideology permeated the struggle, the labour movement in India, unlike that in the continent, did not envision a new social order.

A significant section of the early industrial working force comprised the poorest of the rural poor who were forced out of their homes by the severity of famines. These workers returned to their village homes as soon as they could get rural jobs. Thus in the early years the workers did not grow into an industrial proletariat; they were essentially the migrant, casual labourers who continued to be culturally related to the countryside. This was further reinforced by slow industrial growth in India.

However, in the present century, the pace of industrialization and urbanization quickened, and hence, the overall situation started changing. The dependence of factory workers upon land came to be reduced. In particular the workers employed in big cities like Calcutta and Bombay came to be almost completely dissociated from agriculture and rural industries as a means of continued livelihood. This actually marked the beginning of the rise of an industrial proletariat.

**Post-World War II Period:** By the time World War II ended, India emerged as a major industrial power in the world. This had the effect of creating a sizeable industrial proletariat in the major cities of the country. The enormous pace of industrialization specially in the core sectors of India's economy and a significant increase in the ranks of the landless labourers plus caste and communal violence in the countryside, brought in an extensive migration from country to city and a huge industrial labour force.

The growth of the labour movement in India reflects the country's industrial as well as political process. In the beginning the movement was confined mostly to textile industry, as this was the first major industry set-up in the organized sector. The importance of this industry in the labour activity and unrest, but also at the level of leadership, was and has remained prominent.

Now, of course, the labour movement has spread to several industries. This reflects the industrial growth process with all its diversities. Organized labour movements have moved to plantations, mines, transport as well as to service sector.

### 11.4.3 Characteristics of Workers Movements

There are some distinguishing characteristics of India's labour movement. Let us examine some of these:

- I) Indian trade union has a narrow operational base; there are two reasons for this. One is that it is confined to the organized sector of the economy, and the second is that labour unions are generally plant-based and hence, are

commonly of small size.

- II) The second distinguishing mark is that the movement is confined to only big cities of the country such as Bombay, Madras, Calcutta, Bangalore and Kanpur. This is because industrial development in India has a marked regional bias.
- III) The third characteristic of India's labour movement is the absence in it of a conspicuous class orientation, notwithstanding a clear anti-imperialist posture. This is partly because of the influence of the national movement under which India's labour movement grew. This movement emphasized accommodative politics in order to set up a united front against the powerful colonial regime. Later when the radical left came and assumed leadership of a segment of the movement, it had to work within the parameters set up by the national movement. Moreover, workers in India do not constitute a distinctive wage earning class corresponding to the factory workers of Western countries. Again, workers do not constitute a socially homogeneous category. Caste, community and regional differences among them have obstructed the process of class formations. In addition, there is an important element of rural values in the personality mould of India's working class. The tension between new urban values and old rural values persists even to this day. Naturally, therefore, a distinctive class character and a psychology of class conflict are inconspicuous in the case of India's labour movement.
- IV) The fourth feature of India's labour movement is its close connection with political parties. At the apex of the union structure there are several national federations, most of which are formally affiliated to one party or the other. In 1947, there was only one such federation, that is, the All India Trade Union Congress dominated by the Communist Party of India. Since then all the major parties have set up their own national wings. Among the prominent all-India bodies are, The Indian National Trade Union Congress (INTUC), The Hindu Mazdoor Sabha (HMS), The United Trade Union Congress (UTUC), The Center of India's Trade Unions (CITU) and The Bharatiya Mazdoor Sangh (BMS). These are linked to the Congress-I, the CPI, the Janata Dal, the non-communist Leftist, the CPI-M and the BJP respectively. The result is plant-level multi-unionism and an enormous fragmentation process in India's labour movement.
- V) The fifth characteristic of India's labour movement is the absence of autonomous growth. The movement is significantly dependent upon outside forces. The leadership is provided generally by the middle class professional politicians who are members of the mainstream political parties. Leadership does not generally emanate from the internal political dynamics of the union. Because of this there is virtually no accountability of leadership to the general mass of workers and there is no creative internalized political process. Moreover, a certain dependence of the unions upon the state has also had the affect of inhibiting both unity and autonomy of India's labour movement

The union-party connections, however inimical to the growth of grassroots leadership, are not wholly discarded, as unions linked to a party which rules the centre and/or the states, can expect to get some benefits. So long the Congress-I was in power at the centre, the INTUC because of its links with the ruling party had, reaped some advantages. Similarly, the unions affiliated

to the CITU seem to enjoy some benefits in West Bengal because of their close links to the them ruling Left front.

### 11.4.4 Weakness of the Workers' Organisation

However, there are some significant constraints which erode the strength of the organized labour. Beside fragmentation engineered by peculiar legal and political factors, there is the problem of easily available substitute labour, because of unemployment. This along with the presence of unorganized labour, seem to be inhibiting the rise of a strong labour movement. In this situation the management has formulated certain strategies to reduce their dependence on unionized labour. One is hiring contract workers and the second is to close down the production of certain items and get these products by subcontracting their manufacture to the unorganized small sector. The third strategy is to increase substitute union management cadre for the permanent blue collar force. Moreover, since the service sector has increased enormously, there has occurred a significant increase in the white collar force. This has brought in a sharp differentiation of their role perceptions and separate white collar unionism.

The labour movement in India is in the process of formulating an adequate response to the management's manipulation of the unionized labour problem. No response seems to have emanated from the outside professional leadership as its concern does not go beyond monetary benefits for workers. A grassroots awareness of the workplace predicament has, however, arisen to breed a new trade union orientation and leadership.

Thus, it appears that though the Indian labour movement has a long history, in the absence of a neat working class ideology and class solidarity the movement lacks sufficient strength to match the power of management. The movement suffers from enormous fragmentation both on cultural and party lines. Besides, the virtual absence of concern on the part of the outside professional leadership for the critical workplace problems and their failure to mobilize the workers along required paths, have the effect of weakening the movement. Also, the Indian state has played no positive role. There is no strong statutory support, nor is there any effective state intervention oriented towards mediating between business interests and union demands.

#### Check Your Progress 3

Define labour movement in about four lines.

Mention four important features of Indian labour movement.

- a) .....
- b) .....
- c) .....
- d) .....

Mention four important weaknesses of the labour organizations in India.

- a) .....
- b) .....
- c) .....
- d) .....

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## 11.5 ISSUES BEFORE THE WORKING CLASS MOVEMENT

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The discussion has so far focused mainly on labour in the organized sector. However, a large section of the working population in India is employed in the unorganized sector. This sector has heterogeneous composition of workers and it has been expanding. The problems of workers in this sector are manifold and are further compounded due to the near absence of trade unions. This has reduced the 'visibility' of workers in this sector as they are unable to articulate their problems as a collective.

Most of the larger trade unions do not appear to be interested in unionizing workers in the unorganized sector. Davala's study (1995: 7-8) showed that workers in the unorganized sector constituted less than one per cent of the total membership of most of the national trade union centres. As a result, representatives of labour in the unorganized sector are rarely called to the national policy making bodies such as the Planning Commission, ILC and so on and their interests are not taken into account. In order to overcome this problem, some of the larger unions in the unorganized sector such as SEWA, Indian Federation of Construction Labour, National Forum of Fishworkers, Sarva Shramik Sangha and some of the unions of forest and agricultural workers got together to form another national centre. Thus the National Centre for Labour was formed on May 1, 1995. However though the centre's collective membership is higher than some of the recognized national federations, it is yet to be invited to participate in the ILC.

At the same time employment in the unorganized sector has been growing while that in the organized sector has been on the decline as a result of some of the strategies adopted by the large firms. First, labour is being replaced by new technology. Second, most of these firms use the 'putting out' system to save costs. Perhaps the most important reason for the growth of this system is that it gives the large-scale sector greater control over the labour process. Instead of manufacturing the entire product in their own factories, these firms prefer to farm out the manufacture of their products to smaller production units in the unorganized sector. Heather and Joshi (1976) had dealt with this aspect in their earlier study on migrant labour in Mumbai. Holmstrom (1985) later did a more detailed analysis of the link between the two sectors. He saw this as a complimentary division of labour between the large-scale and small-scale sector can find its market in the organized sector (Holmstrom, 1985: 13-25). Since costs of production are lower in the small-scale sector, the larger firms are able to procure the products cheaply. Labour productivity in the small enterprises is low, but costs are reduced due to the low level of wages.

The main attraction of the larger manufacturers towards the unorganized sector, besides low costs, is the flexibility of labour in this sector. There are hardly any regulations in this sector relating to working time, security of employment and social security. Hence workers work for long hours at unstructured timings and at very low wages. Besides they can be removed from employment at the will of the employer and the production unit too can close down at will. In the organized sector this is not possible because

legal restraints and trade unions prevent the employers from acting arbitrarily. Hence by putting out to the unorganized sector the employers do not have to face these constraints. In other words, they face fewer controls from the government, the workers and their trade unions. In this way they, in fact, exert greater control over the labour process as they can get their products manufactured on their own terms and conditions through the unorganized sector.

The flexibility involved in home-based work, which is another major activity in the unorganized sector, is even greater. This sector comprises workers working at piece rates through labour contractors. A large section of this workforce comprises women. The remuneration is usually very low and often children are included in the workforce in order to increase the remuneration. There are practically no laws regulating work or wages and, in fact, the actual number of people working in this sector is not known as, in most cases, they are not even recognized as workers.

Liberalization in the economy due to globalisation has boosted the putting out system because the emphasis is now on producing cheaply for the world market. The common refrain of the larger industries and the business press in the country is that over protection of the organized sector workers is the biggest hurdle to increase in productivity. Soon after the new industrial policy was announced in July 1991, all the associations of employers started pressing for an exit policy through which it would be easier to shut down industries. The government has so far not introduced this policy due to opposition from trade unions, but it has made conditions for laying off workers much easier. At the same time it should be noted that the liberalization policy introduced in 1991 did not create a flexible and unprotected labour force. It was already in existence and liberalization has boosted the process.

Though these changes are taking place at a fairly rapid pace, the trade unions in the organized sector have so far not been able to respond to these effectively. The response to the government's Industrial Policy Statement of 1991 of the trade unions has been very traditional. They have reacted through their conventional means by organizing a national strike, holding a few demonstrations and meetings where the leaders gave fiery speeches full of rhetoric. These have hardly had any effect on changing the policies. In fact, the pace of liberalization has accelerated despite these protests.

One of the major problems of the trade unions is that they are unable or unwilling to expand their membership to sectors outside the organized sector. For example, within the organized sector there is an unorganized sector comprising casual and contract labour which is not protected by the legal framework. Davala's (1992) study of casualisation of labour in eight industries showed that, in many large industrial units, the casual and contract labour outnumber the permanent workers. Yet, in most cases, these workers were not unionized. In fact, in some of the units, the unions viewed these workers with suspicion and as potential threats, as the management could manipulate them easily and counteract work stoppages through them. Had these workers been brought into the trade union fold the managements would not have been able to manipulate them in their favour. Their wages and working conditions would have improved and the unions would have

emerged stronger in counteracting managements' strategies for reducing the labour force.

The situation in the small-scale industries is similar. Had these workers been unionized by the unions in the industry, the bargaining power of both sections of workers would have improved. There would have been a common cause among all workers and workers in the small-scale sector could have improved their working conditions.

Unfortunately, instead of unionizing workers outside the organized sector, trade unions have become more inward looking. Their main concern lies in getting as much possible for their own members without any concern for other sections of workers. One can argue that trade unions are primarily responsible to their own members and it would be wrong to expect them to take up issues which do not affect their members. However, under the present circumstances, ignoring workers in the unorganized sector can further erode the gains of workers in the organized sector. The two sectors, as explained earlier, are linked with each other and the employers manipulate these sectors to their own benefit, thus increasing their control over the labour process. Hence, protecting the rights of workers in the unorganized sector through unionization will benefit both sectors.

The central trade unions do not seem to see things this way. They have rarely focused on issues of labour in the unorganized sector. For example, in the ILC held on October 24-25, 1996, the main issue which was raised by the national centres was that of raising the ceiling on bonus. This issue was discussed for a full day in the two-day conference. Though the issue was valid it concerned less than five per cent of the total workers. An issue which could have been discussed in the conference was the ILO convention on home-based workers. After a great deal of lobbying among the governments and the trade unions, ILO's General Body ratified a convention on home-based workers in August 1996 in which there are provisions for maintaining registers of home-based workers, granting them the right to unionise, provision of social security, minimum wages and so on. These provisions of the convention need to be incorporated in the legal systems of different countries and the trade unions could have raised this in the ILC. The present attitudes of the trade unions are, in fact, aiding the process of liberalization as they result in dividing the working class.

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## 11.6 LET US SUM UP

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In this unit, we began with a discussion on the emergence of urban working class in India. Here, we discussed the impact of British colonial policy in India, which led to the destruction of traditional village crafts and cottage industries and migration of a section of unemployed rural people to urban areas. We also discussed the role of industrialization and urbanization in the emergence of the urban working class in India. The change in the urban occupational structure and the major features of the urban working class are also discussed in this unit. Labour movement is an important aspect of the urban working class. We also discussed the growth and characteristics of industrial labour movement to give you a broad view on the urban labour movement in India.

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## 11.7 REFERENCES

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## 11.8 SPECIMEN ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress 1

- i) The Britishers introduced a free trade policy in India. Indian market was made open to the British capitalists resulting in a rapid increase of British export to India. However, they imposed heavy import duty on imported Indian textile industry in India.
- ii) The traditional industries of rural India were destroyed in the colonial period. As a result the rural artisans and craftsmen were displaced from their traditional avenues of employment. A section of these displaced labourers migrated to the urban areas and joined the urban work force.

### Check Your Progress 2

- i) A
- ii) A
- iii) D

### Check Your Progress 3

- i) A labour movement is an organized effort of the wage earners directed towards the advancement of their economic interest. It aims to protect the social and economic interest of the working class people.
- ii)
  - a) Indian labour movement has its narrow operational base,
  - b) It is confined to the big cities of the country.
  - c) There is lack of conscious class orientation in it.
  - d) The labour movement has close linkage with the political factors.
- iii)
  - a) Fragmentation engineered by political factors
  - b) Substitute labour force greater by growing unemployment.
  - c) Presence of unorganized section
  - d) Presence of outside professional leaders

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## FURTHER READINGS

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## GLOSSARY

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**Primary Sector:** The primary sector of economy includes agriculture, livestock, forestry, fishing, hunting and plantations.

**Secondary Sector:** The secondary sector of economy includes mining and quarrying, household industry, other than household industry and construction.

**Tertiary Sector:** This sector of economy includes trade and commerce, transport, storage and communications and other services.

