



EVOLUTION OF THE LABOUR MOVEMENT IN INDIA

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ABSTRACT:

The product of industrial revolution is the modern labour movement. Industrial revolution started in England and later spread into other nations of the world. At that time India was under the British rule. This had helped England to increase the pace of industrialisation but it had caused a disintegration of India's traditional economic order. Capitalism has developed in India much later compared to the other nations. As a result, Indian labour movement developed at a much later stage.

KEYWORDS: Labour Movement, Industrial Development, The Working Class, Globalisation.

INTRODUCTION:

Bombay city is one of the most important places for the analysis of the Industrial economy and its social settings in India. In the early twentieth century, Bombay had become India's leading port and commercial and finance centre and a huge cotton market in Asia. In the 1850s, the first cotton mills were built in Bombay. Mills were largely developed by Indian merchants. Due to the growth of the industry, this city also grew. The city became the largest centre of the cotton industry in India, and a huge chunk of workers were employed in those factories. Thus, Bombay became the most significant place across the subcontinent. Naturally, the issues and conflicts between the owners and the working class acquired a nationwide importance.

Furthermore, in the 1920s and 1930s, according to Chandavarkar (1994: 5), Bombay became the most dramatic centre of working-class political action. Until 1914, strikes in the cotton mills were largely confined to individual departments and mills; at times, they affected groups of mills and even neighbourhoods. After the First World War, however, they were increasingly coordinated across the entire industry. Between 1919 and 1940, the industry witnessed eight general strikes, all of which lasted for at least a month; some continued for considerably longer periods.

INDUSTRIAL DEVELOPMENT IN MUMBAI:

Mumbai was one of the earliest places of industrial development in India. The city saw some of the first instances of organized resistance by workers against the capitalists. The trade union movement in Mumbai has been a very strong part of the labour movement in India. In the post-independence period, during a time of sustained economic growth, considerable progress was made in nurturing an organization and culture of class-based activity. Organized labour made a significant mark on the social character and political life of the city. But after 1991, the New Economic Policy, which launched economic liberalization, led to many radical changes. Since then, the economy has become directed to the market rather than people. The economy of Mumbai was remade, and the city became the central point of the service sector. The city's labour market has been transformed, reducing the bargaining

power of organized and unorganized labour. These developments have thrown the labour movement in the city into crisis.

It is observed that the labour movement, which made an impact on the character of the Mumbai working class in the past, has gradually become weak, especially after 1991. The labour movement is not dead, but it is re-formulated. The aim of this paper is, therefore, to understand the process of evolution of the labour movement in Mumbai as a result of the impact of globalization and liberalization.

ORIGINS OF INDUSTRIALISATION IN INDIA

Factory production started in India in the early 1850s during the British rule. The purpose then was to export manufactured goods to markets in Britain. Thus, factories were established in the port towns of Calcutta and Bombay to assist export- primarily cotton textile mills in Bombay and Jute mills in Calcutta. Later, factories were established in Madras, another port town. One of the reasons for setting up of Industries in India was that the costs of production were much lesser due to the availability of cheap labour.

The availability of cheap labour was mainly due to two reasons: Firstly, the indigenous economy had been shattered with the introduction of colonial rule by the East India Company. During this period, the local crafts were replaced by cheaper imports of finished goods from Britain. This led to the steady destruction of the local trades in the country. The peasants were also forced to cultivate cash crops, in place of food crops, which were needed as raw materials for factories in Britain. Besides, the cultivators paid higher taxes due to the new types of land settlements and land revenue imposed by the colonial rulers. As a result, there was a general impoverishment of the rural population. These people served as pools of cheap labour when the factories came up. Secondly, at the initial stages of industrialization, the colonial government did not standardize work or wages. The workers were unorganized, and the industrialists were able to make them work for longer hours at low wages. Women and children were most affected in this system, as their wages were even lower.

The industrial base in India remained narrow during the initial years, mainly because most industries were set up for export of their products and not for the local market. Industries were thus largely concentrated in and around the three port cities of Bombay, Calcutta and Madras, and they manufactured mainly cotton textiles and jute products. The First World War in 1914 created the need for industrial goods and the colonial government sought to meet this by expanding the engineering goods sector in India (Gadgil 1982).

Brief History of Trade Unions in the World

Trade unions are the product of the Industrial Revolution. They were a healthy outcome of the workers, and as Allan Flanders (1970) noted they arose out of the need to protect the workers.

Trade unions are not homogeneous bodies in the sense that there are differences in the approaches of different trade unions. This is largely governed by the ideology of the trade union. There are some political ideologies of that believe that the interests of labour and capital are the same, and there are others that believe that they are opposed to each other.

Trade unions are organisations of workers that try to protect their interests against the power of the employers and the state and its institutions. In a general sense, the objective of a union is to secure a better living and working conditions for workers. To achieve this, trade unions must protect the rights of the workers. Trade unions need to make sure that these rights are not run down or destroyed by other forces. In this trade, unions try to lessen the burden of exploitation.

Despite obstacles, associations continued to grow secretly. These associations had some innate shortcomings. Since they functioned secretly, they could cover only a small number of workers, and those who were involved had to have strong ties among them. They used violence against the supervisors who were ruthless to workers. These organisations were not democratic in their functioning. Since they could not openly protest, they showed their anger by destroying machines or

beating up managers or supervisors in dark alleys where they could not be identified easily. These moves were effective in the sense that the state realised that it could not continue to suppress workers' protests by crushing them. By the turn of the nineteenth century, the British Government started tolerating them, or at least it did not suppress these moves with brutal force. There was a common acceptance that the Combinations Acts had to be repealed and they were replaced by the Freedom of Associations Act (Bhowmik 2012: 90).

Origins of Trade Unions in India

The origins of trade unions (TU) in India were entrapped in controversy. Some believe that N.M.Lokhande started the first trade union known as The Bombay Mill Hands Association in 1880. Lokhande was originally a mill worker and all his life he fought for the improvement of working conditions of the workers. The Association he formed provided great service to the poorly-paid mill workers. His crusade for improving working conditions in the textile mills earned him a place in the first Factories Commission, and the Factories Act of 1881 was passed on its recommendations. The Act, as mentioned earlier, reduced the working hours of children. There were other provisions such as better ventilation, better lighting, drinking water and toilets in the factories (Sawant 2019:5).

According to Bhowmik (2012:116), labour historians like Chamanlal Revri and Sukomal Sen insist that the first trade union was started by B.P. Wadia, founder of the Madras Labour Union in 1918. Wadia was moved by the exploitation of workers by factory owners, and he decided to start a trade union on the lines of the unions in Britain. His union was more organised than Lokhande's Association. While Lokhande did not recruit members nor did he charge a fee, Wadia kept a record of members, all of whom paid membership fees. This is why Revri asserts that Wadia's Madras Labour Union was truly a trade union. Unfortunately, Wadia's career as trade unionist was short-lived.

In August 1918, Mahatma Gandhi founded the Textile Labour Association (TLA) or Majur Mahajan in Ahmedabad. This union was unique in many ways, and it had an interesting beginning. Since August 1917, the mill owners of Ahmedabad were paying a bonus to their workers of 70 per cent of their wages to compensate for the rising cost of living because of the First World War; the workers used to be paid a pittance, and thus bonus would avoid the issue of revision of basic pay. The bonus was treated as a form of deferred payment, and it was not related to profit. In January 1918, the mill owners stopped paying bonus. This created bitterness among the workers. They demanded that they are given at least 50 per cent dearness allowance (DA) as compensation. The employers refused this demand and the workers on their own struck work. After this, the workers sought the help of Gandhi. They wanted him to intervene and strive for a compromise. He agreed to negotiate with the mill owners provided the workers scaled down their demand to 35 per cent, which they readily accepted. Gandhi, however, found that the mill owners were not in favour of any bonus or DA, but after a few rounds of talks, they agreed to pay 20 per cent. This was unacceptable to the workers. Instead of continuing negotiations for a settlement, the owners declared a lockout. Gandhi then went on a fast to pressurise the owners to come for negotiations. The owners agreed to go for arbitration, and in the end, they raised the amount to 27.5 per cent (Revri 1958: 73).

After this incident, Gandhi decided to form a union that would work in accordance with his ideals of non-violence. The Textile Labour Association was based on the ideals of trusteeship (i.e., employers and employees are trustees of capital on behalf of society) and peaceful negotiations with the employers. The union sought to protect the interests of labour through cooperation with the management rather than confrontation with them (Ibid: 75).

Formation of the All India Trade Union Congress (AITUC)

Trade unions in India grew at a fast pace after 1918. Some of the nationalist leaders like Lokmanya Tilak, Lala Lajpat Rai and others wanted the working class to join the struggle for independence. Others like V.V. Giri and N.M. Joshi were keen to have a trade union federation that would represent the interests of the working class in India at international forums. The International

Labour Organization (ILO) had been started in 1919 and Indian labour could get representation if it had a federation. These two streams merged to form the All India Trade Union Congress (AITUC) on 31 October 1920 (Bhowmik, 2012: 18).

Till the day of Independence, AITUC remained as the representative of the working class with all of political forces of different political ideologies, ranging from communists to the liberals, under its umbrella. The federation underwent two major splits over ideological issues during that period. The first split occurred in 1929 when liberals such as Giri, Joshi and others broke away to form a separate federation over the issue of representation in the Royal Commission on Labour in India. The communists and the supporters of the Indian National Congress in the AITUC wanted to boycott the commission, but the liberals (known as Rightists) wanted to support it. When the majority in the Executive Committee of the AITUC decided to support the move to boycott the commission, the Rightists broke away and formed the Indian Federation of Trade Unions (IFTU). In the following year, the communists broke away to form the Red Flag Trade Union Congress. However, they re-joined the AITUC within two years, and the IFTU decided to merge with the parent body in 1939 (Sen, 1979; Revri, 1958).

Soon after Home Rule was declared in 1947, the leaders of the Congress decided that since the working class would have to play a crucial role in the pattern of planned development, it could not allow the trade union movement to be led by those who would not fully support its policies. The Congress started another trade union centre which would rival the communists- controlled AITUC's hold over the working class. Thus, the Indian National Trade Union Congress (INTUC) was formed in May 1947, three months before Independence (Johri, 1967: 10).

As noted by Bhowmik (2012:119), the split in the AITUC in 1947 paved the way for further splits based on narrow party lines with the result it almost became mandatory for every political party to have its trade union front. When a political party splits, a division forms in its trade union front also, thereby fragmenting the working-class movement further. Similarly, a new political party invariably floats its trade union.

When the INTUC was formed, the pro-socialist group within the Congress did not support the federation, and their trade unions remained with the AITUC. A year later, in 1948, this group broke away to form a new political party called Praja Socialist Party (PSP) and decided to have its trade union front which would attract the non-communist and non-congress trade unions together. Thus, the Hind Mazdur Panchayat (HMP) was formed in that year. The party's objective was partly realised as the Indian Federation of Labour, which was inspired by M.N. Roy, the former communist leader who later became severely anti-communist, merged with the HMP to form a new federation called Hind Mazdur Sabha (HMS). In 1949, the unions supported by the Revolutionary Socialist Party (RSP), a Marxist group having influence mainly in West Bengal and Kerala, which had earlier joined the HMS, decide to form their federation, the United Trade Union Congress (UTUC). In 1952, the Bhartiya Jan Sangha political party with a Hindu fundamentalist background formed in 1955. It initiated another trade union centre known as Bhartiya Mazdur Sangh (BMS) (Bhowmik, 2012: 120).

Meanwhile, the socialist kept splitting and re-joining to form new parties. In 1965, a party comprising breakaway groups from the PSP and Socialist Party was formed known as Samyukta Socialist Party (SSP). Its most important trade union leader George Fernandes, broke away from the HMS to form a new Hind Mazdur Panchayat (HMP). Till the early 1970s, the most important trade union federations in the country were the INTUC, AITUC, and HMS (ibid).

Sawant (2019: 56-57) noted that, Shiv Sena (a regional political party) was formed in the year 1966, in Mumbai. In its early phase, the Sena claimed to represent the interests of Maharashtrians (people belonging to the Maharashtra State), more particularly the Marathi-speaking people in Mumbai. It was openly anti-south Indian and anti-communist. It formed its own labour wing, the Bharatiya Kamgar Sena (BKS) in the year 1968. It was widely believed that the Shiv Sena and its labour wing had the backing of the industrial houses (most of which were non-Maharashtrian) in the Mumbai-Pune industrial belt to combat the communist unions which were very strong then. It managed to divide the

working class in Mumbai into regional lines, and it gained in strength. By the mid-1970s, BKS had become strong.

The rise of the Shiv Sena was linked, to a large extent, with the deteriorating economic situation in the country. In 1966-67, the country reeled under a recession which led to a decline in production and subsequently to job losses. According to Bhowmik (2012:121) Shiv Sena aggressively asserted that job losses were due to the influx of south Indians into the city. As these people were taking away available jobs from the local population. The Shiv Sena's influence over the organised working class based on this reasoning could not be stopped by the traditional trade unions. It was only in the mid-1970s that Datta Samant (1933-97), a medical practitioner-turned-trade unionist, could put an effective check on the Shiv Sena. The methods used by Samant were similar to those used by the Sena unions to oust the opposition, namely intimidation and violence.

Thus, the underlying feature of the trade union scenario is the large number of political parties resulting in increase in the number of trade unions. Besides, there is a growing tendency towards unions being based on regional, communal and caste lines. There are also a number of unions created by people to get political mileage or other individual-centred benefits. Some enterprises, especially branches of multinational companies (MNCs), have their internal unions run by their own members. These unions are independent in the sense that they are not affiliated to any of the federations. They are called enterprise unions with their own strengths and weaknesses (Davala, 1996).

We can see that the trade union movement, which was united during colonial rule, stands badly divided. This has weakened the working-class movement and deprived it of the power it must challenge capital and the state. Quite often, inter-union rivalries are stronger than the conflicts between management and labour.

Membership of Trade Union

Apart from the problem of fragmentation of unions, the number of unionised workers is low. According to Bhowmik (2012:123), it is difficult to give the number of members of trade unions as there is no authentic data on this. The Registrar of Trade Unions is expected to maintain records of union membership based on returns submitted by the registered unions. However, the figures are not available as there may be cases of underestimation, when unions do not send their returns regularly, or overestimation of membership. The membership of unions is restricted mainly to the 8 per cent of workers who belong to the organised sector. The rate of unionisation in the public sector, which employs 70 per cent of workers in the organised sector, is estimated to be around 80 per cent, while unionisation in the private sector is much lower. Taking into account these factors, the percentage of unionised workers should be around 50 per cent. Membership in unions in the unorganised sector is small, with the Self-Employed Women's Association (SEWA), the largest union, having a membership of a little over 10,00,000 in 2010, and the total percentage of unionised workers should be around 5 per cent of the labour force in this segment. The number of employees covered by collective wage agreements is a mere one per cent of the labour force (Venkat Ratnam 1994: 6). Nevertheless, the unionised section of workers in the organised sector is extremely vocal and is able to obtain more benefits from the employers as well as the government.

Problems of Marginalised Sections

Bhowmik (2012:129) observed that, though trade unions are the most effective organisation of the working class, they also need to be sensitive to the problems of the socially marginalised sections. The two main issues which trade unions in the organised sector have overlooked are the problems of women workers and the workers belonging to the socially oppressed groups such as the scheduled castes (SCs) and scheduled tribes (STs).

From the 1940s till the 1970s, the number of women employed in the organized sector declined drastically. This happened in industries with high levels of unionization, such as cotton textiles in Bombay, jute mills in Calcutta, and mines in central India. the trade unions too did not take up this issue

as they were not gender-sensitive while framing union policies. Thus, trade unions, with their inherent male bias, have not been effective in safeguarding women's employment rights when employer sought to retrench them.

A similar situation prevails in the employment of people belonging to the SCs and STs in the organized sector. Trade unions have often overlooked their specific problems of social deprivation and prejudice or have side-lined them in union activities.

There are problems of social discrimination which have been ignored by the trade unions. One of the more shocking incidents is that of SC workers in the textile mills in Mumbai being prevented from working in some sections in the mills because of the belief of the so-called upper-caste workers that they would pollute the threads, and hence, no other worker would be willing to touch the cloth later. This happened in an industry with a high level of unionism and militancy in trade union action. None of these unions thought it necessary to educate the workers on the evils of this issue. It is because of this indifference of trade unions to issues relating to caste and tribal affinities that often these sections form their separate associations and distance themselves from the trade unions.

Bhowmik (2012:130) observed that the caste and gender differences have always existed among the workers, but significantly none of the national trade union federations has thought it necessary to give due importance to these problems or even educate the tradition-bound workers in these issues. The present situation is even more complex. The divide between workers in the organized and unorganized sector is not only based on the degree of protection or the wage levels, but also on the basis of caste and gender.

Globalisation and the Labour Movement in India

Indian economy, society, and polity have been undergoing radical changes since independence and particularly during the last quarter of the twentieth century. One prominent area of these changes is the structure, consciousness, role and the working class movement in India. This includes not only the organized industrial workers, but also the vast majority of the unorganized and non-industrial urban and rural working class.

In the decades of 1950s and 1960s the Indian government has started promoting the industrialization process of the country through public sector undertakings and these decades have also witnessed the organized struggle of the working class for wage rise and trade union rights. Later, the decades of 1980s and 1990s, witnessed the ushering of a new phenomenon called 'globalization' in Indian economy which was accompanied by the fall of Soviet Union and other socialist countries, the erstwhile strong supporters of the working class. According to Datt and Sundharam (2018:277). The international financial institutions like the World Trade Organization - The International Monetary Fund (IMF), and others have started pressurising countries like India, China, and other South-East Asian countries by influencing the developmental as well as political processes in these countries.

Datt and Sundharam (2018:752) maintained that liberalized markets, globalized trade, and contraction of the 'state-power' in the area of economic matters and welfare activities have increased the flexibility and the capability of capital in comparison with labour. The global monopoly of capital, especially the finance capital, while strengthening its hold over not only material, but also intellectual spheres of social life, has also sharpened the contradiction in social and political life. These technological and commercial changes in the industrial as well as services sector have led to reorganization of the production process and restructuring of the work organization, this has also affected the labour movement in this country.

The Policy of Globalisation and Changes in the World of Work

Structural adjustment is one of the most widely discussed and debated subjects among the economists and policy makers in the current years. The subject has been a matter of debate, often controversial, in India since structural reforms programme was initiated in 1991.

The World Bank had been propounding the idea that the only way countries of the South could promote growth was by encouraging private enterprise and reducing the protection for labour. The argument was that too much protection to labour in the formal sector had resulted in a small section of the working class being more privileged than the vast majority of ill-paid workers. The World Development Report of 1995 noted that 'in many Latin American, South Asian and Middle Eastern Countries, labour laws established burdensome job security regulations, rendering hiring decisions practically irreversible; and the system of worker representation and dispute resolution is often subject to unpredictable government decision-making, adding uncertainty to firms' estimate of future of labour costs' (World Bank 1995:34). In order to ease this process, many countries (especially those in Central and South America) relaxed or removed legal protection to workers in the formal sector. In India too, there have been persistent pressures from Industry to allow closure of industries and reduce the protection given to permanent workers.

In 1985, Prime Minister Rajiv Gandhi wanted the economy to open up to foreign competition and desired to promote a proactive role for the private sector. He was not able to see his reforms through because of his assassination in 1991, when he was campaigning for the coming general elections. His Congress Party was critical of the public sector and recommended that its role should be restricted to only core or basic sectors. It scrapped the licensing system in almost all sectors and encouraged foreign investment. The New Industrial Policy was landmark because it laid the foundation for liberalisation of the economy (Bhowmik, 2012: 162).

The 1991 policy seemed to be a refutation of the state-sponsored planned economy which had existed until then. On the other hand, one can argue that the policy was the continuation of the earlier policies. When India became independent, the capitalist class in India was at a budding stage. There were handful of capitalists such as Tatas, Birlas and some others. Indian capitalism was not in a stage to take over the challenge of developing country. The state, therefore, took on the role of the capitalist to widen the base of economy. This could be called state sponsored capitalism.

Later, after the infrastructure had been set up through the heavy industries established by the state, the capitalist class started developing and expanding. When it had matured, the state handed over development work to the private sector through its liberalisation policies.

Informalisation of labour

The most important characteristic feature of working life in the developing world is 'informalisation'. Informal work is generally defined as any work which takes place outside the formal wage-labour market, such as clandestine work and illegal work, but also including various forms of self-employment. It is a global phenomenon. It is estimated that informal work in the developed economies involves between 2 and 15 per cent of the working population (Standing, 1999:112), while in the developing economies it is considered to fluctuate between 30 and 80 per cent of the working population (ILO, 1997:175). Such a wide variation in estimates indicates that no one really knows the extent of the informal sector.

The informal sector was said to embrace a whole range of occupations, including the small manufacturing workshop, small-scale retailing and transport unit, casual building labour, domestic service and various illegal activities. The only unifying factors across the range of work and workers are a certain general instability of employment, an avoidance of most labour laws, and a tendency to remain outside normal capitalist rules of contract, licensing and taxation (Munck, 2002).

The process of liberalisation is leading to an increased informalisation along with all forms of social exclusion. Majority of the jobs in the informal sector are created in the specific fields like service sector, domestic service, non-professional self-employment or in micro-enterprises- all poorly paid, unstable and precarious forms of employment, on the fringes of legality in many cases. One can see the uneven development of the labour market as globalisation brings high-tech sectors to the developing world, but also reproduces the 'traditional' informal activities of domestic services and other such occupations (Munck, 2002).

The final theme in relation to informalisation is organisation, the question of whether the trade unions can mobilise workers in this sector. As the ILO puts it, 'It would be unrealistic to expect trade unions and/ or employers' organisations to cover entirely the needs and demands of such an expanding and heterogeneous sector' (ILO, 1997: 193). However, with the high-tech and information sector worker- employees of the developed world- a breakthrough in this sector is probably the real test of the continued relevance of trade unions to the worlds of workers today. What we detect today is a serious willingness on behalf of trade unions, including the international leadership, to engage with the issue. It is in relation to women workers that some of the most significant organisational advances in the informal sector have occurred. As the ILO noted in the mid-1990s - 'The past decade has witnessed a proliferation of women's groups in the informal sector' (ILO, 1997: 197). Ties of solidarity based on gender interests have been significant.

Perhaps the most significant case in this regard is that of SEWA (Self-employed Women's Association), founded by Ela Bhat in Gujrat, India, which evolved out of the women's wing of the Textile Labour Association.

Confronting the issue of informalisation has also made trade unions more aware of the community beyond the workplace, and issues beyond wages and conditions. Informal workers' organisations are often neighbourhood-based, thus breaking with one of the essential characteristics of trade unions. A traditional industrial relations structure and a 'free collective bargaining' orientation by the trade unions would hardly be relevant in these situations (Munck, 2002).

Feminisation of Labour

Condition of women workers have been adversely affected by the policy of globalisation have, they are losing their jobs in the formal sector for a long time, much before the present policies came into existence. The employment scenario in the formal sector is pathetic and resulted in job losses. However, job losses among women workers in this sector took place at a time when this sector was expanding. Bhowmik (2012: 167) observed that women face job losses after certain laws were passed. The Factories Act 1948 not permitting women working in night shifts in factories and the Mines Act preventing women from working underground were ostensibly passed to protect women as it was believed that it would be unsafe for women to return home late at night after the shift ended and, in the case of mines, working underground was bad for their health.

The 1991 census data showed that women workers formed one-seventh of the formal sector workforce while they constituted one third of the workforce in the informal sector (Davala 1993).

Though women occupy a better position in the informal sector in terms of numerical strength, their position in the work hierarchy and income is low. The better paid jobs are taken by men and the low paying ones are reserved for women. In fact, the types of work performed by them are those that can be replaced by technology.

Technical changes, that are taking place at rapid rates at present, result in job losses if no new jobs are created. In the era of liberalisation women entered the labour market in large numbers than ever before. They did so in a situation dominated by globalisation, privatisation and flexibilisation. In short, women working worldwide entered what can only be called a 'casualised' labour market.

Voluntary Retirement Scheme (VRS)

In the post-globalisation period employers' organisations demanded that the government should frame an 'exit policy' that would enable any industry to close. This was severely opposed by trade unions, and the government took decision against this policy.

At the same time, it allowed companies to reduce their workforce through a process known as the Voluntary Retirement Scheme (VRS). The companies could offer voluntary retirement to their workers by giving them a better retirement package than what they would have got under the law. This would lure workers to accept these terms and quit.

Myrtle Barse (2001) studied the impact of this scheme in some large companies in Mumbai. She found that it had a marked impact on the nature of employment and in changing the quality of life of the workers. Her paper has case studies of workers who have taken VRS and how their lives changed. Most could not find alternative work and their compensation evaporated within a few years.

Outsourcing

Since the 1980s, many textile mills have closed and rendering of thousands of workers unemployed. The main textile centres were Mumbai and Ahmedabad (Bhowmik and More 2001; Breman 2001). There were around eighty large-scale textile mills in these two cities in 1984. At present, these metropolises have not more than ten textile mills functioning in them. Production of textile has not decreased due to these closures. Instead, production is now outsourced to the thriving power-loom sector. Power-looms are similar to hand-looms except that they are run by electricity and not by human energy. The technology used is backward, and much lower than that of large-scale textile-factories. The power-loom sector becomes viable because the wages paid to workers are low. In this sector too, low technology and low labour productivity are offset by low labour costs. The textile companies by and large get their products by outsourcing to the power-loom sector. The wages of power-loom workers are between one-third and one-fourth of the wages in large-scale textile mills.

Outsourcing can be possible only if labour costs are low and so is technology, production thus being labour-intensive. Low labour costs also reduce the costs of production. The blending of these factors has promoted outsourcing.

Outsourcing in the developing countries is mainly prevalent in certain industries that involve low technology and low labour costs. Thus, in industries such as textiles and garments outsourcing is quite popular. Bangladesh is at present an important area for outsourcing in the garment industry. Other industries that engage in outsourcing are the leather and handicrafts industry. In these industries, the labourers have low literacy and are impoverished, the wages being low and working conditions extremely poor.

Response of the Labour Movement to the Globalisation

The liberalisation policies have strengthened capital and weakened labour. The response of the labour movement to the globalisation of the world economy has simply been pathetic.

In this context, it is important to make a distinction between trade unions in the advanced capitalist countries and those in the developing world. The trade union movement in the former was always much wider and stronger than in the latter. But it seems that trade unions have experienced an erosion of their political significance and economic strength in the developed and developing countries. Trade unions have by and large opposed the liberalisation policies. They have organised nationwide strikes, *bandhs* (literally, stoppages) and rallies in different parts of the country. These have hardly had any effect in changing the policies. The only assurance given so far is that there will be no 'exit policy'. This is of little value, as we have seen earlier, as workers continue to lose their jobs through VRS and lay-offs caused by downsizing. It is evident that all these forms of conventional protests may not be sufficient. There is need for undertaking a revaluation of the situation and developing new forms of opposition as well as alternatives to the present policies. While it cannot be denied that traditional means of protest including mass action play an important role in mobilisation of the working class and making them articulate their problems collectively, these methods may not achieve the purpose in the changing circumstances of globalisation and its onslaughts on workers' rights.

One of the weaknesses of the trade union movement during these critical times for labour was that it had by and large restricted itself to unionising labour in the formal sector ignoring the vast pool of labour in the informal sector. Even when the informal sector exists within the formal sector, trade unions have tended to overlook them. A study of contract and casual labour in eight industries showed that casual and contract labour formed between 30 and 50 per cent of the labour force (Davala, 1993).

In some cases, unionised workers regarded them as rivals who would take away their jobs. Rare instances like SEWA, there are hardly instances of trade unions in the informal sector.

Fortunately, the national trade unions have tried to overcome this deficiency by enrolling informal sector workers in the unions. As a result, the membership of trade unions has increased. However, despite the increase in strength, trade unions are still ignored by the government and the media whenever they stage protests.

Recent Developments in Labour Movement in Mumbai

In the beginning of the 21 century, due to the nexus of the state and the capitalists many labour unions had become weak. But the leftists unions were gathering their strength to meeting of around fifty thousand workers at Shivaji Park, Dadar, Mumbai to protest against the policies of the state. Major trade unions in Mumbai like, CITU, AITUC, Hind Mazdoor Sabha, Hind Mazdoor Kisan Panchayat, State Government Employees Union, Kamgar Aghadi, Bombay University and College Teachers' Union, Banking and Insurance Employees Union, Central Government Employees Union, National Railway Mazdoor Union, Contract Workers Union and other more than thirty unions have participated in it through the umbrella organisation- Kamgar Sngahtana Samyukta Kruti Samiti. All the trade unionists have spoke against the anti-labour, neo-liberal policies of the state. It was announced in the rally that on 15 March, 1918 the Kruti Samiti will arrange a Long March at Mantralaya. It was one of the biggest rallies arranged at the Shivaji Park. That rally rekindled the spirit of the movement amongst the working class in Mumbai (Sawant 2019: 88-89).

Earlier, the ruling Congress- Nationalist Congress Party alliance at the state, had started making amendments in the important labour laws such as- The Factory Act 1948, Trade Union Act 1926, Industrial Disputes Act 1947, The Contract Labour Act 1977. If the government was successful in making those amendments, then that would affect the interests of the working class negatively. As decided earlier, the day of the Long March has arrived and thousands of workers had participated in it. They were not asking for wage-hikes, bonus, dearness allowance but they have gathered to accept the challenge put forth by the global capitalism. They were shouting slogans against the state who is promoting the interests of the capitalists and ignoring the existence of the working class completely (ibid).

Later, the The Second National Commission on Labour (NCL) presented its report in 2002. That report has completely neglected the demands of the workers and the trade unionists and made recommendations to make changes in the existing labour laws which were in favour of the workers. Further, it had also justified the retrenchment of the workers and the contract labour system (Sawant, 2019: 89).

New Trends in the Labour Movement

New sectors such as Information Technology (IT), Business Process Outsourcing (BPO) and Retail Sector with large potential for increasing employment opportunities are emerging. They engage a large number of white-collar workers. The knowledge sector employees get huge pay packages, as noted by Datt and Sundharam (2018: 754), which give them a certain kind of superiority and they do not want to be a part of trade unions with other industrial workers. Individual bargaining is the key mode of determining rules of employment relationship. These employees of the IT and BPO sector are called 'cyber coolies' since they have to work for long hours and always suffer from stress and anxiety arising out of attitude of the employer to 'hire and fire' at any time. They also become victim of emotional stress resulting in emotional, psychological and physical disorders. According to Datt and Sndharam(ibid), the governments want to declare the IT and BPO sector as 'public utilities. The trade unions are making efforts so that workers in the IT and BPO sector are permitted to become members of unions.

Other additions to that list are Retail Sector and Special Economic Zones (SEZs), the strategy of the government is to exempt retail sector from the purview of the labour laws in the name of promotion of exports, earlier Free Trade Zones were exempted from the application of labour laws. Now several ministers are in favour of a SEZs being also declared 'public utilities' to provide them the exemption from labour laws. It is strange that without providing any social basis of its decisions the Government intends to use its discretion to declare any activity as public utility. Such an anti-labour attitude must be resisted by trade unions. Today, the unions are faced with two sets of challenges: First, they have to convince white-collar workers to shed their class arrogance and be a part of the labour movement and second, the trade unions must force the government not to go ahead declaring any sector as 'public utility' both challenges are quite alarming in this era of neo-liberal development (Datt and Sundharam 2018:754).

CONCLUSION

The changes taking place in the economy through the policies of liberalisation pose a great challenge to the labour movement in India as these are causing job losses in the organised sector while expanding the base of the unorganised, and hence unprotected, sector. A critical problem before the working class in the present situation is one of fragmentation. Divisions within the working class have instilled in it a sense of helplessness to counteract the adverse effects of globalisation and the consequent liberalisation of the economy. The trade union movement could have countered the anti-labour policies, but it has not been able to do so because it is divided. A united trade union movement is perhaps the most pressing need in the present situation. Every major trade union in this country has stressed this point.

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