
UNIT 9 LABOUR : INDUSTRIAL

Structure

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9.0 OBJECTIVES

This unit discusses the various problems of industrial labour in India. After going through this unit you should be able to:

- discuss the features of industrial labour and the process of their emergence in India;
- explain the major problems of the industrial labour working both in the organised and unorganised sectors;
- describe the various aspects of labour welfare measures; and
- examine the nature and forms of labour unrest in India.

9.1 INTRODUCTION

In this block, as stated in the objectives we shall be discussing the various problems of industrial labour in India. In Unit 26 of ESO-04 we discussed various dimensions of urban working class in India. Since that unit is directly related to our present discussion you may like to refer that unit as and when it is required.

In this unit we begin with a discussion on the important features of the industrial working class and the processes of their emergence in India. Various important

problems faced by the workers in the organised and unorganised industrial sectors are discussed at great length in this unit. We have also explained the linkages between organised and unorganised sectors. Labour laws are an important aspect of the labour welfare in India. We shall discuss this aspect in reference to industrial labour in general and women industrial labour in particular. We will also discuss the trade union activities and the forms of labour unrests in India.

9.2 INDUSTRY AND INDUSTRIAL LABOUR

Before we discuss the major processes related to the emergence of industrial labour force in India let us begin with the basic features of the industrial labour force in general.

9.2.1 Features of Industrial Labour

The term industry is normally associated with the use of machine technology. In industrial societies production is largely done through machines rather than solely through the physical labour of human beings. Another characteristic of industrial societies is the marketing of human labour. This means that labour can be bought and sold. In real terms we can translate this as, people sell their labour and are paid wages in return. The worker here enjoys two types of freedom. Firstly the freedom to work or not to work and secondly freedom to work where he/she wants to work. In reality of course the worker may not be in a position to exercise either of these freedom. If he/she does not work he/she will starve. Moreover he/she can exercise his/her choice of working where he/she wants to only if jobs are available.

The above types of freedom may be notional but this system can be contested with the earlier feudal and slave societies. The slave had no rights of his own. He had to work for his master irrespective of his will to do so. In the feudal system the tenant worked on the land of his landlord. He could not leave his landlord to work elsewhere even if the terms and conditions were better. It is in this sense that industrial worker enjoys comparatively greater freedom. Apart from this we can see in the present times that industrial employment offers better prospects than employment in agriculture. Workers in large factories or offices get good wages, job security and other facilities. But not all those who leave their homes in their villages to find work in industries are able to find such jobs. In fact an overwhelmingly large section is able to find only low paid jobs where the work is tougher than in the better-paid jobs. Therefore in industry we find two sector. These are the organised and the unorganised sectors. The organised sector consists of workers in the larger factories and establishments where workers are employed following laid-down procedures and their terms and conditions of work are well defined by the laws of the land. These include all services under the government (central and state), local bodies, public sector undertakings and factories using power and employing at least 10 workers or those without power and employing at least 20 workers. The unorganised sector consists of casual and contract workers, workers in small industries and the self-employed ventures. (e.g. petty shopkeepers, skilled artisans such as carpenters, mechanics etc. who are not employed in factories but work on their own, unskilled manual labour such as porters, home based workers etc.). In this sector usually no laid-down procedures or laws are

followed/required to be followed while employing workers up to certain numbers.

9.2.2 Industrial Labour in India

In Unit 26 of ESO-04 we discussed the emergence of urban industrial working class in India. There we mentioned that the urban working class was a product of the eighteenth century Industrial Revolution in Europe. India was one of the colonies of England at that time and she served to quicken the process of Industrial Revolution of her master-country. The imperialist rulers plundered the natural resources of India to maximize their industrial production. The prolonged colonial administration and intensified exploitation reduced a large section of Indian people to miserable impoverished mass. Their rule amounted to destruction of self-sufficient village community, traditional village and cottage industries, displacement of rural artisans and craftsmen and migration of a section of impoverished rural people to the urban areas.

In India the early phase of industrialisation started in the 1850s which coincided with the emergence of industrial working class. Cotton and jute mills and mines gradually flourished in various parts of the country. Between the two world wars there was a phenomenal increase in the demands of factory products in India. However, the British government made no serious efforts to foster the growth of capital goods industries. It was only after Independence that the Government of India made conscious and deliberate efforts for industrialisation through its successive Five Year Plans. Between 1960 and 1965 the rate of growth of employment in the factories was 6.6% only. However in 1970 the factory employment absorbed only 2% of the labour force. In India since 1951 there has been a marginal shift of workers in favour of the industrial and recently the services sector. The following table will elaborate such a shift.

Table: Sectoral employment growth (CDS basis)

| Sector | Employment (in million) | | | | Annual growth (%) | | | |
|--------------------------------------|-------------------------|---------|---------|-----------|-------------------|-----------------|-----------------|----------------------|
| | 1983 | 1987-88 | 1993-94 | 1999-2000 | 1983 to 1987-88 | 1987 to 1993-94 | 1983 to 1993-94 | 1993-94 to 1999-2000 |
| Agriculture | 151.35 | 163.82 | 190.72 | 190.94 | 1.77 | 2.57 | 2.23 | 0.02 |
| Industry | | | | | | | | |
| Mining & quarrying | 1.74 | 2.40 | 2.54 | 2.26 | 7.35 | 1.00 | 3.68 | -1.91 |
| Manufacturing | 27.69 | 32.53 | 35.00 | 40.79 | 3.64 | 1.23 | 2.26 | 2.58 |
| Electricity, gas and water supply | 0.83 | 0.94 | 1.43 | 1.15 | 2.87 | 7.19 | 5.31 | -3.55 |
| Construction | 7.17 | 11.98 | 11.02 | 14.95 | 12.08 | -1.38 | 4.18 | 5.21 |
| Services | | | | | | | | |
| Trade, hotels and restaurant | 18.17 | 22.53 | 26.88 | 37.54 | 4.89 | 2.99 | 3.80 | 5.72 |
| Transport, storage and communication | 6.99 | 8.05 | 9.88 | 13.65 | 3.21 | 3.46 | 3.35 | 5.53 |

| | | | | | | | | |
|---|---------------|---------------|---------------|---------------|-------------|-------------|-------------|-------------|
| Financial, insurance, real estate and business services | 2.10 | 2.59 | 3.37 | 4.62 | 4.72 | 4.50 | 4.60 | 5.40 |
| Community, social and personal services | 23.52 | 27.55 | 34.98 | 30.84 | 3.57 | 4.06 | 3.85 | -2.08 |
| All sectors | 239.57 | 272.39 | 315.84 | 336.75 | 2.89 | 2.50 | 2.67 | 1.07 |

Source : NSSO-Different rounds.

Website : indiabudget.nic.in

Activity 1

Try to interview 10 to 12 industrial or agricultural or plantation labourers. Collect information on the terms and conditions of their employment. Now compare and contrast your findings with the feature of the industrial labourers as described in section 9.2.1. If possible exchange your note with your colearners at the Study Centre.

9.3 LABOUR IN THE ORGANISED AND UNORGANISED SECTORS

Our industrial sector may broadly be categorised under two broad headings: organised or formal sector and the unorganised or informal sector. There are different sets of norms and conditions of work for these two sectors.

9.3.1 Organised Sector

Workers who are employed in the organised sector enjoy some privileges which make them different from those in the unorganised sector. These workers enjoy permanent employment. Their jobs cannot be terminated by the whims of their employer. Once a worker is permanent he has certain rights and privileges. His/her employer can terminate his/her employment only on legal grounds (i.e. if he/she has violated the laws governing his/her employment). The privileges which the worker enjoys are granted to him/her by law and not merely by the good-will or charity of his/her employer.

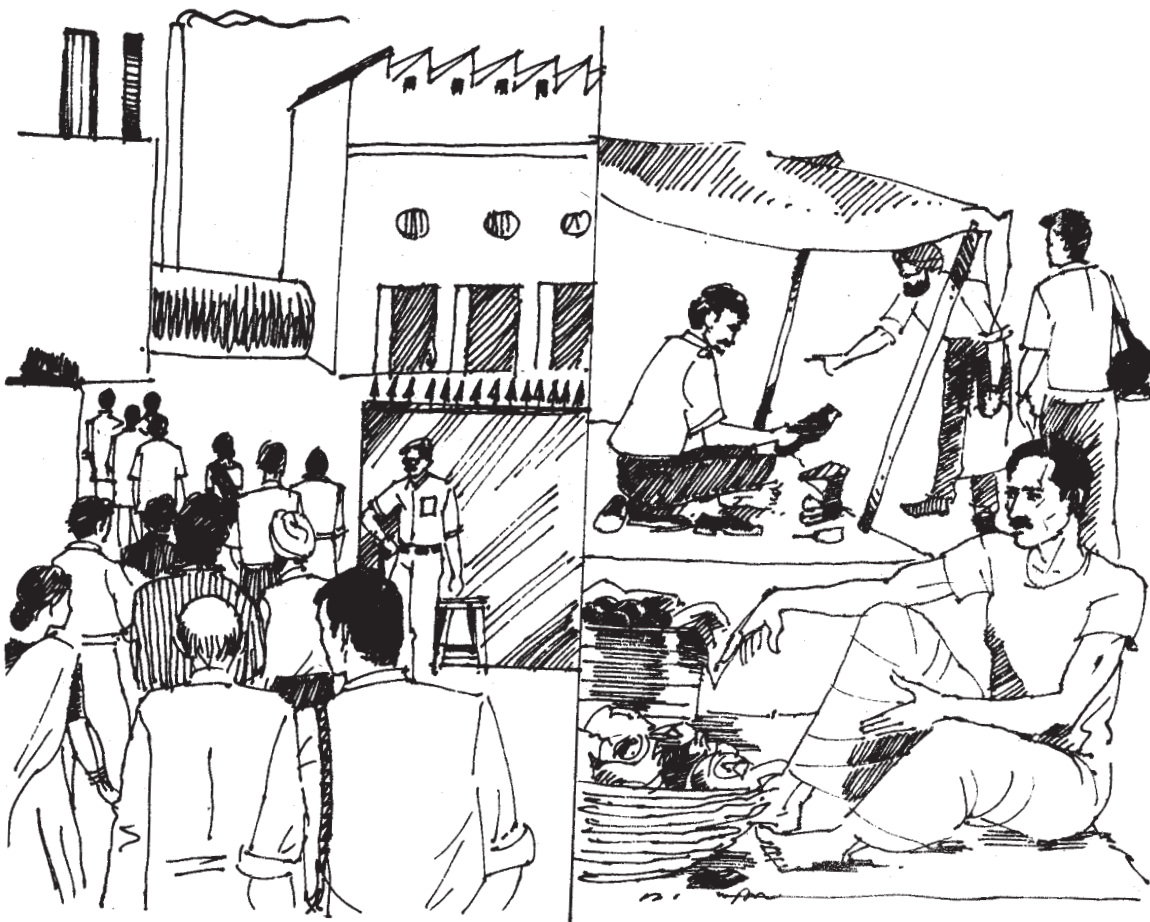
i) Protective Laws

There are a number of laws governing work in the organised sector. Two of the most important laws in this respect are the Factories Act of 1948 and the Industrial Disputes Act of 1947. The Factories Act in fact defines the organised sector (as mentioned above). Any factory coming under the scope of the Act has to abide by certain rules governing regulation of working hours, rest, holidays, health, safety etc. For example, the Act lays down that a worker cannot work for more than 48 hours in a week and not more than 9 hours in a day. He/she has to be given a rest intervals of atleast half an hour after 5 hours of work. The worker is also entitled to a weekly holiday and leave with pay.

The Industrial Disputes Act provides protection to the worker in case of disputes arising from his work (e.g. The amount of wage, nature of work, termination or suspension etc.). There are a number of other Acts such as the Minimum Wages Act, Payment of Bonus Act. Provided Fund Act., Employees State Insurance Act etc. which provide protection and some facilities to the workers.

ii) Trade Unions

Apart from getting government protection through these various Acts, the workers in the organised sector are able to form trade unions. This is a very important aspect of this sector. Trade unions unite the workers to defend their rights. They ensure that the various legal provisions are implemented. It would be difficult for workers in the organised sector to secure the rights granted to them if there were not trade unions. The government alone cannot protect the workers. The formation of trade unions is a very important aspect of this sector. We shall see while discussing the unorganised sector that even if laws are passed to protect workers they are ineffective if the workers are not able to collectively ensure their implementation.



Workers in the Organised/Unorganised Sector

9.3.2 Unorganised Sector

Apart from workers in small factories and establishments there are a large number of workers in the organised sector who do not enjoy the same privileges as the regular workers. These workers are employed as casual labour and contract labour. They too come in the unorganised sector. There are some problems in this sector which are reflected in the terms and conditions of employment, work security etc. of workers. Let us examine these aspects.

i) Casual Labourers

We have seen earlier that workers in organised sector enjoy a number of privileges. This means that the employers have to spend more, besides their

wages, for employing them. In many cases the employers try to cut down their costs by employing casual workers i.e., workers who are not permanently employed but are employed for a limited number of days. In most cases the government rules prescribing permanent employment state that a worker who has been employed for more than a certain number of days (180 in most cases) have to be treated as permanent workers. The employers try to dodge this law by breaking the service of the workers for a day or so and reemploying them again. In this way the worker is not able to complete the minimum number of days after which he/she can become permanent. The existence of casual labour in organised industry ensures that the costs are reduced. These workers are usually granted no rights, except for their minimum wages. They have very little security of employment and they can be removed from employment at any time.

ii) **Contract Labourers**

There is another category of workers who are in the organised sector but, like casual labour, are not a part of it. These are the contract labourers. The employers in this case get workers not through direct employment but through labour contractors. Here too the workers is deprived of the advantages of permanent labour, even though he/she may be performing the same type of work as a regular worker. The contract worker at times is employed by a contractor who in turn is engaged by the employer to undertake certain types of work.

iii) **Work Security of the Casual and Contract Labourers**

Casual and contract labour forms a fairly large proportion of the workforce. In several cases we can find in a factory as many casual workers number as much as the permanent ones. Therefore we can see that within the organised sector there exists an unorganised sector. The employment of these types of workers is not restricted to the private sector alone. In the public sector undertaking too they are frequently employed. The contract labour Regulation and Abolition Act lays down that such workers (contract) can be engaged only in certain types of work. However we usually find that even in the public sector the Act is openly violated and contract workers are made to work in the same manner as the regular workers, but get less wages.

The common features of the workers in the unorganised sector, whether in small scale sector or as casual and contract labour, are that they enjoy little or no job security, they get low wages and their working homes and working conditions are largely unregulated.

The unorganised sector is also known as the informal sector. The sector can in many ways be contrasted with the organised sector. The informal sector, by implication, means a sector which is not guided by rules. The industrial establishments in this sector are small in size and they employ a small number of workers. As such they do not come under the purview of the Factories Act. Hence the workers here do not get the facilities and protection given by this Act. They are however under the purview of some of the other Acts such as Minimum Wages Act, Contract Labour Regulation and Abolition Act. However, as we shall discuss later that many of these Acts remain only on paper as far as the workers are concerned. Therefore, for all practical purposes the workers here are unorganised and helpless.

iv) **Low Wages to Women and Child Labour**

This sector also employs a large number of women and children because they are cheaper. The employment of women in the organised sector has declined. We shall discuss some of the reasons for this in a subsequent section on labour welfare. Since the scope for female employment has reduced in the organised sector, women are to depend largely on the unorganised sector for work. Since there is little regulation in this sector it makes it easier for the employers who are unscrupulous to employ women and children for work at low wages so that the profit margin increases.

v) **Expansion of Low Paid Employment**

Because labour is cheap and the investment required is small, the unorganised sector has expanded rapidly. It also offers more scope for employment. Estimates show that the unorganised sector generates two-thirds of the national income. The positive contribution of the unorganised sector with regard to employment is that it is able to provide jobs to unskilled workers who would have otherwise been unemployed or in low paid and more exploited conditions as agricultural workers. In estimating the potential of this sector let us take the example of the textile industry. There are three sectors here, namely the large textile mills in the organised sector, the powerloom sector and the handloom sector. The latter two are in the unorganised sector. In terms of employment, the textile industry in Maharashtra has a little more than 2,00,000 jobs in the textile mills. The powerlooms provide over 5,00,000 jobs and the handloom sector much more. Another positive aspect of the handloom sector is that it provides jobs in the villages. On the other hand it is also a fact that the total wage bill of the 5,00,000 powerloom workers is less than the wage bill of the 2,00,000 textile mill workers. Moreover workers in the powerlooms work for as long as 10 to 12 hours a day while the textile mill workers have regulated work hours. Therefore though the unorganised sector offers more scope for employment, the conditions of its workers are a matter of serious concern for the policy planners, social workers and the academicians as well.

9.3.3 Linkages Between Organised and Unorganised Sectors

We have seen so far that the organised and the unorganised sectors have distinct features which contrast with each other. This may give the impression that these sectors are independent of each other. However, there are strong links between these two sectors. In fact one can even argue that they are dependent on each other in many ways. Let us examine how this is so.

In the case of the unorganised sector which exists within the organised sector, namely contract and casual labour, it is clear that there is a strong link between the two. Contract and casual labour, as mentioned earlier, are cheaper to employ than permanent workers. The employers have fewer responsibilities towards these workers as they do not come under the purview of many of the Acts. The employers are therefore able to decrease their costs and subsequently increase their profits.

A more or less similar principle is followed in the linkages between the large (formal) sector and the small scale (informal) sector. The large factories do not manufacture all the components they require for the final product. They usually buy these from other industries which specialise in manufacturing the

needed components. Usually it is the small factories which provide these services. For example a factory manufacturing automobiles never manufactures all the parts required for making a car. It has been estimated that 60% or more of the components required are made by other manufacturers, usually in the small sector. The large factory assembles these components. In other cases, as in any large and reputable consumer goods such as shoes, garments, hosiery, etc., the entire product may be manufactured by the small sector and it is marketed under the brand name of the large sector company. This process is known as ancillarisation. The small unorganised sector factories act as ancillaries to the large company. They manufacture parts which are sold exclusively to the concerned factory. In other words the small factory has its market in the large factory and it does not seek a market elsewhere.

One can therefore see that a large factory provides scope for setting up smaller units which employ larger number of workers. For the small sector this arrangement may be beneficial because it saves them from the problem of marketing of their products as they do not have the resources to do so. In many cases the large factories give loans or momentary advances to these small industries so that they can meet the costs of production. The organised sector benefits from this arrangement because it saves the trouble of manufacturing these components at a higher cost. By buying them at low costs it is able to cut down its total production costs.

On the other hand we can argue equally strongly that the linkages between the two sectors are in effect an exploitative one. The informal sector, in this arrangement, is tied down to the formal sector and because it cannot find its own market, it has to accept the prices offered by the buyer. Since the formal sector is at an advantage, it can fix prices which are low and the informal sector too will accept it as it has no other alternative. In order to maintain their profits (which in any case may be low) they too have to cut down costs and the most effective way to do so is to reduce wages and increase workload. In this way more is produced at less cost. Therefore the organised sector exploits the unorganised sector which in turn exploits its workers. Finally, in spite of the low prices at which the components are brought the process of the food sold by the organised sector are high. Usually the cutting of costs through manufacture in the small sector only adds to the profits of the organised sector because it does not lead to lower prices. Hence even the consumers do not benefit through this method.

Check Your Progress 1

Tick mark the correct answer.

- i) Workers in the organised sector consists of.....
 - a) all services under the government,
 - b) local bodies and big factories
 - c) factories employing 10 workers or more with power or 20 workers or more without power.
 - d) All of the above.
- ii) The workers in the unorganised sector consists of.....
 - a) casual and contract workers,
 - b) workers in the cottage and village industries.

- c) the self-employed
 d) all of the above
- iii) The unorganised sector within the organised sector comprises
- a) permanent workers
 b) contract and casual labourers
 c) both of the above categories of workers
 d) none of the above categories of workers.
- iv) State whether true or false.
- a) The Factories Act covers all factories in the country.
 True False
- b) The workers in the organised sector enjoy greater job security
 True False
- c) Workers in the unorganised sector get no legal protection
 True False

9.4 LABOUR WELFARE MEASURES IN INDIA

The above sections discuss the nature of the employment in different sectors of industry. We find that there are unequal relationships within the industry and within the labour. Let us now turn to another important aspect of labour, namely, its welfare. We will now discuss the measures which have been taken to ensure labour welfare.

9.4.1 Responsibility of the State and Labour Laws

In any form of employment it is the obligation of the employer to provide decent living and working conditions for their employees. When employers fail to do so the government steps in to safeguard the interests of the workers by enacting legislations. Labour laws are therefore passed mainly to ensure that the employers fulfil their obligations to their employees. India has had a history of labour laws stretching to around 150 years. However it was only after Independence that several new laws were passed by the Central and State Governments which covered a wide range of workers in different types of industries. Many of the old laws (e.g. Factories Act) were amended to make them more effective.

The change in the government's attitude towards labour was mainly because the post-Independence government took a positive stand as far as the welfare of the workers was concerned. Moreover the trade union movement developed and it pressurised the Centre and State Governments to take a positive stand regarding labour.

Merely passing laws is not enough to protect workers. It is more important to ensure that the laws are implemented. The employers are of course expected to implement the laws but they do not do in many cases. In such instances the government is expected to ensure that they are implemented. The Government at the Centre and the States have the labour department which has labour officers, assistant labour commissioners etc. who have been entrusted with the

task of ensuring the implementation of the Laws. The employer can be prosecuted in a court of law if he/she is found violating the laws. However in spite of various efforts, Government finds it difficult to perform its task efficiently. This is mainly because factories are widespread and large in size and the government machinery is not large enough to cover all cases. There is another important organisation i.e. the trade union which tries to ensure that the laws are implemented. The trade union organisation mainly tries to protect the interests of the workers. In doing so it tries to ensure that the laws are implemented.

Since labour is in the Concurrent list of the Constitution of India, both the Central and State Governments have the right to pass laws for protection of the workers. There are a large body of legislation on this matter. We have mentioned some of the more significant ones earlier which cover the organised sector as well as the unorganised sector.

9.4.2 Regulation of Work and Social Security in Organised Sector

We can divide these legislations into two groups, one dealing with the regulation of work and the other dealing with social security. In the first group we can place the Acts such as Factories Act, Industrial Disputes Act, Minimum Wages Act, Shops and Establishment Act, Workmen’s Compensation Act, Contract Labour Regulation and Equal Remuneration Act and so on. Acts such as Payment of Bonus Act, Employees provident Fund Act, Employees Family Pension Scheme, Employees State Insurance Act, Payment of Gratuity Act and other fall in the second category. There are other Acts too which cover workers in specific industries such as the Plantation Labour Act, Mines Act, Motor Transport Worker’s Act etc.

Box 1

Workmen’s Compensation Act, 1923

This act provides for payment of compensation to workmen and their dependents in case of injury by accident including certain occupational diseases arising out of and in the course of employment and resulting in disablement or death. The Act applies to railway servants and persons employed in any such capacity as is specified in Schedule II of this Act. The Schedule II includes persons employed in factories, mines, plantations, mechanically—propelled vehicles, construction works and certain hazardous occupations. Minimum rate of compensation for permanent disablement and death have been fixed at Rs.24,000 and 20,000 respectively. Maximum amount for death and permanent total disablement can go up to Rs.90,000 and Rs.1,14,000 respectively depending on the wage of worker.

These Acts ensure various facilities and protection to the workers and they embrace all aspects of the workers lives. Acts such as the Factories Act, Industrial Disputes Act, Workmen’s Compensation Act, Minimum Wages Act, Equal Remuneration Act, Shops and Establishment Act, Contract Labour Regulation and Abolition Act are effective at the work place. They protect the workers against high handed oppressive actions of the employers. The other Acts provide security to workers outside their place of work. For example the Employees State Insurance Act provides for medical facilities to the workers and is based on a nominal contribution made by the employer and the employee. The Payment of Gratuity Act ensures that a worker gets an amount of money on retirement. The pension Scheme and the Provident Fund Act are designed to help the workers financially on their retirement.

We can see from the above that the industrial workers enjoy a fairly extensive measure of protection. We can contrast this with the welfare facilities to agricultural workers (discussed in the next unit). However the laws may appear attractive on paper but they come of use only if they are implemented. We have pointed this out earlier. This becomes evident when we compare workers in the organised and unorganised sectors. And when we look at women and child labour. In fact we find that it is only the worker in the organised sector who is able to enjoy some of the welfare facilities mentioned in these acts. This is because they are able to organise themselves into trade union and are able to pressurise their employers to enforce the laws. Those who are unable to do this are forced to depend on the good offices of the government or on their employers. Let us briefly look at the problems of woman in the unorganised sector.

9.4.3 Labour Welfare and Women Workers in the Organised Sector

We have mentioned earlier that women workers are found less and less in the organised sector. This is partly caused by the protection granted to them in this sector. There are various Acts which seek to regulate and protect women workers in the industry. The Factories Act lays down that women cannot be employed in the night shift. The Mines Act also prevent employers from making women work underground. In the case of children, the Factories Act lays down that those below the age of 14 cannot be employed in factories. Moreover above 14 who are employed cannot be given work for more than 4½ hours a day. Pregnant women are to be given four months of maternity leave with full pay for the leave period. The employers have to provide for creches at the workplace for the children of the working mothers. The Equal Remuneration Act (discussed in Unit 11) provides that there should be no discrimination between male and female workers if the nature of the work they perform is similar.

Implementation of these laws causes additional expenses for the employers. Hence they try to see that these workers are gradually removed from employment. Unfortunately the trade unions do not put up a strong resistance to this form of retrenchment. This is perhaps because the unions are male oriented and in the present situation of high unemployment they look at retrenchment of women workers as a way of providing employment to make worker in their place. Therefore with little resistance from the workers themselves, women find little employment opportunity in the organised sector and they have to seek employment in the unorganised sector.

Box 2

Abolition of Bonded Labour

The Bonded Labour System (Abolition) Act 1976 abolished the bonded labour system all over the country. This Act envisages release of all bonded labourers and simultaneous liquidation of their debt. The New 20 point programme stipulated full implementation of laws abolishing bonded labour system which implies: (i) identification (ii) release, (iii) action against offenders, (iv) constitution and holding of regular meetings of vigilance committees at district and subdivisional levels... etc. With a view to supplementing efforts of state governments, a centrally sponsored scheme has been in operation since 1978-79 under which state govts. are provided central financial assistance for rehabilitation of bonded labour (India 1990 : 651).

9.4.4 Labour Welfare in Unorganised Sector

We have mentioned earlier that the workers in the unorganised sector are less protected legally than workers in the organised sector. There are a few Acts which cover the workers in this sector (Contract Labour Regulation and Abolition Act, Equal Remuneration Act, Minimum Wages Act etc.). In most cases since the industrial units do not come under the purview of the Factories Act, the working conditions mostly remain unregulated. Workers also do not get facilities like provident fund, gratuity, medical facilities, compensation, or in most cases paid leave.

Even the Acts providing for some regulation in their work are not implemented. The biggest drawback that the workers face is that they rarely have trade unions. They are thus unable to ensure that the existing laws are used in their favour. The workers are thus helpless and accept the unregulated exploitative work conditions because there is no other alternative.

In looking at the situation one can see that if the workers here were able to form trade unions and if the government's supervision over the employers was more effective, they would be better off. Trade unions usually shy away from organising unorganised sector workers as it is more difficult to do so. They instead prefer to concentrate on the organised sector as the workers are easier to organise. However we can see that the unorganised sector needs the help of trade unions more than any other sector. Hence till this help comes the workers' position will remain unchanged.

Check Your Progress 2

- i) Explain in about five lines the relationship between the small scale and the large scale sector.

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- ii) Name the two major groups of laws protecting workers.

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- iii) Describe in about five lines on the regulation of work for women workers.

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iv) Explain in about five lines the main causes for the failure to implement laws in unorganised sector.

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v) State whether true or false

a) Trade unions are more active in the unorganised sector.

True

False

b) Wage discrimination between male and female workers is banned.

True

False

c) Children of any age are allowed to work in factories.

True

False

d) The organised and unorganised sector are independent of each other.

True

False

e) The central government is solely responsible for passing labour legislation.

True

False

9.5 LABOUR UNREST

We have seen so far that workers are able to get the benefits accrued to them only when they are united in their action and are organised into trade unions. In this section we shall be discussing the importance of trade union in an industrial set-up and forms of labour unrest and protest. Let us begin with the trade union.

9.5.1 Trade Union

In the unit on Urban Class Structure I of ESO-04, we discussed the important facets of the growth and characteristics of urban labour movements in India. You may like to read section 26.4 of that unit. Here we shall be dealing with the importance of trade unions in solving the labour problems in India. In normal cases workers are able to put forth their demands through their trade unions to the management. These demands are discussed by the two parties (management and workers) and the management may accept some of the demands. Trade union therefore help to chanalise the grievances of the workers in an institutional manner. The management also benefits because it becomes aware of the worker’s problems through the trade union. In the absence of trade unions the management may not be aware of what these problems are. If

workers have no common platform for putting forth their demands, it is possible that they will resort to individual acts of violence. In the earlier stages of industrialisation in India and in England workers were not allowed to form trade unions. They had no means to air their grievances. At times when their grievances increased they resorted to violent acts such as beating up their supervisors or destroying machinery. Trade unions therefore helped to prevent these types of acts. At the same time they proved to be effective in protecting the workers' interest.

Labour unrest is to be viewed in the above background. It would be incorrect to say that trade unions are the cause of labour unrest. The causes can be traced to the dissatisfaction among the worker on certain issues relating to their work or work life. Trade unions give vent to this dissatisfaction and in the process they organise the workers to collectively put forth their grievances before the management. This is why labour unrest is seen more often in the organised sector than in the unorganised sector. It is not that the unorganised sector workers have less grievances. In fact they have more grievances than workers in the organised sector. However, they are unable to put forth their demands because they lack a collective forum to do so. In such a situation it is not unnatural to find workers in this sector take extreme steps by resorting to violence when they are unable to express their grievances effectively.

9.5.2 Forms of Labour Unrest

Labour unrest can take different forms. The only weapon the workers have in combating the might of the employer is withdrawal from work. Similarly for the employer the most effective weapon is lock-out or suspension of the workers. Unrest is usually centred around these means. When negotiations between the workers and the employers fail or are restrained, initially the workers may express their dissatisfaction by holding demonstrations or dharnas. These actions are directed towards demonstrating their solidarity and it is expected that the management will take note of this. Usually if this does not have the necessary effect on the management workers find ways to withdraw their labour (i.e. stop or slow down work). They can resort go-slow, where they report for duty but do not complete the work allotted. In such a situation workers' wages cannot be deducted because they are not absent from work but production is nonetheless affected. Another version of the go-slow is work-to-rule. Workers claim that they will work strictly by the rules and if there is even a slight change in the work situation they refuse to work. In normal conditions workers overlook certain shortcomings. For instance, most of the public buses have some damaged parts. Their rear view mirrors may be missing or the speedmeters or fuelgauges are not functioning. Under normal conditions bus drivers drive the vehicle in spite of these lapses. In case of work-to-rule the drivers would refuse to drive the buses because they are not functioning well. This would result in slowing down work or in bringing it to a total standstill. The difference between go-slow and work-to-rule is that in the former workers deliberately slow down the pace of production but in the latter they work strictly according to the rule.

The most effective form of labour unrest is the strike. This means that the workers totally withdraw their labour by refusing to work. Production thus comes to a standstill. Normally unions resort to a strike as a final attempt at confronting the management. This is an extreme step and it may have adverse effects on the workers if it is unsuccessful. During the strike period workers



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do not get their wages. This result in hardships for them. The extension of a strike depends to a large extent on how long the workers can sustain themselves without their wages. Labour unrest is therefore a part of the industrial system. It reflects the changes taking place in industrial relations. Workers no longer blindly follow the orders of the management. They are aware of their rights and they want them to be implemented. At the same time unrest is not a healthy sign for industry and it should be avoided. It causes strain in labour-management relations and it affects production. Therefore it is necessary for both sides, labour and management, to take into account the changing situation and adapt to it.

Check Your Progress 3

Tick mark the correct statements

- i) Trade unions help to channelise the grievances of the workers
 - a) in an institutional manner
 - b) in an institutional manner
 - c) both are correct
 - d) none is correct
- ii) Trade unions help
 - a) the labourers to express their dissatisfaction
 - b) the managers to be aware of workers problem
 - c) both are correct
 - d) none is correct

- iii) The only weapon the workers have in combating the might of the employer in is organised way
- a) attacking the employer
 - b) breaking the machine
 - c) withdrawal from the work
 - d) none of the above.

9.6 LET US SUM UP

In this unit we have covered various aspects of industrial labour. We have compared and contrasted the two major sectors in industry, namely, the organised and the unorganised sectors. We have found that labour in the unorganised sector is not only more in number than that in the organised sector but it is much worse off in terms of job security and work regulation. There are few laws governing work and social security and even these are not properly implemented. The main problem with workers in the unorganised informal sector is that they are usually not organised into trade unions. They cannot collectively ensure that granting them protection are enforced. They have to depend on the benevolence of their employers or on the government for this.

The two sectors are linked to each other as they depend on each other in their production process. The organised sector gets inputs and components at cheaper rates from the unorganised sector while the latter depends on the former for marketing its products. At the same time the large number of casual and contract labour in the organised sector shows that there is an unorganised sector within the organised sector. Though the two sectors are linked to each other, their relationship is not on equal basis. The unorganised sector and its labour are in a weaker position.

Finally we examined the steps taken for labour welfare and found that during the post-Independence period a number of laws granting protection and social security to the workers have been passed. Their implementation depends largely on the initiative of the government and the steps taken by the trade unions. Labour unrest is largely linked to these problems.

9.7 KEY WORDS

| | |
|-------------------------|--|
| Primary Sector | : Primary sector of economy includes agriculture, livestock, forestry, fishing, hunting and plantations. |
| Secondary Sector | : It includes mining, quarrying, household industry, other than household industry and construction. |
| Tertiary Sector | : It includes trade and commerce, transport, storage communication and other services. |

9.8 FURTHER READINGS

Holmstrom, H. 1987. *Industry and Inequality*, Orient Longmans: Delhi.

Ramaswamy, E.A. & U. Ramaswamy 1987. *Industry and Labour*, Oxford University Press: Delhi.

9.9 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

- i) d
- ii) d
- iii) c
- iv) a) False, b) True, c) False

Check Your Progress 2

- i) The small scale sector manufacturers components for the large scale sector at a cheaper rate. The large scale sector benefits as it gets a market for its products.
- ii) One group deals with regulation of work. The other group deals with social security outside the work place.
- iii) Women workers in factories are not allowed to work in the night shift in factories. In mines also they are not allowed to work underground.
- iv) Firstly there is very inadequate government supervision to ensure implementation. Secondly the trade union movement is weak therefore workers cannot pressurise their employers to implement the laws.
- v) a) False, b) True, c) False, d) False, e) False.

Check Your Progress 3

- i) b
- ii) c
- iii) c