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M.A. Part - II
SOCIOLOGY PAPER-V
INDUSTRY LABOUR AND
SOCIETY

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Syllabus**M. A. PART II****Sociology Paper V- INDUSTRY, LABOUR AND SOCIETY.**

1. Industrialisation and Social Change: Features of industrial society. Impact of industry on social institution's (family, kinship, caste, community).
2. Industry and Labour in India: Evolution of industries and the labour force. Labour commitment.
3. Formal organisations: Structure and change.
4. Work and Technology-1: Work and alienation," Technology and employment Gender and technology.
5. Work and Technology-2: Taylorism, Fordism, Flexible Specialisation.
6. Labour Market: Stocffire"(segmentaion and fragmentation). Factors influencing the labour market (social stratification, caste, kinship, region, gender). Politics of regionalism.
7. Industrial Relations : Nature of conflict and conflict resolution. Changing role of the State.
- 8 Trade Unions: Evolution of trade unions. Growth and influence of trade unions in India. Trade unions and politics. Problems relating to caste, ethnicity and gender.
9. Economic Liberalisation and Globalisitipn: Labour In a globalising world. Status -of public sector and privatisation. Voluntary retirement scheme.

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PREFACE

The paper, Industry Labour and Society is a revised paper of the earlier one. Some new topics have been added and some of the old topic have been discarded Industrie Labour and Society is a central issue in Sociology as the discipline is a study of human society. This paper is therefore compulsory for all students.of Sociology. Those who have done Sociology at the B.A. level will be familiar with some of the concept discussed here. However, we must again stress that the student is expected to learn more and read more at the M.A. level. Hence please do not be under the illusion that your B.A. notes will suffice. It will suffice to ensure that you fail!

We must stress once again that at the post-graduate (M.A.) level, you as a student, are expected to have must more knowledge that at the graduation level. The study material presented in this book has been prepared by a group of scholars having vast knowledge of the subject. We have left no stone unturned to ensure that you get the best quality for your studies. Hence we advise you that you should avoid reading guides on the subject. As post-graduate teachers we know about some of the material in circulation. We find these are very elementary and in most cases they give wrong facts. One of the surest way of failing the examination is by referring to guides/In most cases a good student will find that she actually knows more than the guide writer. Hence by following these guides one is likely to unlearn Sociology rather than learn anything. Finally we want to stress -that there is no shortcut to success. The study material presented in this book is of good quality but it is not sufficient. We have followed the M.A. lectures pattern. Lectures in the University Departments serve mainly to get the student inter-ested in the subject. The student has to do further reading on the topics in accordance with the suggestions made by the teacher. Similarly, the course materials are like lectures. If a student wants to do well she must do further reading form the suggested reading given at the end of each chapter.

We wish you best of luck and hope that you will go through the readings and the suggested readings. Finally, you practice to write in a clear and coherent manner. You can do this if you practice to write clearly as this will give you confidence.

Dr. ShashiA. Mishra Course Co-ordinator

Chapter 1

Industrialisation and Social Change: Features of Industrial Society

Concepts

- 1.0 Objectives
- 1.1 Introduction
- 1.2 Industry as a system of production
- 1.3 Use of scientific method
- 1.4 Relationship of industry with other subsystem of society
- 1.5 Summary
- 1.6 Check your progress
- 1.7 Reference
- 1.8 Question

1.0 OBJECTIVES

- 1) To understand the complex methods which implies the use of machine.
- 2) To realise the importance of industry as a complex system of production.

1.1 INTRODUCTION

Industry may be defined as “the application of complex & sophisticated methods to the production of Economic goods & services” as P. Gisbert has said. These complex methods which imply the use of machines have been devised in order to improve the quality of production. Modern industry, to which the definition more properly applies, originated during Industrial Revolution in the second half on the 18th century and is still developing.

Man in a certain way has always been industrious by nature. He has always used tools or implements to obtain food & satisfy his needs. From the stone tools, digging stick, the hoe, spear or the bow and arrow used by preliterate men to procure his daily bread.

Now various types of tools and machines are used. Man has always made them with the use of his intelligence and his adjustive power to use of means to his ends. In fact the original Latin word for industry is “industria” which means skill & resourcefulness and in this sense an industrious man means a diligent & shrewd worker. In the modern sense industry means a system of production. Where big sophisticated machines & tools are used to produce Economic goods and tools are used to produce economic goods and services.

1.2 INDUSTRY AS A SYSTEM OF PRODUCTION

Industry today is used to refer a factory mode of production where big or small machines are operated to produce consumer goods. This system involves the scientific or rational method to increase the production. 'Factory' is referred to a 'place' where a large number of workers work together under the same roof. This system is developed by the Entrepreneurs who are also the Capitalists or merchants. These agents invest their money in big projects & can wait long for the return of their money. In order to produce items of common use on a large scale, in the Second half of the Eighteenth century, Entrepreneurs developed this system. In such a system capitalists invested large sum of money in land, building, machines or labour, workers were called from outside to manufacture a number of items. This system of production was found very suitable & immediately successful to achieve the goals. Therefore, it claimed wide acceptance & popularity every where in Europe.

This system is much different from the earlier modes of production. In Europe, in about thirteenth century, guild system of production was prevalent & it was flourishing at the time. This was a pure handicraft system of production – very slow and time consuming. Craftsmen or masters or specialization of labour, as a result the single worker had to do the entire work following all the steps of manufacture. This whole process of manufacturing used to take long time resulting in very few orders in a year. The cost of the finally produced item was so high that only rich people could afford it. Therefore, the guild system was not proper for the Common men.

An organization of workers in a special craft formed what we called as the guild system. The guild system had certain rules and regulations. To maintain the Economy of the masters the main workers of the shop and also to control the fluctuations of the demands, there were several restrictions on

a) The use of tools & techniques,

- b) The number of orders to be accepted by each master every year.
- c) The number of Employers to be appointed or to increase the speed.

The main idea was to prevent masters becoming rich at the cost of others. Guild was also to check the quality & quantity of the products for the satisfaction of customers. Guild also had the sole access to raw materials. All the masters and other trainees were necessarily the members of the guild. The guild system differed from the existing industrial system in two ways: First the guild tried to preserve equality at any rate among the masters of the craft & secondly it aimed at maintaining its Economic position, they did it by regulating the prices.

The relationship between the masters & trainees was very informal & it was like father & son. But once the trainees completed their training, they aspired to become masters & thus compete with them.

Though the guild system was very popular in the sixteenth century, with the invention of many new metals outside Europe, there were demands for new products. This demand for the new products led to the search for alternatives by the manufactures, since under the existing system they could not go for new methods. Inventions in Western Europe, America and Asia regarding new metals and materials like glass, porcelain, silk fibers etc., made British consumers anxious to achieve them. Since under the guild system, no experiment could be performed, no new technique or tool could be borrowed and also the number of workers could not be increased as per rule. So the producers adopted different techniques to meet the growing demands of the consumers.

These producers went to the village to hunt for more labour; they simplified the whole procedure and introduced many small machines to speed up the production. Farmers, who were rather poor, welcomed this new approach. They showed interest in learning the craft which was very much simplified and gradually they accepted the orders given to them by the producers. Raw – materials, tools and machines were supplied to them with instruction regarding the design. The farmer agreed to complete the work during their off season.

Initially this system of distributing work to individual workers was accepted by all the producers and the system was then known as “putting out system” or “domestic system”. In India this system is still followed by many small scale industries or informal sectors

especially by carpet industries. Farmers or new workers received additional sources of income and so they were happy.

But after some time, the farmers started producing defective products and also they did not supply on time. The entrepreneurs who invested their money in both overseas and domestic orders could not afford these losses. Further distribution of raw materials and collection of finished products from individual houses consumed lots of time and energy. This was also leading to loss of profits. So they again searched for other alternative system of production.

This time, they discovered “factory system”. In this system, they called all the workers to work together under the same supervision and thus tried to avoid any wastage of raw material or time. The workers were called on contract system, there is to pay for work only after the completion of work. The workers were trained to use the machines and work according to time. The needy individuals were ready to work for the entrepreneurs who were now known as capitalists. These capitalists invested their money in building, land, machines, tools, materials and labour and thus took risk on a large scale.

In the factory system, wide use of machines led the production at faster rate and on the greater scale. This also resulted in increase in the quality and finish of the products. The industrial products were also more durable as compared to handicraft products.

Use of scientific principles also made the system very efficient. The wastage of time, energy and money could be stopped leading to the enormous saving of cost. Thus the consumer products were available to common men at very low prices. The “factory system” was found very economical, and efficient. It was suitable to the market demands and very convenient to the capitalists. The whole cost of production could be calculated in advance, thus the price could be fixed with sufficient margin of Profit. The scientific base of this system attracted other entrepreneurs in this field so there was no shortage on funds to develop the system.

The factory system could produce items on a large scale, so the government also supported it against the guild system which was declining very fast. Government wanted uniforms for military men, coins for economic purposes and other items of daily use. This requirement was met fully only by the factory system. The capitalists treated the workers only as employees appointed through the contract system. The relationship was very formal and impersonal.

Industrialization:

Large scale factory production has profoundly altered the course of human history. So great has been its impact that we now recognize a “type” of society that bears its imprint the industrial society. The big divide in the world is between industrializing and industrialized societies. Industrializing societies trying desperately to catch up with the industrialized societies. Industrializing appears inevitable. Societies no longer have a choice.

Industrialization is the by product (out come) of a long and complex historical development. Today the concepts of industrialization and Industrial society have become part of every day vocabulary. They reflect a new stage of social organization in which human life is dominated by industrial production. In fact, industrialization has radically transformed the character of human society.

Industrialization has a system of production rose from the steady development, study and use of scientific knowledge. Industrialization refers to a process of change in the technology used to produce goods and services. It has been a method of organizing economic life. The primary goal of this was reduce the real cost per unit of producing goods and services. As a world wide process industrialization has swept all societies into rapid organizational changes. Industrialization should be understood as the transformation of society through the development of modern industry and technology and which is accompanied by far reaching political and social changes.

According to Ms. Gore, “ industrialization refers to a process where in production of goods with the use of hand tools are replaced by the production with the use of power driven machines”. This brings corresponding changes in the technologies of agriculture, transport and communication and also changes in the organization of trade and finance.

According to the concise Oxford Dictionary of Sociology, the term industrialism and industrialization denote a transition in the methods of production which creates vast increase in the wealth creating capacity of modern societies as compared to traditional systems.

Industrialization in the strict sense of the term entails the extensive use of inanimate sources of power in the production of economic goods and services. The process of development of industries and associated technology is called as industrialization. Industrialization primary depends on scientific use of men and machines, technological growth and the technique of specialization

and differentiation of labour. It requires infra – structural facilities Industrialization term of roads, electricity, transport and communication. It involves the use of technology, automation, mass-production and mass consumerism. It also marked by free labour, fixed capital, and management of men, material, money and machines Industrialization is the scientific spirit.

According to Wilbert Moore, “fabrication of now material into finished goods through mechanical power is called industry and growth of this industry is what we call Industrialization.” This means growth of the tendency to use technological is a configuration of technology, economy and business values. No modern institution has escaped the influence of the economic organization of society. The school, the church, the home, the recreational institutions etc. are built upon human values which arise from the material framework of modern civilization. Industrialization society refers to more than machines and markets. It implies man and institution linked with the network of relationship dominated by industrial ideas and business values.

Essential Requirements of pre-conditions of industrialization:

The following are the pre- conditions of industrialization.

1. Availability of capital for investment:- Unless there is sufficient capital or fund for investment Industrialization factories, equipments machines and labour manufacturing can not be started capital formation can take place only if pre-industrial economic activity and Industrialization particular agricultural can yield a surplus after proving for consumption. Subsistence economic activity is ill suited to be creation of a surplus. Commercial agriculture which makes efficient use of land and labour and is aimed at the creation of a market able surplus best suited to the development of industry.

2. Availability of Basic Raw Materials:- This is not a crucial requirement since they can be imported. Japan has emerged as the leading manufacturer of steel automobiles and heavy machinery in the world with practically no reserves of iron ore, oil or other basic raw materials.

3. Availability of impersonal credit :- All productive enterprise is built on borrowed capital. Credit and financial institution which can mop up the capital from those who have surpluses and make it available to the investor Industrialization is the form of impersonal credit are crucial for development. The availability of impersonal credit Industrialization assumes the existence of a legal system which will ensure that debtors and creditors honor their obligations to each other.

4. A committed labour force:- Industrialization requires a committed labour force, commitment denotes the acceptance of the values of industrial society and their expression. Industrialization behavior workers have to accept industrial work as a desirable occupation. Commitment demands the acceptance of machine pacing's hierarchy, supervision, highly specific form of authority and mobility. Labour is required to be mobile both geographically and Industrialization is terms of skill. A work force that is tied to a single place, craft or skill on account of traditional considerations can not meet the demands of industry. As industrial technology is constantly changing, the labour force must be able to adapt to new technology.

5. Large expanded market:- For industry to thrive, there has to be a market for it's products. There must be demand for large scale productions for and impersonal market and such a market should there fore be available.

6. Political stability :- Industry can flourish only if there is political stability. Unstable political conditions create uncertainty for the business enterprise and hinder it's growth. Stable polity is the key to successful industrialization. Firm government policies support the industries.

7. Mobility Of Basic Resources :- Mobility of basic resources especially labour and capital is the key to successful industrialization. If resource is locked up on account of traditional considerations and therefore not available to meet the needs, rapid industrialization becomes difficult.

8. Entrepreneurial Ability:- Entrepreneurship is the most crucial requirement for industrialization. David McClelland has argued that desire for economic development is necessary for any kind of material growth. It is the entrepreneur who puts trial enterprise. He is considered so vital that he is often counted as a factor of production along with land, labour and capital.

9. Economic Activity :- For any form of economic activity to prosper, there must be recognition of it's legitimacy by the wider society. Industrialization can establish it self only if there is basic consensus in society over the ideas beliefs and values that underlie modern factory production.

10. Differentiation and specialization of labour :-The new technology which signifies the division of the total production process into a number of simple stages of steps to each of which a specialized group of workers Industrialization involved is the most important technical condition of industrial growth. There must also

be a systematic structure based on authority and specialized skilled to make appropriate decisions.

11. Institutional structures :-Transfer to power over and responsibility for the materials of production are very necessary. Labour too must be transferable. This implies the establishment of a labour market and a system of financial and other rewards to inspire the workers to move from one employer to another, one skill level to another and so on.

Contractual system must be fair and legally binding. There should be restraints on monopolies or other competitive strategies. System of credit, stabilization of currency and it's rate of exchange and state fiscal policies of some reliability or thus necessary.

12. Motives and values:- The value which is most to this form of economic organization is rationalization. Rationalization implies the application of reasoned and logical thought to the problems of every day life. There is a progressive decline Industrialization religion and its replacement by secular values derived from science and logic. Society is organized around the principle of the rational and efficient maximization of gain & minimization of cost. Raymond Aaron regards rigorous economic calculation as the hallmark of the new society.

According to McClelland, achievement orientation is the main motive behind economic prosperity. Once the possibility of economic betterment is widespread discontent with poverty also become widespread. Then individuals themselves would work hard. Entrepreneurship is another important value i.e. taking risk which motivates industrial growth values like rationality; individuality and impersonalize are required for the growth of industries. Rationally or scientific attitude is the first requirement, religious values or blind faith must be replaced by secular values derived from logic science. Rationality and impersonality are the basis on which industrial organization is formed.

Desire for maximizing the present returns is also likely to stimulate industrial growth which requires substantial savings and capital accumulation.

The acquisition of education and skills to achieve personal betterment in economic field must be present in groups and individuals if sustained development is to be accomplished

Max Weber was of the opinion that capitalist enterprise could not have come about in Western Europe without impersonal credit formally free wage labor, rational legal system & a value system which regarded successful economic activity as pleasing to God.

Nationalism is another value which serves a correlative function in providing a sense of identity and meaning with population which are economically backward

M.S. Gox has enumerated the following requirement of industrialization:

1. 'this wordly' asceticism which will combine personal frugality with an almost impersonal but intense preoccupation with production of material goods.
2. a secularism of beliefs which will break down magical-ritualistic and traditional patterns of behavior. This will help promote the perception of cause-effect relationship which is based on empirical knowledge and it would also facilitate the acceptance of efficient practices
3. a universalistic which will break down the in group exclusive of clan and kindred and provide norms of behavior which are more suited to secondary relationship an industrial society.
4. a value system which will emphasize individual initiative and responsibility and enable the individual function without restrictive familial control
5. a stratification system based upon achievement criteria which permits occupational mobility
6. a system o wide spread educational with relatively greater open access and wider coverage of subjects.
7. a strong & central political structure this could lead to demise of authoritarian systems & replaced by non-ideological mass political parties
8. A population movement from rural to urban areas.

Wilbert E. Moore has enumerated then following conditions of industrialization:-

- 1) **Values:-** Value change is the most fundamental condition for economic transformation. Values provide the rationale for particular norms or rules of organization and conduct.
- 2) **Institution :-** This implies complexes of norms relating to major aspect of social structure eg. Marriage or economic exchange. Among the institution the most pre-dominant is economic institution in which one can identify properly, labour and exchange.
- 3) **Organization :-** There must be some orderly structure for making of decisions and there must also be administrative organization.

- 4) **Motivation** :- Unless there is some degree of achievement, orientation, of ambition for personal betterment, it is difficult to accomplish sustained growth.

Consequence of Industrialization :

There is an essential continuity between the pre-conditions and consequence of industrialization. It is in the sphere of work that the impact of industry is most immediately felt. Industrial employment has given rise to a distinct pattern of relationships with machines, fellow workers and superiors.

The effect of industrialization is many and extensive. It would be proper to begin with the structural features of society that are primarily economic in form and function, then to proceed to the demographic and ecological characteristic of populations rearranged by economic development and lastly to discuss certain outstanding features of social organization.

Economic structure :

1) A monetary basis of exchange is a major pre-condition for any substantial industrialization. The goods have to be marked. Workers must be paid. Services are to be economically rewarded. In this sense, financial transaction become very common.

2) Change in occupational structure :- Skilled workers are in great demand in most of the areas of factory production. As labour is finely differentiated and specialized a great variety of occupations have come into existence for each of them, there is demand of skilled and educated worker.

A labour force becomes technical by setting monetary values on productive performance.

The relocation of the constructive effort from less productive to more productive economic sector. There is demand for new skills associated with changes in the technology of product and process.

The traditional craftsmen have been reduce to workers in industries. This devolution has led to loss of creative skills. Mechanization replaced human labour producing monotony and boredom. The worker finds himself performing repetitive, short cycle operations at speeds determined by the machine and the management. The pacing of man by machine stands in distinct contrast to pre-industrial relationship between man and his tools. Man's mastery over his tools is replaced by the need to respond to the inanimate machine.

The large majority of the workers are concentrated in the middle ranges of skill. At the top is a small segment of highly skilled workers and at the bottom an other relatively small number of the unskilled. At finer for highly trained professionals of all categories increases in the course of modernization. The early rise of physicians and industrial engineers never completely disappears but their relative position tends to diminish as never professional types. Particularly experts in organization and in various relations ranging from low to general public gain in prominence.

The manning of the occupational structure requires a high degree of labour mobility both with in careers and as between generations. A final process of occupational changes is that of bureaucratization i.e. the employment of specialized workers in large administrative organization which provide coordination by means of hierarchical authority rather than through contractual exchange in a market.

3) Demographic and ecological effects:- The initial effect of industrialization has been to produce a dramatic increase in population when a society industrializes, there is first a marked reduction in mortality, leading to a rapid growth in population. Over a period of time, however the fertility rate also falls to match the mortality rate. This comes about in a part because of the evolution of contraceptive technology for more imp however is desire to restrict family size and the awareness that is within one's ability to do so. High fertility is incompatible with such urban industrial values as individualism, mobility and economic rationality. In any event, the immediate effect of rapid population growth may be damaging the economic growth. It seems probable that is newly developing areas, fertility with decline as the result of official concern and new contraceptive techniques.

Industrial development provides the major inputs for urbanization. The cities increase both in number and in population . Due to better opportunities offered by industrialization many rural people shifted form land to cities. Because urban infrastructural facilities are well – developed industry concentrates in urban areas even when these are for removed from sources of labour supply. This result in a massive influx of job seekers to the city.

However, industrial development has an urbanizing influence even when factories are located in rural areas close to the sources of row materials. Jamshedpur was only a tribal hemlet when the Tatas decided to locate their steel plant there. It is now a bustling city with a heterogeneous population drown form practically every park of the country.

Socio- structural changes:

1) The impact of industry on kinship and family is far reaching. Extended kinship groups & obligations hamper economic maximization. Mobility is a central value in industrial society and extended. Kinship obligations have the effects of hampering mobility. The basic kinship group must be small enough to be optimally mobile. Taicott persons has argued that the structurally isolated nuclear family is best suited to the industrial society. Moore argues that the survival of the joint family in India even after its members have migrated in search of employment is one of the factor responsible for low commitment to industrial work for many of those displaced there is little social frame work between the immediate family and the native family. There is then feeling of loneliness, apathy, alienation and criminal conduct. As a result, there is an increase in the number of voluntary associations to which these displace members like to belong.

2) The institutionalization of rationality i.e. and emphasis on problem solving and impersonal relationships often give rise to a kind of instrumentalism and lack of fundamental value orientation. The family retains it's significance under these circumstances as an affectional and personal set of relationship.

3) Industrialization also influences differentiation and stratification. The manager and the managed the capitalist and workers represent two extreme type of positions having differences of income education and power. There is also rise of middle class due to and increase in professionalism i.e. specialized knowledge. Through the production has increased enormously the golf between rich and poor has also increased and generated many social industrial and human problems. Through with government interventions, the sufferings of workers had been reduced and conflict is also lessened.

4) Environment: - Nature is adversely affected by exploitation due to industrialization. Smoke, noise air pollution, water pollution are the inevitable harmful results of industrialization. Constant extraction of mineral and oil resources also leads of serious danger of getting them exhausted very fast. Bad air and polluted water also give rise to many diseases which incurable.

5) Impact on community:- As a result of industrialization community underwent drastic changes. Its closely knit character disappeared either generally or suddenly. The development of industries requires working force to be mobile, this has resulted in a mobile population socially and geographically. The industrial work does not give security as the agricultural work due to it's land

properly. The worker depends solely on factories for his sources of livelihood.

6) Family disorganization :- Divorce and separation have increased tremendously in industrialized societies resulting in family disorganization. The growth of individualism has affected the institution of marriage and parent child relationship.

7) Status of women industrialization has enhanced the status of women. Due to greater opportunity of education and employment outside. Women receive more power and higher status. The family income is increased and it's role in economic activity as a consumer unit is constantly increasing.

8) Impact on education:- There is a greater demand for higher skills and education. Because of this, the rate of literacy has increased. There is also need for high technical skills.

9) Democracy :- politically, there is an enhancements of democratic government. Democratic government makes people literate and aware of there rights people become more responsible towards government and government making procedures. The theory of industrialization emphasizes very strongly that the whatever changes that have been brought about by this process and that which is based on western experience should also take place in developing societies also.

Industrialization is a mass, world wide phenomenon. It is based on the steady development and use of scientific knowledge. The industrial revolution has led to differentiation and specialization of labour, large scale mass production and expended market use of machines calculated profits and huge investments of money. The preconditions are: availability of impersonal credit a committed labour force, large expanded market and political, stability, mobility of basic resources, entrepreneurial ability, differentiation and specialization of labour institutional structure, motives and values.

The consequences are: rapid urbanization, population growth, international trade, migration of labour. Values like rationality, materialism, this worldly approach have replace earlier non- materialistic philosophy. Achievement orientation has become more important.

Impact of industry- when complex machine are used impact on human being in factory and office.

1) As programming of operations become integral with the machine, there was extensive use of machine paced work. This took the timing and pace of work out of the hand of the worker

and gave rise to the image of the worker as a 'cog' in the machine.

- 2) In order to achieve high speed output, highly specialized machines were constructed. So that the number of different operations performed by each machine become increasingly limited. This had the effect of reducing the amount of knowledge required by each worker as well as the amount of training. The general process is known as "work simplification" or job dilution and it permanently is distasteful to workers due to the repetitive character of it generates and the resultant lack of technical challenge.
- 3) Successive stage manufacturing :- Line production and line assembly become integral features of most industrial processes. This had as its major human consequence detachment of any given work operation from the finished product of which it contributed men no longer saw the finished product as their own work and know their own work and know where their own work fitted into it. This presumably destroyed the sense of workmanship and pride in output.
- 4) Design of machine processes and products and management of production become specialized activities of engineer's technical staff and line managers. Technical and intricate industrial knowledge become centered in a class of elite specialist where training and operation functions effectively closed the entry of majority of industrial workers.

Impact of industry on worker & social relation:-

- 1) A large middle class has been developed due to the various skilled occupations in industry. Many individuals with specialized knowledge began working in industries and rose to higher status.
- 2) **Pattern of consumption:-** The society become market oriented. Since most of the goods were available in market, people started buying them. They become materialistic in attitude.
- 3) **Family system:-** Since individuals only could move to cities in order to work in factories joint family disintegrated to single individuals nuclear families.
- 4) **Values :-** Rationality and secularism become more popular people criticized their traditional beliefs and readily adopted new patterns.
- 5) **Educational system :-** The institution of education readily adjusted to the requirement of industry. Necessary skills were imparted to the individual in order to enable them to work in the industries .

- 6) **Social stratification and mobility** :- with the industrial jobs many people earlier in lower ranks rose to higher ranks and thus moved to upper status.
- 7) **Readiness to change** :- with the exposure to mass media and new information's individual adopted new technology and desired to change their traditional way of life.

But in 1960s, this era entered into another phase of development what we call post industrial society or the "Age of automation is called programmable machinery. This has implications that are truly revolutionary the man machine relationship. The two unique contribution of the workers to production ability to program operations and to sense and feed back control singles have both been incorporated in the machine complex through automation. It is now possible to program a machine to recall from electronic memory necessary instructions for carrying out detailed and electronic feed back devices which take information from an ongoing process and use this to modulate and monitor the operation by feeding corrective signals back into the process. Machines can even do what man is not capable of doing because of his physiological limitations.

The fundamental features of the second industrial revolution of thus its introduction of the great and awe inspiring possibility that men can be substantially eliminated from the production of many goods and services. This is already a problem in most of the industrially advanced countries including U.S.A.

Workers:- Workers are those individuals who produce or transform goods and services for their own consumption and for that of other. Money payment for work does not always accompany it' performance although this is general in advanced counties.

A worker is the hired labour contracted by a capitalist. He sells his energy in order to work with machines in factories. He works for a fixed period of time, obeys the instructions given for a fixed period of time. Obeys the instructions given to him and receive wages for his time devoted to industrial production he has formal relationship with the capitalist who employs him.

The workers are paid daily wages. They work till the contract is over the capitalist is not responsible for the workers once the contract is over. Thus he is a temporary worker. Earlier the worker used to work for 10 – 12 hours continuously without any recess. Later due to trade union efforts, the work load, working hours were reduced, recess wee introduced, weekly holidays are given wages are increased. The worker is also given wages are increased. The

worker is also given good working conditions and safety at work. He is also given social security under government welfare plans.

The worker may be classified according to their skills—unskilled, semiskilled, and skilled. Skilled workers take long period of training and therefore are paid highest they can also be classified as permanent or temporary workers permanent workers get some additional benefits a part from regular increased salaries. They are also given social security.

Workers can also be casual, contract or seasonal ones casual labour is that worker who works temporarily in place of some permanent workers.

Contract labour is that worker who works and contract when the period of contract is over he have to leave the job.

Seasonal workers work only during season or when demand is there.

Workers 'wages depend on their demand, skill, nature of job and industry.

They work in organized or unorganized set up organized sector can pay them more compared to the unorganized sector organized sector can also give them more security.

Worker can also be working in traditional industries like textile railways jute mills etc where the technology is very simple & most of the workers used to migrate from rural areas. But today they are working in modern packaging chemical or plastic factories where new machines are being used and which also require higher skills on the part of the workers in modern industries skill they are required to work as 'programmers' or data processor with computer etc.

A new group of workers also work with computers. There is a increased demand for skilled workers in specialized field. Modern worker can speak English to climb up. He is career conscious. He get job on his own personal merit. Modern industrial worker thus is generally young more literate, better educated more skilled and better paid.

Worker can also be divided according to sex and age. i.e. men and women workers as well as adult and child workers men workers are paid more, they are given more challenging jobs and their jobs are transferable while women workers are not given good salaries, no security or no skilled jobs. Mostly women workers are employed in jobs which are related to their primary rules, like

cooking, nursing taking care of children etc. jobs requiring operation of machines or workers. There is always gender bias as in job selection.

Child workers are always paid least. They are also not given safe comfortable working condition and their job requires excessively long hours of work children are not treated well.

In the last 3 decades the labour force in India has more than doubled. In 2001, It was 40.25 crore as against 18.7 crore in 1971. Thus the average rate of increase in labour force in this period was 2.71% per annum which was distinctly higher than the rate of population's growth of 2.11% per annum. The table 1 on ' growth of labour force' shows that the rate of growth of working force was 2.96% per annum during 1970s, it declined to 2.37% per annum during the 1980s but the trend was reversed subsequently on the average rate of growth of labour force rose to 2.78% per annum during the 1990. Workers can also be classified as

- a) Main workers and marginal workers
- b) Rural workers and urban workers.
- c) Male workers and female workers.

1) Decline share of main workers:- Main workers are whole time workers. Their proportion to total worker was as high as 96.8% in 1971 as against 3.2% of marginal since then composition of labour force has undergone a significant change. The proportion has declined drastically but the proportion marginal workers increased.

2) High proportion of male worker to total main workers:- Male workers are more than the female worker as main workers 2001 proportion of male worker to total main workers was as high as 76.8% as against 23.2% of female workers women still work as supportive workers i.e. to supplement family income. In urban areas less women work compared to rural areas where more women work.

3) Rural worker and urban workers:- During the three decades period since 1971 proportion of rural workers to all workers has always exceeded 75%. It was 82.5% in 1971. There after it kept on declining steadily and stood as 77.2% in 2001. In this period proportion of urban workers steadily increased from 17.5 in 1971 to 22.8% in 2001. This trend simply shows increasing urbanization in the country.

In India 91 census said there were only 37.7% workers, 10% were in organized sectors. Mostly males are involved, females are less, in rural areas more people are workers while in cities less

people are involved. Now a day in the developed states of Gujarat, Punjab, Haryana, and West Bengal more females work.

Workers can also be classified as less committed; may be children or adult. Some are reluctant resigned properly committed, devoted or even consecrated.

- 1) **Supervisors** : Who are generally known as foremen? He worked on the plant, represents labour to management and management to labour and is the link connecting both parties socially as well as economically. The supervisor functions as such as more concerned with execution and control than those of any official in the managerial hierarchy.
- 2) The white collar workers usually called office worked for the place in which requires intelligent care and is highly necessary to industry. The while collar workers are better educated, better dressed and have more refined habits that e blue collar workers have and though their ay may not be higher, their social status and prestige are, as they rank themselves in the middle class.
- 3) The bule collar workers' made of production is closely associated with the machine. The worker has lost 'workmen ship' above to machines. The worker works continually with machine, trying to cape up with the pace of machine loses control and freedom to do work. He can not determine his own way of working. He is involved only in a part of total productive process, hence, does not have the idea bout the whole product or the process of production.

1.3 USE OF SCIENTIFIC METHOD

Earlier while manufacturing items, craftsmen (usually called masters) did not use any methodical or systematic method to improve the speed of production. They used to follow all the steps or stages of production by themselves & never thought of any such method what we call today "division of labour". As a result the whole procedure took very long time. Consumers had to wait long & pay high for their orders & naturally this was not for common man.

In the modern industrial system the "division of labour"- a new concept – was used in which the whole production was divided into various steps or stages, work in all the stages took place simultaneously. This brought down the total time consumed during manufacturing. This made the whole process very simple & fast. Further, the total cost of production could also be lowered.

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Thus this new system of production what we call 'industry' involves systematic, calculative & rational method of manufacturing which not only reduces the cost of production but also makes it possible for the Entrepreneurs to calculate the entire cost or time to be consumed thus to determine the whole range of profit in advance.

A) Differentiation & Specialisation:

In order to be quick & systematic in production, the capitalists devised new techniques based on scientific method. They disintegrated the whole process into minute sub-stages or steps, and with each stage they associated specific groups to produce. Thus, specialized workers, good in their limited jobs related to the whole production were engaged simultaneously. This increased the total speed of production, since all the stages of manufacture worked together. Hence the whole system was found to be very efficient & suitable for the purpose as compared with the earlier guild system or putting out system. The cost of machines, tools, raw materials, total time involved, cost of labour etc. could be calculated well in advance. This increased their profit & secured their investment. Thus new entrepreneurs were attached to this system to make this a success.

B) Mechanization (the use of machines):

Compared with guild system where production was totally based on hand made method and therefore a very slow process, the new system of production that is industrial which employed machines, in place of hand or hand tools was very quick. At the same time use of machines improved the quality of the finished products. Since time consumed was less, the cost of labour was reduced; more orders then could be collected. This led to large scale production. Machines provided more durability & better finish to products.

C) Large Expanded market:

The low cost of finished products led the common men to become the consumers of various items. This increased the scope of existing market with the possibility of large scale production, large number of consumers belonging to middle & lower class could be covered. This further developed the industrial system.

D) Fixed Capital & free Labour:

Unlike other systems of production that is guild & putting out system, the industrial system involved capital invested in machines, building labour & management together in a fixed manner, so there was concentration of productive processes. All the workers worked together using new technology & machines. They were also free in the sense that workers could accept or refuse to work depending on the conditions of work, thus workers were free to sell their labour.

E) Need for Capital:

Capital was required to purchase labour, raw material and machines. Thus there was concentration of wealth in the factory system. Further it also required a market system diversified into –

- a) A consumer market.
- b) A labour market.
- c) A money market.

F) Relationship Between capitalists and workers:

Capitalists are the owners of the means of production. They have full right on the final products & also the right to sell them in the market. They employ the labour & see that they work for certain fixed hours. Workers may be trained for their job but they do not have any ownership rights on any tool or machine they use for the purpose. Capitalists maintain formal & impersonal relationship with workers. They hire the labour for work. Unlike guild system the capitalists do not act as 'Fathers' they simply 'Employ' the workers & are responsible for them only during work period. Workers are paid or treated only according to the terms & conditions as fixed by mutual bargaining or contract. Beyond these, workers are not going to gain anything. Capitalists are not responsible for the workers after the factory time or when they are not at job.

Workers are the Employers working for certain hours & receiving their regular wages. As long as demand is there, workers are needed. But in absence of any demand workers may lose their jobs. In the Industrial system, workers may not find any place here. They have to sell their labour in the market according to the fixed rates only.

Industrial system or Factory system is thus a formal, scientific & mechanized system where production is carried out very fast and all the technicians, managers, supervisors & workers work together to maintain the efficiency & production at a large scale.

1.4 RELATIONSHIP OF INDUSTRY WITH OTHER SUB-SYSTEMS OF SOCIETY

Industry is directly related to family where thousands of workers come from family traditions & culture widely affect and determine the attitude of workers towards their jobs.

Industry is also directly related to the government as it is controlled by it. The amount and rate of production, the selling price, the wages of labour, the availability of raw material, land & machines are all regulated by the government & its policies. Industry is also related to other manufacturing concerns, thus maintaining relations with them.

Industry is directly related to public as they are the consumers, so the sale of any particular product depends on the quality or the usefulness of the product. Its promises assurances, prices all are to be maintained for consumer's satisfaction.

Industry is also related to educational institutions indirectly, as it receives trained employees from there. Industry determines the qualification it requires to perform a particular job. The educational system, in order to be effective or useful to the members of society must keep pace with the needs & demands of industrial system. Hence both systems must be in touch or contact with each other.

Lastly, industry is related to trade unions the organization of workers to maintain industrial peace. Industry is concerned with the needs & demands of workers & it has to satisfy them.

A) Industry as a Complex Social Organization:

One of the "discoveries" of modern times is the realization that industry itself which originally was thought to be a mere economic or technical organization is eminently a social organization or institution devoted to the production and marketing of goods and service. Sociology is their bearing on industrial phenomena, i.e. productivity morale, function authority etc.

These relations may be internal or external. The former are those within industry itself where they concern management, operatives or both. External relations are those existing between industry and other external bodies like government, community, educational institutions and the like.

The internal relations more important to this area may be sub divided into formal, informal and mixed.

As P.Gisbert maintains” formal relations are those immediately arising from the performance of one’s approved duties, which may be managerial or operational depending on whether they are proper to the management or to the workers”. The relationship between the management and workers are designated as ‘formal’ regulated by formal code of conduct or the prescribed rules & regulations are always secondary. Impersonal, contractual & temporary these relationships are fully regulated & controlled. There is no personal consideration or any sentimental or emotional touch in the relationship.

Other kind of formal relations are those which are called statutory or sanctioned by law of custom as those implied in collective bargaining adjudication, grievance procedure, industrial councils etc. These are usually called “industrial relations”, though their literal meaning is more extensive & wide.

B) Informal relation:

Are those the spontaneously arise everywhere in industry. Through the common rules of ethic and custom. These may exist between individuals who are working together & they may develop sentimental relations. Such informal relations are also developed between groups or individuals & groups such as Trade Unions & workers. Workers from the same region or province or even belonging to same religious linguistic groups may come together & develop informal relations. Among workers, spontaneous “nuclear groups” or cliques serve to satisfy many of the needs of the workers. They may get relaxed, entertained, feel elevated, motivated or being supported by the formal authority. Not only among the workers, even among the managers, office workers & technicians are formed. They provide support to the formal organization of the industry.

Mixed relations are those which are described by some writers as socio-technical relationships. At the time of performing one’s duty, the relationships that occur with the supervisors or other colleagues due to the technical or managerial nature of jobs. Thus, when the superintendent drops a pleasant remark while instructing the trainee or when the workers sing together, while pushing or pulling heavy machines or shifting heavy loads to different places, they are holding what we call ‘Socio-functional’ or ‘Socio-technical’ relations. Even the relations with foreman while at work fall in this category which are both formal & informal.

External relations are those that exist between the firm & external persons, institutions & societies as the public, custom government, the community in which the firm operates the banks, schools & other organizations with which the firm has dealings. The

relations are numerous, varied & that sometimes difficult to define but no industry can exist & thrive without taking them into consideration. External relations are rapidly growing in every field & becoming very important these days. That is why the significance of the role of public relations officers is increasingly being realized.

C) Social Responsibility of Industry:

Industry is the most important part of modern society. Rapid development of industry that is industrialization has created new ideals, value systems, lifestyles, new motives & personalities. We have seen how industry is intimately related to different other sub systems or part of society. As industry is the largest sector where millions of people find their source of livelihood, it should at the same time be responsible to the members of society at large.

Industry is not only an economic or technical system where manufacturing is carried out mechanically but also involves a large number of individuals in different ways.

The first & the foremost duty of the industry is towards the workers who actually perform the various operations by using large & different types of machines. They risk their lives, devote time & build their career with industry. The industry must consider their grievances, demands & needs. It must maintain industrial peace i.e. harmonize the relations with workers, should avoid strike or their visible resent.

The industry must take care of human elements & where it is related to them. Since the industry is related to family by way of giving employment to millions of members of family, it is immediately responsible towards the family security. The workers must be given family benefits or security measures like pensions or other medical or insurance facilities. The workers must also be given compensation when they are injured at the time of performing duties. Any scheme of labour welfare must take into account the needs of families. Family including the partners, parents & children & all those who are dependent on the earners must be considered.

Similarly industry is related to public through dealings. No undesirable products at any cost must be delivered to customers e.g. food must not be adulterated, electronic items must be defective. The industry must provide good services & keep its promises and assurances. The industry must also need go for high profit margin, must not exploit the needs of common men.

The industry then must not cheat the community or the members, of society especially when the industry is dependent on

them for its survival. Society is the one which forms the market & so the members must not deceive.

Finally, industry is also responsible towards the environment or nature since all human beings are dependent on it. It is the duty of the industry especially manufacturing industries to see that the environment is clean & free from any hazardous material which may be disposed off by the industry itself. It must stop exploiting the nature unlimitedly.

1.5 SUMMARY

Industry is a part of environment, society & community. It must develop harmonious relationship with all others. It has to survive for a longer period.

1.6 CHECK YOUR PROGRESS

1. Explain Industry as a complex method.

2. What do you mean by factory.

3. Describe division of labour.

4. State capitalist are the owners of the means of production.

5. Why is industry is an important part in modern industrial organisation.

1.7 REFERENCE

Schneider EV, - Industrial Sociology Tata Megraw Hill 1983.

1.8 QUESTION

- 1) Discuss industry as a system of production.

IMPACT OF INDUSTRY ON SOCIAL INSTITUTION

Contents

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Social Consequences of Industrialization.
- 2.3 Impact of Industrialization on family and Kinship.
- 2.4 Changes in the Caste System and social structure.
- 2.5 Industry and caste.
- 2.6 Industrialization and the Old Society.
- 2.7 Summary
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2.0 OBJECTIVES

- a) To throw light on the effects of Industrialization on Society.
- b) To show how the changes that took place in the family and caste system is irreversible.
- c) That the changes in the structure lead to changes in the functions at large.
- d) That Industrialization has slackened the hold of Religion, Tradition and Beliefs.

2.1 INTRODUCTION

Industrialization has brought about a number of changes in the social, economic and demographic aspects. Industrialization has led to Urbanization. This has influenced our life styles, relationship, eating and dressing habits etc. There has also been changing daily routine it has also led to the break up of the joint family system, distorted kinship ties and also was responsible for the break up of the caste system in India. Development of industries and factories has led to large scale migration.

It is not simply a matter of class 'Replacing' caste, or Modern Urban values replacing traditional rural ones. What is happening to Indian society now is a tilting of balance that was never stable between hierarchy and equality, or between fixed rates and competitive individualism, and the changes have many causes besides industrialism. Even traditional caste was not matched closely to occupation, except for those like priests and barbers and sweepers whose work was closely bowed up with ideas of purity and impurity. Agriculture and trade the sources of wealth and the occupation of the large majority were almost always open in practice to any one with the means to engage in them, whether or not he also had a caste monopoly to fall back on, and factory work was just one more open occupation.

2.1 SOCIAL CONSEQUENCES OF INDUSTRIALIZATION

Industrialization has led to many social consequences. It has brought about permanent changes in our social structure, social institutions and social relationships. It has also led to the changes in the methods and means of social influence and control. Some of the Social consequences of industrialization are as follows:-

A) Influence on the Community:-

There is always an intimate relationship between industry and community industrialism has given rise to new communities, or has led to the rapid growth and change of the already existing ones. Industries usually come up near or along the sources of power and raw materials. Industries rapidly built up communities and led for the easy supply of labour and special services as industries and industrialism further developed, communities also underwent rapid changes. Later there emerged the urban industrial community some of the factors responsible for the emergence of the urban industrial community were:

- 1) The need for a mobile working force, which has the ingredient of change that is necessary to transform the community.
- 2) Inequality and disparities between wealth, security, standard of living and way of life.
- 3) The rapid developing industries also have a growing need for the supply of labour that has to be recruited from outside a given community. This leads to heterogeneity; people from different ethnic, social religious and racial background come together for a common cause of earning a livelihood. Modern industrial community members today have very few shared

values and norms. What is common may be quite superficial. Deviation is found common in modern industrial society.

Because roles are segmented in the modern society and a common values system is lacking, unity or cohesion have a tendency to become weak. Due to the lack of identification with one's job isolation of groups from each other, modern industrial society ushers in all area of disorganization that breeds, frustration, insecurity, anxiety, despair etc. All these and more lead the society to deep seated crime and corruption. Industrialization has brought about direct changes in the social structure and indirect changes in our family life.

Industrialization has also led to a decrease in the intensity of caste because persons from all castes sought and obtained employment in factories. According to A.W. Green, although the Brahmin had to take a prolonged religious bath in order to purify himself against that defilement caused by the mere shadow of a Shudra, yet it is not possible to avoid the shadow of Shudra in the crowded lanes of city and the busy of lines. As a result of industrialization individuals of all castes came into mutual contact in factories, hotels, markets, trains and busses etc. and the observance of laws covering untouchability became impossible.

2.3 IMPACT OF INDUSTRIALISATION ON FAMILY AND KINSHIP

With industrialization traditional system are breaking down and there is emergence of conjugal family systems all over the world, this effect is more pronounced in India. The most obvious effect of industrialization is the weakening of the foundations of the joint family system. The creation of a new occupational structure, the reduced dependence of property, the reduced power and respect for elders, the increasing freedom of the young has considerably weakened the once strong kinship ties. There seems to be a noticeable change in the relationships of men and women which is attributed to the changed status of women for the better.

Family was an important institution in the traditional society in which joint families constituted the basic institution of self sufficient agricultural economy. The joint family was formed on the basis of the extended kinship structure and it contained members of two or three generations who were either relatives of the Spouse or of the sons and daughter. The joint family rested on an authoritarian framework of relations, power and authority. Property was owned and cultivated jointly. Industrialization has completely changed the face of the family atmosphere. Values like discipline,

authority, awe inspiring respect for ideas like equality, freedom, equal rights, justice etc.

Most of the goods of daily consumption are produced outside families. Child rearing, religion, preparatory educations are no longer the covers of families. Houses have become centers of rest and enjoyment rather. The idea of individuality has developed high living standards have become characteristics of urban families. As has happened in other countries, so also it has happened in Indian families, a change of roles, destruction of functions, break up of family structure, all due to the immense impact of urbanization and industrialization, people have become aware of the right of ownership in Urban societies many secondary groups and organization have come up which have less owed the importance of families in the Social, industrial and educational life.

The feeling of Unity is weakened. Industrialization has attracted many youths of joint families in search of employment and education and thus has disrupted its structure. Industrialization has destroyed its functional self sufficiency and today it has barter its agricultural products to buy many of its other necessities. Urban migration of youth due to large scale industrialization has drained agriculture of its labour force and house production suffers. Now the urbanized youth has developed new attitudes of individualism and equality and thus downwards are equal share in the family property, while he no longer contributes to its common pool. This cash of interests has many a times led to the fragmentation of laid holdings and disruption of the Kinship and family structure. The traditional family can no longer hope to keep itself in tact, or keep back its youth attached to the soil. Wants have increased manifold and the family can no longer satisfy all they wants, families are fast democalizing.

Industrialization has altered the family structure and functioning people have come to realize the importance of small families. Both parents can afford to go out work. The credit goes to the time and energy saving gadgets that advanced technology has provided us with. Since husband-wife relationship in the family are based on equality and individual freedom, neither are willing to tolerate, being loss around and with the easy availability of divorce on the status, family instability has become glaring in today's industrialized world.

Industrialization has played havoc and sabotaged the respect and status of elders, especially the father, as one can see very often, parents and mothers and fathers and children work on a par with each other. Children have started earning independently this has diminished the power and authority of fathers in particular these days. With the influence of high technology automation

people are driven away from their family houses search of a greener pasture. This is the Causative factor for the relationship becoming tax. In this fast moving world in which the tentacles of prosperity have spread far and wide family members can spend very little time with each other. The mind is fully obsessed with today's progress. People are more involved in group activity, family ties and family interests seem outdated in today's industrialized world. The change or difference lies here, in the traditional family the wife and children had to pay attention to the emotional needs of the head of the family. All this seems reversed now; it's the father who was to pay attention to the fragile emotional needs of the wife and children.

2.4 CHANGES IN THE CASTE SYSTEM AND SOCIAL STRUCTURE

The caste system seemed very powerful in the older days. It emerged from the Varna system. The caste system in our traditional society was very rigid, comparatively immobile and hierarchical, with the Brahmins at the top and the Shudra below. There were restrictions as regards occupation, marriage, eating, drinking and social system in India started with the British rule, and several groups of people belonging to different castes migrated to cities in search of new economic opportunities. In this caste it was not possible to maintain the various caste restrictions. The selection of individuals for new jobs was based in industrial towns was based on acquired skills.

The caste organization based upon economic interdependence started losing its force in the wake of growing industrialization and urbanization. The caste units became economically independent; this caused the steady decline in the monopoly of higher castes. So we can see that the caste system independent changes during the British rule. The rate of change accelerated or gained momentum during Post Independence period. Several forces combined together in order to produce rapid changes. Technological progress, industrialization, urbanization, commercialization, the efforts by the Indian government to create a casteless society, the growing economic difficulties and the desire of lower castes to raise their status in the caste integrity through sanskritization were some of the efforts responsible for bringing about a change in the caste system.

Sanskritization was a way to translate gains in wealth, power and local inflation into higher caste status if not for individuals, then for upwardly mobile splinter groups which employed the ambiguities about caste of sub caste and boundaries to get their claim

recognized, and even to marry into what had previously been regarded as separate and higher castes.

Thus caste was always a code for economic class differences to some extent, and changed with changes in the wealth and power of groups one might call classes. This no longer happens economic success is its own justification and there is less need to turn it into caste rank, even if there were still the conditions for getting local agreement about a caste's new status leaving aside the differences between regional cultures, and between regional cultures, and between patterns of industrial growth and settlement and political movements in particular cities. Industrial workers like other Indians, think of themselves as members of castes, and generally marry their children within the boundaries of recognized castes or religion minorities, like Muslims and Catholics, which are sometimes divided into caste like groups especially not only in the industrial towns, castes exist, but not longer within a caste system of inter dependent ranked groups a network of links with particular people on whom one has a claim but who are also pulled in other directions by obligations and loyalties and interests that have nothing to do with caste.

2.5 INDUSTRY AND CASTE

In the job market, a caste tie is a kin tie at best and an extension of the logic of kinship ties to a wider circle at the least. One has a moral obligation on help relations, who are bound to be of your caste, and the help is naturally reciprocated sometime later but the logic of kinship ties becomes less compelling when you approach someone who is a potential kin, or who could not be your relative because he belongs to a different sub caste of Brahmins or Rajputs. It becomes useful to try in a fiercely competitive and uncertain world, it may be possible that someone will give you preference in search of jobs or a place to live because he trusts a person brought up with the same values, or he shares a feeling that caste members must together or no one else will help them. The same logic may be also applied to the people of the same village, same state etc. there must be some binding factor in all of them, to use as an influence.

The caste that comes between these two extremes particularly kin and a wider community of residence or language actually is a division of society into three blocks: one big block with all the middle castes and religious minorities, and two other noticeable smaller groups i.e. Brahmins at the top and Harijans at the bottom. Both the groups suffer from prejudice and discrimination, together enjoying some special advantages, and at

times are looked upon as political allies. Brahmins are by no means always in the best jobs or Harijans in the world.

Casteism is associated with caste, as it build loyalty among members of any particular caste in competition with others, with no sense of hierarchy left. "Casteism" is a part or urban life just as ethnicity plays its part in America and tribalism in Asia. These are just categorical relationships operative in "unstructured" situation. They may have been always there in a disguised force as natural hierarchy. The position of a caste is justified only in relation to others and privileges may be responsibilities and idea that can be carried over to factory life.

Once caste becomes 'casteism' it can be put to different uses, as a pull in the job market, a political pressure group to defend sectional interests and sometimes the prospect of a block vote to tempt politicians. Harijans do dirty low paid jobs because they are uneducated. The people that the bottom casual labourers and the uneducated unemployed are cut of not only from those most fortunate then there, but from each other also. They are the ones that are hopeless and miserable and are more likely to believe that what keeps them separate in caste and ethic discrimination.

Caste ideology has its own topic and caused people to act in certain ways. In many situations it is more useful to think of a caste as the people's way of coding and thinking about economic and class differences, which barely disguised competition for resources and power not the only way perhaps. Since the Indian masses have and probably had alternatives categories based directly on economic differences and more like western uses of class. But if caste is a disguise for economic differences, it is an effective one. If people divided up their social world into castes, the system could accommodate many kinds of change and manipulation, but within limits set by deep rooted ideas about pollution, hereditary and interdependence. Wealth and power could often be turned into status, but not always or automatically.

Two things altered the old discussion of labour and relations between classes imperialism and powered industry which developed later and more slowly. These opened new economic opportunities for some groups and weakened others.

Indians were also exposed to foreign ideas like imperialism, Nationalism, evangelical Christianity, atheism, positivism, liberalism, socialism, Marxism, 'management and even theosophy which is a western version of Hinduism.

2.6 INDUSTRIALIZATION AND THE OLD SOCIETY

Industrialization need not necessarily mean following a 'westernized' path of progress. We also cannot lay the blame on industry as having upset an agricultural society with its rigid social structure and unquestioned value system. It is proper to conceive pre colonial India as a society seething with unresolved tensions and contradictions which could be contained by the rigid social structure and common values only for as long as economic opportunities were scarce and were monopolized by powerful groups. The old society was thought of as stable system that could be disrupted only from outside, the interval tensions and contradictions were overlooked. Although the traditional society had persisted for many centuries, it was due to the absence of alternatives. When the alternatives opportunities appear bolstered with legal institution, the traditional society reveals its weakness and is threatened by collapse from inside.

Caste mobility, which is well documented, reflected real mobility between the classes. Colonial rule and then 'industry' created wider opportunities, and new values made it less important to turn wealth into caste status. It is true that a community can be traced between 'pre industrial' India and the present industrializing society. In the pre-colonial cities and in the country side until recently, dominant groups with property and security supported a wide range of people bound to their by "jajiuuau" relations. Outside the circle were other groups who could claim no special relationship with dominant groups and who had with them only their unskilled labour power to sell a real proletariat whose existence has often been derived 'untouchables' included people inside and outside the circle. We can draw a similarity with the present relations between employers, organized sector workers, unorganized sector or 'temporary' industrial workers and wandering casual labourers.

One often wonders as to how 'casteism' finds its way into industry because it is noticed that people from a particular caste or area or religion are often formed in large numbers in one industry or fierce entered a live of work because of some special skill, or may be by ancient, as when young men from dominant groups got an opportunity and grabbed it, or when people from the poorest groups were forced by sheer need to take work which no one else would do employers continued to recruit people from the same origins, or workers brought in their relatives and friends and these people came to have a partial monopoly of jobs which now with increasing unemployment and higher wages may seem more attractive to others.

What is seen 'industrialism' is that it generally increases, mobility and engenders consciousness of opportunity. In the absence of universal compulsory education in India industrialism has intended to perpetuate traditional, social inequalities. This was true of those occupations which required education, or were seen as desirable from the beginning, but there were other kinds of industrial employment which also, or only attracted the poor and illiterate, especially the lower caste; and those who got into those occupations early sometimes managed to educate their children for better jobs. So this is how a particular caste gets hold of a particular job in the industry and holds on to it for as long as they can.

2.7 SUMMARY

Thus we have seen how industrialization has brought about a number of changes in socio-economic and demographic aspects. It has led to urbanization which has changed the life-style, eating drinking and dressing habits. It is responsible for the break up of the joint family system. Break up of village community and the caste system. It has also given rise to impersonal relationships. The large scale growth of slums that have created a lot of other problems of pollution, crime and juvenile delinquency. The development of industries has led to large scale migration of the rural population.

It has brought permanent changes in the social structure, social institutions and social relationships. With the changes in Kinship, marriage and family have also taken place. Prior to industrialization marriage in India was considered a sacred and religious institutions. Today, marriage is regarded to be only a social contract between a man and a woman. But with industrialization the age of marriage has been advancing. As a consequence of rejection of traditional beliefs, many young men and women in big towns prefer to love single. The industrial society is becoming more and more complex over day; the philosophy of individualism is flourishing in society as a result of this marital bond has greatly weakened and divorce is resorted to; as the only solution to marital problems.

Because of industrialization, the function of the family also has changed. The function of socialization of children too, used to be performed by the family, but today the family is lagging behind in this important process. They take the help of day care centre, crèche, baby sitters etc. To bring up children in big cities both the parents go out for work leaving the children to the mercy of ayahs and domestic workers, the functions of the family has become more formal than real. Again as a result of industrialization, most of the joint families are breaking up and are being replaced by the nuclear

families. Those nuclear families are sent on keeping the small family norms. Last but not the least, there has been giant strides in the improving of women's status considerably.

In Indian society, the caste system has a unique role and importance. The social status of a person was determined by his caste. Industrialization has diminished the role of caste it has also disintegrated the caste system, reducing the power of the Brahmins. We can also see the rise of the Shudras, the diminishing of caste based occupations. Specialization has brought about the division of labour, elimination from work. Life has become materialistic giving less importance to religious faith and belief.

2.8 CHECK YOUR PROGRESS

1) Industrialisation has brought number of changes. Discuss.

2) How Industry influence the community?

3) Explain due to industrialisation faculty is affected.

4) Industrial development resulted in changes in the caste system.

5) Indians were exposed to foreign ideas state.

6) How industry leads to mobility.

2.9 REFERENCE

EV Schneider – Industrial Sociology.

P. Gisbert – The fundamentals of Industrial Sociology.

2.10 QUESTION

- 1) Explain in detail the impact of industry on social institutions of society.

INDUSTRY AND LABOUR IN INDIA – EVOLUTION OF INDUSTRIES AND THE LABOUR FORCE. LABOUR COMMITMENT

CONCEPTS

- 3.0 Objectives
- 3.1 Introduction
- 3.2 A brief history of industrial labour in India Evolution of industry in pre-colonial India
- 3.3 Evolution of industry in pre-colonial India
- 3.4 Decline of early industry
- 3.5 Evolution of modern industries
- 3.6 Summery
- 3.7 Check your progress
- 3.8 Reference
- 3.9 Questions

3.0 OBJECTIVES

- 1) To understand the gradual changes that took place in the industrial work force in India
- 2) To realise the importance of an industrial worker in the development of industries.

3.1 INTRODUCTION

Earlier studies of Indian industrial labour stress the inevitable consequences of introducing new technologies their impact on a stable traditional society and on institutions like the caste, village and joint family which were assured to have existed almost uncharged for centuries until they suffered the shock of contact with industrialism migration from villages and the growth of new industrial and commercial cities like Bombay, Calcutta and Madras, which were very different from the older cities which were the centers of Indian civilization The new technologies impact could not be separated from that of colonial rule, the new systems of law,

administration and education and the dominant position of the British community in India. Some writers justified colonial rule and praised its achievements and some condemned it outright. The inevitable impact of the dynamic west on a static society, seemed obvious not only to foreign writers but to many Indians.

3.2 A BRIEF HISTORY OF INDUSTRIAL LABOUR IN INDIA

Writing on the history of Indian industrial labour, besides containing a whole lot of matter on the process of westernization on now more commonly called modernization also contains a mass of useful descriptive material on industrial workers recruitment, migration and living conditions etc. The great transition, partly completed was from one stage or ideal type of society to another from a pre-industrial to a modern urban-industrial society, the writers who described or speculated about industrialization stressed different aspects of it they were in search of a formula for successful industrialization, the ingredients missing from a traditional society which must be added to make India an industrial country entrepreneurship, efficient management changes in social values, "achievement orientation" or a committed labour force. It was the non-industrial countries that lagged behind, at various points on the way, to development marked out by the West and Japan.

Caste and the division of labour is inseparable from Hinduism, prevented the emergence of modern capitalism with its ceaseless quest for innovation and new markets During the early times restrictions on contact between castes prevented the merchants and artisans from coming together and this kind of an attitude prevented change of occupation and rapid adaptation to new demands.

The strong belief in Karma or rebirth together with the web of customs and ritual duties which bound the Hindu at every point in his life led to a 'traditionalist' attitude which largely came in the way of economic development so as we all know that the traditional form which the division of labour took in India was nothing other than the caste. In a caste theory which most people probably believed in and many still do everyone is born with an aptitude for a kind of work which is in his nature his dharma. The different kinds of work, the lowest as well as the highest are all necessary to a social organism that is part of universal organism, which is also Evolution of industry in pre-colonial India.

India has been a manufacturing country since the ancient times. It is stated that 'Mughal period India won the nourishing

mother of Asia and the industrial workshop' of the world. Dacca muslin and calicos were in great demand the world over. "Indian silk fabrics are said to have been sold in Rome in their equivalent weight in gold."

During a Mughal period, India had a considerable variety of arts and handicrafts which indicated a more advanced economic and financial organization than the crafts of contemporary Europe. In several handicrafts, specialization of jobs had advanced to such an extent that particular classes of artisans undertook distinct processes in the chain of production. The products commanded wide foreign markets. Artisans worked on their own account, as well as in *karkhanas* under master artisans, dealers and financiers any rate it is well known that Indian textile fabrics, cotton silk and other industrial goods like saltpeter and indigo were exported to Europe and other parts of the world where they were held in high esteem. In 17th century India was a hub of world commerce and magnet of world precious metals. Nothing much from Europe could be imported in India in exchange of silk or cotton goods. Europe had to pay mainly in bullion for the increasing volume of Indian exports. Report of the 'Indian Industrial Commission -1916-18' stated not without exaggeration that "at a time when the west of Europe, a birthplace of modern industrial system was inhabited by uncivilized tribes, India was famous for the wealth of her craftsmen."

3.3 EVOLUTION OF HISTORY IN PRE COLONIAL INDIA

The industries were scattered at this period not only in the rural areas but also in the urban countries. In rural areas, there were cottage industries serving mostly local needs i.e. they manufactured utility goods such as the earthen wares, coarse cloth, basket etc. There was no specialization and the economic organization was of a most premature crude character. Urban industries on the other hand were more compact and closely organized. They served wider foreign markets, gold and silver wares. In England itself, the finer Indian fabrics and muslin were described as 'as light as women and as slight as cobwebs' and their best portion at home was the emperor's court. Decline of early industries-

From the middle of the 17th century, the imports of Indian cloth goods had expanded phenomenally in England. The fineness of Indian cloth became a matter of jealousy for the England manufacturers. They wanted to stop the flow of Indian goods.

Other important factor which led to the decline of Indian industry was the death of Emperor Aurangzeb in 1707, the last of

the Great Mughals, which threw the country into confusion and spread inseamity in trade and industry. Secondly, the industrial revolution in England during the later part of eighteenth century had greatly influenced the trade of Indian goods, before the birth of modern British industry, India's cotton, silk and calicos could be sold in England as well as in the continent without any difficulty. But when England began to produce these goods high tariff were changed against the manufactures outside, especially India one of the most dangerous among them. Moreover, when owing to the new inventions and particularly to the application of mechanical power to production, British industry could produce cheaper goods, the Indian products, which were mostly handmade and consequently expensive, could no longer compete with them and thus, were gradually displaced. Even at home, the Indian markets became flooded with cheaper British goods.

The disappearance of the courts of Nawab and Raja struck a heavy blow to Indian handicrafts. The process was not rapid in the beginning but there was steadily a diminishing demand. With the establishment of foreign rule, certain influences made their entry into India which proved fatal to the existence of those handicrafts. In an attempt to compete with eastern goods, artisans copied their design and failed to produce quality goods. The newly created educated class, due to the acceptance of European standards, turned their backs to the indigenous products.

The British rule weakened the organization of guilds which supervised the quality of products and workmanship. As a result, there was a marked decline in the artistic and commercial values of the wares. Indians were not allowed to migrate to England to get themselves trained in techniques of large scale manufacturing production.

3.5 EVOLUTION OF MODERN INDUSTRIES

It is only the IInd half of the 19th century that the founding of modern industry was laid in India. The modern industrial enterprise in India developed after 1850, though the beginning had been made towards the end of the 18thC, when the European planters begin to grow indigo. The new industrial activity took two forms a) plantation b) factory industry. The plantation industry was the first to be introduced in India - It was from the very beginning owned, managed controlled by the ex-employees of the East India company. Europeans became interested in indigo, tea and coffee plantation, since there provided easy and high return on the investments.

Till the middle of the 19th C, the Europeans took very little interest in factory industry in India. It might have been due to many factors like 1) lack of the internal communications 2) restrictions placed on Englishmen for acquiring land permanently in India 3) the trading a monopoly of the company till 1833 etc. By the second half of the 19th century all the factors impeding industrial establishment lost their force.

The first cotton mill in 1888 at Calcutta, the first tanning factory in 1845 at Madras and the first Jute mill at Serampur in 1852 were established and these industries flourished in subsequent years having a sizable internal and foreign market. By the end of the 19th century many factories spread over many parts of the country manufacturing tea, coffee, cotton, jute etc. as traditional items were setup. Mechanical inventions in Great Britain, the British Indian Governments policy and realization on the part of the enterprisers to establish modern factories to produce goods on large scale to meet the changes in the tastes and habits of the people were some of the reasons for the evolution of modern industry in India.

It was during world war I and inter war period several committees and commissions were appointed to enquire into and analyze the situation and problem of Indian industrial labour.

The Indian Industrial commission was formed in 1916-18 under the chairmanship of Sir Thomas Holland. The fiscal commission had Sir Ibrahim Rahimtoola as its chairman and conducted the enquiry during 1921-22. The external capital committee was formed in 1925 and the Royal commission on Labour conducted its enquiry 1929-31 and made a thorough study of Indian labour situation. The second-world war gave a big fillip to the development of industries in India. India was the main supplier of men and money during the war period. New industries, such as the manufacture of hydrogenated oil cotton mill, machine tools, transport and electrical equipment basic chemicals, synthetic resins and plastics, power alcohol etc. were started.

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During the Mughal period, India had a considerable variety of arts & handicrafts which indicated a more advanced Economic & Financial organization than the craft of contemporary Europe. In

several handicrafts, specialization of jobs & advanced to such an extent that particular classes of artisans undertook distinct processes in the chain of production. The products commended wide foreign markets. Artisans worked on their own account, as well as in karkhanas under master artisans, dealer & financiers. At any rate it is well known that Indian textile fabrics, cotton silk & other industrial goods like saltpeter & indigo were exported to Europe & other parts of the world where they were held in high esteem. In 17th century India was a hub of world commerce & magnet of world precious metals. Nothing much from Europe could be imported in India in Exchange of silk or cotton goods. Europe had to pay mainly in bullion for the increasing volume of Indian Exports Summarizing the Economic position of India, at this period the "Report of the Indian Industrial Commission-1916-18", Stated not without Exaggeration that "At a time when the west of Europe, a birthplace of modern industrial system was inhabited by uncivilized tribe India was famous for the wealth of her craftsmen. And Even at a much later period when the merchant adventurers from the west made their first appearance in India, industrial advancement of this country was, at any rate not inferior to that of more advanced European nations." The skill of Indians," says professor Weber," In the production of delicate wide fabrics, In the mixing of the colours, the working of metal & precious stones, the preparation of Essence & in all manner of precious stones, the preparation of Essences and in all manner of technical has from Early times Enjoyed a world wide celebrity." There is wide Evidence that Babylon traded with India Even in 300 B.C. Mummies in Egyptian tombs dating back 2000 B.C. have been found wrapped in Indian Muslin of finest quality. There was a very large consumption of Indian products in Rome.

The industries were scattered at this period not only in the rural areas but also in the urban centers. In rural areas, there were Cottage Industrial Serving mostly local needs i.e. they manufactured utility goods such as the Earthen wares, Coarse Cloth, baskets Etc. There was no specialization & the Economic organization was of a most premature crude character. Urban industries on the other hand, were more compact & closely organized. They served wider foreign markets. The most important of them were the silk & woolen fabrics, calicos, gold & silver wares. In England itself the finer Indian fabrics & Muslin were described as "as light as women & as slight as cobwebs" & their best patron at home was the Emperor's court. The industry of the fine woven cloth enjoyed a market in the island of the East Indies, on the African coasts & in England as mentioned above. Though the output was small in quantity by modern standard. In the bigger cities, Each craft was organized into a guild which was responsible for the quality of the work for the welfare of its member. The industry was

also organized by middlemen who made advances to the craftsmen.

3.4 DECLINE OF EARLY INDUSTRIES

From the middle of the 17th century, the imports of Indian cloth goods had Expanded Phenomenally in England. The fineness of Indian cloth became a matter of jealousy for the England manufacturers wanted to stop the flow of Indian goods.

Other important factor which led to the decline industry was the death of Emperor Aurangzeb in 1707, the last of the Great Mughals, which threw the country into confusion and spread insecurity in trade and industry. Secondly, the industrial Revolution in England during the later part of Eighteen century had greatly influenced the trade of Indian goods. Before the birth of modern British industry, Indian cotton, silk & calicos could be sold in England began to produce these goods, high tariffs were charged against the manufactures outside, Especially India as one of the most dangerous among them. Moreover, when owing to the new inventions & particularly to the application of mechanical power to production, British industry could cheaper goods, the Indian products, which were mostly handmade & consequently Expensive, could no longer compete with them and thus were gradually displaced. Even at home, the Indian markets became flooded with cheaper British goods.

We realized that supremacy of Indian handicraft could no longer be maintained due to certain technological, Economic & Political developments.

1. Impact of industrial Revolution:- One of the most powerful reason of the decay of indigenous industries was the industrial Revolution in England which started in the second half of the 18th century & was almost in full swing in the beginning of the 19th century. The invention of the spinning jenny & the steam Engine in England brought in its wake increased application of mechanical power to the manufacturing industries. With successive improvement in the quality of production, artistic products of handicraft suffered. Indian weavers could produce finest goods but in matter of price they were sadly beaten by the imported production. Factory made goods were very cheap comparatively. Even other products like glass paper & industries like ship building had to face the same set back. The growth of Railways & other transport system made possible the import of England industrial goods in India at very low cost & even the distant parts of the country could receive these factory made goods cheaply &

Expediently. Simultaneous lack of other jobs in India rendered Craftsman unable to adjust to new situation. Since they lost their own market & also they were not allowed to do any other work in competition with England manufactures, Indian artisans had to go back to rural areas.

2. Treating India As a colony: - India was reduced to the status of colonial dependency. Imperialism set out to destroy the independent Economy & a substantial part of the native handicraft. Indian feudal system was uprooted and capitalistic Economic system was introduced every step in the Extension of Britain's political Sway over India was paralleled by a simultaneous step towards the destruction of old Indian Economic System. It led to decay and Even Extinction of old artisan & handicraft industries.

3. Prohibitory Duties On Indian Goods: - The Extension of British rule in India & the Economic policy of the Government increased the decay of the indigenous industries. The Industrial Revolution had created a powerful industrial & manufacturing class in England which scored a political victory over trading capital. This gave a blow to the Export trade of India since the government of the industrial class in England prevented India through tariff and other measures from flooding the English market. The Indian cotton goods were diverted towards the rest of Europe, Africa, America & West Indies. Upto 1813, the cotton & silk goods of India could be sold in the British market at a price 60-60 % lower than those fabricated in England market. Consequently it became necessary to impose prohibitory duties on Indian goods. By the sacrifice of Indian manufactures, Manchester mills could continue otherwise they would have to be stopped.

4. High-handedness of Company Agents: - The gumasthas or agents for the East India Company were entrusted with powers which they used to their advantage. They forced the artisans to accept advances & so to surrender their products at unduly low prices. Company also imposed their goods upon the riots at an arbitrary rate, compelling them to part with their labour at an under price & spreading the disastrous Effects of monopoly & Extortion on Every side. This strangled Indian handicraft. Gumastha's oppressive tendencies thus led to complete decay of our weaving industry in Bengal.

5. Abolition of Company's monopoly of Trade:- In 1833, the whole Indian trade was thrown open & the East India company ceased to figure Exclusively as a commercial organization. The declaration of freedom of trade & the consequent inflow of private enterprises immensely affected the course of India's industrial development. The company had confined itself mainly to the old methods & old branches of a special commercial ability & a new

Enterprise with the result that they opened up markets in India for an increased variety of British commodities. This new class of merchants unlike their predecessors did not come to India to buy goods produced here but came to secure a market for the goods manufactured in the factories of England.

6. Specialization of Indian Economy : - With the Expansion of English cotton textile industry, the East India company was interested in Extending the area under the cultivation of cotton. It also took measures to improve the quality of cotton. Emphasis was laid on improving the quality of agricultural products & Encouraging the Export of Indian raw materials like cotton, jute, silk, leather, oilseeds and dyestuffs which were Essential for the progress of the industrial Revolution in England. India became more & more dependent on agriculture for its Survival rather than on industry. The higher purchasing power the market accelerated the import of Indian goods.

7. Miscellaneous Causes:-

a) The disappearance of the courts of Nawabs & Rajas struck a heavy blow to Indian handicrafts. The process was not rapid in the beginning but there was steadily a diminishing demand with the Establishment of foreign rule, certain influences made their Entry into India which proved fatal to the Existence of those handicrafts. In the attempt to compete with western goods, artisans copied their design & failed to produce quality goods.

b) The newly created Educated class, due acceptance of European standards, turned their backs to the indigenous products.

c) The British rule weakened the organization of guild which supervised the quality of products & workmanship. As a result there was a marked decline in the artistic & commercial values of the wares.

d) Indians were not allowed to migrate to England to get themselves trained in techniques of large scale manufacturing production.

e) The construction of railways in India, the improvement in ocean transport & the opening of the Suez Canal (1869) tended to unify the whole country & to open up the interior, thus Enabling easy penetration of home market by English goods & the large scale production and Export of food stuffs & raw material from the country.

By 1880, the decline of Indian handicrafts was nearly complete & the mass of the handicraftsmen had no new industrial means of live hood. Free trade & railway rates policy complete the work of killing the indigenous handicrafts. India was reduced to the status of “a colonial agrarian appendage” of Britain.

Evolution of Modern Industries:

It is only in the second half of the 19th century that the foundation of modern industry was laid in India.

The modern industrial enterprise in India developed after 1850, through the beginning had been made towards the end of the 18th century when the European planters began to grow indigo. The new industrial activity took two forms:

- (a) plantation
- (b) Factory industry:

The plantation industry was the first to be introduced in India. It was from the very beginning owned, managed & controlled by the Ex-Employees of the East India company. Europeans became interested in indigo, tea and coffee plantation, since these provided Easy and high return on the investments.

Till the middle of the 19th century, the European took very little interest in factory industry in India. It might have been due to many factors like (1) lack of internal communication (2) restriction placed on Englishmen for acquiring land permanently in India. (3) the trading monopoly of the company till 1833 etc. By the second half of the 19th century all the factors in depending industrial Establishment lost their force.

The first cotton mill in 1818 at Calcutta, the first tanning factory in 1845 at Madras & the first Jute at Serampur in 1852, were Established & these industries flourished in subsequent years having a sizable internal & foreign market. By the end of the 19th century many factories spread over many parts of the country manufacturing tea, coffee, cotton, jute etc. as traditional items were set up. Mechanical inventions in Great Britain, the British Indian Government's policy and realization on the part of the Entrepreneurs to Establish modern factories to produce goods on large scale to meet the changes in the testes & habits of the people were some of the reasons for the Evolution of modern industry in India.

Between 1851 & 1860, the first few industries cotton mills, jute mills, the railways, plantations & coal mines were started on a

small scale. But since these were not broad based, they started to decay, it was only after 1875, that the factory industry began to progress. Initially the late nineties, industrial progress took place fast all over the country.

The role of cottage and small scale industries in Indian economy:

The second plan emphasized the role of the small-scale and village industries on the following five grounds:

1. Generation of employment opportunities
2. An equitable distribution of national income
3. Mobilization of entrepreneurial skills
4. Regional dispersal of industries.

1) Employment generation:

After agriculture small scale and cottage industries provided employment to the largest number of people. Within the manufacturing sector itself small and decentralized sector contributes about $\frac{1}{2}$ of the value added and $\frac{4}{5}$ ths of manufacturing employment in India. Cottage industries and small scale industries can provide employment to many, thus can solve the problem of unemployment in India. The rural non-form sector accounting for about 22% of rural employment can play a crucial role in the future expansion of employment opportunities in the rural areas. Mostly manufacturing activities are based on textile, agricultural product and construction materials. In urban areas, when large scale industries cannot, any more generate employment opportunities; small scale sector possesses immense possibilities. In particular employment potential seems to be the largest in the non-household tiny sector segment of the manufacturing sector.

2) Efficiency of small scale industries:

According to the census of manufacturing industries, it was concluded that (i) both labour and capital productivity are low in small scale industries, and (ii) the ratio of material cost to value added is high in small scale industries. (Suggesting there by that material cost is very high). Thus SSIS cannot be relied upon as a source of efficient employment generation.

Though Annual survey of industries for 1960, 63, 64 and 65 shows that the small scale sectors are more efficient. According to the study, small scale industries generate more employment and productivity is also high.

Even all India sample surveys of small scale industries conducted by the RBI in 76-77 and the National Small Industries Corporation (NSIC) In 1979 confirm the above inference and insist that the smaller units are capital more efficiently. Moreover the profitability of the small-scale sector is greater than the profitability of the large scale sector for instance the RBI survey found that profit retained as percent of profit after tax was 43.72 in the small-scale, whereas it was 34.90 in the corporate sector. Profit after tax as percent of net worth was 21.05 for the small scale sector, whereas it was only 7.90 for the corporate sector.

The problem of unemployment can be tackled only when small scale and cottage industries are promoted on an extensive scale.

3) Equitable distribution of National Income:

Small scale industries ensure a more equitable distribution of national income and wealth. This is accomplished because of the following two considerations

(i) The ownership of small scale industries is more widespread than the ownership of large scale industries and (ii) They possess a much larger employment potential as compared to the large Industries.

There is one point against this agreement. Nowhere in the world are workers in such industries paid as much as they are paid in large scale industries.

4) Mobilization of capital and entrepreneurial skill :-

Since the capital cost is less, many entrepreneurs can make advantage of this facility. A number of entrepreneurs are spread over small towns and villages of the country. Large scale industries can not effectively utilize them as their number is large. Similarly, large scale industries can not mobilize the savings done by people in areas far away from the urban centers for this a net work of small scale industries can be set. In addition a large number of other resources spread over the country can be put to an effective use by the small scale and cottage industries. The rapid development of small scale in the post independence period is a proof that given the necessary credit power and technical knowledge, a large quantity mobilized for industrial development.

5) Regional Dispersal of industries:-

Large scale industries are mostly concentrated in a few large cities like Bombay, Calcutta and Madras. People migrate in large

numbers from villages and under developed towns to these centers of industrial development. As against this, small scale industries are mostly set up to satisfy local demands and they can be dispersed all over the state very easily. They can also effect the qualitative change in economy e.g. Punjab has more small scale industrial units even the industrially developed state of Maharashtra.

6) Less Industrial Disputes:-

It seems that the relations between the workers and management in small scale industries are harmonious and free of tension but it is realized that workers in small scale sectors are not organized, so it is possible that they do not express their resentment. Further since government protection is not there individual workers in the small scale industries can be easily exploited.

7) Contribution To Export:

With the establishment of a large number of modern small scale industries, the contribution of the small scale sector in export earnings has increased by leaps and bounds 93% of the export items are like ready made garments, sport goods, finished leather, leather products, woolen garments and knitwear, processed foods, chemicals and allied products and a large number of engineering goods. There is a sharp increase in the share of the small scale industries in the total export of the country from 9.6% in 1971-72 to 28% in 1990-91.

For the development of small scale and cottage industry, government has set up different Boards in 1947 itself. (a) All India Handloom Board, (b) All India Handicrafts Board and (c) All India Khadi and Village industries Board. In addition (d) Small scale Industries Coir Board and (e) Central Silk Board.

Many financial institutions have also been set up to help these industries. Special incentives to tiny units, availability of raw materials has been considerably increased. The number of items which can be manufactured is also increased. Import licenses have also been given to them. The proactive policy of reservation for govt purchase has been further strengthened and over 400 items have been exclusively reserved for the small scale units under the govt stores purchase programme.

Problems of small scale industries:

1) Finance and credit: The scarcity of finance and credit is the main obstacle in the development of small units. The craftsmen of

cottage industries do not have sufficient capital. They are easily exploited by local money Landers. Even the small scale industries can not avail credit facilities, through commercial banks and nationalized banks have liberalized their policy of granting credit to small scale and cottage industries.

2) Raw material availability: The majority of the small scale and cottage industries depend on local resources for their raw material requirements. The handloom industry depends for its requirement of cotton on local traders. Who exploit them by compelling these weavers to sell the ready cloth only to them (traders only). Modern small scale industries use imported raw material. Whenever there was a difficulty in obtaining this raw material either or some other reason these industries had to suffer a severe setback.

3) Machines and other equipments:- Machines and other equipments have become obsolete in small scale industries. Therefore, the cost of manufacturing increase and also the quality deteriorates. Moreover, the small scale units often do not care about the changing tastes and fashions of the people. Accordingly, modernization and rationalization are urgently required in small scale industries.

4) Under utilization of capacity:- It has been observed that capacity utilization in small scale industries was merely 48%. This means use of resources and labour is not much and there is lots of wastage.

5) Problems of Marketing:- Marketing of products is not well organized therefore, small scale industries suffer from a competitive disadvantage with large scale industries. Because of the shortage of capital and financial resources, these units do not have “staying capacity” and are often forced to sell their products at unremunerative prices. To save small scale units from competition with large scale units, the government has reserved certain items for the small scale sector. The trade development Authority and the state Trading Corporation help the small scale industries in organizing their sales. The National Small Industries Corporation set up in 1955 is also helping the small scale units in obtaining govt orders and locating export markets.

6) Urban Base:- Most of the modern small sector are concentrated in big cities like Mumbai, Calcutta, Madras, Hyderabad, Kanpur or Ahmedabad. They contribute 75% of total production. But remaining 25% which are operating elsewhere have been struggling with pour capacity utilization. Generally already developed turns attract new industries. So due to small industrial no new turns grow.

7) Concentration of small industries:- In few states Gujarat, Maharashtra, Tamilnadu, Punjab, Haryana, A.P & Karnataka have good number of small industries while under developed areas like Orissa, Bihar, M.P, U.P, & Rajasthan which need such growth have tended to lag behind. Thus, there is gap in per capita income between these states. And it has tended to widen since the farmer group of states can are government incentives more effectively & imaginatively.

8) Small industries: – Again rich classes fruits'- only people belonging to upper class can manage to run the small industries since they can withstand the early poor returns.

9) Industries only in Cities:- Where infrastructural facilities are easily & cheaply available, industries can develop power has still reached only one third of the villages & even where is normally available it is subject to frequent shutdowns & fluctuations. Roads are not formed. Telephone facilities are has available. Banks are not established. Therefore in spite of huge incentives given to people, in the rural areas they do not like to move from urban areas.

10) Many of such “incentives” or “concessions” are not really passed to needy people. Thus, many states can not effectively utilize the capacities of skilled people. The administration is not proper or functioning well.

11) Formalities & legal restrictions:- Small entrepreneurs have to follow many formalities to achieve government approvals & even after the productions started, under the name of labour welfare they have to undergo severe harassment. They have to ay huge compensation in case if any injury, or provident funds or insurance facilities.

Growth of the small-scale & village industries has been constrained by a number of factors “including technology obsolescence, inadequate and irregular supply of raw materials, lack of organized market channels, imperfect knowledge of market conditions, unorganized nature of operations, inadequate availability of credit, constraint of infrastructure facilities including power etc. and deficient managerial & technical skills. There has been lack of effective co-ordination among the various support organizations set up over the period for the promotion & development of these industries. Quality consciousness has not been generated to the desired level despite various measures taken in this regard. All these factors led to slow growth of small scale industries

RE-ENTRY OF MULTINATIONALS:

Large corporations having investment & business in a number of countries, known by various names such as multinational corporations trans – National Corporation, international corporation & global enterprise have become very powerful driving force in the world economy today. After the Second World War multinational have grown very rapidly.

In the early days, the United States was the home of most of the MNCs. Now there are a number of European & Japanese multinationals. Multinationals have been emerging from the developing countries too.

As an I.L.O report observes.” The essential nature of the multinational enterprises lies in the fact that its managerial headquarters are located in one country while the enterprise carries out operations in a number of other countries as well (“host countries”). Obviously, what is meant is “a corporation that controls production facilities in ore than one country, such facilities having been acquired through the process of foreign direct investment. Firms that participate international business, however, large they may be, solely by exporting or by licensing technology are not multinational enterprises.”

Jacques mains on rouge, president of IBM world trade corporation defines MNC as a company, that meets five criteria

- 1) It operates in many countries at different levels of economic development.
- 2) Its local subsidiaries are managed national.
- 3) It maintains complete industrial organize including R & D and manufacturing in several countries.
- 4) IT has multinational stock ownership.

Multinationals are different from nationals in different ways.

‘Multinational companies all usually organized around national headquarters which international control is exercised still have national identity, even the subsidiaries may not always care that identity to obtrude in the markers they serve.

A transnational company is a multinational “In which both ownership & control are so dispersed internationally” that there is no principle domicile & no one control source of power. Examples include royal Dutch shell and Unilever.

According to David E. Lillian, MNC means corporations which have their home in country but operate & live under the laws and customs of other countries as well..”

Characteristics:-

- 1) MNC s are Giant Corporation established in rich & developed countries with huge capital but conduct business operations on large scale & also in many countries (host countries).
- 2) The activities of MNCs include manufacturing, marketing, research & development, transfer of technology & so on. At present 40% of world trade in the form of intraform trade & 25% of global manufacturing activities are done by the MNCs.
- 3) The owners & to management of MNCs do not come predominantly from one nation. However, majority of multinationals have their origin in rich & developed countries of west but heir management is multinational in character.
- 4) The MNC invest funds in developing countries of Asia, Africa, Latin America & there by earn huge profits. They also facilitate the flow of modern technology to less developed countries.
- 5) The MNCs dominate global marketing & also play an important role in the expansion of world trade.
- 6) Multinationals operate in different countries as per the rules & laws of countries I which they operate. However, their top level decisions are made in the global context.
- 7) Countries particularly developing ones find it difficult to control the activities of multinationals as they are frequently more powerful than the countries I which they operates.
- 8) Multinationals expand their business activities by different methods like investment of funds, establishment of subsidiaries of foreign branches, provision of technology know-how and so on.

Expansion of Multinationals:-

Expansion provides huge profit to multinationals.

Method used:

a) Direct foreign investment:- Multinationals have huge financial resources at their command. The branches of multinationals in different countries make profit which is reinvested in the industrial. Sector of the concerned country. This brings expansion in the activities of MNCs. Multinationals based in the USA have the largest share of foreign direct investment followed by U.K., Germany, Japan etc. MNCs prefer to invest their funds in countries which after political stability convenient economic environment large markets, cheap labour & easy access to natural resources.

b) Transfer of technical know-how:- Multinationals supply modern technology to industrial enterprise. Along with such transfer of technology, machinery & technical consultancy services are also provided know – how is offered on royalty basis by MNCs.

c) Turnkey projects: sometimes MNCs give full projects & through this they expand further business opportunities.

d) Marketing of produces:- MNCs manufacture goods in different countries by using local raw material such production of subsidiaries are sold within the most country as well as in foreign countries.

e) Mergers & Acquisitions:- Recently Tata group company in India TOMCO was merged in known multinational Hindustan lever ltd. Earlier quest India ltd was merged with ponds India ltd. (PIL) Now PIL, BBIL, Lipton & Hindustan lever ltd will operate as subsidiaries of Unilever which is a leading MNC in the world.

Advantages:

- a) MNCs raise the rate of investment, thus help in rapid industrial growth.
- b) They also transfer new technology.
- c) MNCs accelerate collaboration, joint venture and establishment of subsidiaries of branches.
- d) They promote exports.
- e) They provide the services of skilled professional managers. This raises overall managerial efficiency of enterprises.
- f) MNCs facilities available in different countries.
- g) Multinationals facilitate Expansion of international trade & promote co-operation in between developed & developing countries.

Dangers:-

Though there are many advantages there are certain dangers too.

- 1) MNCs design technologies for which they charge huge services. Sometimes these technologies are out of date in their own countries & may also not suit the needs of developing countries.
- 2) MNCs are only profit oriented
- 3) Harmful for producers & consumers – since MNCs transcend national frontiers, they have loyalties to none. And since they are in the national of oligopolies i.e. trade within their own firms. They have the power & do everything possible to eliminate any actual / potential competition. They can

manipulate future markets, use deceptive advertising etc. & through these ways they create serious currency crisis.

- 4) Since they charge heavy fees & services charges outflow of capital from the most country make balance of payment difficult.
- 5) MNCs acquire monopoly later an in certain areas.
- 6) MNCs use their money & power in the developing countries for political purpose. They take undue interest in economic & political matters.
- 7) MNCs create demand for various goods & services an poor & developing countries which are not really useful.
- 8) They have bad business ethics,

Since we can't avoid them, we should use them for our constructive development. Korea & Japan have used multinationals for their economic development. We must have strict vigil on them.

Multinationals in India:

Comparatively very little foreign investments have taken place in India, due to several reasons (mainly due to restrictive govt policy towards foreign investment). Some multinationals, coca-cola & IBM even left India in the late 1970s as the govt conditions were unacceptable to them.

A common criticism against the MNCs is that they tend to invest in the low priority & high profit sectors in the developing countries ignoring the national priorities. However, in India, the govt policy confined the foreign investment to the priority areas like high technology & heavy investment to the sector of national importance & export sectors. Firms which had been established in non- priority areas prior to the implementation of the policy have however been allowed to continue in three sectors.

The controversial foreign exchange Revolution Act (FERA) required the foreign companies in India to dilute the foreign equity holding to 40%.

Generally it is criticized against multinationals that they drain the foreign exchange resources of the developing countries. But it is not often so. But due to govt policy which has emphasised so far on local market rather export market; we could not earn much through export.

Although export promotion has been pursued since the third plan, the highly protected domestic market & the unrealistic exchange rate mad the domestic market much more attractive than exports. However since the mid 1980s with the economic

liberalization, the increased domestic competition and the steady depreciation of the rupee, exports began to become attractive & served foreign companies & companies with foreign participation, as well as Indian companies have become serious about export. This was reflected in the acceleration the export growth.

The new policy is expected to give a considerable impetus for MNCs investment in India. But the environment in India as well as policy are so confusing that a multinational Motorola even shifted some of its project originally earmarked for India to china where the govt environment is much more conducive.

At the end of March 1990, there were 469 foreign companies (A foreign company is defined as a company incorporated outside India, but has a place of business in India). In addition there are many Indian companies with foreign equity participation.

Several Indian outfits of MNCs like ponds, Johnson & Johnson, Lipton, Brook, Colgate, and Palmolive etc. are in the low technology consumer goods sector. Hindustan lever, while popular in the low tech consumer goods, has diversified into high technology & export oriented sectors ponds have diversified into high technology & export oriented sectors. Ponds have diversified into thermometers, leather uppers & Mushrooms entirely for exports (ponds, Brook Bond, Lipton & Hindustan lever came under the multinational umbrella if uniliver) ITC (Indian Tobacco Company) has diversified into areas like hotels, paper boards & edible oil. There are MNCs like Siemens which are high technology areas. There are several MNCs in the pharmaceutical industry like Glaxo, Bayer, Sandoz & Hoechst.

It is wrong to assume that the success of MNCs or foreign brands is sure in developing countries & that the small domestic firms can not compete with them.

The double cola has not been a success in India: Parle appeared to be very much worried about the entry of the Pepsi & it did everything to step its entry. But when the competition became a reality it faced it head on and the reports are that Parle brands are far out selling the Pepsi's in the soft drink concentrate market while juice of the Kothari – General food (MNC) combine failed, the produces of PIOMA industries Rasna became a grand success. Asian plants a small unit, Nirma had successfully completed with foreign collaborations, foreign produces i.e. Tang has miserably failed in India.

Multinationals have helped India in the transfer of technology & developing & modernizing certain Indian industries. E.g. Bhilai & Bokaro steel plants were initially helped by Turkey projects given

by multinational. Multinationals are operating in India indifferent fields like beverages, tobacco, tolieries, medicines & other consumer goods industries – as we have seen Hindustan lever Philips. Union carbide Indian Aluminium. Nestle, etc. are leading multinationals in India. MNCs prefer the industries where capital investment and risk are low & quick returns are possible. MNCs from the U.K & quick returns are possible. MNCs from the U.K & the U.S.A Germany Japan France Canada etc. are all active in our country. They operate through branches subsidiaries & also through Indian companies in the case of branches they provide capital technology machinery & managerial skills. The labor & local resources are used by braches for production purposes. The products are marketed in host country as well as exported to other countries. They enter the country through collaboration agreements & are controlled by FERA & MRTP acts.

Some multinationals like Hindustan lever good year, Alkali chemicals are making huge profits in India & are responsible for the outflow of capital from India. It is not possible to control or restrict their activities. Janata Rule was successful in closing down some MNCs like coca- cola & IBM but it is now not possible.

Govt is now quits liberal & has given MNCs free hand to expand. Economic reforms are introduced & the new economic policy aims at enhancing the in-flow of foreign capital to India through & multinationals for industrial growth, technological, up gradation, modernization of Indian industries & finally for the promotion of exports. An Indian rupee is now made fully convertible all these reforms measures crate favorable environment of multinationals to enter India with massive investment.

It is desirable to take the services of multinationals for modernization, quality improvement, product diversification and cost control in Indian industries. MNCs are no more exploitative. Consumers have become conscious & they will not go for high priced items for the same quality. In brief the future of MNCs in the context of development of India depends much on our approach & attitude towards them. Indian Govt has to be alert their limit.

Economic Liberalization: MNCs & small business:

The new economic policy of India has increased the scope of business for MNCs in India. But even now their areas of operations are limited. The new policy does not permit unrestricted entry into all areas of business as some critics allege. IT iscriticised that small firms will be ruined as MNCs & large houses will dominate Indian economy. Even the large industrial houses of India will be strangled by multinationals it is feared. But if India is careful & vigilant govt can play effective regulatory role.

There are various reasons why we should not fear MNCs.

- 1) Although most of the provisions of MRTP Act pertaining to concentration of economic power are gone, it is still a powerful weapon to control monopolistic, restrictive & unfair trade practices. The act can control concentration of economic power through amendments.
- 2) Growth of large firms need not ruin small entrepreneurs. Experiences show that growth of large firms support development of small enterprises in many areas. The growing trend of putting out system i.e. sub contracting system strengthens this possibility.
- 3) There are several Indian cases which show that small firms can achieve spectacular growth effectively competing with large firms including multinationals in some industry. E.g. soaps & detergents paints soft drinks, drugs & pharmaceuticals electronics etc. have made bit success.
- 4) Small firms can strengthen their domestic market position by using modern opportunities in a growing economy.
- 5) Small firms can make good profit by following appropriate market strategies. Many small Indian firms are doing well in markets of advanced countries.
- 6) The new policy which provides a better environment for the introduction of modern technology will help increase the competitiveness of the domestic industries & will also help increase exports.
- 7) Although, the liberalisation is much talked about, only selected industries which are mostly in the high tech & priority sectors including those with foreign exchange earning potential are open to liberal foreign investment and technology.
- 8) Many multinational products have been failed in India Procter & Gamble failed very badly in Japan or Poland. Thus not necessarily all MNCs do well.
- 9) 'Large houses' can also do well in international market.

The new policy will certainly cause problems for enterprises. Sick units in India may not be restructured but short – sighted vested interests must not be allowed to undermine the long term national interests.

While some industries are facing competition with foreigners, they are not able to procure their raw materials at competitive prices. This is a clear drawback of the new policy.

THE FIRST POWERED INDUSTRIES AND THEIR LABOUR FORCE:

India has been a traditionally organised agricultural society, characterized by a complex division of labour and the employment of extensive skills, many of which were transferable to the new industrial pattern when modern institutions began to invade India in the nineteenth century, they did not take root in an altogether new environment. The elements of literacy for a modern bureaucracy already existed, a sophisticated system of banking and commerce was in operation, and there was a substantial tradition of artisanship. A new industries slowly grew during the late nineteenth and twentieth centuries, they found that the ground was partly prepared.

A) The emergence of cotton mills in Bombay : and the steel mills in Jamshedpur depended in large measure on the reservoir of workers that come from the traditional ship building industry of Surat. By the late nineteenth century much traditional iron-working skill had found its way into the railway workshop and from the railway this modernized skill ultimately was drafted into private industry, as at Jamshedpur. The factories in the earlier days had less trouble finding both skilled and unskilled labour as they were found in supply almost everywhere, they were either trained in traditional crafts, or some of them were literate adaptable workers, who could acquire the required skill sooner or later. But the mass of workers in those early industries were unskilled and mainly illiterate. Sometimes people travelled long distances in search of work. Employers complaints of a labour shortage and of an unstable undisciplined work and force constantly returning to the villages, are not justified by records and statistics. Where there was high turnover, as in the Bombay cotton mills, this was the result of poor management and working conditions workers left for better pay and kept up their village ties as their only security.

Actually the ground was prepared for the growth of modern industry but the enthusiasms was cut down by the devastating first impact of colonialism, which hit India, just at the time when the imperial power itself was industrializing. Modern industry came to India as a result of colonial rule and not intentionally. Village industries included the work of artisans country weavers making coarse cloth, potters and gold smiths, similar craftsman working for a minor market, but better organized, lived in the towns urban craftsmen like the brass and copper smiths could make artistic wares as well as common utensils. There was another group of workers of mainly localized industries who lacked specialized knowledge which was very necessary. In some of the heavy industries such as iron-smelting where the products find its way all over the country, the methods employed were generally crude

and uneconomical. An these industries (iron, glass, paper) were a heady dying out due to various reasons, one of them being the pressure of imported goods.

Craftsman and artisans decided to return back to the land that they might have owned or as tenants or landless labourers. The craft industries were not gradually replaced by factories. It took almost two or three generations for industries to grow in India. Thus the city workers of modern India did not come out of the ranks of artisans, but were comprised mainly of the landless peasants or agricultural labourers. According to some of the writers like Morris who thinks that it is not clear that large number of craftsmen were forced to become landless labourers in the nineteenth century, because according to Daniel and Alice Thorner a major shift from industry to agriculture, if it did occur, must've been sometime between 1815 and 1880. There is no data whatsoever to say whether or not this actually took place. The conclusion forced upon us by the census occupational data is that the industrial distribution of the Indian working force from 1881 to 1931 stood still. Many old crafts survived. Blacksmiths and carpenters are still in existence in the rural and township areas. The skill and traditions of these tightly organized castes were not lost but they required more modern technologies or became industrial entrepreneurs.

Cotton, jute, railways and coal mines were the first modern industries in India. It was not until the Second World War that a serious engineering industry was established to supply machinery to existing industries like the cotton, jute, mines and railway.

The character and social compositions of the workforce depended largely on the ways in which the first industrial workers were recruited in these four main industries. The mass of these workers, as in the first English factories were unskilled and mainly drawn from the countryside poor peasants and landless labourers, with a high but not overwhelming proportion from low castes. It was difficult to say how many of the early migrants to Bombay came from artisan rather than exclusively agricultural families but R. Das Gupta (1976) has examined the census and other material on the industrial workforce in eastern India both in the jute mills around Calcutta and in the engineering industries which needed more skilled labour. The 1911 census shows that the ruined artisans labourers failing to get adequate employment and subsistence in the rural economy agriculturist unsettled by the sort of changes taking place in the agricultural economy, unskilled of all trades and peasants, artisans and labourers turned into destitutes and paupers were the most numerous among the working man employed in the jute mills.

There was considerable industrial migration of weavers, iron workers, carpenters and others distressed or displaced from their traditional occupations and 'there industrial migrants constituted a kind of pools of skilled labour for the new factories. The learnt up new skills easily and soon become technically fit. A minority of the traditional artisans moved straight into the ranks of the skilled and better paid workers while the mass of unskilled labourers, were from very mixed social origins.

B) THE ROLE OF A JOBBER:

The role of a jobber was very important from his own point of view, besides he also was seen as a very important person because of the series of jobs he performed in the factory, once he had full experience of the factory working, he was responsible for the supervision of labour while at work. He was supposed to keep the machines in working order and provide technical training to the worker or is also called the 'Sindar' or 'Sardar' his role as a rewriter of labour earned good income as bulbes otherwise called 'dasturi'. The hierarchy of jobbers were likewise paid 'assure'. A Jobber is very active during strikes, running in search of workers. He seemed an indispensable person to the employer as well as labourer

He, according to situation played the role of a 'protector' as well as an 'oppressor' to the workers. He protected their rights and provided great security to them and at times he could prove to be an oppressor, anyway he was precious to the employer as well as the worker. At times he lent money to workers for interest and gained commission from various other sources. The role of jobber gradually declined after 1930. According to Morris the jobber played the role of a middleman. The employers turned down the system as it was largely beneficial to the jobbers themselves, who took maximum advantage of the present status as this was the maximum level to which an 'industrial' worker can rise there were no 'prospects' of rising higher.

C) THE EMERGING TERMS:

After independence when stronger many and new legislation emerged, a clear division could be noticed within the labour force between those on the pay roll of registered factories and other industrial works employees on less favourable terms in small factories that were not registered. It was during these times that the jobbers role was being gradually phased out.

By this time contract labour had emerged as a separate type-when labour is scarce a contractor is often employed. The contractor paid the workers or sometimes the management paid them and debited the contractor's account. In some cases the

contractor only supplies labour which is paid by the factory management. In some of the best organized industries in the country like the cotton and jute factories engineering workers etc, they way recruitment in made on a large scale is not known even in other countries. So there contractors are seen working for the factories almost like subordinate employers. In such situations what one sees in a factory is two types of workers doing the same jobs before machinery earning two different ways. The contract worker does this work minus privileges. While the regular worker even without legal safeguards against dismissal had become distinct from all other categories of contract temporary or badli workers.

If one wants to study the growth of industrial workforce in India, Bombay is once such city which is exemplary with its longest history of relatively uninterrupted industrial and commercial growth. Mills docks, railway factory offices were the foundations on what new lands of work were built up. Especially after the IInd world war, engineering and metal workers, petro chemicals, pharmaceuticals, electronics industries grew in great studies, studies on the living and working conditions of labour force became an important area of study on comparatively in no industrial city in the world or conditions as bad as it is Bombay.

D) LABOUR MARKETS:

Labour markets studies are all about how many from which origins get jobs, how many had friends or relative to help them out in this venting of job securing business. Bombay with its mixture of older industries (mostly cotton) and new technologies (engineering, chemicals, electronics) provides or cross-section of the kinds of work found in other cities that have grown over the last twenty years.

Bombay being a city of migrants, waves of migration from different areas when different industries were setup, booms and slumps of these things leave their traces in the composition of the work force long afterwards. In recruiting workers managements rely heavily on their existing employees. The critical factor in finding a job is access to 'contacts' to relatives or friends with 'influence' this is a general agreement.

Scarcity and insecurity, force migrants to keep up their primordial relationship in the village, to maintain a village base and properly to fall back on, if they lose their jobs or earn too little. To avoid labour trouble and have a better grip on their labourers, the employees utilize the simplest and safest recruiting methods of getting labourers through their present workers. They always keep a list of their labourers together with the names of the people who brought them. In large and small firms, most workers who in with

recommendations are relatives or friends of the present worker. The chance to bring in relatives is an important benefit of regular employment in big firms this is often made formal in written agreements with the union which lay down, for example, that in a workers death or retirement his son or close relatives will be employed if he is suitable.

The practice of taking workers relative and friends as replacements or new workers has led to clusters of people from particular castes or villages or languages groups in the same occupation throughout an industry.

E) WOMEN WORK FORCE:

Women workers go in for semi-skilled and casual labour. Since women are thought of as neat and delicate in their work, they are required whenever careful handling of equipment takes place and they are more preferred on they can stand the monotony of a production line. Women are not only fighting for their rights alongside men, but they are even found competing for men's jobs with equal wages. Most of the clerical work nowadays is done by women. It looks as though employers believe women are best suited to the most boring assembly jobs.

Some factories hesitate to employ women because the factory act states that if there are more than 30 married women, a crèche will have to be provided separate toilets, dressing room etc. On any ease unskilled women have been forced out of the cotton mills by automatic machinery. In the Bombay mills, unskilled women employment fell by 50 Percent between 1961 and 1971. While female employment rose in industries requiring mainly educated women, teaching, public administration medicine and nursing, commerce and banking, pharmaceuticals, (as packers) and post and communications (telephone operators) etc. Women mostly engage in home based works (electronic assembly, making agarbattis etc.) Majority of the poor class working women are recruited in units with very low paying and bad working conditions. Most women workers live in households where the main earner is the man, although women tend to work in separate departments or occupations the networks, through which they find jobs are extensions of the means network.

3.6 SUMMARY

Recruitment to each kind of job depends partly on skill and hard work but largely on contacts especially networks of kin or friends from the same village or area, who after belong to the same caste or range of castes if they are not relatives, Thus one finds

clusters of people from similar social origins in a firm, sometimes in a trade or an industry.

In big cities where industry has grown rapidly, employers and workers are found to be educated skilled people from other regions and speaking other languages, the factory fields it necessary to employ people to man the skilled workforce. The division between the labour markets for factories and workshop is after not always, the result of local historical accidents, as much an any systematic discrimination in favour of the rich educated and high caste. The biggest bureau is not between regular workers in factories and small workshops, but between all of. There and the man of casual labourers, (unorganized sector)

3.7 CHECK YOUR PROGRESS

- 1) Explain India as a manufacturing country since ancient times.
- 2) Discuss industry which was spread in rural and urban areas.
- 3) Why Britishers has very little interest in developing industries in India.
- 4) Why migration of industrial worker took place
- 5) What do you mean by Jobbers
- 6) Discuss contract labour system.

3.8 REFERENCE

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3.9 QUESTIONS

- 1) Discuss the growth of industries in India.
- 2) Give a brief account of industrial development and role of man and women in India labour force.

LABOUR COMMITMENT

CONCEPT

- 4.0 Objectives
- 4.1 Introduction
- 4.2 Meaning of commitment
- 4.3 Labour commitment in India
- 4.4 The debate about dualism
- 4.5 Summery
- 4.6 Check Your Progress
- 4.7 References
- 4.8 Questions

4.0 OBJECTIVES

- 1) To sensitize students about the development of industry and role of labour in industrial market.
- 2) Successful industrialization require positive response of worker to work in industry.

4.1 INTRODUCTION

The development of modern industry is critically dependent on the existence of labour. An efficient labour market is one-where positive financial inducement act as a major allocative mechanism in the distribution of labour between factories, industries, geographical areas and levels of skill. Industrialization implies a complex process of social transformation. Labour commitment in this sense is both the cause and consequence of industrialization. It is cause because industrialization cannot be complete unless workers have undergone this transformation, and it is a consequence because successive steps in the march towards industrialization reinforce the process of transformation and adaptation.

4.2 MEANING OF COMMITMENT

Commitment is an attributed expected of the entire range of personnel in industry, including the clerical, technical and managerial categories. Worker cannot be expected to be committed unless the management itself so. Three context of commitment are as following

a) The work place - in the workplace a worker has to interact with machines, other workers and supervisors. In the relationship between man and machine worker and worker, and between workers and then superiors, a specific pattern of behaviour is expected of the committed worker. One major consequence of industrializations is that the worker is forced to respond to the pace of work set by the machine. The highest level of machine pacing is experienced by workers in the middle ranges of skill. At the lowest level of skill workers may not come into contact with machines at all, while at the highest level, as with craftsman, they may exercise mastery over be machine and the tool's instead of being dictated to. Working in all societies face the problem of coping with machine pacing. Industrial jobs are typically fragmented; the job area of worker may be narrowly restricted to the performance of a few specific tasks. It is important that the worker concern himself only with the tasks assigned to him, leaving it to others to co-ordinate the process of work flow. The kind of commitment to division of labour and the performance of narrowly defined tasks could be problematic for workers in newly developing societies who are accustomed to a unitary rather than a fragmentary view of work.

b) The market - Industrial society is a market society. The functioning of the society is dominated by the market, which implies that any resource is transferable to the highest bidder. The two major attributes of the perfect market are extensivity and purity. In a society with the perfectly extensive market, literally every good and service is transferable. Extensivity refers to the total volume of goods and services available for the sale and purchase. Purity refers to the purity of the market principle, unhampered by non market considerations such as, for example friendship, kinship, caste and class.

c) Society - The institutional order of society provides the norms of conduct which facilitate commitment in the context of the workplace and the market Kinship is a fundamental and universal feature of all societies. The kinship group most consistent with individual mobility and the assumption of new occupational roles is the small, nuclear family. Extended kinship obligations can be a major barrier to mobility. At the minimum, commitment demands the rejection of such kinship obligations, commitment implies acceptance of a

system of social stratification based on merit and the mobility of the talented. Since the earliest industrial workers are often unskilled, they will frequently be assigned low positions in the new hierarchy. For some this mean a loss of status.

4.3 LABOUR COMMITMENT IN INDIA

Problem of labour commitment in India can be traced to the Royal Commission on labour in India whose report appeared in 1931. The commission made several observations which led to the conclusion that Indian workers were lacking in commitment to industrial employment. Until 1925 there was an absolute shortage of labour in the factories. Workers came to the city in search of jobs during the slack season in agriculture, usually without their wives and children. The shortage of labour in industry was particularly acute during the harvest season when they returned home. Employers had to vie with each other for workers. They made all kinds of concessions to attract labour, thereby seriously affecting discipline in the factory. The overall shortage of labour is claimed to have affected the rate of industrial growth.

First, census data showed that the urban population had a high component of migrants. The urban sex ratio also showed greater number of men than women, indicating that many men were single migrants who had left their wives behind. Housing in the city was scarce and expensive. There were few employment opportunities for women. The migrants own jobs in the factory were far from secure. It made sense to migrate alone. The mill-owners themselves did not want a permanent workforce. They preferred the flexibility of being able to dismiss unwanted workers as and when necessary. Even when a worker went on leave after obtaining prior permission, he could not be certain that his job would still be vacant on return. If he was taken back, it was not necessarily in the same job, and even if it was, he was treated at a new hand. All these factors inflated the rate of turnover in the workforce. According to Morris, even in the early thirties there was a sizeable section of workers who had developed a long term attachment to the Bombay cotton mills. There was high degree of absenteeism among workers, it was attributed to their roots in the village, and the need to visit the village frequently to fulfill social obligations. Very often Indian workers were uncommitted to the work. Major findings are as follows -

- 1) Even in the middle of the 19th century a large section of the population of Bombay Presidency was faced to engage in wage labour. At no time was there a shortage of labour in the factories. Moreover the mills also fired workers off in large numbers and imposed closures when there was a depression in business conditions.

2) Workers readily migrated over long distances when employment opportunity presented themselves. The caste system did not pose any serious barrier to the switch from agriculture to industry or to worker mobility within industry. All kinds of caste groups took to factory employment.

3) The industrial labour force has not been particularly unstable. The quality of labour, and the degree of its commitment to industry were more a result of managerial policies and market forces than of the psychology of the workers and their involvement in the traditional social structure of caste, kinship and village.

Myres argues that Indian managers showed little interest in labour problems. The work force of the Bombay cotton mills in the thirties was little more than a vast seething mob, with few loyalties and even less discipline, labour was cheap and plentiful, and it was poor economics to take measures to foster a stable and committed labour force. This situation does not obtain any longer. Labour may still be plentiful, but the era of cheap labour is over. Moreover, workers are now well organized, politically conscious and have powerful political allies. Labour would certainly not tolerate short sighted managerial policies. Since workers retain their links with the village, visits to the village are now institutionalized and undertaken with the consent of the management. Myres concludes that turnover has dropped sharply because the worker wants to keep his city job. But he also wants to retain his links with the village.

Holmstrom's study of engineering workers in Bangalore, conducted in the seventies. The Bangalore workers are production conscious and admired had conscientious work. They accepted the production goods of management even when they disagreed with managerial policy. They wanted to do work which was skilled, offered some variety and from which they could learn something new and useful. The job of craftsman was considered most satisfying. Most men had jobs which revolved the performance of repetitive tasks, but they saw their as the price to be paid for working in a good factory with high wages and security. It was every one's endeavour to move from a monotonous to a more skilled and interesting job, and from a small factory which offered lower wages and less security to a larger and more prosperous one where the job paid well and was more secure. The large factory is a citadel of security and relative prosperity factory work is seen as a career, and industrialism as a good way of life. Few men would leave a good factory job indeed most would want to marry a working girl.

Although the percentage of industrial labour to the total population of the country is still small the evolution of the wage-earning class in India has obviously been the inevitable

consequences of the country's industrial development assisted considerably by the tremendous increase in population. The rapid increase in population of the country resulted in increasing pressure on land forcing many persons to find alternative occupations. It coincided with the deterioration of the traditional rural industries on the one hand & rising demand for labour from rising urban industries on the other. Thus, the emergence of an industrial labour force in India is markedly different from its counterpart in countries like England. Some of the notable peculiarities of Indian industrial labour in the course of its evolution may be stated to be illiteracy, ignorance and conservatism, heterogeneous composition and consequently lack of stability & a united front, migratory nature irregular attendance & unpunctuality low standard of living, lower efficiency and productivity, lack of mobility etc.

Important characteristics of Indian workers. (The early industrial workers):-

Some important characteristics are as follows :-

Migratory character:

One notable characteristic feature of the industrial labour in India has been its migratory character, which indicates the absence of any permanent industrial population in the country claiming the industrial towns or cities as their homes the majority of workers being immigrants from adjoining or remote countryside. The industrial workers in India are mostly migrants from the villages. The industrial working classes in India have not been a homogeneous class the workers drawn from all parts of the country & from all sections of the people.

The causes of migration have been manifold they are as follows :-

- a) The main cause of this migration is the pressure of population not only on the land but also upon the village & its resources.
- b) The joint family system has also facilitated such migration as some members of a family could leave the village without having to break up their home or give up their land.
- c) There has been a gradual increase in the class of landless agricultural labourers which has long been in existence in this country.
- d) The landless labourers belong to the depressed class gradually migrated to the cities to avoid various social disabilities. As the industrial employment tends to break down social caste distinctions, these people receive for better social treatment in the industrial centers than in the villages.

- e) In some cases, people have migrated from the villages to cities to escape various penalties for offences against the village social or moral code as well. Family worries & quarrels also compel some villagers to migrate to cities & seek employment in the factories there.

The effects of migration of the industrial workers from the villages to the cities in India are traceable in every phase in industrial life:-

1) As the migration of these workers may be inter-district and interstate, hence, the labour population in most of the industrial centers of India has been composed of a heterogeneous class speaking different languages & following different customs & religions. The factory operative, therefore often finds himself in an entirely new & unfamiliar environment & his life tends to become more individualistic as opposed to the community life in the village.

2) The migratory character of the workers in Indian industry has often prevented them from joining any permanent labour union or unions that are alien to their traditional kinds of social affiliation. The majority of the workers have not liked to pay their monthly or annual membership subscription to the existing unions or take any active part in the formation of a new union because they did not intend to live in the industrial town permanently.

3) The majority character of the industrial workers has also been one of the causes of frequent 'absenteeism' which is largely found in Indian industries. The employers have therefore to maintain an additional complement of the workers or they have to employ a larger staff including the substitute workers. The cost of production is. Thus, unnecessarily increased and efficient work is hampered. The efficiency of the workers has also suffered because they are not able to get full & proper training in a particular operation due to the frequent breaks in their work owing to their occasional visit to their villages.

4) The worker in the industrial cities has to live generally in dark, narrow & congested quarters in various 'bustees' lacking sanitation. The health of the industrial workers is affected adversely by the extremely low quality of diet which he usually gets in the city owing to his low wages or improper food habits.

5) The enforced separation from the family owing to inadequate & poor housing & excessive congestion in the industrial cities further impairs the health and efficiency of the workers. Deprived of the happy pleasures of the family life, the workers in the city easily indulge themselves in various unhealthy and immoral practices such as drinking of intoxicants gambling & sexual immorality.

6) Unfortunately, in India there is a growing disproportion between employment opportunities and labour supply in the industrial areas increasing constantly through new influxes from the country-side. This has exercised a depressing effect on urban levels of living to the extent that in some cases the newcomer to the town has merely substituted urban misery for rural poverty.

7) The migratory character of the worker in India has often been taken as an excuse by some of the employers for not providing the various social amenities of life.

It is significant that such migration of workers from the rural areas to the urban centers of industry in most cases has been of a temporary nature. At heart, the factory workers are essentially villagers & long to go back to the village. The reasons for such temporary nature of migration of Indian industrial labour are as follows:

a) Life in the cities & the conditions of work in the factories do not suit them; these are entirely different from those to which they are accustomed.

b) Without proper housing they cannot keep their families with them. Besides, the cost of living in the cities is very high. Hence, they prefer to leave their wives & children in the villages where they can live cheaply in a healthy atmosphere & also can obtain some work occasionally.

c) Due to inadequate housing accommodation, there is too much moral degeneration among the working class in the industrial cities. There is no privacy at all & the workers, therefore, prefer to leave the wives & daughters in their village homes. Hence, the workers have to maintain a close & constant touch with the villages.

d) The workers also make frequent visits to the villages in order to meet their relatives and friends. These visits often coincide with some social or religious ceremony.

e) Loss of traditional forms of security has also been an important impediment to stabilization of the newcomer in the new social environment. Attachment to the traditional forms of social security and confidence in their efficacy as compared with the uncertainties of industrial employment are important influences preventing the peasant migrant from setting permanently in an urban environment.

A stable labour force “connotes loyalty & co-operativeness, acquired skill & practical understanding & has a value which cannot easily be measured in financial terms”. Broadly speaking, the connection between the village & the stage of the

industrialization whenever the organized factory industries have stabilized themselves, they have attracted a permanent industrial population. Whenever the employers have looked after their workers by paying a decent wage, providing good housing accommodation & making the provision for the future etc. Labour is much more stable than elsewhere. Various measures like the introduction & wide extension of employees state insurance & employees provident fund schemes & labour welfare fund in industrial undertaking in India have gone a long way in stabilizing the industrial labour force in the country. A worker today is far more urban in taste & outlook than his predecessor.

The industrial worker's link with the village as a cause of instability in the labour force has now become or less a matter of history & today the workers do have their connection with the village but they do connection with the village but they do not go there for any economic pursuit but mainly for relaxation, attending social ceremonies & spending lone holidays. They have almost lost their economic interests on land and have decided to adhere to the occupation they have chosen.

Studies on industrial workers in cities like Mumbai, Pune, Delhi & Jamshedpur shows that the earlier migrants had an urge to go back to the village but the later ones show increasing commitment to urban life & factory work. The age of the worker is also a factor, urban attractions working more strongly, on the young. This is more or less true in expanding urban industrial centers where a vast majority of the workers in cities are commuted to factory jobs. In order industries, a second or even a third generation of workers has emerged. A self generation, working class with its roots in the industrial environments in which a worker is born & bred is thus growing in strength.

Low level of literacy:

It is common knowledge that the industrial work force has a very low percentage of literacy. However, a worker today is better aware that learning is essential for improved earnings. He is keen about self-education at adult literacy centers & even keener about the education of his children & their future. He wants them to enter into more remunerative avenues, which were denied to him because of requirements of skills. And this aspiration is not confined to the urban workers. It has traveled to rural areas but not to the too distant among them. The aspirations of workers have changed mainly because of the induction of a large number of young workers in working force. Some of the worker's aspirations are the result of the social consciousness. Others have arisen out of what they see around them. The role of political parties & trade

unions in making workers conscious about their surroundings has been no less significant.

Low degree of unionization:-

Organization of industrial labour & trade union growth in India has not been healthy largely owing to the fact that the characteristics of the labour force indicated above have worked as a great obstruction against the development of union consciousness amongst the workers.

Since independence, because of the recognition by the feasibility & inevitability of trade union by the government and also by employers of trade union by the government and also by employers, the degree of unionization has been increasing. Besides a worker today is more politically conscious than before more articulate in his criticism of the existing order & more sensitive of his conditions & hardships. He has participated in political and constitutional processes of elections. Workers turn to union for fulfillment of their aspirations. Their own participation in union activities may be marginal because of their pre-occupations but they do not hesitate to avail of the services of their union when in need. When it comes to choosing the union to which they should belong, the consideration at the back of their mind is to support the one which can deliver the economic goods. All he looks for in the leader is sympathy for the cause & capacity to put across his grievances to the employer. He is prepared to pay for the services which the union is able to offer. It may be for the cause which is of direct economic interest to him or for welfare activities but more for the former than the latter.

High rates of absenteeism & labour turnover:-

According to Webster's dictionary," absenteeism is the practice or habit of being an 'absentee' & an 'absentee' is one who habitually stays away".

According to encyclopedia of social sciences, absenteeism is the "time lost in industrial establishments by the avoidable or unavoidable absence of employees. The time lost by strikes & lockouts or by lateness amounting to an hour or two is usually not included.

K.N.Vaid says that unauthorized absence is the core of absenteeism measurement".

The working party for the textile industry defines absenteeism as "the average percentage of workers absent from work per day for any reason".

According to another definition, absenteeism is the total man shift lost because of absences as a percentage of the total number of man shifts scheduled to work”.

In another words, absenteeism signifies the absence of an employee from work that is unauthorized unexplained, avoidable and willful. This absence is the failure of the worker report for work when the employer has work available for him & the worker is a aware of it and the employer has no reason to expect, well in advance, that the employee will not be available for work at the specified time.

Frequent absenteeism in industrial establishment is a great handicap both to worker and the industry. According to frequency rate of absenteeism, any absence of a workman over a continuous period of days is taken as one absence. As “no work no pay is usually the general rule. The loss to the worker due to absenteeism is quite distinct. When the workers fail to attend to their regular work. Their income is reduced and the poor workers become still poorer. Hence the health and efficiency of the worker is affected adversely by the irregularity of the worker in attendendance. The loss to the employers and the industry due to absenteeism is still greater as both discipline and efficiency suffer. Further, the employers have either to maintain an additional complement of workers throughout the yea to meet this emergency or the industries have to depend solely on workers who present themselves at the factory gate & who age generally inefficient.

Thus, the employers as well as the workers both suffer a distinct loss due to absenteeism.

Various causes responsible for the prevailing high rates of absenteeism among the industrial labour in India areas follow:-

- 1) The most important causes of absenteeism of workers in various industries in India is the frequent urge of rural exodus. The incidence of industrial fatigue. Universal malnutrition & bad working condition aggravate the felling for a change among the Industrial workers & sometimes compel them to visit their village homes frequently for rest of relaxation.
- 2) Attachment to the traditional forms of social security & confidence in their efficiency has also been largely responsible for the prevailing high rates of absenteeism in various industries at different industrial centers in India.
- 3) Sickness or pretended illness as certified under sickness insurance scheme is to considerable part of the absenteeism at most places. The vitality of Indian workers is generally very low owing to their low standards at like of poverty. Hence, they

fall an easy prey to various diseases & therefore they fail to attend to their regular work & thus become absentees.

- 4) The percentage of absenteeism is generally higher during the night shifts than in the day shifts. The workers during the night shifts experience greater discomfort & uneasiness in work as compared to their work during the day time.
- 5) Industrial accidents, religions & social ceremonies and various other rites on the occasion of births and deaths are also some important causes of absenteeism in industrial establishments in India.
- 6) Monotony of the job, bad working conditions poor supervisions etc. also influences adversely the rate of absenteeism.
- 7) Low morale of workers has also been an important cause of frequent absenteeism in Indian industries the workers absent themselves from work very often due to their frequent indulgence in various amusements like drinking, gambling etc.
- 8) It has been noticed that absenteeism is lowest on the pay day and there is generally a rise in the level of absenteeism immediately after pay day. The fatigued worker after the monotony of work for a long period have an innate desire of having a good time with their friends & relatives or returning to their village home for a short period to meet their wives and children as soon as their pockets are filled up.
- 9) Absenteeism is generally high among workers below 25 years of age of among those beyond 40. This is presumably due to the presence of a large number of newcomers among the younger age group the strenuous nature of work.
- 10) Absenteeism rates have generally been found to be higher in large concerns than in the smaller ones where the manager or the boss can maintain personal contact with the employees.
- 11) Management attitude or unrealistic or improper personnel policies also sometimes contribute to higher absenteeism.

Absenteeism is a very intricate problem for the industry, which requires a very comprehensive & integrated approach and which can not be solved through piecemeal efforts either by deterrent punishments or disciplinary measures alone. The industrial absentee is rather a creation of the social set up. The cure for absenteeism therefore, lies "not so much in a readjustment of the man to the social conditions but principally in a readjustment of the social conditions to the need of the man."

The control of absenteeism in any industry calls for a three-way approach; firstly, proper action should be taken to make assessment of appraisal of the magnitude of the problem which necessitates the keeping of regular & up - to-date record of

absenteeism data collected on a scientific basis in accordance with a uniform standard formula for such computation. Secondly, the various causes leading to absenteeism in industry should be properly investigated. Lastly, essential measures directed towards the removal of such causes should be undertaken in a comprehensive manner. However, for bringing about a positive reduction in absenteeism in industry it is necessary to undertake all possible welfare and other measures to combat the sense of frustration of the industrial workers, to relieve them of their personal & family worries & to improve their health. Nutrition plays a predominant part in promoting health & vitality provision of suitable housing facilities in the industrial cities would also go a long way in improving attendance. An effective measure to deal with absenteeism would be to provide to the workers holiday preferably with pay & allow them to have sufficient rest & relaxation. This will also enable the workers to attend to their private affairs occasionally. Introduction of rest pauses during the work in the factory has also been found to be very helpful in this direction. Effective propaganda & efforts to educate workers are needed in this direction. The best policy to reduce labour absenteeism would be to improve generally the condition of life of work for the workers & make them feel contented of happy in every possible way.

Labour Turnover:

Labour turnover signifies the shifting of a working force into & out of an organization and therefore, it broadly refers to the inter firm mobility of labour, it may be defined as “the rate of change of working staff of a concern during a definite period.” Labour turnover measures the morale of the workers and their efficiency. These two things, are the life & blood of an industrial organization & therefore, the problem of labour turnover which is ultimately the problem of the stability of the labour force needs a serious consideration of all concerned.

A heavy rate of turnover like frequent absenteeism is a great handicap to the workers as well as the industry; it implies reduced skill and efficiency on the part of the workers & diminished output for the industry. Some amount of labour turnover is rather inevitable and natural. Such type of turnover arises on account of retirement of old employees and accession of fresh blood. But the percentage of such turnover is very small in most cases; turnover arises on account of resignations & dismissals. Such turnover proves to be very harmful. The loss to the workers is distinct. A) Turnover lowers their efficiency b) On account of a change in service from one mill to another; the workers are not able to enjoy the various advantages of continued employment in one concern. C) Owing to defective system of recruitment, the workers after leaving the job in a particular mill are required to pay substantial price for their

reengagement in the same mill after some time) The movement of the workers from mill to mill & from industry also affects the solidarity among them adversely. The loss to the employers is still greater.

- a) The new workers are often not able to adjust themselves immediately to the machines as well as the methods to working. Accident rates of new employees are usually higher.
- b) The output suffers both in quality as well as quantity.
- c) Labour turnover is a serious obstacle to the complete utilization of a country's human and material resources.
- d) Hiring as well as training costs are increased labour turnover, thus affects industry & the workers adversely & has its repercussions, on the society also. The nation is prevented from using its productive resources to maximum advantage.

The causes of labour turnover are varied and may be classified in different ways. They may be classified as avoidable & unavoidable. The former is concerned with the factors that are related to the personnel policy of the establishment and the latter is concerned with those factors which are beyond the control of the management. The former thus refers to resignation, dismissals & lay-off unavoidable turnover or natural turnover arises because of factors like death, retirement & frictional unemployment etc. Workers may be laid off on account of reduction in quantity of work due to industrial process or discontinuance of the business-

Resignations & dismissals are the chief causes of labour turnover, Resignations may be on account of various reasons such as dissatisfaction with working conditions insufficient wages, bad health, sickness, old age, family, circumstances & in certain cases, exodus to the village for agricultural operations or some other on account of participation in strikes, misconduct, insubordination, disciplinary action in cases of inefficiency etc. one cause of dismissals have also been alleged to be the victimization by the employers of workers who take an active interest in the trade union activities. Besides the above two cause of dismissals have also been alleged to be the victimization by the employers of workers who take an active interest in the trade union activities. Besides the above two causes, the badly system has also contributed to a high labour turnover because with a view to providing work to badly workers many workers are force to take leave.

The labour turnover is the result of a number of factors like there pertaining to the job those pertaining to the workers, those pertaining to fellow & workers & unions, those pertaining to the methods of handling men, those pertaining to the availability to more attractive opportunities those, pertaining to the methods of

recruitment etc. These various factors affecting the turnover rate, cause it to vary according to time, locality, firm industry & the character of both the workers & the management. Labour turnover is, therefore, more or less concentrated among new entrants to the workforce, certain relatively unattractive jobs; less skilled workers & young persons.

A high rate of labour turnover is highly undesirable & efforts should be made to reduce it as far as possible. Separations which are not unavoidable can be reduced to the minimum if the following facts are kept in view.

Firstly, before proceeding to adopt curative measures an accurate diagnosis of the evils is essential. Therefore, proper statistics in regard to the extent of turnover should be maintained to analyze the problem scientifically. Secondly vocational guidance which is gaining ground these days is essential for helping people in the choice of jobs. Thirdly, the problem of labour turnover is, to a large extent, bound up with that of recruitment, if the selection of workers admitted to a firm is not carried out skillfully, either the level of work is poor or there is a high rate of labour turnover. Therefore, scientific system of recruitment selection & placement will largely help in reducing labour turnover. Fourthly, scientific selection pre – suppose job analysis of & worker analysis. Comprehensive study of occupational requirements is essential in finding out the fitting man for the fitting job. Fifthly, research of the industries of great importance as it reveals the difficulties & drawbacks in an organizational set up. Sixthly, enlightened labour supervision will be another important step in this direction. Labour supervision embraces everything that leads to decent & congenial work - atmosphere. Good working conditions, better standard of wages, a good system of transfers & promotions, sympathetic & considerable supervisory staff are some of the essentials in keeping men to jobs. Facilities for education & training, security of employment, facilities for recreation & amusement, provision for old age pension or insurance are certain other factors which can be helpful to a large extent in reducing labour turnover, finally, it is important to provide a fair deal to the workers. Labour turnover is the workers may have against the work & atmosphere. It is therefore, essentials that there should be definite means of communication between the management & the workers for the workers for the ventilation of grievances & for encouraging mutual understanding & general co-operation. Victimization of workers for taking part in trade union activities must stop altogether. Thus, any measure conducive to economic advancement and welfare of the workers is bound to reduce labour turnover of the minimum in Indian industries. The Govt of India has been doing a lot in this respect besides passing laws and seeking to enforce them through various agencies.

The modern workers:

Today, many of the workers in the industries are city born, though some of them still come from the villages. In the new industrial townships or colonies, the vast majority of workers come from nearby villages or tribal areas. But they are no more too much attached to their native places.

According to some studies conducted on the status of workers. 50% among the women workers from modern industries & 24% among those from traditional industries had broken all the connections with their villages so they never visited them.

Further, it is proved & confirmed by many studies. That modern worker is more committed by many studies. That modern worker is more committed to industry, he has accepted factory discipline, ready to learn new skills & shed old ones, producing efficiently & fighting for his rights as a worker through a trade union. He may have still deep rooted interest in land, but this does not come in the way of his career.

Though high absenteeism is not there but some absenteeism might be due to the attachment of farm life among the workers, although it is not so alarming.

Certain characteristics of modern Indian worker can be listed out in the following way:-

- 1) **Less dominance of caste system:** Indian workers are divided & subdivided on the basis of caste, region, and language but these are not very important today. With the introduction of reservation policy by the Government, the caste structure has lost its significance in industries.
- 2) **Higher education:** Through Indian industry got agricultural hands during its early days, it has not been securing workers with higher educational qualifications compared to the minimum qualification of the job.
- 3) **No more agricultural work-experience:** The research studies conclude that most of the workers have rural background due to not have agricultural work experience.
- 4) **Good attendance record:** The research studies show that today among the modern workers, absenteeism is far less. Most of the workers with rural background have a good attendance record. Immigrants displayed work adjustment superior to that of local employees.
- 5) **Good working conditions:** Workers who works in better conditions and have less stress, do not go absent from work.

- 6) **Low mobility:** Indian workers are less mobile. They do not leave job and go to another. This is mostly due to excessive obedience, lack of competitive spirit, having desire of staying in or nearer to the native place, resistance to change, problem of adaptability to the new environment & organizational climate etc. This shows that Indian worker is habituated to do routine tasks rather than accepting challenging jobs.
- 7) **Disservice for job security:** Indian workers are more keen on getting jobs which offer security. They want permanent job through initially the job does not have high salary.
- 8) **Less unionization:** Indian worker, though he subscribes his name to some union or the other, he does not participate in any of the union activities. Most of the workers are highly self-centered.
- 9) **Wages:** Higher wages create more interest and more authority. It also provides more sense of responsibility.
- 10) **More disciplined:** Today workers are ready to be disciplined and controlled. They follow most of the rules.
- 11) **Technology & workers:** If the technology is superior, the worker accepts the challenge & can adjust well with the work situation.
- 12) **Skill & workers:** Skilled workers are more satisfied than unskilled workers.
- 13) **Workers & aspirations:** Workers at higher level have higher aspirations.

Some of the notable peculiarities of Indian industrial labour (the early industrial workers) in the course of its evolution may be stated to be illiteracy, ignorance and conservatism heterogeneous composition & consequently lack of stability & a united front; migratory nature, irregular attendance and unpunctuality low standard of living, lower efficiency & productivity, lack of mobility etc.

Indian workers are changed now. The modern workers are no more villagers at heart, they are no more villagers at heart, they are city born, educated, skilled and ambitious.

4.4 THE DEBATE ABOUT DUALISM

India a dual economy, in which organized sector employers and permanent workers are privileged at the expense of the industrial unorganized sector and the rural masses. Since capital is scarce and labour abundant, this leads to growing unemployment. Traditional craftsmen lose their markets, small firms, using labour

intensive if not traditional methods, cannot offer enough alternative employment because they can not compete with larger firms.

1) The ILO mission to Kenya advocated strong action to remove the constraints on the informal or unorganized sector, and to increase the formal sector's demand for goods produced in the informal sector. If small firms cannot beat the large ones, they can join them, successive Indian governments, acting especially through the small Industries service. Institutes, have tried to encourage the growth of small scale ancillaries to large form or to find organized sector markets for the small firms ' products especially in the engineering industry. And whether or not one believes in putting constraint on large firms, it is clearly sensible to remove constraints on small ones to and to foster a healthy complementary division of labour by helping those developing small units which need it most.

2) Organized sector workers enjoy much higher wages than unorganized workers with the some skills, or simply by being in the organized sector, they have chances to acquire valuable skills which cannot be learned in small firms. Two things perpetuate there differences.

Unions which are strong in the organized sector but weak or absent in small firms, and labour legislation, which cover only the organized sector and is effective only in the larger firms.

Theirs H and V Joshi argue in Surplus labour and the city a study of Bombay that the authorities have to revise their image of the unorganized sector as a motley collection of riff-raff with little productive potential. The unorganized sector could provide employment to a much larger number, satisfy the needs of the masses more cheaply and efficiently and produce for export if it were not held back by a structure of regulations and politics when more serve the needs of small group with vested interests. If so this privileged group includes organized sector employers, workers and unionists. The organized sector workers can afford to educate their children better, and can find them jobs, so that the privileged class of organized sector workers continues from generation to generation and loses touch with the masses.

Capital Intensive technology and large units go together, they are also said to lead to over concentration of people and employment opportunities towns. This leads to slums social breakdown and crime. It impoverishes the countryside, takes away gifted people and puts the rural masses at a disadvantage.

Modern production methods pollute the environment more than traditional methods, and mop up the world's stock of limited resources. Modern production methods not only deprive the

masses of useful employment, but dehumanize those who do get employment, destroying the natural rhythms of agriculture and handicraft work. The worker becomes alienated besides, in small units - even if the technology is not traditional the relation between workers and employers are closer, more human and less exploitative than is larger firms.

Flourishing clan of small businessmen, in close personal touch with their employees, are a check on the polarization of society into rich and poor, the existence of a large number of independent self employed persons is a guarantee of the maintenance of democratic institutions, an obstacle to the dominance of trade unions and a barrier to communism. H and V Joshi holds that large firms make the wrong products, mainly luxuries for the rich. Organized sector is only interested in supplying lucrative urban markets, not in stimulating the healthy, growth of small firms which could complement the large ones in supplying mass consumption goods cheaply there is little multiplier, effect, since the large firms use the weaker unorganized sector only on grossly unequal firms.

The organized and unorganized (formal and informal) sectors of urban industry are merely links in a chain of relations of exploitation stretching from the multinational companies with their political allies in rich countries, down to the poorest of rural poor. Foreign investment and aid, the impart of inappropriate technology, dependence on trade with rich countries and the building up of an indigenous bourgeoisie and managerial class with expensive tastes are means by which the dominant foreign interests extract surplus in varying degrees from everyone lower down the chain.

Radical believe that western affluence and the consumer society, even if they were attainable in India are false ideals. Indians should content themselves with a modest self sufficiency, a simple frugal life of duty, co-operation, and spiritual rather than social equality. They should return to the traditional values of the village republic society.

3) It is true that the Indian industrial economy is a dual economy, where the whole organized sectors-owners, managements, worker and unions form a privileged enclave or elite, at the expense of the whole unorganized sector. Owners and workers alike - which is prevented from realizing its potential for employment and production; and there unorganized sector workers, like peasants and other outside industry get the backwash of industrialization not the benefits?

The organized sector means firms with ten or more workers which should be registered and inspected under the factories Act.

The smaller unorganized sector firms come under another Act which is enforced, if at all, by local authorities. Informal sector is used in much of the literature, as is other countries to cover a wide range of way to make a living 'small scale industries' defined in India as those below a certain investment limit, are entitled to advantages like easy loans and reserved product times. Thus many small industries are in the organized sector, and more would be if the law were enforced. Ownership is something else; many small firms are owned or controlled by men with multiple interests, who switch their capital from one use to another, or sometimes by very big companies. There is a wide grey area, of firms which should legally be 'organized' but in fact are not.

4.5 SUMMARY

The organized sector depends on the unorganized or many wags for parts components and sometime maintenance which would be uneconomic for large firms to do for itself. Because wages from unorganized sector employment very low and unstable when added to family incomes make it possible for present an potential organized sector workers to maintain themselves somehow in expensive cities like Bombay. Cost which would otherwise have to be borne by a welfare state, or by paternalistic managements on the Japanese model.

4.6 CHECK YOUR PROGRESS

- 1) Explain the term Labour commitment.
- 2) Discuss problems of Labour commitment.
- 3) Role of ILO in improving the condition of informal sector.
- 4) What is organised sector.
- 5) Discuss informal sector.

4.7 REFERENCES

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4.8 QUESTION

- 1) Write a note on labour commitment in India.

FORMAL ORGANIZATIONS : STRUCTURE AND CHANGE

CONCEPTS

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Organisation process
- 5.3 Formal Organisation
- 5.4 Functions of an organization
- 5.5 Structural features of identical formal organization
- 5.6 Dysfunction of bureaucracy
- 5.7 Bureaucracy V/s democracy
- 5.8 Surveillance in organization
- 5.9 Summary
- 5.10 Check your Progress
- 5.11 References
- 5.12 Question

5.0 OBJECTIVE

- 1) Aim is to bring awareness among students regarding native characteristics and functions of formal organizations.
- 2) To satisfy the basic needs of individuals in today's society, they have realized that by coordinating the human, efforts, they could achieve a lot what single individual cannot achieve.

5.1 MEANING / INTRODUCTION

Organisation is a group of people working together co-operatively under 'authority' towards achieving goals and objectives that mutually benefit the participants and the organization. Kossen state that 'an organization is a group of individuals coordinated into different levels of authority and segments of specialization for the purpose of achieving the goals and objectives of the organization'. "On the other hand, Alien defines an organization as 'the process of identifying and grouping the work to be performed defining and delegating responsibility and authority and establishing of objectives."

The essence of this definition is that people who work together require a defined system or structure through which they relate to each other and through which their efforts can be coordinated. Every organization has goals or objectives for its existence. The formal organization structure attempts to give order and unity to the actions and efforts of those who work together.

5.2 ORGANIZATION PROCESS

The organization process is the forming of structural inter personal relationship. This process involves eight steps; viz (1) determination of organizational goals or objectives to be strived for, (2) determination of the task requirements (i. e. the amount of skills, effort and knowledge) necessary to achieve the goals. (3) division of task into different jobs to find out how many personal will be needed for the complete tasks (4) integration of jobs into departments or other work groups to take advantage of the specialization and efficiency. (5) Selection of personnel to fill jobs (6) assignment of work positions to the individuals (7) granting of authority to people to carry and the duties of their jobs (8) determination of superior subordinate relationship for facilitating the performance evaluation.

An 'organisation' is a mechanism with which a management directs, coordinates and controls the activities of man. It is distinct from an 'administration'. As Sheldon has said 'an organization is the formation of an effective machine, the management of an effective executive and the administration of an effective direction. An organization is a machine of management in its achievement of the ends determined by its administration."

This means that the organization is a system which manages, administers and directs the people and resources to achieve its ends.

5.3 FORMAL ORGANISATION

C. I. Bernard has defined the formal organization as a system of consciously coordinated activities of two or more' person's. Thus for him, formal organization is (a) personal impersonal in nature (b) composed of members who bear relationships with each other, (c) Usually is a part of larger co-operative systems.

For Giddens, an organization is a large association of people run on impersonal basis, setup to achieve specific purposes. These are mostly designed and established with definite aim in view and housed in a building or physical setting specially constructed to help realize these aims.

For Schaffer a formal organization is a specific purpose, group designed and structured to maximize efficiency. He also has pointed out organizations vary in size, in specificity of goals and in degree of efficiency but are structured in such a way as to facilitate management of large scale operations.

The relationship in formal organization is secondary, impersonal, indirect, contractual and temporary. All contacts one official and goal oriented. People hold various statues and behave accordingly. Rules are written and officials and workers are controlled by reward and punishment system.

Max Weber developed the first systematic interpretation of the rise of modern organizations. Organisations, he argued, the way of coordinating the activities of human beings, or the goods they produce, in a stable way across space and time Weber emphasized that the development of organizations depends on the control of information and he stressed the central importance of writing in this process; an organization needs written rules for its functioning and files in which its 'memory' is stored. Weber saw organization as strongly hierarchical, with power tending to be concentrated at the top. For Weber detected a clash as well as connection between modern organizations and democracy that he believed had far reaching consequences for social life.

All large-scale organizations, according to Weber tend to be bureaucratic in nature. The word bureaucracy was coined added the ward bureau, meaning both an office and a writing table, to curacy, a term derived from the Greek verb meaning 'to rule'. Bureaucracy is thus the rule of officials. The term was first applied only to government officials, but it was gradually extended to refer to large organizations in general. Other writers have seen bureaucracy a model of carefulness, precision and effective administration. Bureaucracy, they argue is in fact the most efficient form of organization human beings have devised, became in bureaucracies all tasks are regulated by strict rules of procedure, Weber's account of bureaucracy steers a way between these two extremes. A limited number of bureaucratic organizations, existed in the traditional civilizations. For example a bureaucratic office in imperial China was responsible for the overall affairs of government but it is only in modern times bureaucracy has developed fully.

Weber constructed an Ideal type of bureaucracy accepting certain features, six characteristics of any formal organization with bureaucratic system. For him there must be:-

- a) Hierarchy of authority
- b) A line of communication
- c) Written codes
- d) 'Office' different from 'home'
- e) Efficiency and effectiveness as criteria of selection and promotion.

- f) Responsibility towards a specific job.

When we talk about formal organization in industry it has several functions. Industrial bureaucracy is concerned mainly with the authority structure of industrial organization. The complex organization in which the work is to be done has been divided into highly specialized jobs. A differentiated hierarchically ordered authority structure is required to coordinate these jobs and to ensure that they are being done properly.

5.4 FUNCTIONS OF AN ORGANIZATION

An organization tries to establish an effective behavioral relationship among selected employees and in selected work place in order that a group may work together effectively. There are three kinds of work which must be performed whenever an organization comes into existence

- a) Division of labour
- b) Combination of labour
- c) Coordination
- d) Specialization
- e) The need for specialized knowledge
- f) Indirect lines of communication. There are major functional needs which must be fulfilled if the system is to survive.

1) Division of labour - Since an organization is a structure of human association for the achievements of common goals, it involves individuals and groups of individuals. Work is divided among those who participate in a productive organization. The total labour required is split into a number of stages and one or more groups of individuals are assigned specific tasks related to each stage. With effective planning and organization, the division of labour leads to a fixing of responsibility, the delegation of authority, specialization and other conceptual schemes which are frequently called the principles of an organization.

2) Combination of labour - With work divided and assigned to the members of an organization, their activities are grouped together, forming operations and operations are arranged to establish system and procedures, from a structural point of view, this grouping of activities results in units, departments and divisions of an organization. The groups may be formed on the basis of skills of workers, the tools and machinery used, the nature of the product, the materials employed, or some other element.

3) Coordination - This is the process of integrating almost countless activities towards the achievement of the major goal and seeking

cooperation from the individuals and groups performing the task. Coordination is achieved through leadership, in the structural sense; it involves the fixing of responsibility and the delegation of authority. It establishes controls which provide for an efficient scheduling and performance of activities.

The industrial executives, technical specialist, junior managers, line supervisors and to some degree the productive labour have special sphere of competence and they are all brought together to work. The various technical processes are brought to order, in order to achieve efficiency and speed in production.

4) Specialisation - Each person or group is responsible for a definite or limited area specialization is necessary not only to achieve coordinate but also to allow personnel to acquire expertise at their work. The persons selected and assigned duties according to specialized abilities and capabilities. From the organizations point of view it allows proper utilization of the abilities of the individual workers and makes coordination of activities easier, facilitates the development and implementation of essential controls, encourages the efficient productiveness of workers, quickens the training process.

Each role in the bureaucratic structure is specialized and defined. People are selected according to their level of skills and experience, the degree of loyalty and ability to perform. But too much specialization also results in monotony, the workers feel little pride of accomplishment and it may also affect the opportunity of growth.

The need for specialized knowledge:- According to E. V. Schneider, the need for specialized knowledge is also one of the functional requirements. The increasing complexity of industrial system and of technology, the search for new products and the need to engage in long range research require specialized and authorized information in respective areas.

Indirect lines of communication :- The essence of social interaction and a primary condition for the existence of any social group is to be found in communication with abstract and symbolic communication through languages it is possible to communicate to even those who are not really present. A large organization which is formally organized and functionally specialized will rely on indirect communication to high degree.

Communication between the subordinates and bosses should pass through each ring of ladder without omission, as a message is moved downward or upward. No manager in the vertical chain should be bypassed on the communication queue moves its way. In order to achieve proper and efficient coordination, it is utmost necessary that all the concerned departments must be informed well. Workers must receive clear cut and specific instructions, the foreman must be conveyed and convinced regarding the broad purpose of production, all the intermediary

level of management including technical specialists and junior managers must know the details of work and the routine job, they should also be related to the chief executives so the various important specific information's and directions must go 'down' through the staff, through regular patterns of superior and reports and records must go 'up' both vertically and horizontally to reach the executives to enable them to make proper decisions effectively & immediately.

Long range planning: In order to achieve the aims of industrial organization, there is rational calculation regarding the future market prospects, the availability of raw materials and of the personnel. The future financial aspects are to be considered, change in technology and savings in costs of manufacture if not immediately, in near future should also be kept in mind. The main aim i.e. profit has to be maintained. There is need of proper systematic and scientific planning for future survival.

8) Personnel training and development:- Employees must be trained for their work and motivated properly to perform satisfactory the work assigned to them. Human Capacities must be made in consonant with the needs of production and profit making whether by command, force or persuading them.

9) Maintenance of external relations:- External relations may be analyzed in terms of 'inputs' and 'outputs'. Inputs include raw material, labour supply, capital, control and regulations of many kinds arising from different levels of government, pressure from labour movement's public opinions. Outputs include the sale of the finished products to another firm, to an institution or to the public at large, wages and salaries paid to employees, physical effects on surrounding Communities, donation to education or research laboratories. Inputs like government's demand for certain working conditions or labour welfare, forbidding, merging, control over the quality of the products affect internal organization indirectly. Outputs may lead to creation of departments designed to survey o control the market, legal staff to deal with government, welfare officer to look after the needs of the worker etc.

5.5 STRUCTURAL FEATURE OF INDUSTRIAL FORMAL ORGANIZATION

A successful industrial organization must meet the demands posed by

- 1) The aims of the organization for efficient production and the profit making.
- 2) The need of production, coordination, specialization expertise planning.
- 3) The need for mobilizing and controlling human capacities.
- 4) External pressures.

In order to meet these ends, the organization has the following features :

1) Pattern of authority and power: Perhaps the most fundamental structural feature of industrial organization is a graded or hierarchical ordered system of power and authority. Those who run the organization must have the ability or power to create and maintain a system of coordinated production mobilizing a working force, control its behaviour and meet external pressures.

The number of persons directly supervised by a single administrator needs not be large. Therefore there is necessity of rather elaborate hierarchy. This means that goals or policies are passed down from one rank to the next becoming more clear and definite at each step until they become clear directions for the performance of desired activities.

By power we mean ability to get things done. This may be possible either by forcing or pressuring the people or by persuading or educating people to enable them to merge their aims with the aims of the organization. Power must have some sort of legitimate claim to the right to rule and demand obedience. By authority we mean sanction given to certain persons holding important posts. Authority has to be defined and exercised properly in order to achieve organization goals.

Delegation and subordination of authority is needed to control every single act or decision to be performed. Delegation of authority is the delivery by one individual to another the right to act, to make decision, to requisition resources, to direct others to act and to perform other tasks in order to fulfill job responsibilities. Every individual is made to understand his obligation to the organization. Thus a line of hierarchy is maintained i.e. everyone in this line of authority occupies a position of power under some other person and commands with authority many other people under him.

Except workers all are given the authority to make and implement the decisions at their levels. President or the chief having no one above him has to make all obey his decisions. His power is shared by vice-President who gives 'instructions to General Managers under him. Thus authority is being delegated and sub-delegated to people from top to bottom. Workers have no one under him: have to obey all the inst; actions given to them by the supervisors.

The line of hierarchy is made to increase the efficiency and effectiveness of the organization. Though the importance of 'final authority' is reduced it is argued this hierarchy is necessary to coordinate the specialists. It is also needed to make necessary changes in the goals of organization according to changed situation. The authority system ensures that its members will act in accordance with the aims of the organization on a whole by obeying the instruction, rules and regulations.

HIERARCHY OF FORMAL ORGANIZATION:

Not only in industrial organization, in any other formal organization, there is what is termed as hierarchy. Hierarchy refers to various levels of authority in an organization ranging from the Board of Directors at the top to the operating workers at the bottom.

The formal organization structure is usually portrayed in the form of a pyramid. At the base of the pyramid are the operating employees (workers). Moving up the pyramid are found the first line supervisors (foremen). Such persons need both technical knowledge of their job and skill in human relation since they have direct authority over the operative employees.

Over these people are found middle management personnel consisting of superintendents, plant managers and Heads of Departments. Such personnel are responsible for the implementation of policies. They have leadership abilities and communication skills. At the apex of the pyramid is top management (Senior Executive, Vice President and President) They constitute the administrative level, which determines the objectives and policies of the organization. For them conceptual skill is utmost importance. Above them there may be the Board of Directors, elected by the shareholders of a corporate body. They influence overall policy since they select top management.

2) Departmental organization:- In order to carry out the necessary function, the organization is divided into two distinct departments 1) Line and 2) Staff. A line department is that department which is directly concerned with the process of production. Line departments are often called central departments. In line organization authority arises from definite and usually well recognized sources whose legitimacy is unquestioned. Orders are simple, clear and continuous. The focus of responsibility is clearly fixed and punishments and rewards can be accurately and suitably distributed.

Staff departments are those which are not directly concerned with the production process. There are assistants to production. These are engineering department, maintenance department and quality control department. They act as professionals and provide expert suggestions to make the production more effective.

3) The role structure of industrial organization:- Managers and workers are the two main roles in the organization. For all practical purposes management can control the use and disposal of tools or machines. Workers have no property rights in the tools or machines with which they work. Managers have a career. The individuals get promotion, more responsibilities more opportunities to work. While workers are never given any promotion, management is paid a salary i.e. as remuneration of total time spent for the performance of role i.e. fulfilling responsibilities of

achieving the goal while the worker is given a wage i.e. payment according to the time actually spent on production and nature of work on the daily basis. Thirdly the role of management is generalized a professionalized i.e. they need highly extensive knowledge to perform their role and according to certain codes. While workers role is highly specialized in the sense that they have to focus a limited area to work. Management has to enlarge its area of work and pay its attention to a number of fields at the same time.

Formal organizations are not restricted to only industry, hospitals, government departments, educational institutions, banks, communication system.

Every country in the world has been drawn into the great race to industrialize. The question is no longer whether industry is good or bad. Once begun industrialization transforms pre industrial societies substantially. There are certain fundamental directions in which they will change, and these directions can be ascertained in which they will change, and these directions can be ascertained from the present character of societies which have already industrialized. What are these universes of industrialization?

We term them as industrialism or definite characteristic of industrial society.

1) Greater differentiation of skill levels:- Marx anticipated that industrial technology would lead to **the redundancy** of human skills. The skill would be built into the simple machine minders endlessly performing repetitive monotonous tasks. But the growth of technology has led to the greater differentiation of skill levels. Skilled manpower, especially at technical, professional and managerial levels, is now a critical prerequisite for industrialization. Countries would be not possess, this input have to import skilled man just as they import technology. The oil rich countries of Africa and the Middle East are outstanding example of this industrial society creates demands for new skills even as old skills become obsolete. The labour force is organized along a hierarchy of skills

2) Increase in social mobility:- The labour force has to be mobile in term of skill occupation and place. As science and technology increase, the demand of a new set of skill always will increase workers have to adapt to ever changing requirement in modern technology. Roles, responsibilities and rewards in the society will depend on objectivity assessed merits and suitability and not on consideration such as caste religions race or sex.

3) Change in educational system:- As science and technology are given prime importance, and labour and jobs are to be matched on the basis of skills and education, education system also has to be geared to produce desirable technologists professional managers and other skilled

personnel the general level of education of the society will itself rise because education is the chief means of upward mobility.

4) Urban growth:- The industry tends to concentrate in cities and metropolises where infrastructural facilities such as transport, communication housing banking and educational institutional are available. The industrial society will be an urban society. Agricultural will have a place in but only as another industry i.e. agriculture will be totally mechanized or a rationally organized production geared to the pursuit of profit. Less and less people would be engaged in agriculture and more people would be living in urban areas.

5) Importance of government:- The role of government is very important. The government will have to build and maintain the infrastructure necessary for the growth of science technology and industry. The government will also take the responsibility to provide facilities like transport, communication, educational institutions and law and order. A high degree of government intervention is required to economy. A strike by coal mines, steel workers or automobile workers is not merely the concern of the employer. Since strike is harmful to the economy the intervention of presidents and prime ministers becomes inevitable. Planned economies will call for the greater state regulation than liberal democratic pledge for free enterprise. In socialist society the entire task of planning for economic development and executing the plan is the responsibility of the state.

6) Large organization:- Large formal organization which produces goods and services is the dominant feature of industrial society. The authority structure of the organization will give some the power to command and others the responsibility to obey. The managers will be relatively few, and the managed a great many. Written formal rules regulate both managers and the managed, regarding output, performance, hiring and firing, discipline, promotion etc.

Thus the industrial society develops an integrated and consistent body of values and norms which place a high value on individuals mobility, hard work, scientific and technological knowledge and the recognition of merit.

Pluralistic industrialism:-

This means that all industrial societies are not the same. There are differences found in many areas and also some similarities in some other aspect. These differences and similarities of societies can be explained in the following ways.

Force that diversity the societies:-

1) The nature of leadership:- Though science and technology are very important influence on society but the leader or upper class people lead the masses according to their views. Initially the traditional norms

predominate i.e. to conserve elite culture. This was done by keeping the masses illiterate. But this was temporary. As the technology spreads and the society proceeds towards progress through technology, everyone would accept the importance of mass educational and literacy and the upper class or leader would adopt new technology, science has to be accepted as a way of life.

2) Tradition family lies:- Strong emphasis on the family relationship continue for sometimes. These inhibit individual mobility on merit. Therefore in traditional society, the rate of social mobility is very low individual do not move out form their traditional pattern of family organization. Due to this, the economic growth does not take place traditional families like to conserve their culture.

But at most of the societies become modernized, the capital family units gets separated from the native large families and encourage mobility of young qualified children. Mean while improvement in transport and communication reduce the significance of distance.

3) Types of technology:- In traditional societies, technology would be primitive, labour intensive which delays the production process. But this may be necessary as these societies are overpopulated whereas Australia and Japan which are short of labour, use capital intensive technologies.

The forces which unify the societies:-

1) Time:- If we take a long view, it becomes evident that the forces for uniformity are for more powerful than those promoting diversity. As mentioned earlier, as the society progresses, upper classes or leader tend to adopt modernizing trends try to become one with the masses. They become more practical and determine to keep the rate of change or progress up. The capitalists or the government cannot afford to have any conflict with the workers since this can lead to major back downs and economy can be irreparable. The work force also develops a sense of realism. Technology has to be accepted and the work had to be done. Workers also understand the significance to time.

2) Technology:- After 'progress' technology is another factor which unifies societies. A certain technology cannot create many differences in occupational structure. The occupational structure needed for the process production of chemical or the assembly of automobiles will be fairly similar form one society to another. It the level of technology increases in a society, the force will rise and the workers will have to be mobile. Highly skilled workers cannot be governed in the same way as simple machine minder. The performance of such workers would be high. All these process will occur irrespective of national cultural or ideological differences.

3) Education:- The educational system will every where have to train people for the new jobs with batter education and training. Wage levels

will rise and the number of people in the middle ranges of the wage structure which will lead to a middle class society.

4) State:- The state has to promote economic growth moderate conflict between interest groups, and ensure that no particular groups monopolizes power.

Basic features of industrialism:

According to Wilbert Moore certain basic features are very fundamental all industrial societies.

1) Specialization:- Specialization takes the form of both individual role differentiation the organization of collectivities around highly particularized functions. A specialized function determines the combination of refined skills needed for its fulfillment. (Chemists, biologists, engineers, business, economists or accountants and probably trained inspectors to ensure standards).

Extreme subdivision of tasks in industrial production has given rise to specialization a productive component of technology. Yet social techniques in this regards are probably more imp like criteria of selection communication and administrative, coordination of a rather high order. The circumstances are mostly similar in other contexts; for coordination of some form is always the counterpart of specialization in a system that is successful in it's mission.

Size also encourages specialization and size again involve important elements of communication specialization may be also encourage growth of organized units by making possible rather elaborate relations through time and space.

Role differentiation:

This is seen in the bureaucracy in the form of skill distribution, a system of authority a communication network, a system of reward distribution and a labour market.

One crude index of specialization, the number of distinguishable occupations continues to grow in all industrial societies. New products and new process do not uniformly displace old ones and new services link specialists in new ways.

Although some specialties may finally disappear and some differentiated takes may be reassembled as a more complex occupation the over whelming trend toward greater differentiation continues.

Standards of consumption:

With growing prosperity standards of consumption are fast becoming similar in all industrial societies. Through income may differ but pattern of consumption or the symbols of status may be some.

Specialized interest groups:

A large number of voluntary associations have come up, serving specialized interests and need of people. These also serve as outlets of individuals emotions. Many can become the member and to work for the fulfillment of their desire or needs such members also get recognition as whole member and are rewarded accordingly.

2) Organization of change:- change especially desirable has to be planned. In many countries economic growth is planned and it is generally centralized i.e. by central government.

Social planning varies not only in the extent of significant change for which prediction and control may be sought but also in the matter of time. Many changes are institutionalized in the form of laws for ex. "inheritance of wealth" in family lineages, or protection of environment. It has been discovered that increasing use of chemical pesticides has led to harmful effects or continuous mining has led to environmental or natural depletion. Thus long term consequences have to be studied and assessed. A signal of warning has to be given .

2) Nature and distribution of power in industrial society:- In industrial society, through the power must be shared mutually, i.e. by both governed and governor to have a common policy but at the same time organization should also have some power for themselves to carry out their coordinating functions.

Eventually the industrial man will want to combine progress with freedom. Through the people are governed on the basis of consent rather than imposition, the industrial enterprise has to discipline them. There is freedom in term of leisure with higher wages and more free time, the worker will have greater time for leisure.

3) Trade unionism is believed to perform a number of important functions in an industrial society, providing stability in industrial relations and making stability in industrial relations and making industrial workers a viable unit in society with a potentiality to strive for their rights in work and incomes and make a coherent attempt to achieve improvement in the different aspects of their social life.

Review of industrialism:

The problem of poverty and unemployment could not be solved through industrialization secondly, the impact of technology is not same everywhere. It is more in areas closest to the production process and less in areas which are farther away finally, it has been admitted that the power structure in the industrial society cannot be the same. In capitalist societies the enterprise would get more power while in socialist societies, state achieves more power.

Technology is a dynamic force. It is a prime mover of new society. So as the technology changes, the society would also change. Thus industrialization is continues process. Social structures and institutions would change accordingly.

It is claimed that industrialism will promote greater equality. This has not come true. In fact there is large distance between rich and poor. There is on one side, a top class of highly paid executives and professionals on other side a low class of unemployed and unemployed people whom society does not need; in highly industrialized countries.

Through the manual workers have risen to middle class income, their values attitudes style of living and positions in class structure have not been changed. Kerr clearly argues that equality will come about in all industrializing society whether they be capitalist, socialist or communist or lack in a specific ideology altogether.

Finally the theory of industrialism says that industrialization exerts a converging influence with will produce a world society made up of industrial nations that essentially similar. This is also not true. This did not take place in such a short time period. Basic culture differences and historical facts should also be considered while discussing the feature of industrialization in different societies.

Political factors of industrialism says that industrialization exerts a converging influence with will produce a world society made up of industrial nations that essentially similar. This is also not true. This did not take place in such a short time period. Basic culture differences and historical facts should also be considered while discussing the feature of industrialization in different societies.

Political factors also contribute to the emergence of industrial society. Moore has pointed but that a part form the case and speed of industrialization, even the type and scale of development will depend on the kind of resources a society possesses and the nature of its political system.

Post industrialism:

After 1960s, the dark side of industrialism and damage to environment society and people attracted to attention of many thinkers. It

was realized that industrialization was no longer seen a cure of the ills that afflict human society. It has no solution to offer to alienation, the most fundamental problems faced by industrial man. The theory of industrialism assumed that the workers would accept the machine pacing, divided work and the authority structure of the plant. Man had to seek satisfaction not in work but outside it.

Industrialism was no longer a model of the good society. Sociologists began constructing a new vision of the good society to replace the old. This new vision had several names: post-scarcity society, knowledge society, information society. The post-industrial thesis is strongly associated with the name of Daniel Bell, who incidentally had earlier offered some theories on industrial societies as well.

Many observers have suggested that what is occurring today is a transition to a new type we are entering, they claim a phase of development beyond the industrial era. Altogether, knowledge economy is the most appropriate term to signify the characteristic of modern society.

A precise definition of the knowledge economy is difficult to formulate but in general terms, it refers to an economy in which ideas, information and forms of knowledge underpin innovation and economic growth. A knowledge economy is one in which much of the labour force is involved not in the physical production or distribution of material goods but in their design, development, technology, marketing, sale and servicing. These employees can be termed as knowledge workers. The knowledge information society or economy is dominated by the constant flow of information and opinion and by the powerful potentials of science and technology.

With the change in the basic resources, there is a change in technology. Intellectual technology, problem solving systems using electronic gadgetry which allow for national macro planning, forecasting and monitoring with respect to every aspect of societies- becomes more important than machine technology. With the change in technology comes a change in the nature of the product. The post-industrial society primarily service producing and not goods producing when there is change in basic principle and structure, basic resources, technology and product, occupation structure of society also changes.

Characteristics of post industrial society:

1) The basic principle of the post industrial society is theoretical knowledge. As Charles Leadbeater has observed. "Most of us make our money from air, we produce nothing that can be weighed, touched or easily measured. Our output is not stockpiled in shipyards or warehouses. Most of us earn by providing services, judgment of information and analysis, in different places. We are all in thin air business."

How widespread is the knowledge economy at the start of 21st century. The table shows the extent of the knowledge economy among developed nations by measuring the percent of each country's overall business output that can be attributed to knowledge based industries. Such industries broadly includes high technology education and training research and development and the financial and investment sector knowledge based industries accounted for more than ½ of all business output in the mid.

Investment into the information society in the form of public education, spending on software development and research and development now comprise a significant part of many country's budgets. Sweden invested 10.6% of its overall gross income while France invested 11% on public education.

2) It has been understood by surveys that there is rapid transition from a manufacturing to a service economy. Majority of workers for example in 1950 in USA were involved in services including trade finance, transport, health recreation education and government while in 1970s, employment the services had short up to around 60%. Britain and other industrial societies also followed suit.

3) The financial allocation towards higher education and research has been steadily on the increase in the most industrialized nations. All these show that theoretical knowledge has become the central organizing principle of such societies.

4) Bell contends that individuals now can talk to other individuals rather than interact with a machine. Bell visualized that the new workers i.e. knowledge worker works in pleasant surroundings and perform an interesting and varied job. He is engaged in the provision of services and not in the production of a good. He interacts with live people. He provides personalized service. There is no monotony or fatigue in such jobs. The workers get self satisfaction as he is fully involved in complete job. Finally, the new work place is a capital pleasant office room and not the noisy and impersonal shop floor.

Thus post industrialism is different from industrialism. But it is argued that although the scientist or engineer perform experiments collect data and produce services they do their job according to someone else is specification thus they are mere provides of information's. Production of scientific knowledge has itself become an industry.

5) Information technology has been developed very fast recently with this the contact between people has been facilitated at the global level. Individuals are now more aware of their interconnectedness with other and more likely to identify global issues and processes that was the case in times past.

6) Blauner argued that information technology will revolutionize the world of work by allowing new more flexible ways of working to emerge. These can give the worker greater control over and input into the work process.

7) The spread of information technology will certainly produce exciting and heightened opportunities for some segments of the labour force. In the field of media advertising and design, for ex. IT both enhances creativity in the professional is qualified valued employees in responsible positions for whom the vision of 'wired workers' and tele-commuting comes closest to being realized.

8) Today in 90s, society is called 'information society through processing data. There are large number of people involved in processing work, they work with computers and act as programmers, analysis and produce drawings or records. Manual jobs are reduce to minimum with the advancement of science and the subsequent development of technology, human needs and the quality of life is assuming a significant dimension. Education and knowledge now require new skills.

Information is first on assortment of facts descriptions and opinions. When this is properly formulated organized and pieced together it is called useful knowledge. To harness this knowledge into effective application, we need to design and develop special gadgets, devise a discipline of methodology, everything easy to understand, operate and not difficult to maintain.

This is called information revolution today computer is a wonderful invention to process information and knowledge under strict command and control while satellites, newspapers, telephone, telefax, radio, television are the media to carry the knowledge further. The design and development if new gadgets to process the information, the methodology to sift and sieve the information into practical knowledge as well as command and control mechanism of such gadgets and methodology us popularly known as information technology.

Never before, however there has been such a rapid and revolution change as is beings witnessed in information technology. Information in itself is a product having a good and responsive market and is oriented towards delivering both goods and services.

Where the emphasis is providing information through computers, a large number of computer programmer or operators deal with information available on a wide variety of subjects and issues that it's now a distinct craze to transform it into useful knowledge and then harness the knowledge for human needs, desires and imagination in a whole range of daily routine in entertainment in sports and game, social education and economic endeavors.

9) The last decade has seen the most formidable technological advances in information and communication technology ranging from fiber optics to micro electronics. Computers and of course the internet the fastest growing consumer services the world has experienced so far.

10) Global information super highways have been developed and because of them decisions are now being made quicker than ever before. As we enter the new millennium. The prospect of a global village supported by a wide information infrastructure will provide new changes but also risks.

11) Since its origins, information technology has continuously extended in to new area, making way from mathematical computation and data processing via, making its way from mathematical computation and data processing via office automation to electronic commerce. During its expansion and transformation existing technologies like tele communication and manufacturing have been reshaped, and new ones like virtual reality were created. In today's society information has become one of the essential goods becoming integral part of modern society and everyday life.

12) As computers are involved in an increasing amount of application domains, the necessity for sophisticated human computer interfaces arises (demand driven). Easy use interaction is required to bring down education time and raise acceptance within the group of possible users.

13) Broadband networking enables applications to be performed independent from the location. Tele working, tele education, tele medicine and tele shopping are some examples. More powerful processors, advances in software and virtual reality improve business process as well as everyday life.

14) Future information technology not only will affect big business domains but also will influence the everyday life at home. Mainly advances in communication technology will characterize modern home of the future, whereas now-days conventional television and telephony are the main parts of the communication equipment, the increasing use of computers and networks will form the household in future.

15) Advances in technology contribute to the demand for new media and the combine's use of media (multimedia) in every home. Additionally, interactivity will play a major role in using information resources like T.V. the viewer will be not be passive but be an active control and lean back person.

Networking will not end at the front door at home but will also connect every electronic equipment in house (Home Bus)

The computerization and networking of the complete home is called intelligent home. Additionally the miniaturization of electronic devices will impact the integration of different functions within one device.

16) E-Commerce:- E-Commerce describes all forms of electronic connections. This includes not only electronic markets but also enterprise networks and enterprise cooperation. Intelligent information system which make the data transfer between companies possible facilitate the administration and enable the reduction to acquisition.

17) Mechanical Engineering: - Not only in the field of software products, but also in the context of mechanical engineering, customer orientation and short development are terms decisive for the market success of products. Thus demands have significant effects on the processes of design, construction and production as well as on the means and resources used dominating role.

18) Production-PPC(Production Planning and Control) are used to control and monitor production flow, while flexible production cells from the basic units in highly automated production plants.

These advances in information technology can also produce unemployment in many established businesses like banks, insurance companies or retail shops which are forced to adapt to this changing environment the increased requirement for efficiency and flexibility are likely to eliminate a large number of less qualified jobs in services positions.

19) Why do we call it a information technology revolution? Information is a central, constitutive feature of human life. It is inherent to our interpersonal relationships, our economic production our culture and society. Information technologies allow human beings to do more things with information than they could otherwise to store it, transmit it, reproduce it and transform it. The IT is generally reserved for artifacts that are explicitly designed to allow information of one short another to be operated on in one way or another.

Data are being stored and/or transmitted in the form of specialized signs embodies in materials. The artifacts are tools for people to produce the sign and to make it useful. These people translate their speech or thoughts into the new forms in which they are embodies. Sometimes extensive and specialized skills are required for this purpose is well known, mass literacy is a fairly recent phenomenon, even in the industrial world.

Computers are mostly used in banking sector the risk of economic system has developed computer system. The driving force of the industrial revolution came from two key technological developments – the stream

engine and printing press. The widespread availability of computers and information networks has resulted in:

- a) Accelerated, leaner more **standardized** of business practices
- b) Complex international business alliances.
- c) Borderless capital flows.
- d) Increasing international trade in business.

1) This has resulted in reduction of costs of production higher productivity and consistent quality of goods. This has allowed various selection of society to access goods which were not previously accessible to them.

2) Indian companies now form strong strategic relationship with company across the globe.

3) Countries like India now attracted foreign investments from companies over the world.

4) One of the most spectacular aspects of this revolution in business practice is that services previously assumed as un-tradable are becoming tradable.

Presently there are thousands of telephone operators in India for USA companies offering call centre services. Swiss Air has its revenue accounting completed in Mumbai with crew of 100 replacing the 200 people previously employed for this purpose, at far greater cost near Zurich.

This new phenomenon of inter-nation long distance provision also applied to more sophisticated services. India has captured a half billion dollar slice of the world software programming, market with the Motorola programming team in Bangalore recently being named one of the best in the world.

The 21st century work place in all sectors and disciplines such as engineering scientific research and development, business, commerce and industry enterprise and entrepreneurship, manufacturing and distribution, banking and finance, law and judiciary, agriculture and environment, media entertainment, services and facilitation, medicine and health care, planning and management administrative, education and training art and culture shall require increasing level of IT enablement for its survival and growth.

India's IT industry is planning to cross an ambitious turnover target of US 100 billions (Rs 5 lacks crore) every year after 2005. India therefore needs more than 10lakh software professionals by the year 2008.

5.6 THE DYSFUNCTION OF BUREAUCRACY

Robert Merton, a functionalist scholar, examined Weber's bureaucratic ideal type and concluded that several elements inherent in bureaucracy could lead to harmful consequences for the smooth functioning of the bureaucracy itself. He referred, to these as 'dysfunctions of bureaucracy.

First, Merton noted that bureaucrats are trained to rely strictly on written rules and procedures. They are not encouraged to be flexible, to use their own judgments in making decision or to seek creative solutions; bureaucracy is about managing cases according to a set of objective criteria. Merton feared that this rigidity could lead to bureaucratic literalism, or situation in which rules are upheld at any cost, even in cases where another solution might be a better one for the organization as a whole.

A second concern of Merton's is that adherence to the bureaucratic rules could eventually take precedence over the underlying organizational goals. Because so much emphasis is placed on the correct procedure, it is possible to lose sight of the big picture. A bureaucrat responsible for processing insurance claims, for example might refuse to compensate a police holder for legitimate damages, citing the absence of incorrect completion of a form. In other words, processing the claim correctly could come to take precedence over the needs of the client who has suffered a loss.

Merton foresaw the possibility of tension between the public and bureaucracy in such cases. This concern was not entirely misplaced. Most of us interact with large bureaucracies on a regular basis - from insurance companies to local government to the Inland Revenue. Not infrequently, we encounter situations in which public servants and bureaucrats seem to be unconcerned with our needs. One of the major weaknesses of bureaucracy is the difficulty it has in addressing cases that need special treatment and consideration.

Some scholars suggested that bureaucracy make logical sense for carrying out routine tasks but that it can be problem in contexts where the demands of work change unpredictably. Burns and Stalker distinguished between two types of organization. Mechanistic and Organic.

Mechanistic organizations are bureaucratic systems in which there is a hierarchical chain of command, with communication flowing vertically through clear channels. Each employee is responsible for a particular task; once the task is completed, responsibility passes onto the next employee. Work within such a system is anonymous, with people at the top and those at the bottom rarely in communication with one another.

Organic organizations, by contrast, are characterized by a looser structure in which the overall goals of the organization take precedence over narrowly defined responsibilities communication flows and directives are more diffuse, moving along many trajectories, not simply vertical ones. Everyone involved in the organization is seen as possessing legitimate knowledge and input that can be drawn on in solving problems, decisions one not the exclusive domains of people at the top.

According to Burns and Stalker, organic organizations are much better equipped to handle, the changing demands of an innovative market, such as telecom-medications, computer software or biotechnology. The more fluid internal structure means that they can respond more quickly and appropriately to shifts in the market and can come up with solutions more creatively and rapidly. Mechanistic organizations are better suited to more traditional, stable forms of production that are less susceptible to swings in the market. Burns and stalker foreshadowed many of the issues that have taken centre stage in recent debated over globalization, flexible specialization and debureaucratization.

5.7 BUREAUCRACY VERSUS DEMOCRACY

Even in democracies like the UK, Government organizations hold enormous amounts of information about the records of Indian dates of birth, schools and universities attended and jobs held, to data on income used for tax collecting, and information used for issuing drivers license and allocating National Insurance numbers. Since we don't always know what information is held on us; and which agencies are holding it, people fear that such surveillance activities can infringe on the principle of democracy.

The diminishing of democracy with the advance of modern form of organization was something that worried Weber. What especially disturbed him was the prospect of rule by faceless bureaucrats. How can democracy be anything other than a meaningless slogan is the face of the increasing power that bureaucratic organizations are wielding over us? Weber reasoned, bureaucracies are necessarily specialized and hierarchical. Those near the bottom of the organization inevitably find themselves reduced to carrying out mundane task and have no power over what they do, power passes to those at the top. Robert Michels invented a phrase, which has since become famous, to refer to this loss of power, in large-scale organization, and more generally a society dominated by organizations, he argued, there is an iron law of oligarchy (Oligarchy means rule by the few). According to Michels, the flow of power towards the top is simply an inevitable part of an increasingly bureaucratized would - hence the term 'iron-law'.

We should recognize first that unequal in power in not just a function of size, as Michels presumed. In modest sized groups there can

also be very marked differences of power. In a small business, for instance, where the activities of employees are directly visible to the directors, much tighter control might be exerted than in offices in larger organization: As organizations expand in size, power relationships often become looser. Those at the middle and lower level may have little influence over general policies forged at the top. On the other hand, because of the specialization and expertise involved in bureaucracy, people at the top also lose control over many administrative decisions, which are handled by those lower down.

In many modern organizations power is also quite often openly delegated downward from superiors to subordinates. In many large companies, corporate heads are so busy coordinating different departments, coping with crises, and analyzing budget and forecast figures that they have little time for original thinking. They hand over consideration of policy issues to others below them, whose task is to develop proposals about them. Many corporate leaders frankly admit that for the most part they simply accept the conclusions given to them.

Most modern organizations function in specially designed physical settings. A building that houses a particular organization possesses specific features relevant to the organization's activities, but it also shares important architectural characteristics with buildings of other organizations. The architecture of a hospital for instance differs in some respects from that of a business firm or a school.

MICHEL FOUCAULT THEORY OF ORGANIZATIONS THE CONTROL OF TIME AND SPACE:

Michel Foucault showed that the architecture of an organization is directly involved with its social make up and system of authority. But studying the physical characterization of organizations we can analyze new problems. The offices Weber discussed abstractly are also architectural settings - rooms, separated by corridors. The buildings of large firms are sometimes actually constructed physically as a hierarchy, in which the more elevated one's position in the hierarchy of authority, the nearer to the top of the building one's office is, the phrase 'the top floor' is sometimes used to mean those who hold ultimate power in the organization.

In many other ways, the geography of an organization will affect its functioning especially in cases where systems rely heavily on informal relationships. Physical proximity makes working groups easier, while physical distance can polarize groups, resulting in a 'them' and 'us' attitude between departments.

5.8 SURVEILLANCE IN ORGANIZATIONS

The arrangement of rooms, hallways and open space in organization buildings can provide basic clues to how system of authority operates. In some organizations, groups of people work collectively in open settings. Because of the dull, repetitive nature of certain kinds of industrial work, like assembly line production, regular supervision is needed to ensure that workers sustain the pace of labour. The same is often true of other types of routine work, such as that carried out by customer service operators in call centers, who often their calls and activities have monitored by their supervisors. Foucault laid great emphasis on how visibility or leak of it, in the architectural settings of modern organizations influences and express patterns of authority. Their level of visibility determines how easily subordinates can be subject to what Foucault calls surveillance, the supervision of activities in organizations. In modern organization everyone, even in relatively high positions of authority is subject to surveillance but the more lowly a person is, the more his or her behaviors tends to be closely scrutinized.

Surveillance takes several forms. One is the direct supervision of the work of subordinates by superiors. Consider the example of a school classroom. Pupils sit at tables or desks, off often arranged in rows, all in view of the teacher, children are supposed to look alert or otherwise be absorbed in their work. Of course, how far this actually happens in practice depends on the abilities of the teacher and the inclinations of the children to conform to what is expected of them.

A second type of surveillance are more subtle but equally important. It consists of keeping files, records and case histories about people's work lives. Weber saw the importance of written records (nowadays often computerized) in modern organizations but did not fully explore how they can be used to regulate behaviour.

Employee records usually provide complete work histories, registering personal details and often giving character evaluation, such records are used to monitor employees behaviour and assess recommendations for promotion. In many business firms, individuals at each level in the organization prepare annual reports on the performance of those in the levels just below them. School records and college transcripts are also used to monitor individuals performance as they move through the organization. Records are kept on file for academic staff too.

Lastly there is self surveillance, where assumptions about the surveillance by others change ones behaviour and limit what one does. The operator will often have no way of knowing whether calls are being monitored or how often supervisors listen into phone conversations. Yet, operators are likely to assume that they are under surveillance from

management and so keep calls short, efficient and formal, in line with the company guidelines.

Organizations cannot operate effectively if employees work is haphazard. In business firms, as Weber pointed out, people are expected to work regular hours, Activities must be consistently coordinated in time and space, something promoted both by the physical settings of organizations and by the precise scheduling of detailed timetables. Time tables regularize activities across time and space - in Foucault's words; they 'efficiently distribute bodies' around the organization. Time tables are a condition of organizational discipline, because they slot the activities of large numbers of people together. If a university did not strictly observe a lecture timetable, for example it would soon collapse into couple chaos. A timetable makes possible the intensive use of time and space; each can be packed with many people and many activities.

THE LIMITS OF SURVEILLANCE:

We live in surveillance society a society in which information about our lives is gathered by all types of organizations. But Weber's and Foucault's arguments that the most effective way to run an organization is to maximize surveillance to have clear and consistent divisions of authority is a mistake, at least if we apply it to business, firms, which don't (exert total control over people's lives in closed setting In examples of prisons- Prisons do not actually make a good model for organizations as a whole - Direct supervision may work tolerably well when the people involved, as in prisons, are basically hostile to those in authority over them and do not want to be where they are. But in organizations where managers desire others to cooperate with them in reaching common goals, the situation is different. Too much direct supervision alienates employees, who feel they are denied any opportunities for involvement in the work they do.

This is one main reason why organizations founded on the sorts of principle formulated by Weber and Foucault, such as large factories involving assembly - line production and rigid authority hierarchies, eventually ran into great difficulties. Workers were not inclined to devote themselves to their work in such settings, continuous supervision was in fact required to get them to work reasonably hard at all, but it promoted resentment and antagonism.

People are also proving to resist high levels of surveillance in the second sense mentioned by Foucault; the collecting written information about them. That was one of the main reasons why the soviet style communist societies broke down. In these societies, people were spied on regularly either by the secret police or by others in the pay of the secret police or by others in the pay of the secret police even including relatives and neighbours.

The government also kept detailed information on its citizenry in order to clamp down on possible opposition to their rule. The result was a form of society that was politically authoritarian and, towards the end, economically inefficient. The whole society did indeed come almost to resemble a gigantic prison, with all the discontents, conflicts and modes of oppositions prisons generate and from which, in the end, the population broke free.

5.9 SUMMARY

All modern organizations are in some degree bureaucratic in nature. Bureaucracy is characterized by a clearly defined hierarchy of authority, written rules governing the conduct of officials (who work full time for a salary) and a separation between the tasks of the official within the organization and life outside it. Members of the organization do not own the material resources with which they operate. Max Weber argued that modern bureaucracy is a highly effective means of organizing large numbers people, ensuring that decisions are made according to general criteria.

The Physical settings of organizations strongly influence their social features. The architecture of modern organizations is closely connected to surveillance refers to the supervision of people's activities, as well as to the keeping of files and records about them. Self surveillance refers to the way people limit their behaviour because of the assumption that they are under surveillance.

The work of Weber and Michels identifies a tension between bureaucracy and democracy. On the one hand, there are long-term processes of the centralization of decision making associated with the development of modern societies. One the other, one of the main features of the past two centuries has been expanding pressures towards democracy. The trend conflict, with neither one in a position of dominance.

5.10 CHECK YOUR PROGRESS

1) Explain organization.

2) What do you mean by organisation process?

3) Discuss large scale organization bureaucratic in nature?

4) State specialization is the requirement of modern industry .

5) Describe disadvantage of bureaucracy.

6) Describe the term democracy in modern industry.

5.11 REFERENCE

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5.12 QUESTIONS

- 1) What is formal organization? Describe its characteristics and basic features.
- 2) Why there is a complex relationship between democracy and bureaucracy.

Chapter 3

INFORMAL ORGANISATION OBJECTIVES

CONCEPTS

- 6.0 Objectives
- 6.1 Introduction/Informal organization
- 6.2 Scientific management theory
- 6.3 Human relations approach
- 6.4 Summary
- 6.5 Check Your Progress
- 6.6 References
- 6.7 Questions

6.0 OBJECTIVES

- 1) To bring awareness among students about the nature characteristics and function of Informal organizations.
- 2) To sensitize students regarding informal organization structure which does not follow rules and regulations, related to one another for mutual benefit and achievement.

6.1 INTRODUCTION

Informal organization is the structure which does not possess any official position. It is a small group where members, on their own, grow and develop personal, primary or face to face relations with each other. These structures grow within the formal organizations. For many reasons, individuals come in contact with each other, work together or have lunch and during these meetings they develop close and intimate relationships such groups provide satisfaction to the members, they have their own norms to follow, have separate status and style of working.

No business, in fact, can operate completely 'by books'. In a real business setting, the relationship that actually exists, amongst the employees, does not follow formal rules workers of one department know the workers of other department, meet them

regularly. They may also plan their future activities. Informal organizations exist within the confines of the formal authority structure. The informal organization consists of a group of people who relate to one another spontaneously for various purposes of mutual benefit and achievement. It is a primary source of information and for furtherance of social ties. It provides members with useful information and knowledge. It also acts as a source of protection against threatening oppressive force. It helps members to find solutions to mutual and personal problems.

Such groupings protect the members from the cold formal impersonal and indifferent atmosphere of the formal organization. Members feel that they are human beings and one being treated on such by their fellow workers. Such grouping also helps members achieve a sense of fulfillment and satisfaction in life.

The interactions that occur informally are neither prescribed by the formal structure, nor can they be completely controlled by formal authority. The informal groups sometimes act in support of formal goals and objectives, but it is equally capable of opposing formal guidelines. Informal group studies indicate that members mostly work more. The members feel united and perform their roles with greater efficiency. Informal structure helps them to lighten the workload, forget the bitter experiences and supports them if the management takes action against them. The members with primary face to face relations can express their feelings with our fear, share their joys and sorrows with others, and discuss their problems.

The individual members are given full recognition; they are at times appreciated by their friends for their extraordinary achievements.

John Newstrom and Keith Davis also have emphasized that the informal groups give the members satisfaction and stability. Members also feel belonged to each other and achieve a sense of security and confidence.

Peter Blau in his study of informal relations emphasized that within the formal and large organization a close and intimate group emerge which though apparently opposite to or against the major norms, works in a more efficient manner to the advantage of management. The officials in one study of income tax department instead of consulting with their chiefs, talked personally and freely to their own colleagues. This not only gave them a sort of confidence and efficiency in their work, but also developed close and intimate relationships within themselves. Such primary groups can face the situation and solve the problems with more confidence and ability. The workers also gain support and mutual sympathy.

Major schools of thought within this tradition scientific Management, Human relations will be now considered.

6.2 SCIENTIFIC MANAGEMENT THEORY

The theory of scientific management was first spelt out in detail by Frederick Taylor whose book - The Principles of scientific Management was published in America in 1911. The term of the century in the USA was a time of rapid industrial expansion. Compared to today, the organization of work on the shop floor was left much more in the hands of workers and foreman. Men often bought their tools to suit their individual preferences and decisions about the speed of machines were often left to the operator. The individual foreman used hire and fire the workers Taylor argued that such arrangements were haphazard and inefficient. In their place, he suggested the following scheme of scientific management which he claimed would of maximize productivity.

According to Taylor, there is 'one best way' of performing any work task. It is the job of management to discover this way by applying scientific principles to the design of work procedures. For instance, various tools should be tested to find the most efficient for the job, rest periods of differing length and frequency should be tried to discover between re rest and productivity, the various movements involved in the task should be assessed to find those that are least time consuming and produce minimum fatigue. Experimenting with different task designs will result in the discovery of the most efficient way of doing a particular job with this approach. Taylor laid the foundation for what has come to be known as time and motion studies.

ACCORDING TO TAYLOR THE FOLLOWING PRINCIPLES MUST BE FOLLOWED:

1) Selection of the worker - workers with low intelligence is best suited to simple repetitive task. Suitable workers must be selected in order to increase productivity. After selection they must be trained to perform according to instructions.

2) Increasing monetary incentives- According to Taylor, workers will work more if they are given increase wages. For him the primary motive of every worker is money. Workers must be paid more according to the production of goods. If they are producing more, special incentives should be given. In practice, this usually involved a wage in centre scheme based on piece work - payment according to the work done.

4) Time and motion studies - According to Taylor, the working conditions must be improved. Better light, ventilation, regular supply of drinking water, sanitary arrangements cleanliness etc. would definitely increase productively workers will increase their interest in work; they will like to work more.

Taylor believed that the scientific planning of work tasks, the selection and systematic planning of suitable workers for the performance of those tasks plus a correct and stick system of financial incentives would maximize productively. Taylor saw scientific managements on the solution to many of industry's problems. Firstly, it would increase both the quantity and quality of the product. Secondly, it promised to end conflict between employers and employees. Since the employees is concerned with higher profits and the workers with higher wages. They share an interest in raising productivity. Increase productivity reduces labour costs and results in higher profits which is turn allow for higher wages.

TAYLORION CONTAINED THE FOLLOWING MAIN FEATURES:

1) As Taylor observed, the workers do not work with full zeal. They are also incapable of concentrating themselves, thus attention is always differed. Further though the studies of motions involved in the task and the time needed to perform them, Taylor realized that workers inefficiency and diffuseness can be eliminated. He suggested that most of the operations involving body motions which are wasteful should be avoided. This he claimed can lead to saving of both time and energy. Workers can match theirs motions with those of machines and can be more efficient. Within the sometime they work more.

2) According to the scientific theory of management, workers are rational economic being. Generally they work for money. So if money is given as incentives, they will like to work more. Their performance should be linked with payment, this being called piece meal payment i.e. payment according to products produced. Workers can increase their interest in their job. This can lead to increased productivity. If the workers work more, they should be paid more.

3) Taylor and his associated further noticed that workers cannot work long if their working conditions are uncomfortable, unhygienic or lack sufficient ventilation and lighting, so if there is sufficient illumination, fresh an, clean hygienic atmosphere the workers always, will work more. The working conditions must be pleasant encouraging and comfortable for the workers to work.

There is one theory to suggest increase in management efficiency. This is called Administrative design theory. This is the part of classical management school.

Henry Ford and others focused their attention on the problems of administration at the management level. According to them the entire process of management can be divided into a number of processes based on scientific principles. For example 1) Planning 2) Departmentalization with is based on division of labour and specialization 3) Coordination of various departments 4) Delegation and sub delegation of authority 5) Communication.

According to the industrial psychologist, if the management follows these basic principles and makes decisions on scientific basis productively will definitely be increased the entire administrative process would be more systematic, rational and there would be no conflicts.

Taylorism theory was developed by E.D. Brandies, N. L. Gantt, F.B. Gilbreth and others. White administrative theory was proposed by Merry Fayol, it was later developed by Gullick, Mevick, Mary Parker, and other-

Though the application of scientific management has resulted in increased productivity, Harry Braverman has denounced this theory collage it a a mean of exploiting workers more and more. For him this has strengthened the dominance of capital over labour. He claims that the theory has been adopted as a means of controlling alienated labour and is part of the process whereby the worker is increasingly transformed into an 'instrument of capital' Workers became like cog in machines, dehumanized controlled by managements directives. There for Braverman, the theory has resulted in more exploitation of workers by the hands of management in the name of increasing efficiency.

Two assumption of Taylor were rejected outright. The first that workers are 'economic men' and they went only for money has been considered wrong. Secondly the workers are viewed an individuals rather than as members of social groups Taylor failed to see them on human social beings having own desires, ambitions, feelings and different abilities and their wish to make primary relations with fellow workers.

As a result new approach came into being to study the behaviour of individual worker at work place.

6.3 HUMAN RELATIONS APPROACH

Many of the central ideas of the human relations grew out of an investigation at the Hawthorne plant of Western Electric Company in Chicago from 1927 to 1932, a team headed by Elton Mayo a professor at the Harvard Business School conducted a series of experiments designed to study the relationship between the working conditions and productivity. Mayo began with the assumptions of scientific management believing that the physical conditions of the work environment, the aptitude of the worker and financial incentives were the main determinants he found no consistent relationship between improved working relationships and productivity, the rest periods and productivity and the financial incentives and the productivity.

Then Mayo studied the attitudes of workers towards work and then behaviours as members of informal work groups. The two sides of Mayo's research can be seen from the following study. Fourteen men were placed in an observational setting known as the Bank wiring observation Room. There were nine wireman who connected wires to the terminals. Three solderman who each soldered the work of three wireman and the two inspectors who tested the completed job. The quality and quantity of the men's output were carefully measured. The men's pay was based on piece meal job i.e. on the basis of the day's work performed by the group. The more the groups produced above a certain level the more money each worker received. But in reality every worker restricted his output in order to maintain a uniform weekly rate of production for the group. The researchers discovered that the workers had established a norm which defined a fair days work and this norm rather than standards set by management determined their output. There were marked differences in their level of output. This could only be explained in terms of the inter personal relationships within the work group. One group emphasized that the workers should not produce too much while the other insisted he should not produce too little. Largely as a result of these standards, the output of the wireman in the two groups differed.

The Hawthorne studies moved the emphasis from the individual worker to the worker as a member of a social group. They saw his behaviours as a response to group norms rather than simply being directed by economic incentives and management designed work schemes. According to Roethlisberger and Dickson, the group members decided among themselves a norm of daily quota and observed strictly the norm. No worker was allowed to work more or very less than the standard fixed by the group. If any wireman wanted to work more he was insulted or even criticized by other members by being called rater buster. This mild sanctions

form the group did not allow the wireman to work more and stopped early or they completed their quota as decided by the group. Thus mild sanctions from the group did not allow the wireman to work more and stopped early or they completed their quota as decided by the group. Thus they yielded to the pressure of the group which was more stronger than the financial incentives.

From the Hawthorne studies, and research which they largely stimulated, developed the human relations school. It stated that scientific management theory of financial incentives did not motivate the workers sufficiently. On the contrary, the other needs of workers must be taken in consideration i.e. social needs like friendship, the need to belong, group support, recognition and status and the need for 'self actualization' which involves the development of the individual's talents creativity and personality to the full. These needs must be met, if productivity in real sense has to be increased. Only with 'personal satisfaction workers cooperation can be secured . Management must cooperate with the norms of the informal groups so as to achieve and confirm better responses from the workers. In most of the cases there norms set by the group were more than the quota fixed by the management so if management encourages and supports the formation of such informal groups, it will always be benefited. If workers are invited to participate in major decision making process, they will be more interested and committed to work. By ways of involving informal groups more within the organization, organizational goals can certainly by expected to be accomplished.

It has been assured that there would be no conflict of interests between the management and workers. If there is any such situation, it must be due to non satisfaction of the needs of workers. By reorganizing social relationships within the organization, according to human relation principle conflict can be removed and both the groups can remain in peace.

But human relations school was also criticized that it did not see the other factors beyond the factory premises which determine workers behaviour i.e. status of the workers job, the culture of the group of the workers to which they belong and their own definitions of life or work.

Initially, human relation studies tended to concentrate on employee satisfaction and made implying there by direct connection between morale and productivity. Later on behavioural science approach through its objective and scientific research of individual behaviour and motivation indicated that relationship between morale and productivity was oversimplified. Behavioral science movement was a further refinement on human relationship

movement and it covered such wide scope in inter personal roles and relationships.

Informal networks may develop at all levels of the organization. At the top level, the personal ties and connections may be more important than the formal organization in which decisions are made. Few directors with their personal relations get their decisions or policies approved by other members, thus sometimes dominating the entire structure.

Businessmen often meet at informal gatherings and decide major policies. They can also lead other corporations informally. Supervisors and workers also tend to develop informal relations much unofficial work is done by them. This can be explained by having tendency to achieve flexibility in formal rules. For those who are in less attractive job, informal ways of doing things provide more satisfaction. Informal connections between officials at higher levels help organizing work more effectively since they feel more contented and try to achieve the organization goal together. Although informal system may lead to several problems they also bring a number of benefits to both employers and employees. Most important is that they blend with the formal system to make it an effective social system.

1. Informal organization helps the management by cooperating with it.
2. Informal organization gives satisfaction and stability to work groups. It is the means by which workers feel a sense of belonging and security and so satisfaction is increased and turnover reduced.
3. In an informal group an ordinary worker may achieve some status which he would never get in a formal structure because of his unusual abilities like singing, talking, joking etc. He is given respect and appreciation by his colleagues. He feels happy and he can work better. The worker is also kept informed about whatever is going on in the surrounding due to his informal relations. His intimate personal relations with others give him security.

Hawthorne experiments conducted by Elton Mayo have confirmed that in an informal group, the members express their feelings and frustration, thus relieving themselves from the strains and tensions. Informal group becomes more powerful. The management has to work with alertness and carefully. They have to plan very minutely and thoroughly in order to discuss every point with the group. Members develop solidarity and cohesiveness among themselves. They strictly follow the norms, thus supporting the group. This often helps productivity to increase in general.

Many of the central ideas of human relations grew out of an investigation at the Hawthorne plant of the western electric company in Chicago from 1927 to 1932, a team headed by Elton Mayo a professor at Harvard business school conducted a series of experiments designed to study the relationship between the working condition and productivity. Mayo began with the assumption of scientific management believing that the physical conditions of the work environments, the aptitude of the worker and financial incentives were main determinants of productivity. But during the experiments he found no consistent relationship between the improved working conditions and productivity, the rest periods and productivity or the financial incentives and the productivity.

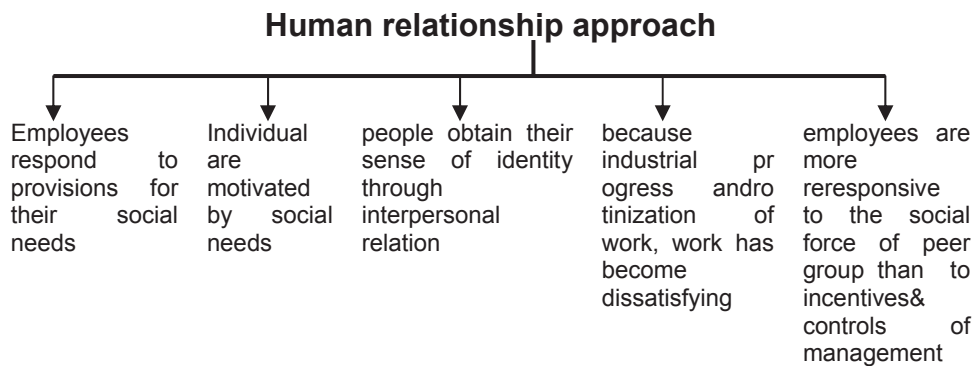
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those scientific management workers sufficiently. On the contrary, the other needs of worker must be taken in consideration i.e. social need like friendship, the needs belong, group support, recognition and status and the needs for 'self actualization' which involves the development of the individual talents creativity and personality to the full. These needs must be met, if productivity in real sense has to be increased. Only with 'personal satisfaction' workers cooperation can be secured. Management must cooperate with the norms of the informal group so as to achieve and confirm better responses from the worker. In the most of cases these norms set by group were more then quota set by the management. So if management encourage & supports the formation of such informal group, it will always benefited if workers are invited to participate in major decision making process they will be more interested and committed to work. By ways of involving informat groups were within the organization, organization goals can certainly be expected to be accomplished.

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refinement of human relationship movement and it covered much wider scope in interpersonal rules & relationship.

The behavioral science school of management thought started after 1940 and it gave special attention to understanding individuals & their interpersonal relation. Maslow developed a need hierarchy to explain human behavior within an organization for him first lower level needs should be satisfied then workers can go for satisfaction of higher level needs. Psychologists brought into light many aspects of rational behavior, the sources of motivation and the nature of leadership. F. Herzberg and V. Vroom proposed motivational models explaining the causes of human behavior and motivation in business. D. McGregor explained certain basic assumptions about human element and put forward two material styles viz. theory X representing classical view of management and organization and theory Y representing neo-classical or modern view of management & organization.

The behavior sciences have provided management with a more objective, systematic and scientific understanding of one of the most puzzling & critical factors. In the process of management the man or woman behind the machine. An organization based on human element is essentially a social system and not just a techno-economic system. This theory thus recognizes the importance of human element in the whole process of production. The knowledge of individual and group behavior enables us to develop suitable work atmosphere or situation which can increase productivity as well as employee satisfaction. We can build up training programmes for workers and managers with the help of behavior sciences.

Human relations, together with the behavioral science constitute the neo-classical theory of management, which opened the door for deliberate shift from bureaucratic to participative and democratic leadership or managerial style.

In the neo-classical approach, job structure, job designs are given secondary importance. The first imp is understanding of human behavior. Employees are given greater participation in job planning and motivated to increase interest in work.

Modern management theories:

Modern management theories indicate for the refinement, extension and synthesis of all the classical and neo-classical approaches to management. These trends started after 1950. We have 3 streams under the modern management art theory.

- 1) Quantitative approach to management i.e. operations research.
- 2) System approach to management.

3) Contingency approach to management.

1) Quantitative Approach to management:

Quantitative approach to management offered systematic analysis and the solutions to many complex problem faced by management in the real world. More commonly used or techniques are linear programming game theory stimulation and probability. New mathematical and statistical tools are now applied in the field of management. Together these operation research or management science. The computer is used to find out solution to complex management problems. production scheduling, replacement of capital equipment, inventory, central plant location transport problems, ware housing problem long range planning and many other complex managerial problems are computer with mathematical models i.e. the use of equations many problems are tried to be solved.

2) System approach:- Modern theory considers an organization as an open, adaptive system which has to adjust to changes in environment.

When the system approach is applied to an organization, we have the following feature of an organization as an open adaptive system.

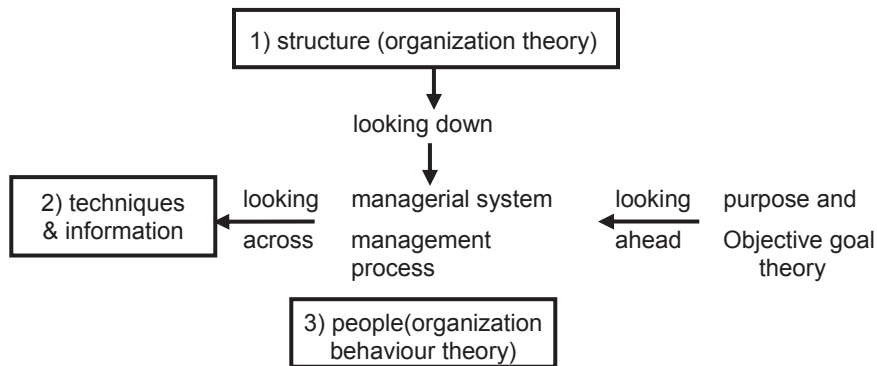
- 1) It is a subsystem of its broader environment.
- 2) It is a goal oriented people with a purpose.
- 3) It is a technical subsystem-using knowledge, technology equipment and facilities.
- 4) It is a structural subsystem-people working together on inter-related activities.
- 5) It is a psychological system people in social relationships.
- 6) It is a managerial subsystem creating planning organizing, motivating, communicating and controlling the overall efforts directed towards get goals.

System approach emphasies that all subsystem of an organization are inter connected & interrelated.

3) Contingency theory:

A contingency approach analyses and understands all inter relationships so that managerial actions can be adjusted to demands of specific situations or circumstances. thus contingency approach enables us to enolve practical answers to the problem demanding solution.

Systems approach to management



4) M.B.O:- Management by objective – MBO which is major contribution by P. Ducker was introduced in cash. The concept of MBO includes a method of planning, setting standard, appraisal of performance and motivation.

Characteristics of modern management thought:

1) System approach :- An organization as a system has five basic parts. 1) input 2) process 3) output 4) feedback 5)environments.

Managements allocate and combines the resources (inputs) to certain desirable output. The success of these outputs can be judged by means of feedback. If necessary, we have to modify our mix of inputs to produce outputs as per changing environment.

2) Dynamic:- Interaction occurring within the structure of an organization keeps on changing. While classical theory assumed static equilibrium.

3) Multi motivated:- Profit is not the only motive management has to compromise and integrate multiple diverse objectives. economic, social, i.e. productivity and satisfactions (shareholders, employees, customers, community and society).

4) Multivariable:- It is assumed that there is no simple cause-effect phenomenon. An event may be the result of many factor which themselves are interrelated and interdependent. Some factor are controllable, some uncontrollable. These have to be taken in account.

5) Adaptive:- The survival and growth of an organization in a dynamic environment depends on its ability to adjust to continually changing conditions. we have human or machine controller to provide necessary corrections on the basis of information to get the desired result.

Comments:

- 1) The structure looks down the vertical, hierarchical character of organization. It represents organization theory.
- 2) Techniques and information look across the horizontal feature of organization. Flow of information and decisions is shown.
- 3) People elements look up the organizational hierarchy from individual needs to overall company goal-men related system. it deals with leadership, motivation etc.
- 4) Organizational purpose looking 'ahead' towards the adoption of company goals in response to changes in the environment.
- 5) Management system is at the inter selection of 4 perspectives : (a) people, b) techniques and information, c) people and, d) Goal. If integrates all view points- a mechanism to unify the separate theories.

6.4 SUMMARY

Workers have formal relations with higher officials but maintain informal relations with their fellow workers. Human relation approach encourages them to form informal group and work for the organization. Various schools of management also help managers to organize the process of production more effectively and successfully. The most important among them are scientific management and human relation approach.

6.6 CHECK YOUR PROGRESS

1) Explain informal organization?

2) Discuss Peter Blau study on informal organisation.

3) Describe scientific management theory.

4) State scientific principles introduced by Taylor.

5) What do you mean by Human relation approach

6) Describe Hawthorne studies.

6.6 REFERENCE

- 1) Anthony Giddens : 2006 sociology : Plity
- 2) Schneider E. V. : Industrial sociology 1983, Tata Mcgraw Hill.

6.7 QUESTION

- 1) What is informal organization? Discuss its significance and function in the industrial setting.
- 2) Human relation approach is the most popular approach being adopted by management today Discuss.

WORK AND TECHNOLOGY

CONTENTS

- 7.0 Objectives
- 7.1 Introduction
- 7.2 Social organization of work
- 7.3 Work and alienation
- 7.4 Alienation and material condition of life
- 7.5 Summery
- 7.6 Check Your Progress
- 7.7 References
- 7.8 Question

7.0 OBJECTIVES

1. The topic explores the development of work in modern society and look at the structure of modern economies and alienation
2. To sensitize students about the kind of work done is the informal economy involves something direct exchange of goods and services.

7.1 INTRODUCTION

Work occupies a large part of our lives than any other single type of activity. Having a job in modern is important for maintaining self esteem. Wage or salary is the main resources many people depend on to meet their needs. Without an income, anxieties about coping with day to day life multiply.

7.2 SOCIAL ORGANIZATION OF WORK

One of the most distinctive characteristics of the economic system of modern societies is the existences of the existence of a highly complex division of labour. Work has become dividend into an enormous number of different occupations in which people specialize. In traditional societies non-agricultural work entailed the mastery of a craft. Craft skills were learned through a lengthy period of apprenticeship and the worker normally carried out all

aspects of production process from beginning to end. For example - a metalworker making a plough would forge the iron, shape it on assemble the implement production, most traditional crafts have disappeared altogether replaced by skills that farm part of larger scale production processes.

Modern society has witnessed a shift in the location of work. Before industrialization, most work took place at home and was completed collectively by all the members of the household. Advance in industrial sociology such as machinery operating an electricity and coal contributed to the separation of work and home. Factories owned by enterprises became the focal points of industrial development, machinery and equipment were concentrated within them and the mass production of goods began to eclipse small scale artisanship based in the home. People seeking jobs in factories would be trained to perform specialized task and would receive a wage for this work. Employee performance was overseen by managers who concerned themselves with implementing techniques for enhancing worker production and discipline.

7.3 WORK AND ALIENATION

Division of labour between traditional and modern society is truly extraordinary. Karl Marx sought to explain the changes that were taking place in society during the time of industrial revolution. Marx witnessed the growth of industrial production as well as inequalities that resulted. Capitalism is a system of production that contrasts radically with previous economic systems in history, involving as it does the production of goods, and services sold to a wide range of consumers. Marx identified two main elements within capitalist enterprise. The first is capital, any asset including money, machines as even factories which can be used or invested to make future assets. Wage labour refers to the pool of workers who do not own the means of their livelihood but must find employment provided by the owners of the capital. Capitalist firms employ a class while the mass of population make up a class of wage workers as a working class. As industrialization spread, large numbers of peasants who used to support themselves by working the land moved to the expanding cities and helped to form an urban based industrial working class. This working class is referred to as the proletariat.

According to Marx capitalism is inherently a class system in which class relations are characterized by conflict. Although owners of capital and workers are dependent on each other. The capitalist needs labour and workers need wages the dependency is highly unbalanced. The relationship between classes is an exploitative one, since workers have little or no control over their labour and

employers are able to generate profit by appropriating the products of workers labour.

THE NATURE OF CLASS & WORK:

For Marx a class is a group of people who stand in a common relationship to the means of production the means & work by which they gain a livelihood. Before the rise of modern industry the means of production consisted of primarily of handcraft work and artisan. In pre industrial societies therefore the two main classes consisted of those who owned the land. In modern industries societies, factories, offices, machinery and the wealth or capital needed to buy them have become were important. The two main classes consist of those who own there new means of production industrialist or capitalist and those who earn their living by selling their labour to them the working class or is the now somewhat archaic terms proletariat.

According to Marx, the relationship between classes is an explorative are. In feudal society, exploration after took the farm of the direct transfer of produce from the peasantry to the aristocracy. Serfs were compelled to give a certain proportion of their production to their aristocratic master, or had to work for a number of days each month in his fields to produce crops to be consumed by him and his retinue. In modern capitalist society, the source of exploration is less obvious, and Marx devoted much attention to trying classifying its nature. Marx reasoned, workers produce more than is actually needed by employers to repay the cost. This surplus value is the source of profit, which capitalists are able to put to their own use. A group of workers in a clothing factory, might be able to produce a hundred suits a days selling 75 percent of the suits provides enough income for the manufacture to pay the workers wages and for the cost of plant and equipment. Income from the sale of the remainder of the garment is taken as profit.

Marx was stressed by the inequalities created by the capitalist system. Although in earlier times associated with a life of luxury, completely different from that of peasantry societies were relatively poor. Even if there had been no aristocracy standards of living would eventually have been meager with the development of modern industry wealth is produced on a scale far beyond anything seen before, but workers have little access to the wealth that their labour works. They remain relatively poor, while the wealth accumulated by the propertied class grows. Marx used the term pauperization to describe the process by which the working class grows increasingly impoverished in relation to the capitalist class. Even if workers become more affluent in absolute terms, the gap separating them from the capitalist class continues to stretch ever wider. These inequalities between the capitalist and the working

class were not strictly economic in nature. Marx noted how the development of modern factories and the mechanization of production means that work frequently becomes dull and oppressive in the extreme. The labour which is the source of our wealth is often both physically wearing and mentally tedious as is the care of the factory hand whose job consists of routine tasks carried an day is, day out in an unchanging environment.

Marx's theory of class is not a theory of stratification but a comprehensive theory of social change - a tool for the explanation of change in total societies. This, T.B Bottom ore a leading expert Marxist sociology, consider to be a major contribution of Marx for sociological analysis.

Marx's theory of conflict is revived at present basically because it is sharp contrast to functionalism which has dominated sociology and anthropology for the part 20 or 30 years. Where functionalism emphasized social harmony, Marxism emphasized social conflict; where functionalism directs attention to the stability and persistence of social forms, Marxism is radically historical in its but look and emphasize the changing structure of society; where functionalism concentrates on the regulation of social life by general values and norms, Marxism stresses the divergence of interests and values within each society and the role of force in maintaining over a period of time, a given social order. A the contrast between equilibrium 'and'conflict model of society, which was stated forcefully by Dahrendrof in 1950 has not become common place.

Sociology of knowledge as a field of study was definitely improved with Marx's contention that ideological and other human thought from prevailing at a given time and place depend upon the structure and composition of the society.

Analysis of alienation:- Marx saw this economic alienation as the source of general alienation of the individual from society and moreover of the individual from himself. This concept has been greatly expanded in the contemporary medical writers and new Marxist. Marx has recognized the importance of economic structure through he has over emphasized it nevertheless he focused attention on so far largely neglected factor in the study of society i.e. economic system which was ignored so far in social sciences.

Karl Marx though most criticized led a train of other social thoughts.

To Marx, work - the production of goods and services- holds the key to human happiness and fulfillment. Work is the most important, the primary human activity. As such, it can provide the

means either to fulfill man's potential or to distort and prevent his nature and his relations with others. In his early writings Marx developed the idea of "alienated" labour. At its simplest, alienation means that man is cut off from his work; He is separated on different form his labour. At its simplest, alienation means that man is cut off from his work; he is separated on different from his labour. As such, he is unable to find satisfaction and fulfillment in performing his labour unable to express his true nature in his work, he is estranged from himself he is a stranger for his self since work is a social activity, alienation fro work also involves alienation from others. The individual is cut off from his fellow workers.

Marx believed that work provided the most important and vital means for man to fulfill his basic needs, his individuality and his humanity. By expressing his personality in the creation of a product, the workers can experience a deep satisfaction. In seeing his product used and appreciated by others, the satisfies their needs and thereby express his care and humanity for others. In a community where everyone works for himself as well as for others, work is completely fulfilling activity. But for Marx, man's relationship to his work has been destructive both to the human spirit and to human relationships

For Marx, the moment, the products of labour i.e. goods were started to be used as commodities to be exchanged for other goods, alienation originated. With the introduction of money, as a medium of exchange, they become commodities for buying and selling. The products of labour became the 'objects' in the market, no longer means of fulfilling the needs of the individual and the community. From an end in themselves, they become a means to an end, a means for acquitting the goods and services necessary for survival. Good are no longer a part of the individuals who produce them. In this way, the product has become an 'alien' object.

Alienation springs initially from the exchange of goods in some from of market system. From this, develops the idea and practice of private property, the individual ownership of the forces of production. Marx argues that although private property has caused the alienation, it is rather the consequence of latter. Once the products of labor are regarded as commodity objects, it is only a short step to the idea of private ownership. In capitalist economy, the ownership of the forces of production is concentrated in the hand of a small minority. Alienation is increased by the fact that workers do not own the goods they produce.

From the idea that the workers is all alienated from the product of his labour, a number of consequence arise.

- 1) The workers becomes separate from the act of production activity, he becomes alienated from himself.
- 2) When the worker is alienated from his self, he does not fulfill himself in his work but denies his self; he develops a feeling misery rather than well being, does not develop freely his mental and physical energies but is physically exhausted and mentally debased.
- 3) Therefore, the workers feel him comfortable when he is away from work. While at work he feels restless.
- 4) Work causes to be an end in itself, a satisfaction and fulfillment of human needs. It simply becomes a means for him for survival. As a means to an end, work becomes boring or routines and if cannot produce real fulfillment.
- 5) Alienated from the product of his work, the perform of his labour and form himself; the worker is also alienated from his fellow men. He does as take interest then in his fellow beings or in their problems. He works only for himself and for his family.

Marx Causes of alienation:

Infrastructure: Marx emphasized the economic system - the infrastructure as the foundation of society which ultimately shapes all other aspects of social life. for him, infrastructure can be divided inter two parts: the forces of production and the relations of production. According for Marx, the forces of production i.e. means used for producing goods can change the relations of production i.e. relations between those when produce and those who own them under federation, an agrarian economy is the main force f production land owners and land less labour from two groups of relations. Under capitalism, the raw materials and machinery used for manufacturing are the major forces of production. The relations between those who do not, are established in a capitalist economy. The capitalists own the forces of production (means of production) while workers simply own their labour, which as wage earners they sell to the capitalists or often on time.

Marx argues that in capitalist economy, a small minority own the forces of production. The workers neither own nor has any control over the goods he produces. Like his products he is reduced to the level of a commodity. A memory value is placed on his work & the costs of labour are assessed in the some way as the costs of machinery & raw materials are assessed. Like the commodities he manufactures, the worker is at the mercy of market forces of the law of supply of demand. When the economic recession is there, many workers lest their job or they are given less wages. Only labour produces wealth yet workers receive

wages, only a part of the wealth they create. The rest of the wealth goes in the pocket of the capitalized. This is exploitation of workers. Workers are always exploited of due to the great of the capitalist to maximize profits. Capitalism is based on self interest. Both workers & capitalists work for self gain.

1. Powerlessness: In the capitalistic mode of production, the earlier masters were reduced to simple workers. They were not allowed to produce anything original or any work of their own creativity. The workers feel that whatever they are producing, thus they produce for somebody else. The worker is instructed in all details. This owns work man ship is lost. The workers feel that he has lost all his power of freedom. Further mechanization has also robbed all freshness and energies from them. Workers feel that they are at the mercy of others who decide what they should make & how to make them.

2. Sense of isolation: In the extreme division of labour, work has been divided into a number of different departments. Each being specific & managed by specialists. The workers, as specialized groups, work in one department; they do not have any idea about the other department. They are not provided with any additional information's regarding the working of the entire system. Thus workers feel isolated and neglected. They start losing the feeling of attachment with work since they are concerned with only one aspect of the entire production & remain strangers to the own aspect of work.

3. Meaninglessness: In the capitalistic system entrepreneurs, who hire the labour, own everything, machine tools, raw materials, building etc. Thus they have every right on the finished products produced by the workers. Workers do receive anything extra apart from their wages, though they put hard labour to work. Thus labour is external to the workers i.e. it does not belong to his essential being, i.e. his work therefore he does not affirm himself, but denies himself does not feels sense of meaning at his work. When he does not get any extra benefit of his hard work, he loses all charm & purpose of his work. He experiences meaninglessness. He therefore only feels himself outside his work & in his work; therefore he does not affirm himself but denies, himself does not feel content but unhappy. He does not know why it he its working. He can not claim any ownership over his own product; he is separated from the product or process of production. He can not feel attached to them; work becomes an instrument only to satisfy needs external him the feels that his labour benefits others.

This feeling of losing meaning or the aim of life through work is learned as normlessness

4. Normlessness:- Loss of meaning further leads to of values. The worker feels that the goals highly valued in society are very far for him. He gets confused. He loses the sense of achievement or direction to reach his goals. He can not have any set pattern of follow. He feels rejected or norm less. He feels as if he is not means. What society considers important, the worker is gradually losing faith in them, workers feel that they can not achieve socially desirable goal and further that 'work' is no longer a goal in itself.

5. Self estrangement:- The work feels separated from himself finally he does not feel concerned any more. It is an experience of loss of interest or involvement, in necessary activities like work; these activities are no longer goal but are simply endorsed as means to other needed things such as income. I am the loss of self or identity because what he actually wants to do, he can not. The workers gets confused what he is or what he is doing. He becomes stronger to himself. The more the workers spend himself, the less he has of himself, the less he has of himself.

Marx's solution to the problem of alienated labour is a communist or socialist society in which the forces of production are communally owned & the specialized division of labour is abolished. He believed that capitalism contained the seeds of its own destruction. The concentration of alienated workers in large scale industrial enterprises would encourage an awareness of exploitation, of common interest and facilitate organization to overthrow the ruling capitalist class.

Karl Marx harmony strongly protested the capitalism and pointed to its drawbacks, especially the workers are greatly exploited and become the instruments for making the profit for the employers i.e. capitalized workers feel deprived of their basic rights and thus united fight against the capitalists, leading to take over the factories and to become the owner themselves. "Alienation" is one of the most imp aspect of capitalistic mode of production according to Karl Marx.

7.4 ALIENATION AND MATERIAL CONDITION OF LIFE

Alienation means estrange, stranger as mentioned in the Oxford Dictionary Alienation is a central concept in many of Marx early writings. In Marx, man's own deed in government, wealth and culture become to him an alien power landing over against him instead of being ruled by him, "Man is thus divided within himself and from his fellows, never truly at home never truly whole is his social life.

Marx borrowed the concept of alienation from Hegel. Hegel viewed alienation 'Wealth, state power etc. as things estranged from man's nature.' But Hegel used alienation only in thought form.

According to Marx the material conditions of life generate alienation. Institutions such as economic, political or religious being about conditions of alienation, Marx's focus was on economic alienation. One of the things Marx found in the capitalist system as it affects every aspect of man's life.

a) THEORY OF ALIENATION AND WORK:

Marx was particularly interested in the process of alienation in the capitalist society. Marx developed in the capitalist society labour in the first volume Capital. In Capital Marx makes a careful examination of changing material conditions of men and of their consciousness. In the process of production men change not only the conditions of their existence but also their entire psychological makeup.

Marx divided the capitalist mode of production into two phases. The first phase is simple co-operation. Co-operation is an essential characteristic of all large scale production. This phrase is the standing point of capitalism. A great number of workers worked together at the same time, in one place, in order to produce the same sort of commodity under the mastership of one capitalist. Men working together and co-operating produced more than men working in isolation. The capitalist paid each individual worker and still got more, a surplus value is created.

The second phase was marked by a complex division of labour. Each workman was engaged in one simple operation. Therefore, the workman acquired skill and efficiency in handling his tools. He required less time to perform any single operation in the entire production process i.e. the work is completed in minimum labour time. Marx explains how thus increasing by complex division of labour alienates the worker from his creative powers and diminishes him as a human being.

According to Marx, the use of machinery in the modern industry is the most important aspect in the development of the capitalist mode of production. In manufacture the worker uses tools; in the factory the machines use him, under such circumstances features of modern societies, by contrast, is an enormous expansion of economic interdependence. With few exceptions the vast majority of people in modern societies do not produce the food they eat, the houses they live in or the material goods they consume. Karl Marx was the first writer to speculate that the development of modern industry would reduce many people's work to dull,

interesting tasks. According to Marx, the division of labour alienates human being from their work.

There for Marx alienation, refer to feeling of indifference or hostility to work but to the overall framework of setting. In traditional societies, he pointed out, work was often exhausting peasant farmers sometime had to toll from down measure of control over their work, have little control over their jobs only for a fraction to the creation of the overall product, and they have no influence over how or to whom it is eventually sold. Marxist argue that for workers, work appears as something alien a task that must be carried out in order to each an income but that is intrinsically unsatisfied.

7.5 SUMMARY

Marx misjudged the extent of alienation among the workers. The depth of alienation and frustration that Marx saw among the workers of his day is not found among the typical worker of today. Worker ideating increasingly with meaningful informal group the intellectual power of the worker become superfluous and disappear behind the gigantic power of the factory system of production. It dehumanizes the workers. It makes the worker a more commodity. The labour of the worker can be impersonally bought and sold in the labour market.

Marx explains how alienation occurs is the process of production and within the production activity itself. Therefore, the object which labours produces confronts it and something alien, as a power or extra arrangement. The workers spend his life and produce everything not for himself but for the powers that manipulated him.

The cost cause of alienation is found in the structure of social relationship. Social relations are structured on the basis of ones relationship to private property. Private properly and each nexus extend beyond economic institutions to shape means attitudes and behaviors in all of his social relationships.

Alienates exists in all societies which have private properly but it is in the capitalist society that it had its crippling effects. Private property is thus the products. The result and the necessary consequences of alienated labour. Therefore estranged labour are alienated labour involves form aspects workers alienation from the subject he produces, from the process of production and himself and from the community of the fellow men.

One of the main secondly, though alienation does exist to some extent, it is the result of the structure of bureaucracy and of the society and met from economic exploitation.

7.6 CHECK YOUR PROGRESS

1. Industrial revolution has resulted in inequalities. Explain

2. Discuss alienation given by Karl Marx.

3. To what extent material conditions leads to alienation Discuss.

4. State in contemporary industrial society hostility among worker is high.

7.7 REFERENCE

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7.8 QUESTIONS

1. Evaluate Marx theory of alienation ?
2. Explain in detail work and alienation ?

Chapter 4

TECHNOLOGY AND EMPLOYMENT

CONCEPTS

- 8.0 Objectives
- 8.1 Introduction
- 8.2 Work and technology
- 8.3 Automation
- 8.4 Information technology
- 8.5 Coping with technological change - emerging perspectives
- 8.6 Summary
- 8.7 Check Your Progress
- 8.8 Reference
- 8.9 Question

8.0 OBJECTIVES

- 1) To sensitize students about technological innovative increase quality in production and sales of product.
- 2) To bring aware on among students regarding rapid dispersion of technical know how. Operating and running technology, business globally means working with employ partners means further expansion of technology.

8.1 INTRODUCTION

Public sector enterprise have played an important role in the development of the industrial sector of the economy in the planning period the level of profit is there enterprises have continues to be very low. In fact, many public sector enterprising have registered substantial losses is some years. Globalisation has become the order of the day nations have adopted the path of liberalization, India could not isolate itself from this friend, and an Indian government could not make sufficient investment in development of infrastructure. We also have missed over the year's vast opportunities expansion of the industry, trade, output and employment.

Even in the field of cotton textile governments, leather goods, gems and jewellery occupying a small proportion of the total global exports. India has lost its status as the 10th largest industrial power in the world during the last decade. It was refused that joint ventures would be good since it would bring in the hi-tech German technology and the low cost Indian labour together to produce goods and services to match the standards of market.

8.2 WORK AND TECHNOLOGY

As industrialization has progressed technology has assured an ever greater role at the workplace from factory automation to the computerization of office work. The current information technology revolution has attracted renewed interest in this question. Technology can lead to greater efficiency and productivity but how does it affect the way work is experienced by those who carry it out. For sociologists, one of the main questions is how the move to more complex systems influences the nature of work and the institutions in which it is performed. New technology like automation and computerization (IT) has revolutionized the production process and the business scenarios.

8.3 AUTOMATION

Traditionally, automation has been understood as the replacement of labour by machines. This perception has now changed. Today automation projects are initiated not just for labour cost savings, but also for improved product quality, fast production and delivery of products and increased product flexibility. Simply stated, automation refers to the technique of operating or controlling a productive process by electronic devices and reducing human intervention to the minimum. Human contribution to production comprises two kinds of efforts: physical and mental. The physical aspect, i.e. labour, was taken over by machines which came to be increasingly used after the industrial revolution. The mental contribution to production is now taken over by electronic devices, chiefly computers, which are often known as giant brains. With the advent of automation the second industrial revolution has begun.

The term "Rationalization" has its beginning in the German phrase "Rationalization" implying a new industrial philosophy. This has also been called by Walter Meakin as 'the new industrial revolution'. The term rationalization 'means use of logic or reason-it is a part of Scientific management. The idea is to secure the minimum waste of either effort or material. Thus it includes the Scientific organization of labour, standardization of both materials and transport, simplification of processes and improvements in the

system of transport and marketing. It was also confirmed that the objectives of rationalization should be

- (i) To secure the maximum efficiency of labour with the minimum effort.
- (ii) To facilitate, standardization by a reduction in the variety of patterns, designs, manufacture;
- (iii) To avoid waste of raw material and power;
- (iv) To simplify the distribution of goods;
- (v) To avoid the dispensable middlemen.

In order to improve efficiently automations a part of rationalization was adopted. Automation is the continuation of the process of mechanization of workers production initiated by the industrial revolution. It is something which replaces direct manpower for mental or manual work or for both by self regulating machines. In its present condition, automation involves the application of mechanisms. Different kinds of remote controls are also used. This brings accuracy and efficiency in production. But to operate automatic machines there is need of skilled hands, thus unskilled or semi-skilled labour may be replaced. Labour saving and product standardization are the results of automation. It also insures simplicity and convenience of administration and precision in result. Goods and services will be produced at lower unit cost, promoting greater consumption and convenience of administration and precision in result. Goods and services will be produced at lower unit cost, promoting greater consumption and improved levels of living.

Automatic or semi-automatic machines have been introduced in many textile factories, petroleum refineries, chemical plants and steel processing plants. Some large firms are using computers for sales and pay roll accounting, inventory control; invoicing etc. computers have been installed in the Indian railways. The Chittaranjan works are equipped with computer. Some universities and commercial banks have also installed computer.

Automation has many advantages:

- i) The working place is neat and clean: It is free from pollution and air-conditioned. One central mechanism controls all the production, thus saving labour.
- ii) Workers must require certain skills to monitor the system. They also must know the entire system of machinery.
- iii) New level of skills - workers need to be more alert, conscious and responsible towards their jobs.

The Bombay textile labour enquiry committee has set three aims of rationalization.

- i) To bring about an increase in production.
- ii) To improve the efficiency of workers and their working conditions.
- iii) To bring about financial and industrial re-organization.

In general rationalization aims at:-

- i) Securing the maximum efficiency of labour with minimum effort.
- ii) Eliminating waste of raw material and power.
- iii) Simplifying distributing of commodities by-
 - a) Eliminating unnecessary transport, excessive financial burdens and useless multiplication of middlemen.
 - b) Reducing varieties of pattern.
 - c) Facilitating reserve in the methods of manufacture.
 - d) Using standardized parts
- iv) Greater stability and higher standard of life.
- v) Lower prices of goods to customer.
- vi) Charge and more certain remuneration to be fairly distributed among the various categories.

Elimination of wastage and production of efficiently by means of a co-ordinate, well-integrated and all round view of industry is the chief aim of modernization or rationalization in its application it is a process which brings together the advantages of planned production, pooling of research and scientific and technical know how centralized regulation of finance, modernization of productive processes and sales and optimum utilization of man power.

Advantages of automation of computerization in India:

1) Automation requires less number of departments working under "one control system". Thus many working units can be stifled to other places which may not need modernization e.g- in railways several reservation counters are installed in different centers with the use of computers only. Now it is not necessary to have reservation office only at one centre. Today through the use of computers one can know the position about the availability of tickets any where in India. This is the result of "decentralization".

2) Decentralization: This means shifting of main operating units to different other places in order to avoid congestion, over-crowding or over-load of the signal office. Shifting of the time of public who need to utilize the services. This also saves wasteful expenditure of human energy by scientific selection of workers, proper placement,

suitable training and judicious allocation of work. This also eliminates, suitable training and I useless of inefficient units or parts of operation and concentrates only those which are really useful.

Decentralization also facilitates decision making process. The authority is delegated to other qualified and responsible personnel and thus work is done quickly without any delay thus unnecessary holding of production or delays in services can easily be avoided.

3) Use of modern technology: Many textile units such as jute, cotton, or sugar use out- molded and absolute machineries to produce, their maintenance cost is very high, with old machines the quality of production is also low. Labour is required with old machines the quality of traditional learning thus they can not increase efficiency in production. Such mills have higher operating costs and low productivity per unit per worker.

Seen places need immediate replacement and modernization of production.

Modern results machines bring speed in production and eliminate wastage of raw materials labour also is less required. This saves cost, modernization is the need of today.

4) To increase competitive exports: In order to compete With order countries, successfully India also needs to introduce later technology. Without it is not possible to increase the quality of or quantity of production.

5) Need for greater skills: To operate modern machines there is need for specialized and skilled hands this improves the level of skill of the workers. Workers need to qualify themselves, elevate their status and stork with more confidence and security. They are no more workers but 'operators' having more control over their jobs. They become more responsible

6) Elimination of inefficiency or unskilled works: Simple & low level workers are required to sack job somewhere else, This is called the retrenchment of worker's but government taken care that only juniors or new comers are to be retrenched due to the introduction of new technology. Otherwise as far as possible, the facility was given to workers to learn the new technology e.g. officers & clearers in banks were required to learn computers call nationalized banks initially the banking sector was reluctant to introduce, computerization for fear of unemployment They also opposed the idea as they through this would increase their burden and many unnecessary staff world be removed. But now must of the bank uses computer to check the balance of the person, to verify signatures or to complete other formalities. They also prepare

the statement of monthly operation of the account of every account holder. Thus manual workers saved this save time, energy and increase the efficiency at work.

7) Decrease in the cost of production: Use of modern automated machines can greatly save the hands. This definitely reduces the requirement of a number of workers. Inefficient or unnecessary workers can be allowed to go with proper planning. They might be consulted with well before automation. Surplus workers, after discussion, can be given satisfactory, lump sum amount if they accept voluntary retirement. Thus from the workers side there would be no complain. But before modernizing the textile industry the management has to think about the problems of surplus labour. But once automation is though partial it leads to greater production cost per unit per worker and increase in quality. To increase export, this step i.e. adopting gradual modernization or automation is absolutely necessary. Many silk industries got modernized recently. They are using latest machines.

Rationalization in India:

The govt. realizing the importance of the need for the modernization in major industrial like jute, cotton, silk textiles whose technology has become outmoded, suggested to follow certain care and adopt the following caesuras for proper rationalization.

1) Rationalization should be introduced in the Indian industries with a special care to avoid retrenchment of workers and to keep it to the minimum if it is there. This was to be achieved by:

- a) Not filling the vacancies caused by death, retirement etc.
- b) Absolving the surplus workers in other departments without breaking the continuity of services and without reducing their total earnings.
- c) Granting gratuitous for voluntary retirement and.
- d) Expending machinery wherever possible to absorb some to of the displaced workers.

2) Workload should be standardized and if there is any dispute it should be investigated and the standards as fixed by experts be selected by both the parties.

3) The government should prepare a scheme for the replacement or rehabilitation of retrenched workers.

4) An equitable share in the gains of rationalization should be given to the laboures.

It is also advocated that the effect of automation on employment is only temporary once the production is more mechanized the quality and quantity are increased and controlled there would be more demands for these products markets will be expanded. This would definitely require more expansion in the production centers. Then more worker will be needed. But now only qualified and skilled labour will be in demand, this leads to the awakening among the students that technical training is absolutely necessary today for job and they have to prepare themselves for tomorrow. Thus finally automation increases the level of skills, mental ability, general capabilities and also promotes desire for improvement.

Recently times of India group, the biggest publishing house, has introduced automation factory at kandivali (E), where printing collecting dispatching etc, are done automatically workers are only needed to monitor the system and check manually to correct the deficiency of the machines if any workers are known as 'controllers' or 'supervisor'. Their grade is increased and naturally remuneration is also increased.

This is the trend today especially in large industrial centers giants sectors both private and public. Private sector introduce automation quite fast and thus are in a position to increase production, control, its quality and stand in competition with foreign companies with more confidence.

In fully automated plants all the aspects of manufacturing i.e. good, production, information and control are carried on by computers, supervised by only a few men who glance occasionally at a control panel or sweep the cuttings. However, the extent of automation varies from plant to plant and depends on the management and capacity of the management, co-operation of the workers and their trade unions, and the general economic conditions of the country. According to Rudell Read automation is nothing more than the extension of the principles of mechanization to the integration of machines, one with another in such a way as to have the group operate as an individual processing and control unit. At the other extreme, automations the application of electronic digital computer control system, which read the individual measurement devices but analyze the data on received from the devices, reach a decision and adjust the control values or meters to proper settings for optimum results. Between these extremes are a number of levels of application of automation technique and principles.

There are certain problems which can be created by automation:

Automation involves higher capital outlay, and therefore the cost of capital increases, depreciation, power consumption etc. also

increase automation is therefore a luxury for small firms. In spite of assurance to the contrary automation does result in worker replacement and after in management replacement as well. Workers in minimized concerns oppose the move for automation. Labour being displaced the benefit to suggestion from employees is lost. Machines are not as flexible as human beings. Mistakes in design or product cannot be collected by the machines. Therefore increasing automation will bring demands on suppliers to adhere to specification more rigidly. In developing countries unemployment falls in very high. The introduction of machines will further boost unemployment. Scarcity of foreign exchange, shortage of highly skilled personnel, and shortage of capital cannot allow the country to go for 100% computerization.

8.4 INFORMATION TECHNOLOGY

The opposing perspectives of Blauner and Brave man over the impact of information technology in the workplace. Certainly there is little quarter that internet, email, teleconferencing and e-commerce and changing the way in which companies do business. But they are also affecting the way in which employees work on a daily basis. Those who take an optimistic approach, as Blauner did argue that information technology will revolutionize the world of work by allowing new, more flexible way of working emerge. These opportunities will permit us to move beyond the routine and alienating aspects of industrial work into a more liberating informational age, giving workers greater control over and input into the work process. Enthusiastic advocates of technological advances are sometimes referred to as technological determinists because they believe in the power of technology to determine the nature and shape of work itself.

Others do not believe that information technology will bring about an entirely positive transformation of work. Shobana Zuboff (1988) concluded in her research into the use of IT. Firms, management can choose to use IT towards very different ends. When embraced as a creative decentralizing force, information technology can help to break down rigid hierarchies, engage more employees in decision making and involve workers more closely in the day to day affairs of the company. On the other hand it can just as easily be used as a way to strengthen hierarchies and surveillance practices. The adoption of IT in the workplace can cut down on face to face interaction block channels of accountability and an office into a network of self contained and isolated modules. Such an approach sees the impact of information technology on influence by the ones to which it is put and the way in which those using the technology understand its role.

The spread of information technology will certainly produce exciting and heightened opportunities for some segments of the labour force. In the fields of media advertising and design, for example it both enhances creativity in the professional relation and introduces flexibility into personal work styles. It is qualified valued employees in responsible positions for whom the vision of wired workers and telecommuting comes closest to being realized. Yet at the other end of the spectrum there are thousands of low paid unskilled individuals working in call centers and data entry companies. These positions which are largely a product of telecommunications explosion in recent years are characterized by degrees of location and alienation that rival those of Brave man's deskilled workers employee at call centers that process travel booking and financial transactions work according strictly standardized formats where there is little or no room for employee discretion or creative input. Employees are closely monitored and their interactions with customers are tape recorded for quality assurance. The information revaluation seems to have produced a large number of routine, unskilled jobs in a par with those of the industrial economy.

8.5 COPING WITH TECHNOLOGICAL CHANGE THE EMERGING PERSPECTIVES

The experience of most human being with technological change in the modern world is fraught with paradoxes, new techniques innovated in laboratories, laid out in design books and publicized in newspapers on television and in audiovisual make in firms governments and laboratories find it difficult to cope with the apparently ceaseless flow of technological change. For a large number of people poses of threat in the form of loss of jobs, homes on the whole neighborhood.

Among the various kinds of new technologies, probably none has affected the lives of people on fundamentally and pervasively as that originating from the invention of the semi conductor chip and its subsequent implantation on heart of the computer.

The Impact of ME (Micro electronic) technologies on East Asian a paper was presented in a seminar in October 1991 at the centre for studies in social sciences, Calcutta by Bagaram Tulpul and Ramesh C. Datta illustrating the severe labour displacing effects of ME technologies in the Indian textile industry. Such labour displacing effects have not been compensated by a sufficiently large increase in output in case of most firms. This is particularly serious in view of the economic liberalization programme underway in India. Since 1991 which is expected to cause the drastic curtailing if not the total elimination of employment

in many firms utilizing technologies and organization that cannot survive in the new atmosphere of cut throat competition. Tulpule and Dutta also show the non uniformity of labour and management responses to the introduction of ME technologies. In most cases, although not in all management and labour have been able to work out a programme through which some workers are retired, but can obtain training of the new technologies and can thereby hope to increase their earnings. Tulpule and Datta find little evidence of worker resistance holding up the introduction of new technologies. On the contrary, fund limitation has acted as the major deterrents.

In source ways the paper by Radha D'souza (Iyer) on the introduction of MR technology in the Bombay region. Despite the existence of a long tradition of trade union in and around Bombay workers wages had been under attack over a long period. Computerization was first introduced in office work and did not affect blue collar workers in the factories till the latter half of the 1970s, Old style trade unions were unable to depend on aggressive stance in collective bargaining and new more militant organization emerged which seemed to be solely concerned with wage rises and had little grasp of what was technologies could do to higher management control over labor process. The management often introduced these technologies in a hurry in the middle of a strike or lockout declared by the company. Hence, work reorganization with ME technology, remained haphazard and took little account of the worker's response to the new work environment. Trade union leaders after accepted the blanket right of the management to introduce new technologies, causing retrenchment or disruption of the workers pattern of work, and workers in a particular shop or submit of a factory often refused to accept the settlement. This further weakened union authority and led to avoidable legal wrongs and descriptions. The management generally had the way in most cases, but the transition to new technology was an unnecessarily costly affair, both in private and social terms.

Piore and Sahel (1984) emphasized the political and social contest for the success of flexible specialization and industrialization. A major factor motivating the introduction of ME technologies is to economize on high cost labour. Japan, the land of MR based flexible specialization par excellence, enjoyed virtually full employment throughout the period from the 1950s to the end of the 1980s and it is only very recently that her unemployment and adversarial relations, ME technologies and flexible manufacturing system may only be introduced in the herds of **callous** management backed by politically inspecting ruling class to actualize labour and beat down wages. One of the exploit goals of the Thatcher Reagan agenda of new liberalization was precisely to press down the real wages of workers. This part of the agenda succeeded very well in the US as learnt. Real household wages have

been falling since the early 1970s and through the 1980s. This **deceit** was accompanied by a progressive widening of wage differentials as the position of wage earners in the upper income large improved. Less skilled workers at the lower end of the large experienced a steady deterioration in their relative income position. The proportion of workers in the middle income range, which had previously been dominated by unskilled workers in manufacturing, fell in step with automation and the declining importance of manufacturing sector. The resource may be seen in declining consumer spending in housing construction, and in the general atmosphere of social unrest and crime prevailing in ghost towns with closed factories and shops and offices with their shutters down.

8.6 SUMMARY

The rapid development and considered are of new technologies, particularly those based on micro electronic have brought about radical changes in people's lives the world over. They have also altered production conditions, organizational structures, from behaviour and employment trends, while there are numerous studies of the impact these new technologies have had in developed nations the problem that countries such as India and Brazil have face in the same context have so far received scant attention.

It is necessary that the atmosphere and the macroeconomic balances should be conducive to growth and development. In a competitive atmosphere, established production patterns will always be subject to uncertainty created by unanticipated gross economic magnitudes (such as GDP growth and techs of investment) need to promise a greater degree of assurance for the society to cope better with new technologies.

8.7 CHECK YOUR PROGRESS

1. Public sector leads to development of economy.

2. Discuss globalisation is an order of a day.

3. State how automation is related with the quality of product.

4. Describe those problems created by automation.

5. Do you agree with the statement that technology has not affected the lives of people?

8.8 REFERENCE

1. New technologies and worker response 1995, Amiya Kumar Bagchi, Sage.

8.9 QUESTION

1. Discuss the impact of growing technology an employment and labour structure.

Chapter 4

GENDER AND TECHNOLOGY

CONCEPTS

- 8.2.0 Objectives
- 8.2.1 Introduction
- 8.2.2 Women and work
- 8.2.3 Women and workplace: the historical view
- 8.2.4 The growth in women's economic activity
- 8.2.5 Gender an inequalities at work.
- 8.2.6 Gender differentiation and technological development in India
- 8.2.7 Summary
- 8.2.8 Check Your Progress
- 8.2.9 References
- 8.2.10 Questions

8.2.0 OBJECTIVES

- 1) To sensitize students about the introduction of new machinery and modern technology eliminating manual processes which were performed by women is the part.
- 2) To bring awareness among students regarding wage differentiation. Women are slightly less paid on compared to men though they work an efficiently on men.

8.2.1 INTRODUCTIONS

The Plantations employ more women in the aggregate than any other organized industry. The employment of women in the factory industries has declined in recent year. It may be due to many reasons - use of machines need for skilled labour, tendency of the employers not to appoint women as according to the Act women to be given more benefits and higher wages. The factory industries, where employment of women is largest one food and food processing allied to agriculture, tobacco, textiles, chemicals, basic metals, electrical machinery and metal products.

8.2.2 WOMEN AND WORK

Throughout history, men and women have contributed to producing and reproducing the social world around them, both on a day-to-day basis and over long periods of time. Over the past few decades more and more women have moved into the labour force. In most western countries, Russia and China, women now are a quarter less likely to work outside the home than men. However, reports in the UK suggest that three quarters of the working female population are engaged in part-time, low paid work, such as cleaning, cashiering and catering.

8.2.3 WOMEN AND THE WORKPLACE; THE HISTORICAL VIEW

For the vast majority of the population in pre-industrial societies (and many people in the developing world), productive activities and the activities of the household were not separate. Production was carried on either in the home or nearby, and all members of the family participated in work on the land or in handicrafts. Women often had considerable influence in the home as a result of their importance in the economic process, even if they were excluded from the male realm of politics and warfare. Wives of craftsmen and farmers often kept business accounts and widows quite commonly owned and managed business.

Much of this changed with the separation of the workplace from the home brought about by the development of modern industry. The movement of production into mechanized factories was probably the largest single factor. Work was done at the machine's pace by individuals hired specifically for the tasks in question, so employers gradually began to contract workers as individuals rather than families.

With time - and the progress of industrialization - an increasing division was established between home and workplace. The idea of separate spheres, public and private, became entrenched in popular attitudes. Men, by virtue of their employment outside the home, spent more time in the public realm and became more involved in local affairs, politics and the market. Women came to be associated with 'domestic' values and were responsible for tasks such as child care, maintaining the home and preparing food for the family. The idea that a 'woman's place is in the home' had different implications for women at varying levels in society. Affluent women enjoyed the services of maids, nurses and domestic servants. The burden was heaviest for poorer women, who had to

cope with the household chores as well as engaging in industrial work to supplement than husband income.

8.2.4 THE GROWTH IN WOMEN'S ECONOMIC ACTIVITY

Women's participation in the paid labour force has risen more or less continuously over the last decades. One major influence was the labour shortage experienced during the First World War. During the war years women carried out many jobs previously regarded on the exclusive province of men. On returning from the war, men again took over most of those jobs, but the pre-established pattern had been broke.

In the years since the Second World War the gender division of labour has changed dramatically. The UK employment rate that is, the proportion of working age people who are is employment. Rose from 56 percent to 70 percents for women between 1971 and 2004. There are number of reasons why the gap in economic activity rates between men and women have been closing in recent decades, first there have been changes in the scope and nature of the tasks that have traditionally been associated with women and the 'domestic sphere' A the birth rate has declined and the average age of childbirth has increased, many women now take on paid work before having children and return to work after words. Smaller families have meant that the time many women, previously spent at home caring for young children has been reduced. The mechanization of many domestic tasks has also helped to cut down the amount of time that needs to be spent to maintain the home. Automatic dish washer's, vacuum cleaners and washing machines have made the domestic workload less labour intensive. There is also evidence that the domestic division of labour between men and women is being steadily eroded overtime, although women certainly still carry out more domestic tasks than men.

There are also financial reasons why a growing number of women have entered the labour market. The traditional nuclear family model - composed of a male breadwinner, female housewife and dependent children - now accounts for only a quarter of families. Economic pressures on the household, including a rise in male unemployment, have led more women to seek paid work. Many households find that two incomes are required in order to sustain desired lifestyle. Other changes in household structure, including high rates of singlehood and childlessness as well as a growth in lone-mother households, has meant that women outside traditional families have also been entering the labour market - either out of choice or recessing .

It is important to note that many women have chosen to enter the labour market out of a desire for personal fulfillment and in response to the drive for equality. Having gained legal equality with men, many women have seized on opportunities to realize these rights in their out lives. As work is central in contemporary society and employment is almost always a prerequisite for living an independent life. In recent decades women have made great strides towards parity with men; increased economic activity has been central to this process.

8.2.5 GENDER AND INEQUALITIES AT WORK

Despite possessing formal equality with men, women still experience a number of inequalities in the labour market. Three of the main inequalities for women at work place are as follows; Occupational segregation concentration in part time employment, and the wage gap.

Occupation segregation:

Women workers have traditionally been concentrated in poorly paid, routine occupations, many of these jobs are highly gendered - that is they are commonly seen as 'women's work'. Secretarial and caring jobs (such as nursing social work and child care) are overwhelmingly held by women and are generally regarded as 'feminine' occupations. Occupational gender segregation refers to the fact that men and women are concentrated in different types of jobs, based on prevailing understanding of what is appropriate 'male' and 'female' work.

Occupation segregation has been seen to possess vertical and horizontal components. Vertical segregation refers to the tendency for women to be concentrated in jobs with little authority and room for advancement, while men occupy more powerful and influential positions. Horizontal segregation refers to the tendency for men and women to occupy different categories of job. Horizontal segregation refers to the tendency for men and women to occupy different categories of job. Horizontal segregation can be pronounced. More than 50 percent of women's employment in the UK 1991 fell into four occupational categories; clerical secretarial, personal services and other elementary. In 1998, 26 percent of women were in routine white collar work, compared with only 8 percent of men, while 17 percent of men were in skilled manual work, compared with only 2 percent of women.

Changes in the organization of employment as well as sex role stereotyping have contributed to occupational segregation. Alternation is the prestige and the work lasts of 'clerks was provide

a good example. In 1850, in the UK 99 percent of clerks were men. To be a clerk was often to have a responsible, involving knowledge of accountancy skills and sometimes carrying managerial responsibilities even the lowliest clerk had a certain status in outside world. The twentieth century has seen a general mechanization of office work, accompanied by a marked downgrading of the skills and start us of 'clerk' together with another related occupation, that of secretary - into a low status, low paid occupation. Women came to fill these occupations as the pay and prestige associated with them declined. However, the proportion of people working as secretaries has fallen over the past few decades. Computers have replaced typewriters and many managers now do much of their letter writing and other tasks directly onto the computer.

Concentration in part time work:

Although increasing numbers of women now work fulltime outside the home, a large number are concentrated in part time employment. In recent decades, opportunities for part time work have grown **enormously** partly as a result of labour market performs to encourage flexible employment policies and partly due to the expansion of the service society.

Part time job are seen as offering much greater flexibility for employees than fulltime work. For this reason they are often favored by women who are attempting to balance work and family obligation, in many cases this can be done successfully and women who might otherwise forgo employment become economically active yet part time work carries certain disadvantages such as low pay, job insecurity and limited opportunities for advancement.

Part time work is attractive to many women and much of the growth is women's economic activity in the post-war period. By 2004 there were 5.2 million women in the UK in part time employment to just 1.2 million men. In this respect Britain is somewhat distinctive among industrialized nations the UK has one of the highest rates of female part time employment. Surveys have revealed that part time jobs are poorly paid, insecure and often more flexible for the employer than for the employee. Most female do part time employment. The main reason given for working part time by those questioned is the fact that they prefer not to work full time.

Some scholars have argued that there are different types of women those who are committed to work outside the home and those who are uncommitted to work, viewing the traditional sexual division of labour as unobjectivable. According to such an approach, many women happily choose to work part time in order

to fulfill traditional domestic obligation. However there is an important sense in which women have little choice. Men by and large do not assure pain responsibility but still want or need to work in paid jobs inevitably find part time work a more feasible option.

The Wage gap:

Young women with good qualification are now as likely as their male counterparts to land locative jobs. Yet this progress at the top of the occupational structure is offset by the enormous increase in the number of women in low part time jobs **usher** the rapidly expanding service sector. Occupational segregation by gender in one of the main facts in the persistence of a wage gap between men and women. Women are over represented in the more poorly paid job sectors. Despite some gains, women also remain under represented at the top of the income distribution.

The percentage of women among the poor has risen steadily in recent years. Poverty tends to be especially acute for women with very small children who need constant care. There is a vicious circle here a woman who can obtain a reasonably well paid job may financially crippled by having to pay for child care, yet if she starts working part time her earning drop whatever career prospects she may have had disappear, and she also loses other economic benefits such as pension rights which full time workers receive.

Changes in the domestic division of labour:

One of the results of more women entering paid work is that certain traditional family patterns are being renegotiated. The male breadwinner model has become the exception rather than the rule and women growing economic independence has meant that they are better placed to move out of gendered roles at home if they choose to do so. Both interns of housework and financial decision making, women traditional domestic rules are undergoing significant changes. There appears to be a move towards more egalitarian relationship in many households, although women continue to shoulder the main responsibility for most housework. The exception to this seems to be small household repairs which men are likely to carry out. Surveys have found that women still spend nearly 3 hours a day on average on housework (excluding shopping and childcare). This compare with the 1 hour 40 minutes spent by men (office of national statistics 2003)

Studies show that married women employed outside the home do ten domestic work than others, although they almost always bear the main responsibility for care of the home. The pattern of their activities is of course rather different. They do more

housework in the early evenings and for longer hours at weekends than do those who are full time housewives.

There is evidence that even this pattern may be changing housewives. Men are contributing more domestic work than they have in the past although scholars who have investigated the phenomenon argue that the process is one of lagged adaptation (Gershshuny 1994). By this it is meant that the renegotiation of domestic tasks between men and women is proceeding more slowly than women entry into the labour market. Research has found that the division of labour within households varies according to factor such as class and the amount of time the woman spends in paid work. Couples from higher social classes tend to have a more egalitarian division of labour, or do households in which the woman is working fulltime. On the whole, men are taking on a greater amount of responsibility around the home, but the burden is still not equally shared.

8.2.6 GENDER DIFFERENTIATION AND TECHNOLOGICAL DEVELOPMENT IN INDIA

Most of the women are employed in a) agriculture b) mines c) plantation d) factory industries e) small scale industries f) social service g) white collar jobs.

The plantations employ more women is the aggregate than another against industry. The employment of women in the factory industries has declined in recent years. It may be due to many reasons use of machines need for skilled labour, tendency of the employers not to appoint women as according to the act women are to be given more benefits and higher wages. The factory industries, where employment of women is largest are food and food processing allied to agriculture, tobacco, textiles, chemicals, basic metals, electrical machinery and metal products.

In mines, there is no underground work allowed for women. A considerable number of women are also employed in e milling, which is largely carried out in Bengal, Bihar and Madras. Here women are employed in drying processes, spreading, turning the rice and in removing the rice from the hullers and winnowing bran. They have to walk for long hours under the sun for spreading and turning rice by feet or by means of ladle.

During the last 50 year period, there was greater loss of work opportunities for women the non agricultural sectors of the economy than in agriculture.

Factors responsible for decline in the employment of women workers:

- 1) The introduction of new machinery and modern technology eliminating manual processes which were performed by women in the past is one of the important reasons.
- 2) A legal prohibition on employment of women in under ground work in mines and on work at night in all industries.
- 3) Greater financial burden imposed on employers by the provisions of various labour laws pertaining to women such as payment of maternity benefits, provision of crèches, prohibitions of night work, adoption of equal pay for equal work and standardization of wages.
- 4) More automation i.e. use of more automatic machines eliminates unskilled hands.
- 5) Restrictions on lifting of weights by women.
- 6) Increase in the number of shifts and employment of women possibly is one shift only.
- 7) The limited opportunities for women employment in engineering industries.

Most of the women take up jobs to supplement family income. In most of the industries they work as coolies. In plantation, women work on family basis ie all the members of the family except very small children are appointed to work. In mines, particularly h the coal mines, women are employed generally as cowries or wagon loaders or seen at times pushing the trams also.

Women are slightly less paid as compared to men through they work as efficiently as men. In plantations and wives they work for equal hours only in factories, women workers are paid equally but this legal enforcement has resulted in discriminate opportunities for job for women. Thus considerable differences exist between wages of men and women in factories, mines and plantations an the plea of variations in physical strength, level of education and training, inclination to the job and while fixing wage rates, even manual jobs are not free from discrimination against women. Labour legislation has been framed with a view to protect women from undue exploitation.

Due to fast automation, modernization of industrial techniques, requirement o greater skill on the part of workers, changed pattern of production and new products, there is gradually less need of unskilled labour both men and women. In the formal organized sector, as such, there is less need of illiterates and inexperienced people. Even in the informal sector, unskilled workers may not be absorbed in near future. This is the age of specialization. Every operation is specialized and only technically trained worker can manage to operator women as such are less

educated, especially in rural areas, rarely can receive the training needed for performing specialized jobs, Mechanized operations replace the men workers, women were rendered surplus even earlier.

In developing nations like India both women and children are required to work as poverty and unemployment are going to persist even in future. There seems no immediate solution. Women are not considered fit or eligible for many jobs in India like driving or conducting the vehicles or driving any other responsible jobs like accounting or even shop-keeping. In many job women are not preferred after then marriage.

India is still a backward country. There is no education or communication facility in remote villages. Rural males are considered only for unskilled employments. In urban areas jobs like lifting weights, loading, wagons or any such activity in which skill is not much required employ real illiterate, men lack of training faculties turn many men, women and children unable to take up any job, lack of proper qualification renders them unfit for jobs in organized sectors.

Further modernization computerization of jobs have eliminated labour to a large extend many traditionally skilled workers are retrenched and lost their jobs. In such a situation where even many craft men do not have any scope for better future, unskilled or untrained men or women cannot think of getting any good or beneficial job. Unskilled adults male or female can only be absorbed is temporary casual jobs which are given on contract or subcontract basis like construction work, shifting of heavy goods, as coolies or cleaners. Even semiskilled find it difficult to survive in modern factories. The work are assistants with skilled workers in industries.

8.2.7 SUMMARY

A distinctive characteristic of the economic system of modern societies is the development of a highly complex and diverse division of labour. The division of labour means that work is divided into different occupations requiring specialization one result is economic interdependence; we are all dependent as each other to maintain our livelihoods. Both men and women must be provided with free education and necessary vocational training before they are employed. The women primarily have to attend household duties. They also do not stick jobs permanently and lack imitative. Due to traditional submission to men, women are not very active or independent. Men, women and children in rural or backward areas must be given opportunities to learn any craft or specialized job so

that they can be absorbed in gainful employment in both organized and unorganized sectors.

8.2.8 CHECK YOUR PROGRESS

- 1) Discuss the factors which lead to Gender and technologically differentials in India.

8.2.9 QUESTIONS

- 1) Why employment of woman declining in recent years
- 2) Explain why modern industries have separated workplace from home.
- 3) Describe reasons for women entering in the labour market?
- 4) Why vertical segregation has created small room for women advancement?
- 5) Why women entered in part-time employment.

8.2.10 REFERENCES

- 1) RN Saxena-Labour problems

Chapter 5

WORK AND TECHNOLOGY

Contents

- 9.0 Objectives
- 9.1 Introduction
- 9.2 Organization of work
- 9.3 Taylorism and Fordism
- 9.4 Flexible production
- 9.5 Summary
- 9.6 Check Your Progress
- 9.7 Reference
- 9.8 Question

9.0 OBJECTIVES

- 1) To bring awareness among students about concept of work, mass production and mass market.
- 2) To understand the term Taylorism and Fordism.

9.1 INTRODUCTION

One of the most distinctive characteristics of the economic system of modern societies is the existence of a highly complex division of labour. Work has become divided into an enormous number of different occupations in which people specialize. In traditional societies, non-agricultural work entailed the mastery of a craft. Craft skills were learned through a lengthy period of apprenticeship, and the worker normally carried out all aspects of the production process from beginning to end. For example, a metal worker making a plough would forge the iron, shape it and assemble the implement itself, with the rise of modern industrial production, most traditional crafts have disappeared altogether, replaced by skills that form part of larger scale production processes. Jockey, whose life story we discussed at the beginning of this chapter is an example. He spent his whole working career on one highly specialized task; other people in the factory dealt with other specific tasks.

9.2 ORGANIZATION OF WORK

Modern society has also witnessed a shift in the location of work. Before industrialization, most work took place at home and was completed collectively by all the members of the household. Advances in industrial technology, such as machinery operating on electricity and coal, contributed to the separation of work and home. Factories owned by entrepreneurs become the focal points of industrial development. Machinery and equipment were concentrated within them and the mass production of goods began to eclipse small scale artisanship based in the home. People seeking jobs in factories, like Jockey, would be trained to perform a specialized task and would receive a wage for his work. Employee performance was over seen by managers, who concerned themselves with implementing techniques for enhancing worker productivity and discipline.

The contrast in the division of labour between traditional and modern societies is truly extraordinary. Even in the largest traditional societies, there usually existed no more than twenty or thirty major craft trades, together with such specialized roles as merchant, soldier and priest. In a modern industrial system, there are literally thousands of distinct occupations. The UK census lists some 20,000 distinct jobs in the British economy. In traditional communities, most of the population worked on farms and were economically self-sufficient. They produced their own, food, clothes and other necessities of life. One of the main features of modern societies by contrast, is an enormous expansion of economic interdependence. We are all dependent on an immense number of other workers. Today stretching right across the world for the products and services that sustain our lives with few exceptions the vast majority of people in modern society do not produce the food they eat, the houses they live in or the material goods they consume.

9.3 TAYLORISM AND FORDISM

Writing some two centuries ago, Adam Smith, one of the founders of modern economics, identified advantages that the division of labour provides in term of increasing productivity. His most famous work, *The Wealth of Nations* (1776), opens with a description of the division of labour in a pin factory. A person working alone could perhaps make 20 pin per day. By breaking down that workers task into a number of simple operations, however, ten worker carry out specialized jobs in collaboration with one another could collectively produce 48,000 pins per day. The rate of production per worker, in other words, is increased from 20

to 4,800 pins, each specialist operator producing 240 times more than when working alone.

More than a century later, these ideas reached their most developed expression in the writings of Frederick Winslow Taylor (1865-1915). An American management consultant Taylor's approach to what he called 'Scientific Management' involved the detailed study of industrial processes in order to break them down into simple operations that could be precisely timed and organized. Taylorism, as scientific management came to be called, was not merely an academic study. It was a system of production designed to maximize industrial output, and it had a widespread impact not only on the organization of industrial production and technology, but also on work place politics as well. In particular, Taylor's time and motion studies wrested control over knowledge of the production process from the worker and placed such knowledge firmly in the hands of management eroding the basis on which craft workers maintained autonomy from their employer (Braverman 1974). As such, Taylorism has been widely associated with the deskilling and degradation of labour.

The principles of Taylorism were appropriated by the industrialist Henry Ford (1863-1947). Ford designed his first auto plant at Highland Park, Michigan, in 1908 to manufacture only one product the Model T Ford – involving the introduction of specialized tools and machinery designed for speed, precision and simplicity of operation one of Ford's most significant innovations was the introduction of the assembly line, said to have been inspired by Chicago slaughterhouses, in which animals were disassembled section by section on a moving line. Each worker on Ford's assembly line was assigned a specialized task, such as fitting the left side door handles as the car bodies moved along the line. By 1929, when production of the Model T ceased, more than 15 million cars had been produced.

Ford was among the first to realize that mass production requires mass markets. He reasoned that if standardized commodities such as the auto- mobile were to be produced on an even greater scale, the presence of consumers who were able to buy those commodities must also be assured. In 1914, Ford took the unprecedented step of unilaterally raising wages at his Dearborn, Michigan plant to 5 for an eight hour day a very generous wages at the time and one that ensured a working class lifestyle that included owning such an automobile. As Harvey remarks ' The purpose of the five – dollar, eight-hour day was only in part to secure worker compliance with the discipline required to work the highly productive assembly line system. It was coincidentally meant to provide workers with sufficient income to consume the mass produced products the corporations were about

to turn out in ever vaster quantities [Harvey 1989]. Ford also enlisted the services of a small army of social workers in order to educate them in the proper habits of consumption.

Fordism is the name given to designate the system of mass production tied to the cultivation of mass market. In certain contents, the term has a more specific meaning, referring to a historical period in the development of Post - Second World War capitalism, in which mass production was associated with stability in labour relations and a high degree of unionization. Under Fordism, firms made long term commitments to worker, and wages were highly linked to productivity growth. As such collective bargaining agreements, formal agreements negotiated between firms and unions that specified working conditions such as wages, seniority rights, benefits and so on closed a virtuous circle that ensured worker consent to automated work regimes and sufficient demand for mass produced commodities. The system is generally understood to have broken down in the 1970's, giving rise to greater flexibility and insecurity in working conditions.

9.3.1 The limitations of Taylorism and Fordism:

The reasons for the demise of Fordism are complex and intensely debated. As firms in a variety of industries adopted Fordist production methods, the system encountered certain limitations. At one time, it looked as though Fordism represented the likely future of industrial production as a whole. But this has not proved to be the case. The system can only be applied successfully in those industries, such as car manufacture, that produce standardized products for large markets. To set up mechanized production lines is enormously expensive, and once a Fordist system is established, it is quite rigid; to alter a product, for example, substantial reinvestment is needed. Fordist production is easy to copy if sufficient funding is available to set up the plant. But firms in countries where labour power is expensive find it difficult to compete with those where wages are cheaper. This was one of the factor originally leading to the rise of the Japanese car industry [although Japanese wage level today are no longer low] and subsequently that of South Korea.

The difficulties with Fordism and Taylorism extend beyond the need for expensive equipment; however Fordism and Taylorism are what some industrial sociologists call low-trust system. Jobs are set by management & are geared to machines. Those who carry out the work tasks are closely supervised and are allowed little autonomy of action. In order to maintain discipline and high quality production standards, employees are continuously monitored through various surveillance systems.

This constant supervision, however, tends to produce the opposite of its intended result: the commitment and morale of workers is often eroded because they have little say in the nature of their job or in low-trust they are carried out. In work places with many low-trust positions, the level of worker dissatisfaction and absenteeism is high, and industrial conflict is common.

A high-trust system, by contrast is one in which workers are permitted to control the pace, and even the content, of their work, within overall guidelines. Such systems are usually concentrated at the higher level of industrial organization. As we shall see, high-trust systems have become more common in many work places in recent decades, transforming the every way we think about the organization and execution of work.

9.3.2 The Changing nature of work and working:

The globalizing of economic production, together with the spread of information technology, is altering the nature of the jobs most people do. As discussed in chapter 9, the proportion of people working in blue collar jobs in industrial countries has progressively fallen. Fewer people work in factories than before. New jobs have been created in offices and in service centers such as supermarkets and airports. Many of these new jobs are filled by women.

9.3.3 Occupational Segregation:

Women workers have traditionally been concentrated in poorly paid, routine occupations. Many of these jobs are highly gendered – that is, they are commonly seen as ‘women’s work’. Secretarial and caring jobs (such as nursing, social work and child care) are overwhelmingly held by women and are generally regarded as ‘feminine’ occupations. Occupational gender segregation refers to the fact that men and women are concentrated in different types of jobs, based on prevailing understandings of what is appropriate ‘male’ and ‘female’ work.

Occupational segregation has been seen to process vertical and horizontal components. Vertical segregation refers to the tendency for women to be concentrated in jobs with little authority and room for advancement, while men occupy more powerful and influential positions. Horizontal segregation refers to the tendency for men and women to occupy different categories of job. For example, women largely dominate in domestic and routine clerical positions, while men are clustered in semi-skilled and skilled manual positions. Horizontal segregation can be pronounced. More than 50 percent of women’s employment (compared to 17 percent of men’s) in the UK in 1991 fell into four occupational categories:

clerical, secretarial, personal services and 'other elementary' (Crompton 1997). In 1998, 26 percent of women were in routine white collar work, compared with only 8 percent of men, while 17 percent of men were in skilled manual work, compared with only 2 percent of women (HMSO 1999).

Changes in the organization of employment as well as sex-role stereotyping have contributed to occupational segregation. Alterations in the prestige and the work tasks of 'clerks' provide a good example. In 1850, in the UK, 99 percent of clerks were men. To be a clerk was often to have a responsible position, involving knowledge of accountancy skills and sometimes caring managerial responsibilities. Even the lowliest clerk had a certain status in the outside world. The twentieth century has seen a general mechanization of office work (starting with the introduction of the typewriter in the late nineteenth century), accompanied by a marked downgrading of the skills and status of 'clerk' – together with another related occupation, that of 'secretary' – into a low – status, low paid occupation. Women come to fill these occupations as the pay and prestige associated with them declined. In 1998 nearly 90 percent of clerical workers and 98 percent of all secretaries in the UK were women. However, the proportion of people working as secretaries has fallen over the past two decades. Computers have replaced typewriters and many managers now do much of their letter-writing and other tasks directly on to the computer.

9.3.4 Post – Fordism:

In recent decades, flexible practices have been introduced in a number of spheres, including product development, production techniques, management style, the working environment, employee involvement and marketing, group production, problem solving teams, multi- tasking and niche marketing are just some of the strategies that have been adopted by companies attempting to restructure themselves under shifting conditions. Some commentators have suggested that, taken collectively, these changes represent a radical departure from the principles of Fordism; they contend that we are now operating in a period that can best be understood as Post-fordism. The phrase was popularized by Michael Piore and Charles Sabel in the *Second Industrial Divide* (1984), and describes a new era of capitalist economic production in which flexibility and innovation are maximized in order to meet market demands for diverse, customized products.

The idea of Post-fordism is somewhat problematic; however the term is used to refer to a set of overlapping changes that are occurring not only in the realm of work and economic life, but

throughout society as a whole. Some writers argue that the tendency towards Post-fordism can be seen in spheres as diverse as party politics, welfare programmes and consumer and lifestyle choices. While observers of contemporary society often point to many of the same changes, there is no consensus about the precise meaning of Post Fordism or, indeed, if this is even the best way of understanding the phenomenon we are witnessing.

Despite the confusion surrounding the term, several distinctive trends within the world of work have emerged in recent decades that seem to represent a clear departure from earlier Fordist practices. These include the decentralization of work into non-hierarchical term groups, the idea of flexible production and mass customization, the spread of global production and the introduction of a more flexible occupational structure, we shall first consider examples of the first three of these trends, before looking at some criticisms of the Post-fordist thesis. Flexible working patterns will then be addressed in the section 'current trends in the occupational structure'.

9.3.5 Group production:

Collaborative work groups in place of assembly lines have sometimes been used in conjunction with automation as a way of reorganizing work. The underlying idea is to increase worker motivation by letting groups of workers collaborate in term production processes rather than requiring each worker to spend the whole day doing a single repetitive task, like inserting the screws in the door handle of a car.

An example of group production is quality circles (QCS), group of between five and twenty workers who meet regularly to study and resolve production problems. Workers who belong to QCS receive extra training, enabling them to contribute technical knowledge to the discussion of production issues. QCS were initiated in the United States, taken up by a number of Japanese companies, and then re-popularised in western economies in the 1980's. They represent a break from the assumptions of Taylorism, since they reorganize that workers possess the expertise to contribute towards the definition and method of the tasks they carry out.

The positive effects of group production on workers can include the acquisition of new skills, increased autonomy, reduced managerial supervision and growing pride in the goods and services that they produce. However, studies have identified a number of negative consequences of team production. Although direct managerial authority is less apparent in a term process, other form of monitoring exists, such as supervision by other team

worker. The American sociologist Laurie Graham went to work on the assembly line at the Japanese owned Subaru – Isuzu car plant based in India. In the USA, and found that pressure from other worker to achieve greater productivity was relentless.

One co-worker told her that after initially being enthusiastic about the team concept, she found the peer supervision was just a new means of management praying to work people 'to death'. Graham (1995) also found that Subaru – Isuzu used the group production concept as a means of resisting trade unions, their argument being that if management and workers were on the same 'team' then there should be no conflict between the two. In other words, the Subaru – Isuzu plant that Graham worked in, demands for higher pay or reduced responsibilities were viewed as a lack of employee cooperativeness. Studies like Graham's have led sociologists to conclude that while team based production processes provide workers with opportunities for less monotonous forms of work systems of power and control remain the same in the workplace.

9.4 FLEXIBLE PRODUCTION AND MASS CUSTOMIZATION

One of the most important changes in worldwide production processes over the past few years has been the introduction of computer aided design and flexible production. While Taylorism and Fordism were successful at producing mass products (that were all the same) for mass markets. They were unable to produce small orders of goods, let alone goods specifically mode for an individual's customer. The limited ability of Taylorist and Fordist systems to customize their products is reflected in Henry Ford's famous quip about the first mass produced car: people can have the models T in any colour so long as it's black. Computer aided designs, coupled to other types of computer based technology, have altered this situation in a radical way. Stanley Davis speaks of the emergence of 'mass customizing'. The new technologies allow the large scale production of items designed for particular customers. Five thousand shirts might be produced on an assembly line each day. It is now possible to customize every one of the shirts just as quickly as, and at no greater expense than, producing five thousands identical shirts (Davis 1988).

While flexible production has produced benefits for consumers and the economy as a whole, the effects on workers has not been wholly positive. Through workers do learn new skills and have less monotonous jobs, flexible production can create a completely new set of pressures which result from the need to coordinate the complex production process carefully and to

produce the result quickly. Laurie Graham's study of the Subaru – Isuzu factory documented instances when workers were left waiting until the last minute for critical parts in the production process. As a result, employees were forced to work longer and more intensely to keep up with the production schedule without additional compensation.

Technology such as the internet can be used to solicit information about individual consumers and then manufacture products to their precise specifications. Enthusiastic proponents argue that mass customization offers nothing sort of New Industrial Revolution, a development as momentous in the previous century. Skeptics however are quick to point out that as a currently practiced, mass customization only creates the illusion of choice in reality, the options available to the Internet customer are no greater than those offered by a typical mail order catalogue (Collins 2000).

9.5 SUMMARY

One of the manufacturers that have taken mass customization the farthest is Dell Computer. Consumers who want to purchase a computer from the manufacturer must go online the company does not maintain retail outlets and navigate Dell's website. Customers can select the precise mix of features they desire. After the order is placed, a computer is custom built according to specification and then shipped typically within days. In effect, Dell has turned traditional ways of doing business upside down. Firms used to build a product first, then worry about selling it; now, mass customizers like Dell sell first and build second such a shift has important consequences for industry. The need to hold stocks of parts on hand a major cost for manufactures has been dramatically reduced. In addition, an increasing share of production is outsourced. Thus, the rapid transfer of information between manufactures and suppliers also facilitated by Internet technology is essential to the successful implementation of mass customization.

9.6 CHECK YOUR PROGRESS

1) What quality is required in modern industry to work?

2) Explain Taylorism Theory?

3) What is Fordism Theory?

4) State Taylorism and Fordism theory as low trust system?

5) State occupational gender segregation?

9.7 REFERENCE

Anthony Giddens – Introduction to Sociology.

9.8 QUESTION

1) Explain in detail Taylorism and Fordism theory.

Chapter 6

LABOUR MARKET

Contents

- 10.0 Objectives
- 10.1 Introduction
- 10.2 Structure of labour market – a brief history
- 10.3 Factor influencing labour market.
- 10.4 Politics of regionalism
- 10.5 Summary
- 10.6 Check your programs
- 10.7 Reference
- 10.8 Question

10.0 OBJECTIVE

1. The student must know the prevalence of labour market in India interims of small scale industries and large scale industries.
2. To understand the gradual changes that took place in the labour structure of India.
3. To make the importance of an industrial worker in the development of industries.

10.1 INTRODUCTION

Rapid growth in industrial productivity has been as essential elements in the development and structural transformation and economies. In India to achieve this rapid growth in industrial productivity the nation has relied on planning, small scale industries and large scale industrial growth. Our plans have taken into consideration labour productivity as well as capital productivity.

We have seen how Britishers systematically destroyed the industrial base of India. As a result at the time of Independence India had weak industrial base. The government called an industrial conference in December 1947 to consider ways and means to utilize the existing capacity more fully and to have new industry to

the growing requirement of the people. The conference was attended by the representatives of the central and provincial governments, industrialists and labour. To ensure better relations between management and employees, a tripartite agreement was entered into which provided for three years industrial truce between the management and labourers. With the purpose of assisting industrial development the government granted certain tax concessions to industry in 1948-49 and passed the bill to establish the industrial policy resolutions have passed subsequently.

The small scale industries hold a significant position in the industrial setup of our country. Small scale industries have emerged in the country after independence. Earlier in the pre-industrial era there were artisans and craftsman who used their hereditary skills to make traditional products. During the war years many small scale engineering units were setup. Since 1950's the small scale industries have grown in response to the promotional work done, as a part of planning strategy of the government and the government sponsored agencies. In recent years there has been a rapid growth in the small scale industrial sector in terms of an increase in number of units, their contribution to industrial production, the employment opportunities generated by them and their sizable share in the country's exports. Small scale industries are mainly located in urban centers as separate establishments, these industries produce goods with partially or wholly mechanized equipments employing outside labour.

Earlier studies of industrial labour stresses the event able consequences of introducing new technologies their impact on a stable traditional society and on institutions like the caste, village and joint family. Which were assumed to have existed almost unchanged for centuries until they suffered the shock of contact with industrialism, migration from village and the growth of new industrial and commercial cities like Mumbai, Calcutta, and Chennai. Which were very different from the older cities which were the centers of Indian civilization. The new technologies impact would not be separated from that of colonial rule, the new systems of law, administration and education and the dominant position of the British community in India. Some writers justified colonial rule and praised its achievements and some condemned it outright. The inevitable impact of the dynamic west on a static society, seemed obvious not only to foreign writer but to many Indians.

10.2 A BRIEF HISTORY OF INDUSTRIAL LABOUR IN INDIA

Writing on the history of Indian industrial labour, besides containing a whole lot of matter on the process of westernisation or

now more commonly called modernization also contains a mass of useful descriptive material on industrial workers recruitment, migration and living conditions etc. The great transition, partly completed was from one stage all ideal type of society to another from a pre-industrial to a modern urban industrial society, the writers **who desorbed** or speculated about industrialisation, stressed different aspects of it they were in search of a formula for successful industrialization, the ingredients missing from a traditional society, which must be added to make India on industrial country entrepreneurship, efficient management, changes in social values, achievement orientation or a committed labour force. It when the non-industrial countries that lagged behind, at various point on the way to development marked out by developed countries.

The divergence of the interest of the employees and the employees can be appealed if we consider the objectives for which the employees and employer come together in an organization. The employer objectives are to invest capital profitable, to run the organization most economically and productively to ensure that the polices and rules framed by him are implied. The employee however is there to earn a living for himself and his family to satisfy his physical needs like food, clothing and shelter. He also seeks satisfaction of his social needs like companionship self esteem etc. These psychological needs such as self development, self experience, self aspect have also to be fulfilled at work. There are set of objectives of the employer and that of employee that have hardly anything in common. Indeed most of them run opposite to each other. Higher wages needed by the employees to improve his standard of living run into the conflicts with employee's objective of keeping cost down and maximum profits.

10.2.1 Structure of Labour market:

1) India has been a traditionally organized agricultural society. Characterised by a complete division of labour and the employment of extensive skills, many of which were transferable to the new industrial pattern where the modern institutions began to invade. India in the 19th C., they did not take root main altogether new environment. The elements of literacy for a modern bureaucracy a heady existed, a sophisticated system of banking and commerce was in operation. And there was a substantial tradition of artisanship. As new industries slowly grew during the late 19th and 20th centuries they found that the ground was partly prepared.

The emergence of cotton mills in Bombay and the steel mills in Jamshedpur depended in large measures on the reservoir of workers that came from the traditional shipbuilding industry of Surat. By the late 19th century much traditional iron working skill had

found its way into the railway workshop and from the railway this modernized skill ultimately was drafted into private industry as at Jamshedpur. The factories in the earlier days had less trouble finding both skilled and unskilled labour, as they were found in supply almost everywhere, they were either trained in the traditional crafts, or some of them were literate adaptable workers. Who could acquire the required skill soon or later. But the mass of workers of those early industries were unskilled and mainly illiterate. Sometimes people traveled long distance in search of work. Employer complaints of a labour shortage, and of an unstable and disciplined work force constantly returning to the villages, one not justified by needs and statistics. When there was high labour turnover, as in the Bombay cotton mills, this was the result of level management and working conditions. Workers left for better pay and kept up their village ties as their only security.

Actually the ground was prepared for the growth of modern industries but the enthusiasm was cut down by the devastating first impact of colonialism, which hit India just at the time when the imperial power itself was industrializing. Modern industry came to India as a result of colonial rule and not intentionally. Village industries included the work of artisans, country weavers making cotton cloth, potters and goldsmith. Similar craftsman's working for a minor market, but better organized, lived in the towns. Urban craftsman, like the brass and copper smiths could make artistic as well as common utensils. There was another group of workers of mainly localized industries who lacked specialized knowledge which was very necessary. In some of the heavy industries such as iron smelting, where the products find its way all over the country, the method employed were generally crude and uneconomical. All these industries were already dying out due to various reasons, one of them being the pressure of imported goods.

Craftsman and artisans decided to return back to the land that they might have owned or as tenants or landless labourers. The craft industries were not gradually replaced by factories. It took almost two or three generations for industries to grow in India. Then the city workers of modern India did not come out of the ranks of artisan, but were comprised of the landless peasants or agricultural labourers. According to some of the writers like Morris Oho thinks that it is not clear that large number of craftsman were forced to become landless labour in the 19th C. as major shift from agriculture to industry. The character and social composition of the work force depended largely on the way in which the field industrial workers were recruited in the main industries. The mass of their workers, as in the first English factories were unskilled and mainly drawn from the countryside poor peasants and landless labourers with high but not overwhelming proportion from low centers. It was difficult to say how many of the early migrants to Mumbai came from artisan

rather than exclusively agricultural families. But R. Das Gupta (1976) has examined the census and other material on the industrial work force in eastern India both in the jute mills around Calcutta and in the engineering industries which needed mere skilled labour. The 1911 census shows that the ruined artisans, labourers failing to get adequate employment and subsistence in the rural economy, agriculturist unsettled by the sort of changes taking place in the agricultural economy unskilled of all traders, ad peasants, artisans, and labourers turned into **destitutes** ad paupers were the most numerous among the working mans employed in the jute mills.

There was considerable 'industrial migration' of weavers, iron workers, computers and others, displaced from their traditional occupations. They learnt new skills easily and soon became technically fit. A minority of the traditional artisans moved straight into the ranks of skilled and better paid workers. While the man of unskilled labourers, were from very mixed social origins.

2) Rural migrants started working as jobber. The role of jobber was very important, and he was seen as a very important person because of series of job he performed in the factory as he had the experience of the factory working. He was responsible for the supervisor of labour white at. He was supposed to keep the machine in working order and for provide technical training to workers. His role as a recruiter of labour earned him good income as bribes otherwise called 'dasturi'. The hierarchies of jobbers were likewise paid 'dasturi'. The jobber is very active during strikes, running in search of workers. He seemed an **indispensible** person to the employ as well as labourer.

Jobber, according to situations worked as protector as well as our oppressor to the workers. He protected their rights and provided great security to them and at times he could prove to be an oppressor, any way he was previous to the employer as well as the worker. At times he lends money to workers for interest and gain commission from various other sources. The role of jobber gradually declined after 1930. According to Morris the jobber played the role of middleman. The employer turned down the system as it was largely beneficial to the jobber themselves; who took maximum advantage of the status, as this was the maximum level to which an industrial worker can rise, there was no prospect of rising higher.

3) After independence when stronger unions and new legislation emerged, a clear division could be noticed within the labour force between those on the payroll of registered factories and other individual workers employed on less favorable terms in small factories that were not favorable terms in small factories that were

not registered. It was during this time that the jobber role was being gradually phased out.

By this time contract labour had emerged as separate type. When labour is scarce, a contractor is often employed. The contractor paid the workers, or sometimes the management paid them and debited the contractor's account. In some cases the contractor only supplies labour, which is paid by the factory management. In some of the best organized industries in the country, like the cotton and jute factories, engineering workers etc. the way recruitment is made on a large scale is not known even in other countries. So there are seen working for the factories almost like subordinate employees. In such situations what one sees in a factory is two types of workers during the same jobs before machinery earning too different wages. The 'contract' workers do this work minus privileges. While the 'regular' worker even without legal safeguard against dismissal had become distinct from all other categories of contract, temporary or badli workers.

If one wants to study the growth of industrial work place in India and studies on the living and working conditions of labour force became an important area of study as comparatively in no industrial city in the world are conditions as bad as it is in Mumbai.

4) Labour market studies are all about how many from which origins get job, how many had friends or relatives to help them out in this venture of job securing business Mumbai with its mixture of older industries and technologies provides a cross section of the work found in other cities that have grown over the last thirty years.

Mumbai being a city of migrants, waves of migration from different areas for different industries were setup, boom and slumps of these things leave their traces in the composition of the work force long afterwards. In recruiting workers, management rely heavily on their kith, kin, thus making the entry of anybody be difficult. Employment in factories thus becomes the possession of particular families or social groups. Worker says that the critical factor in finding a job is access to 'contracts' to relatives or friends with 'influence' this is a general agreement.

Scarcity and insecurity, force migrants to keep up their primordial relationship in the village, to maintain a village base and property to fall back on, if they lose their jobs or earn too little. To avoid labour trouble and to have a better grip on their labourers, the employees utilised the simplest and safest recruiting methods of getting labourers through their present workers. They always keep a list of their labourers together with the names of the people who brought them. In large and small firms, most workers who come in with recommendations are relatives or friends of the present

workers. The chance to bring in relatives is an important benefit of regular employment. In big firms this is often made formal in written agreements with the union, which lay down.

The practice of taking workers relatives and friends as replacement or new workers has led to clusters of people from particular center or village or language, group is the same occupation often throughout an industry.

5) Women workforce in industry go in from semi-skilled work or casual labour. Since women are brought of as neat and delicate in their work, they are required wherever careful handling of equipment takes place and they are more preferred as they can stand the monotony of production line. Women are not only fighting for their rights alongside men, but they are even found competing for men's jobs with equal wages. Most of the clerical work now days are done by women. It looks as though employers believe women are best suited to the most boring assembly jobs.

Some factories hesitate to employ women because the factory act states that, if there are more than 30 married women, a crèche will have to be provided, separate toilets, dressing room etc.. On any case unskilled women have been forced out of the cotton mills by automatic machinery. In the Mumbai Mills unskilled women employment were nearly 40% between 1961 & 1971. While female employment in industries requiring mainly educated women such as teaching, public administration, medicine and nursing, commerce and banking, pharmaceuticals (as packers) and post and communications (telephone operators) etc. Women mostly engage in home-based works (sewing looks and buttons, electronic assembly, making agarbattis etc). Majority of the poor class working women are represented in units with very low pay and bad working conditions. Most women workers live in household where the main earner is the man, although women tend to work in separate departments or occupations the network through which they find jobs are extensions of the men's network.

10.3 FACTOR INFLUENCING LABOUR MARKET IN INDIA

India was country of many castes and religious. The life of its people revolved around the caste system. But today things have change. Due to modernization and industry the cast system is losing its importance. Today you can even see a casual labourer are Harijan on low caste. There are Harijans involved in almost every kind of work, largely because of possible discrimination in education system and government employment which has helped a new self confident Harijan middle class.

Industrialization has brought about a number of changes in social and economic aspects. Industrialization has led to urbanization. This has influenced our life style, relationship, eating and dressing habits. During the olden days we had the system of joint families, but due to industrialization and urbanization this system is slowly dying. People are moving from the urban in search of work.

Before there was inequality between the caste systems, the Brahmins were of high caste while the Shudras were of low caste. But today there is a difference in the class system due to industrialization. The rich are becoming richer and the poor are becoming poorer.

Industrialization has affected our society. It has brought about permanent changes in our social structure, social institution and social relationships. Some of the social consequences of industrialization are as follows:-

1) Influence on the community: There is a close relationship between the industry and the communities or it has changed the existing one. Industries usually come where there is raw material and power. So when there is a new industry coming up automatically people will settle around the industry to give their services. So people from all walks of life will come down and settle giving birth to urban community. This leads to a mixed people from different ethics, social religious and racial background. Who come together for a common cause of earning a livelihood.

Industrialization has also lead to a decrease in the intensity of caste favors, because people from all caste come together and obtains employment in factories. So a Brahmins and a shudra will be working side by side. So all the castes come in mutual contact in factories hotels, markets, trains and buses etc.

2) Impact of industrialization on family and kinship: Due to industrialization, the traditional joint family system is dissolving. Family was an important institution in the traditional society in which joint families constituted the basic institution of self sufficient agricultural economy. The joint family was the centre of production and consumptive unit. The joint family contained relationship of members of two or three generations. Property was owned and cultivated jointly. Industrialization has completely changed the face of the family atmosphere. Values like discipline, authority, and respect for elders have all changed for ideas like equality, freedom, equal rights, justice etc. Homes have become places of rest and enjoyment. High standards of living have become characteristics of urban families. It has been happening in India.

The feeling of unity has weakened. Industrialization has increased the material wants. People have become selfish and want more. People are not satisfied as they were. The youth are attached from the rural and hence the agricultural productivity suffers. Now a day, the youth are asking for equal rights in family property, while he no longer contributes to the common pool. The traditional family can no longer keep the youth attached to its soil.

People are realizing the importance of nuclear family. Both parents go out to work. The new gadgets and advanced technology help the couple to look after their homes. Women are becoming smarter and are equal with their husbands, and can no longer tolerate their nonsense. And with easy availability of divorce on their stands family instability has become a problem in today's time.

Industrialization has played havoc and sabotaged the respect and status of elders. Children work independently and this has diminished the power of the head of the family. With advance technology children are guide to computer and T.V. family members are spending very little time with each other. Before, the wife and children used to look after the emotional needs of the father. All this seems reversed now; it's the father who has to pay attention to the fragile emotional needs of the wife and children.

3) Changes in the caste system and social structure: The caste systems in the olden days were very rigid with the Brahmins at the top and the Shudras below. There was restriction as regards occupation, marriage, and eating, drinking and social system. When people belonging to different caste started migrating to the cities in search of new economic opportunities, it was not possible to maintain the restriction. Due to industrialization the caste system started losing its grip. It become economically independent, this caused the steady decline in the monopoly of higher caste. Technological progress, industrialization, urbanization, commercialization were the efforts by the Indian government to create a casteless society, the growing economic difficulties and the desire of lower caste to noise their status in the caste hierarchy through "sanskritization" were some of the efforts responsible for bringing about a change in the caste system.

"The lower caste people wanted to enter into the higher class by learning sanskirt and even to marry into what had previously been regarded as separate and higher class.

Thus caste was always a code for economic class difference to some extent, and changed with changes in the react and power of groups one might call classes. Learning aside the difference differences between regional cultures, and between patterns of industrial growth and settlement and political movement in

particular cities, industrial workers like other Indians, think of themselves as members of center, and generally marry their children within the boundaries of recognized castes or religious minorities like Muslims and Catholics, which are sometimes divided into caste-like groups. In towns and cities a caste is no longer a united group, but rather a network of links with particular people on whom one has a claim, but who are also pulled in other directions by obligation and loyalties and interests that have nothing to do with castes.

4) Industry and caste: In a job market one has moral obligation to help ones relatives who are bound to be of your caste. But now days in this competitive world a person with excellent qualification has more job opportunities even if he is not of your caste. It may be possible that someone might give you preference in search of jobs or a place to live because he trusts the person brought up with the same values, or he shares a feeling that caste members must help each other.

When caste comes between these two extremes, the society is divided into their block, one big block with all the middle castes and religious minorities, and two other noticeable smaller groups i.e. the Brahmins at the top and Harijans at the bottom. Both three groups suffer, Brahmins by no means in the best jobs on Harijans in their worst.

10.4 POLITICS OF REGIONALISM

Hindu custom and values, especially caste which is inseparable from Hinduism, prevented the emergence of 'modern' capitalism for innovation and new markets. During the early times the restriction or contact between castes prevented the merchants and artisans from coming together and this kind of an attitude prevented change of occupation and rapid adaptation to new demands.

The strong belief in karma or rebirth together with the web of custom and ritual duties which bound the Hindu at every point in this life led to a 'traditionalist' attitude which largely came in the way of economic development. So as we all know that the traditional form which the division of labour took in India was nothing other than the caste. In a caste theory which most people probably believed in and many still do, everyone is born with an aptitude for a kind of work which is in his nature his dharma. The different kind of work, the lowest as well as the highest are all necessary to a social organism that is part of a universal organism.

There has been a close relationship between Indian trade unions and politics. Political parties and leaders have shown considerable interest in the formation of trade unions. Politician of trade union has led to bitter rivalries among different working situations. They have received support and political patronage of the political parties. Workers join a trade union because they realized that they are helpless individually. The unity and strength can be weakened if workers are fragmented into a number of unions based on diverse or conflicting ideologies. However involvement of trade unions in politics can divert workers to issues not relating to their employment and working conditions. It can therefore be argued that politics can cause more harm than good.

But in a civil society, it is difficult for any person to remain aloof from politics. The state influences each and every aspect of our lives. It passes laws to regulate behavior. Therefore when the trade unions to defend the right of the workers they have to not only protect them against their employees but also try to influence the state to pass laws for protection. In this respect involvement of trade unions in politics is not only desirable but necessary.

The economic backlop of India by 1991 was such that it needed some bold measures to turn it around. India could not afford to be mere spectator in changing world. Radical reform needed to be taken specialty with a view to strengthen the economic bases and its superstructure. In July 1991, the new economic policy and with it a New Industrial policy was announced. At that there were mixed reaction about it by various sections of the society. The impact has been long-lasting.

10.5 SUMMARY

Recruitment to each kind of job depends partly on skill and luck but largely on contacts especially networks of kin or family from the same village or area, who after belong to the same caste or range of caste, if they are not relatives. There are finds clusters of people from similar social origins in a firm, sometimes in a trade or industry.

In big cities where industry has grown rapidly employers and workers are found to be educated. Skilled people from other regions and speaking other languages, the factory find it necessary to employ people to man the skilled workforce. The division between the labour market for factories and workshop is often not always, the result of local historical accidents, as such as any systematic discrimination in favor of the rich educate and high center. The biggest barrier is not between regular worker in

factories and small workshops but between all of these and the man's of casual labourers (unorganized sector)

10.6 CHECK YOUR PROGRESS

- 1) Why India emphasized on planning.
- 2) Describe role of small scale industries in Indian economy.
- 3) How new technology has stressed the Indian labour market.
- 4) Discuss how westernization and modernization brought changes in labour market.

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- 5) Modern industry is complex industry discuss.
 - 6) What do you mean by structure of labour market?
 - 7) How community center and family has been influenced by industry.
 - 8) Discuss how industry has affected the social life of labour.
 - 9) What is the politician of regionalism?

10.7 REFERENCES

- 1) Industry and Inequality by Mark Nollmstron.
- 2) Industrial sociology by Engene V Schcider.

10.8 QUESTIONS

- 1) Explain various factors which influence the labour market in India.
- 2) Discuss in detail the structure of labour market existing in Indian society.

Chapter: 7

Industrial Relations: Nature of Conflicts and Conflict Resolution

Changing Role of the State

Contents

- 11.0 Objectives
- 11.1 Introduction.
- 11.2 Scope of Industrial Relation.
- 11.3 Functions of Industrial Relations.
- 11.4 Brief history of Industrial relation
- 11.5 Summary
- 11.6 Check your progress
- 11.7 Reference
- 11.8 Questions

11.0 OBJECTIVES

- 1) To introduce students to the meaning and importance of Industrial Relations.
- 2) To provide an insight into the nature causes and perspectives of industrial conflicts.
- 3) To acquaint students with important conflict resolving mechanisms.
- 4) To familiarize students with the changing role of the state.
- 5) Industry: refers to all productive work and include various activities.
- 6) Industrial Relations: concerns the relationship between employers and employees.
- 7) Conflict: refers to dispute that arise due to different interests between employers and employees.
- 8) Pluralists: commonly associated with the Oxford School in Britain and in particular with the words of Allan Flanders, H.A. Clegg and A. Fox.

11.1 INTRODUCTION

The concept of Industrial Relations has received widespread attention in the modern industrial age. In fact, it has become a part of the factory system. In very simple terms, we may say that industrial relations are concerned with the employee-employer relations in the industry.

The term industry refers to any productive work and it includes activities like agriculture, fisheries, transport, banking, construction, commerce and trade. Economically speaking, industry is the sector where four factors of production i.e. land; labour, capital and enterprise are employed for the purpose of production.

The relations and interactions of workers with their management is a result of their attitudes and approaches regarding various issues concerning them and their organization. Attitude is a mental state and is not always obvious. It can consist of various components like a belief, a feeling, an emotion or an action. Attitudes must be inferred from an individual's overt behaviour. Approach on the other hand, is an internal expression of an attitude.

State intervention on labour industrial relations had its beginning when the British Government in India was constrained, to protect its commercial interest of labour, the earlier attempts for regulate labour consisted of enactments such as the Assam Labour Act, the workmen's Breach of contract Act, 1859, and the Employers and workmen's (Disputes) Act of 1860. These Acts aimed at protecting the social system against labour rather than protecting labour against the social system.

Deterioration in working conditions, because of greater development of industrial units; unduly low wages and consequent dissatisfaction of the working class; growing indiscipline of workers; strained relations between labour and management; the formation of ILO; the emergence of AITUC (1920) and demands for higher against wages; improved conditions of work and living led to serious industrial troubles and created labour problems of large dimensions. The situation became unmanageable in Bombay and Bengal. Hence committees were appointed to look into the matter.

The State and Industrial Relations Policy:

"The beginning of industrial relations dynamics can be traced back," one author puts it, "for the inception of the Indian Labour Conference as far back as 1942 by Dr. B. R. Ambedkar, when the policy of bringing together the three parties, namely, the

government, management and labour, on a common platform as a consultative tripartite forum for all matters of labour policy and industrial relations was accepted.”

When the second world war broke out, the government of India passed the Defence of India Rules and incorporated in them section 8/A, which banned strikes and lock-outs in any trade with a view to ensuring continuous supplies for the requirements of the war and provided for compulsory adjudication of industrial disputes.

2) In Post Independence India:

In free India, this legacy was given statutory recognition when the legal provisions for regulating industrial relations were embodied in the Industrial Disputes Act enacted in 1947. This Act provided for:

i) The establishment of a permanent machinery for the settlement of disputes in the shape of certain authorities like the works committees, conciliation officers, industrial tribunals, labour courts; and

ii) Making an award of a tribunal on any settlement brought by the conciliator binding on the parties and legally enforceable.

The Act seeks the prevention and settlement of industrial disputes in all industries through conciliation, arbitration and adjudication. Apart from setting up machinery for the settlement of industrial disputes, it seeks to prohibit strikes and lock-outs during the conciliation and adjudication proceedings. The amendment made in the Act in 1976 places restraint on the employers' power to "lay off" or retrench a worker or to impose "closure".

Besides this enactment, two major efforts were made to amend the Trade Union Act, 1926—once in 1947 and then again in 1950. In 1947, a law was enacted which defined unfair employer practices and unfair union practices. It provided for the compulsory recognition of representative unions by employers and for the arbitration of disputes over the certification of a union as a representative union. "These amendments were a break with the colonial British tradition, and were influenced by the American National Labour Relations Act known as the Wagner Act of 1935. Unfortunately, these amendments to the Trade Union Act never came into force. The newly formed INTUC did not favour the source of the changes. Employees were not enthusiastic. The unions did not like the exclusion of civil services and other categories of government employees and of supervisory personnel from the scope of the Act".

In 1950, two bills were brought by the government – a labour Relations Bill and a trade unions Bill. They retrained the provisions of the 1947 amendments. They also introduced the principle that “collective bargaining would be compulsory for both employers and unions under stipulated conditions.” labour courts were empowered for certify union as “sole bargaining agents.” All corrective agreements were for provide for “peaceful settlement without work stoppage of all questions arising out of such agreements by arbitration on otherwise.” However the draft Bill lapsed with the dissolution of Parliament.

As a reaction to the legislative approach (as advocated by Jagjivan Ram, the then labour Minister, 1947-52), V.V.Giri (1952-57) advocated his “Giri approach” of voluntary tripartite negotiations and collective bargaining. The movement towards a non-legal industrial relations system was a new trend. Giri proclaimed that “industrial adjudication was labour’s enemy No.1.” the sport-lived tempura of Giri ushered a new spirit in industrial relations.

INDUSTRIAL RELATIONS POLICY DURING THE PLAN PERIOD:

The Industrial Relations Policy during the plan period is in fact, the continuation of some of the earlier efforts made in the direction of maintaining industrial peace.

The First Plan Period:

The first five-year Plan emphasised the need for industrial peace in industry, the ultimate oneness of interests and the virtue of harmonious relations between capital and labour. The plan encouraged actual settlement, collective bargaining and voluntary arbitration. It observed: “It is incumbent on the state to arm itself with legal powers to refer disputes for settlement by arbitration on adjudication, on failure of efforts for reach an agreement by other means.”

The plan emphasised too other principles:

- (i) ‘Workers’ right of association, organization and collective bargaining should be accepted without reservation as the fundamental basis of mutual relationship; and.
- (ii) Employer employee relationship should be accepted as “a partnership in constructive Endeavour to promote the satisfaction of the economics needs of the community in the best possible manner.”

The plan pointed out that the cause of industrial peace had not been advanced by the manner in which the legal machinery had

functioned in several industrial disputes. There was excessive delay, most of the judgments lacked balance and the work of the labour courts suffered in quality and speed of disposal. The plan, therefore, said that the best way of settling disputes was to allow employer and employees to settle these without the interference of a third party. It expressed the view that the closest collaboration between the two through consultative committee at all levels was a first step towards the prevention of disputes. Impartial investigation and voluntary arbitration were thought of as the main vehicles for resolving differences.

The plan stressed that machinery to settle disputes should be managed in accordance with these principles:

- (a) Legal technicalities and formalities of procedure should be used to the minimum possible extent;
- (b) Each dispute should be finally and directly settled at a level suited to the nature and importance of the case;
- (c) Tribunals and courts should be manned by specially trained expert personnel;
- (d) Appeals to these courts should be reduced; and
- (e) Provisions should be made for prompt compliance with the terms of any award.

For the sake of uniformity, the plan recommended the setting up of "norms" and standards to govern the relations and dealings between employers and employees and for the settlement of industrial disputes through tripartite bodies, viz., the Indian labour conference, the standing labour committee, and the industrial committee's for particular industries.

In case of some difference, it was pointed out that the government should take the decision on the advice of experts and should make such decisions binding on the court or the tribunals. The plan admitted that workers had a fundamental right to resort to strike; but the exercise of this was to be discouraged. It was emphatic that "a strike on lock-out without due notice during the pendency of any proceedings and in violation of the terms of a settlement, agreement, award or order has of course to be banned and attended by suitable penalties and loss of privileges." In addition to commending the application of these principles of public enterprises, the first plan prescribed that the Board of Direction of these undertakings should have on them a few persons who understand labour problems, the labour point of view and who have sympathy with the aspirations of labour. The following points were also made in the plan:

- (i) The need for a systematic "Grievance Procedure" to be helped by having elected shop-stewards was stressed.

- (ii) The importance of the works committee was emphasised and these were described as “the key to the system of industrial relations”.
- (iii) The plan stressed that, “for the success of collective bargaining, it is essential that there should be a single bargaining agent over as large an area of industry as possible. Separate unions for industrial establishments in the same industry in a local area are inimical to the growth of strong and healthy trade unions and their existence may be justified any in very exceptional circumstances.”
- (iv) The plan recognized the vital and constructive role of trade unions and recommended “closer association between trade unions and employers’ representatives at various levels-at the level of the undertaking, at the level of Industry and the regional and national level.”

In 1967 G. L. Nanda advocated the “Codes Philosophy” in industrial relations as a non statutory moral regulation for a better relationship between labour and management. As a part of the Gandhian approach to labour problems, the trusteeship concept and non-violence became the cardinal principles conduct, the code of discipline and the Draft Code of Efficiency and welfare were the three important contributions to the industrial relations policy of the period from the “courts to Codes” was the new movement during the period, when many progressive policy were also evolved by the Indian labour conference regarding the recognition of unions, model grievance of the latter of the former.

The plan also recommended increased association of labour and management, which might be achieved by councils of management consisting of representatives of management, technicians and workers. .IT emphasised the need for the avoidance of indiscipline in industry: and in pursuance of this, a code of discipline in industry was agreed upon in 1958.

The second plan suggested that statutory provision should be made for the recognition of unions, keeping in mind the need the having one union in as industry.

It suggested that there should be restrictions on the number of outsiders who serve as office-bearers of unions, that the workers who became office-bearers should have additional protection victimisation, and that the finances of trade unions should be strengthened.

The Third Five-Year Plan:

The third five year plan laid stress on moral rather than on legal sanctions for the settlement of disputes. “It laid stress on the

prevention of unrest by timely action at the appropriate stage and giving adequate attention to root causes. This involves a basic change in the attitudes and outlooks of parties and the new set of readjustments in their mutual relations.”

The plan pinned its faith on the greater popularity of voluntary arbitration' procedure, voluntary arbitration, joint management councils, model grievance procedure, voluntary arbitration, joint management councils, workers education and apprentice training, during this period, there has been a movement away from legalism to voluntarism, the emphasis being on the prevention of labour unrest by taking timely action at appropriate stages and settling disputes by voluntary arrangements than by legal proceedings.

The second five-year plan:

The second five-year plan continued the policy formulated in the previous plan. It observed that inadequate implementation and enforcement of awards and agreements had been a source of friction between labour and management. It reiterated that emphasis should be placed on “avoidance of disputes at all levels, including the last stage of mutual negotiations, namely, conciliation.” It emphasised the importance of preventive measures for achieving industrial peace. It also suggested deterrent penalties for non-compliance in the implementation and enforcement of awards and agreements. In case of violation, the responsibility of enforcing compliance should rest on an appropriate tribunal to which the parties should have direct approach faith in the effectiveness of standing joint - consultative machinery was reiterated. The plan suggested a proper demarcation of the function of works committees and trade union to remove the suspicion which should gradually replace adjudication. It said: “ways will be found for increasing the application of the principle of voluntary arbitration. The same protection should be intended to proceedings in this case as is now applicable to compulsory adjudication. Employers should show much greater readiness to submit disputes to arbitration than they have done hitherto. This has to be normal practice... as an important application accepted by parties under the code of discipline.”

The plan suggested that “workers” participation in management should be accepted as a fundamental principle and an urgent need. In view of its importance, the plan undertook as a major programme the progressive extension of the scheme of joint management councils to new industries and units during the plan period so that, in the course of a few years, it may become a normal feature of the industrial system. In course of time, management should arise out of the working class itself.

It has also laid emphasis on an intensive programme of workers 'education in all establishments where such councils are set up. It was hoped that "trade union leadership would grow progressively out of the ranks of the workers and this process would be greatly accelerated as the programme of workers' education gathered momentum."

Industrial Trade Resolution, 1962:

At the time of the Chinese aggression it was felt necessary that production should not be jeopardized in any way. The second industrial trade resolution was, therefore, passed on November 2, 1962, at a joint meeting of the employers' and workers representatives in New Delhi. The resolution said:

No effort shall be spared to achieve the maximum production and management and workers will strive in collaboration in all possible ways to promote the defense efforts of the country.

The Resolution emphasized:

- a) The paramount need to maximize production and lessen stress on the duty of employers and workers;
- b) That no interruption of work should be allowed;
- c) That all disputes should be settled by voluntary arbitration, especially those relating to dismissal discharge and retrenchment of workers;
- d) That unions should discourage absenteeism, and negligence on the part of workers;
- e) That joint emergency production committees should be set up.

Fourth Five-Year Plan:

No fresh direction or any shift in the government's industrial relations policy was indicated in the fourth plan. It made a very brief reference to industrial relations. It said.'

- i) In the field of industrial relations, priority will be accorded to the growth of a healthy trade union movement so that it could secure better labour management relations.
- ii) More emphasis should be laid on collection bargaining and productivity should be increased through labour –management co-operation and
- iii) Industrial disputes should be settled by voluntary arbitration."

The plan hoped that" trade union would serve not any as agencies seeking for their member's fair wages and proper conditions of work and living, but play an increasingly important role in the nation's development.

It recommended that summary powers be conferred on labour courts that separate works committees should be set up at the plant level and that the effective functioning of joint management council should be ensured so that harmonious industrial relations may promote the growth and development of the country.

Fifth Five Year Plan:

The fifth plan stressed the need for greater involvement of labour by ensuring its vertical mobility in industrial organization.

It observed: "Stress will be laid on strengthening industrial relations and conciliation machinery, better enforcement of labour legislation, research in labour relations and labour laws, imparting training to labour officers, improvement of labour statistics and undertaking studies in the field of wages and productivity special attention will be devoted to bring about improvement in productivity in all spheres of the economy.

Sixth Five - Year Plan:

The sixth plan declared "Industrial harmony is indispensable for a country if it is to make economic progress... Healthy industrial relations on which industrial harmony is founded, cannot be regarded as a matter of interest only to employers and workers, but are of vital concern to the community as a whole. In the ultimate analysis, the problem of industrial relations is essentially one of attitudes and approaches of the parties concerned. A spirit of co-operation postulates that employers and workers recognize that while they are fully justified in safeguarding their respective rights and interest, they must also bear in mind the larger interests of the community. This is the true significance of the doctrine of industrial harmony in its three dimensional aspect... while efforts must continue to minimize the areas of disagreement among the parties concerned and acceptable improvement in law and machinery effected disputes, some of the changes in the existing laws and trade unions industrial relations, need not be held over and should be carried out."

The plan further said: "If adequate consultative machinery and grievance procedures are evolved and made effective, strikes and lock-outs would become redundant. Effective arrangements should be made for the settlement of inter-union disputes and to discourage unfair practices and irresponsible conduct.

Regarding workers participation in management, it observed: At the enterprise level, it should become an integral part of the industrial relations system to serve as an effective instrument of

modern management. It should be a vehicle of transforming the attitudes of both employers and workers with a view to establishing a co-operative culture which helps in building a strong self-confident and self-reliant country with a stable industrial base. A system of consultative and joint decision-making body would ensure friction less operation at various levels, provide job satisfaction, release the talent creative energy of workers, reduce their alienation and enhance the commitment of workers and the time management to the common ideal of better performance.

The plan stressed that “collective bargaining should be encouraged; for this would enhance the strength and facilitate the enlargement of trade unions’ role serious efforts should be made by trade unions to promote greater involvement of workers in the enterprise to fulfill the norms of greater efficiency and achieve excellence in its overall performance.”

Commenting on industrial relations the seventh - five year plan remarked: “There is considerable scope for improvement in industrial relation which would avert the need for strikes and the justification for lock-outs. In the proper management of industrial relations, the responsibility of unions and employees has to be identified and inter union rivalry and intra-union divisions should be avoided.”

The Industrial Policy Resolution, 1956:

The Industrial Policy Resolution made following observations on industrial workers and industrial relations.

“It is necessary that proper amenities and incentives should be provided for all those engaged in industry. The living and working conditions of workers should be improved and their standard to efficiency raised. The maintenance of industrial peace is one of the prime requisites of industrial progress. In a socialist democracy, labour is a partner in the common task of development and should participate in it with enthusiasm some laws governing industrial relations have been enacted and a obligations of both management and labour. There should be joint consultation and workers and technicians should wherever possible, be associated progressively in management. Enterprises in the public sector have to set an example in this respect.

National Commission on labour and industrial Relations policy:

The National Commission on labour submitted its report in 1969, which has since become a landmark in industrial relations history in India.

The main recommendation of the commission in the field of industrial relations, was collective Bargaining.

While realizing that reaching of collective bargaining agreements has not made much headway in India, the NCI has recommended compulsory recognition of a union as a sole representative for the purpose of bargaining.

The Commission has suggested various measures to encourage the growth of collective bargaining which, according to it, enjoys an important place in maintaining peaceful industrial relations. It has observed that.

i) In the absence of arrangements for statutory recognition of unions, except in some states and provisions which requires employers and workers to bargain in “good faith”. It is no surprise that reaching of collective bargaining agreement has not made much headway in India. Nonetheless, the record of reaching collective agreements has been an unsatisfactory, as is popularly believed. Its extension to a wider area is certainly desirable.

ii) There is a case for a shift in emphasis and increasingly greater scope for the reliance on collective bargaining has to be gradual. A move should be made towards collective bargaining in such a way that it may acquire primary in the procedure for settling industrial disputes.

The commission also observed that:

- i) An essential step to facilitate collective bargaining process is the compulsory recognition of a union as a sole representative for the purpose of bargaining with the management.
- ii) In order to enable employees to effectively participate in the process of collective bargaining, they should be well organized and trade unions must become strong and stable:
- iii) The place which strike / lock – out should have in the overall scheme of the industrial relations needs to be defined collective bargaining cannot exist without the right of strike or lock-out.

Recognition of Unions:

A trade union seeking recognition as a bargaining agent from an individual employer should have a membership of at least 30 percent of workers in the establishment. The minimum membership should be 25 percent if the recognition is sought for an industry in a local area.

The Commission is of the view that statutory recognition should be granted to the union as a sole bargaining agent. In this connection it recommends.

- a) Recognition should be made compulsory under a central law in all undertaking employing 100 or more workers or where the capital invested is above a stipulated size. A trade union seeking recognition as a bargaining agent from an individual employer should have a membership of at least 30 percent of the workers in the establishment. The minimum membership should be 25 percent if the recognition is sought for an industry in a local area.
- b) The IRC is to certify the union as representative unions on the basis of either verification of membership of the contending unions or by as secret ballot open to all workers in the establishment. The Commission will deal with various aspects of union recognition such as: i) determining the level of recognition – whether plant, industry, centre-cum-industry, to determine which is the majority union, ii) certifying the majority union as a recognized union for collective bargaining and iii) generally relating with other related matters.
- c) The recognised union should be statutorily given exclusive rights and facilities, such as the right of sole representation, the right to enter into collective agreements on terms of employment and condition of services, the right to collect membership subscriptions within the permits of the undertaking the right of check-off, holding discussions with departmental representatives within factory premises, inspecting by prior agreement, the place of work of any of its members, and nominating its representative works / grievance committees and other bipartite, committees.
- d) The minority union should be allowed only the right to represent cases of dismissal and discharge of their members before the labour court.
- e) The unions should be made strong, organizationally and financially multiplicity of unions and intra union rivalries should be discouraged by.
 - a) Providing Compulsory registration of unions.
 - b) Raising the minimum number required for forming a union
 - c) Raising the minimum membership fee;
 - d) Reduction in the number of outsiders; and taking steps to build internal leadership. Compulsory registration of employers' association has also been recommended.

Strikes / Lock- outs and gheraos:

The National Commission on Labour has categorized industries as 'essential and 'non-essential' for the purpose of strikes

and lock – outs, and observed that every strike / lock-out should be preceded by a notice.

National Commission on Labour has made the following recommendations:

- i) In essential industries / services, where a cessation of work may cause harm to the community, the economy or the security of the nation itself, the right to strike may be banned, but with the simultaneous provision of an effective alternative like arbitration or adjudication to settle disputes.
- ii) In non-essential industries, a maximum period of one month's has to be fixed for the continuance of a strike or lock - out. After the lapse of this period, the dispute has automatically to go before the IRC for arbitration. In essential industries, the right to strike / lock – out should be made redundant by requiring the IRC to adjudicate when mutual negotiations fail and parties do not agree to arbitration.
- iii) Every strike / Lock – out should proceed by a notice. A strike notice to be given by a recognised union should be preceded by a strike ballot open to all the members of the union, and the strike decision must be supported by two – third of the members present and voting.
- iv) 'Gheraa' can not be treated as a form of labour unrest since it involves physical coercion rather than economic pressure. It is harmful to the working class, and in the long run may affect national interest.
- v) The penalties, which have been provided for unjustified strikes/lock – outs, would ultimately discharge these and would, in due course persuade the parties to sit round the table earnestly and settle their disputes by negotiation.
- vi) To restrain the outbreak of unnecessary strikes / lock – outs, compensation and forfeiture of wages for a strike / lock – out should be provided it.

Conciliation:

As per NCL recommendations, conciliation was made part of the industrial relations commission proposed. The NCL observed that settlement of disputes through voluntary arbitration will be accepted.

The Commission observes that "The functioning of conciliation machinery has not been found satisfactory due to the delays involved, the casual attitude of one or the other party of the proceedings, lack of adequate background in the officer himself far understanding the major issues involved, and the ad hoc nature of

the machinery, and the discretion vested in the government in the matters of reference to disputes.”

National Commission on Labour has, therefore, pointed out:

- i) Conciliation can be more effective if it is freed from outside influence and the conciliation machinery is adequately staffed. The independent character of the machinery will alone inspire greater confidence and will evoke greater co-operation of the parties. The conciliation machinery should, therefore, be a part of the proposed industrial relations commission. This transfer will introduce important structural, functional and procedural changes in the working of the machinery as it exists today.
- ii) Officers using the machinery would function effectively if there is proper selection, adequate pre-job training and periodic in service training.

Arbitration:

The Commission has observed that with the growth of collective bargaining and the general acceptance of recognition of representative unions and improved management attitudes, settlement of disputes through voluntary arbitration will be accepted.

Unfair Labour Practices:

The Commission recommends that:

“Unfair labour practices on the part of both employers’ and workers’ union should be detailed and suitable penalties prescribed in the industrial relations law for those found guilty of committing such practices. Labour courts will be the appropriate authority to deal with complaints relating to unfair labour practices.

Works Committees and Joint Management Councils:

As per NCL, works Committees should be set up in units which have a recognised union.

Regarding the works Committees, the Commission has recommended that.

“They should be set up only in units which have a recognised union. The union should be given the right to nominate the worker – members of the works Committee.

“A clear demarcation of the function of the works Committee and the recognized union, on the basis of mutual agreement

between the employer and the recognized union, will make for a better working of the Committee.”

About joint management councils, the Commission says:

“When managements and unions are willing to extend co-operation in matters they consider to be of a mutual advantage, they may set up a joint management council. In the meanwhile, wherever the management and the recognized trade union in a unit so desire, they can by agreement enhance the powers and scope of the works committee to ensure a greater degree of consultation / co-operation. The function of the two in this latter situation can as well be amalgamated.

Settlement of Industrial Disputes:

According to the Commission, the best way to settle industrial disputes is for the parties to the dispute to talk over their differences across the table and settle them by negotiation and bargaining. A settlement so reached leaves the ran cow behind and helps to create an atmosphere of harmony and co-operation. There should be a shift to collective bargaining. Disputes between employers and workers, the Commission observes, have been taking a legalistic turn, mainly because of the emphasis on adjudication through industrial tribunals and courts.

The Commission has laid down the procedure for the settlement of disputes. It observes:

After negotiations have failed and before the notice of a strike/lock – out is served, the parties may agree to voluntary arbitration. The IRC will help the parties in choosing a mutually acceptable arbitrator or may provide an arbitrator from among its members/officer if the parties agree to avail of such services.

In essential services / industries, when collective bargaining fails and parties do not agree to arbitration, either party may notify the IRC of the failure negotiations, where upon the IRC shall adjudicate on the dispute.

In the case of non-essential services / industries, the failure of negotiations and refusal to avail of voluntary arbitration, the IRC, after receipt of notice of direct action, may after the parties its good offices for settlement.

After the expiry of the notice period, if no settlement is reached, the parties will be free to resort to direct action. If direct action continues for 30 days, it will be incumbent on the IRC to intervene and arrange for the settlement of the dispute when a

strike/lock – out commences, the appropriate government may move the commission to call for its termination on the ground that its continuance may affect the security of the state ; national economy and public order; and if, after hearing the parties and the government, the commission is so satisfied, it may, for reasons to be recorded, call on the parties to terminate the strike/lock – out and file statements before it. There upon the commission will have to adjudicate on the dispute.

Grievance procedure:

The Commission has observed that “statutory backing should be provided for the formulation of an effective grievance procedure, which should be simple, flexible, less cumbersome and more or less on the lines of the present model grievance procedure. It should be time-bound and have a limited number of steps, say, approach to the supervisor, then to the departmental head and there after a reference to the grievance committee consisting of management and union representatives.

The Commission has, therefore, recommended that:

- i) Grievance procedure should be simple and have a provision for at least one appeal. The procedure should ensure that it gives a sense if –
 - a) Satisfaction to the individual workers,
 - b) Reasonable exercise of authority to the manager, and
 - c) Participation to unions. A formal grievance procedure should be introduced in units employing 100 or more workers.

- ii) A grievance procedure should normally provide three steps:
 - a) Submission of a grievance by the aggrieved worker to his immediate superior,
 - b) Appeal to the departmental head / manager,
 - c) Appeal to a bipartite grievance committee representing the management and the recognized union.

In rare case, where unanimity eludes the committee, the matter may be referred to an arbitrator.

Discipline Procedure:

After the views of both the employers and workers have been heard, the commission has suggested the following changes in the discipline procedure.

- i) Standardisation of punishment for different types of misconduct;

- ii) Inclusion of workers' representative in the domestic enquiry committee;
- iii) Having an arbitrator to give his decision in a domestic enquiry;
- iv) An adequate show – cause opportunity to a workman.
- v) Presence of a union official to represent the case of a workman during the enquiry proceedings;
- vi) Supply of the record of proceedings to the aggrieved workman;
- vii) Payment of a subsistence allowance during the suspension period;
- viii) Right of appeal to administrative tribunals set up for the purpose; and
- ix) Fixing a time limit for tribunal proceedings and giving unfettered powers to it to examine the case *novus*, modify or cancel a punishment ordered by the employer.

To make the procedure more effective, the commission has made the following recommendations:

- i) In the domestic enquiry, the aggrieved workers should have the right to be represented by an executive of the recognised union or a workman of his choice.
- ii) Record of the domestic enquiry should be made in a language understood by the aggrieved employee or his union;
- iii) The domestic enquiry should be completed within a prescribed time which should be necessarily short;
- iv) appeal against the employer's order of dismissal should be filed within a prescribed period;
- v) The worker should be entitled to subsistence allowance during the period of suspension as per agreement.

Industrial Harmony:

While industrial peace calls for both a negative approach, the attainment of industrial harmony necessarily calls for a positive and constructive approach to the solution of industrial disputes. Therefore, the commission laid emphasis on the freedom to industrial relations machinery from 'political partisan; influence. This was necessary in view of the multi-party governments that were emerging in the country.

The commission has referred to certain weakness in the working of the existing industrial relations machinery, namely; the delays involved, the expenditure, the largely ad hoc nature of the machinery and the discretion vested in the government in matters of reference for disputes. Therefore, to make the industrial

machinery more effective and more acceptable, suitable modification in the existing machinery should be made.

Industrial Relations Commission:

The Commission has recommended:

“The constitution of an industrial Relations Commission, on a permanent basis, both at the state level and the centre.

The state IRC will deal with disputes in respect of industries for which the state government is the appropriate authority, while national IRC will deal with disputes involving questions of national importance or those likely to affect or interest establishments situated in more than one state. One of the principal reasons for suggesting these commissions is the desire to eliminate the possibility of political influence disturbing or distorting industrial peace in the country.

“The Commission will have both judicial and non – judicial members. The judicial members as well as the president of the national/state IRC are to be appointed from among persons eligible for appointment as judges of high courts. Non - judicial members need not have qualification to hold judicial posts, but should be otherwise eminent in the field of industry, labour or management.

“The IRC will be high powered bodies independent of the executive. The main functions of these IRC will be a) Adjudication in industrial disputes, b) Conciliation, and c) Certification of unions as representatives unions.

“The Conciliation wing will consist of a conciliation office with the prescribed qualification and status.

“The function relating to certification of union will rest with a separate wing of the national / state IRC.

“The Commission may provide arbitrators from among its members / officers, in case parties agree to avail of such services.

“All collective agreements should be registered with the IRC.

“An award made, by the IRC in respect of a dispute raised by recognised union should be binding on all workers in the establishment (s) and the employers(s).”

Labour Courts:

The Commission recommended for:

- i) The setting up of labour courts in each state. The strength and location of such courts is to be decided by the appropriate government.
- ii) Members of the labour court will be appointed by the government on the recommendation of the high court.
- iii) Labour courts will deal with the disputes relating to rights, obligations, interpretation and implementation of awards and claims arising under the relevant provision of laws or agreement, as well as with disputes relating to unfair labour practices.
- iv) Labour courts will thus be courts where all the disputes specified above will be tried and their decision implemented. Proceedings instituted by parties asking for the enforcement of right falling under the aforesaid categories will be entertained in that behalf.
- v) Appeals over the decision of the labour court in certain clearly defined matters may be with the high court within whose jurisdiction / area the court is located.¹⁾ State intervention on labour industrial relations had its beginning when the British Government in India was constrained, to protect its commercial interest of labour, the earlier attempts for regulate labour consisted of enactments such as the Assam Labour Act, the workmen's Breach of contract Act, 1859, and the Employers and workmen's (Disputes) Act of 1860. These Acts aimed at protecting the social system against labour rather than protecting labour against the social system.

Deterioration in working conditions, because of greater development of industrial units; unduly low wages and consequent dissatisfaction of the working class; growing indiscipline of workers; strained relations between labour and management; the formation of ILO; the emergence of AITUC (1920) and demands for higher against wages; improved conditions of work and living led to serious industrial troubles and created labour problems of large dimensions. The situation became unmanageable in Bombay and Bengal. Hence committees were appointed to look into the matter.

11.2 SCOPE OF INDUSTRIAL RELATIONS

Industrial relations in a narrow sense mean the relationship emerging out of the day to day working and interaction amongst the employees and the employers. But when taken in a wider sense, it also includes labour relations i.e. relations between workers themselves and various groups in the industry and public relations i.e. relation between the industry and the society. It is, according to Singh, "A set of functional interdependence involving historical, economic, social, psychological, demographic, technological,

occupational, political and legal variables". In other words, industrial relations have a wide scope and cover the following aspects:

- a) Establishing and maintaining good personal relations in the industry
- b) Ensuring man power development
- c) Linking various persons connected with the industry.
- d) Creating a sense of belonging in the minds of the workers
- e) Establishing good industrial climate and peace
- f) Stimulating production as well as industrial and economic development
- g) Maximizing social welfare
- h) Providing ways and means for a healthy and effective government intervention in the management of the industrial sector.

11.3 FUNCTIONS OF INDUSTRIAL RELATIONS

Good industrial relations perform the following functions and are therefore very important and necessary. They

- 1) Establish a rapport between the managers and the managed
- 2) Bridge the gap between employers and the employees.
- 3) Safeguard the interests of both workers and the management
- 4) Establish and maintain industrial democracy
- 5) Raise industrial productivity and contribute to the economic development of the country.
- 6) Avoid unhealthy atmosphere in the industry like strikes, gheraos or lockouts.
- 7) Ensure better worker's participation and involvement in the production process.
- 8) Avoid industrial conflicts and maintain harmonious relations which are necessary for efficiency in production.

Good industrial relations not only maintain a cordial atmosphere in the industry but it also facilitates production and industrial growth. Above all, it safeguards the rights of the workers and the prestige and interests of the management. In this way, good industrial relations can be used as an effective weapon by workers and managers and the government.

11.4 BRIEF HISTORY OF INDUSTRIAL RELATIONS IN INDIA

Although it is only relatively recently that industrial relations have succeeded in establishing an organizational footing in India,

the origin of industrial relations as such goes back to the origin of the industry itself. In India industrial relations has passed through several stages and a number of factors like social, economic and political have influenced it.

In the pre medieval period cordial socio-economic relations existed. The hunting stage, pastoral stage, agricultural and village economy gave very little scope for practicing systematic industrial relations. Even when the slave system emerged, it is believed that masters were considerate towards the slaves.

According to Kautilya, during the beginning of the medieval period also, organizational industrial relations were absent. From the 4th century BC till the latter half of the 10th century AD the relations between employers and the workers were based on justice and equity. As such, industrial relations were cordial and were based on mutual respect and understanding.

During the early British period there was not much scope for industrial development. India was just a colonial market for British goods. However by the beginning of the latter half of the 19th century, industries started coming up. Workers were forced to work in deplorable conditions and were also exploited by their contractors.

In the pre independence days the conditions of employment and wages were poor. Workers were hired and fired because the principle of demand and supply governed industrial relations and employers were in a commanding position. Leaders made efforts to improve the lot of workers. But conditions did not really improve. This led to revolutionary movements. The employers and Workmen (dispute) Act 1860 was used to settle wage disputes. Other than that, there were hardly any laws to protect the interest of workers.

After the First World War, the industrial relations concept assumed a new dimension in that workers now resorted to violence and employers resorted to lock outs. This resulted in the government enacting the Trade Disputes Act 1929 to enhance the early settlement of industrial disputes. It was based on the British Industrial Courts Act 1919 but differed because it did not provide any standing machinery for the settlement of disputes.

There was acute industrial unrest in 1938 which prompted the Bombay government to enact the Bombay Industrial Relations (BIR) Act. For the first time permanent machinery called the Industrial court was established for settling disputes. This was replaced by the BIR Act 1946 which was amended four times. After the Second World War, India faced many socio-economic problems including an increasingly turbulent industrial relations situation.

11.2.4 Industrial Relations in the Post Independence Period:

After independence a significant step towards improving industrial relations was in the form of the enactment of the Industrial Disputes Act 1947. This provided not only a permanent machinery for settling industrial disputes but also made them binding and legally enforceable. An Industrial Conference was also held in India. The Industrial Truce Resolution was passed to maintain industrial harmony. Besides, the Indian Labour Conference (ILC) a tripartite body was set up to look into industrial relations problem in India. It was constituted for establishing co-operation between the government, the employers and the trade unions.

An important characteristic feature of industrial relations in the post independence period was the change in the government's attitude towards labour and their problems between 1947 and 1956, several labour laws were enacted to protect the interests of industrial workers. Initially these laws covered labour issues like seniority, wage rates, paid holidays, social security etc. the emphasis however shifted from legal enactments to voluntary arrangements. This resulted in the introduction of the code of discipline in 1958 which unfortunately met with limited success and use. It served more as a moral guideline rather than as a legal enactment. As a result the government relied on legislation to regulate labour management relations and tried to structure the industrial relations machinery at the plant level in the form of Work Committees and / or Joint Management Councils (JMCs). As the political scenario in the country is closely connected to industrial relations, many political and international events affected the course of industrial relations in the country.

With the industrial Revolution (which ushered in great transformations in society, first in Great Britain in the latter half of the eighteenth century and then, around 1830, in France Belgium and the USA, in Germany around 1850, in Sweden and Japan around 1870, in Canada and the USSR around 1890 and to other countries of the world, including Japan and India, By end of that century) capital became the critical factor. It was capital that brought the machinery, more than skill, which accounted for rising productivity the labour that operated the machines was relatively untrained and easily replaceable skill requirements increased as technology became more sophisticated and workers gained increasing power by organizing; but capital remained the central factor in the mass-production economy. The government was concerned primarily with ensuring tranquil labour management relations; and employers with maintaining a dependable labour force. Neither showed much concern for skill development.

In the modern industrial society, the role of labour as a factor of production has become increasingly imp. The world in which the bulk of the labour force was engaged in the production of goods is fading, just as did the world in which agriculture dominated the economic scene the shift from manufacturing to service and information processing activities and the increasing pace of technological change has made manpower the key ingredient to the nation's well being and growth. In the 'service oriented' era, the quality quantity and utilization in of human resources are of central imp. Capital and natural resources endowments are vital facture in advanced countries; but it is labour the human resources – which contributes most of the contemporary 'wealth of the nation'! "Human beings", according to Frederic Harbision, "are the active agents who accumulate capital, exploit nature resources, build social, economic and political organization and carry forward national development" the expansion and improvement of the work force are there for the dine qua non, of continued increase in output. Labour is the major beneficiary of, as well as the chief contributor to, prosperity and growth. The bulk of the national product is distributed in the form of wages and salaries to individual workers. The expansion of the total product has improved the welfare of these workers.

Special feature of the Industrial work:

With the rapidly changing pace of industrialization, work organization and the environment of industrial relations have undergone a basic transformation in the term of the scale of production. The deployment of the work force in the large number enjoying legislative protection has resulted in the migration of people of the city today; the traditional Indian worker has been cut off a great extent from his original rule home. The migration problem has assumed a new dimension. The employer - worker patterns of inter-action have witnessed a sea-change.

The modern industrial work I economy has certain peculiarities:

- i) The industrial is a complex socio-technical system where a large number of people workers, supervisory and managerial personnel and employers work together for the attainment of their personal goals. This association results in group relationship which affects the economic, social and political life of the whole community but a wide gulf exists in personal relationship between the employees and the employers.
- ii) The economic is characterized by large-scale production which often uses a large amount of capital equipment per worker. Organization is highly specialized and diversified and many jobs require substantial still and training. A worker seldom makes a complete product the entire work is

fragmented and repetitive, which does not bring personal satisfaction to the individual. Many people work in clerical, technical and professional occupations, and this 'white-collar' segment of the labour force grows considerable faster than the "blue-collar" segment.

- iii) Industrial work reduce the independence of the worker. The wage earner must find work in order to live and when he is employed, the details of his work are closely regulated, controlled, and directed by other. Someone else specifies the times at which work is to be done, the natures of the task, the materials an equipment to be used, the pace of work, and me expected quantity and quality of output.
- iv) A large enterprise function which specifies the power and responsibilities of everyone, from the top executive to the worker. They are all forced to work under a framework of rules governing output and cost targets, products equipment, promotion, discharge, and many other things. As a result of these rules, the workers often lose their freedom and status as independent producers. They are treated as "second class citizens" cogs in the machine
- v) Workers new to industry often find it difficult to follow the discipline in industry, for they consider it harsh and arbitrary, the early stages of industrialization are therefore usually clogged by labour unrest and spontaneous / individual protests, which found expression in the form of a high rate of absenteeism sporadic strikes and riots. Eventually the protest is **channeled** in to organizations of workers, whose, activities normally include both political action and defense of the workers interested in the plant.
- vi) Product, technology, marketing forces and demand for specific skills are in a state of constant flux. It is true that these charges provide more productive jobs at higher wages; but they also breed hob insecurity among the workers, employers even these with test of intentions, at times fail to safe guard. The intervenes of workers because of environmental threats. So they either resort to large. Scale modernization or are forced to close down shutter, in both the case, workers are the worth suffers in such circumstances workers satisfaction. Commitment and productively are seriously affected.
- vii) Each worker hunts for his own job and each employer his own worker. As wages ate a mayor consideration for job-seekers, employers often use them as magnets to attract labour. In the labour market, the system of wage bargaining is quote common. So wages are largely determined by the supply and demand conditions prevailing in the labour market.
- viii) Industrial work is wage work employers buy and workers sell their product that is labour when the workers become a wage,

earner, his employer become the owner of the instruments and materials of production and products. The employers wishes to buy labour cheaply and the worker wishes to sell it dearly : with his divergence of interests, conflict often premises of the purchaser of these services, a varying amount of dissatisfaction, discontent and industrial unrest are likely to occur employees are specially interested in higher wages. Healthy working conditions, opportunity to advance satisfying work, some voice in the management of industrial affairs. When these are denied to them, each one of them asserts his rights the consequence is industrial conflict.

Importance of Industrial Relations:

Industrial relations are one of the most delicate and complex element of a modern industrial society. With growing prosperity and rising wages workers have earned higher wages and have better educations; and there is sophistication and generally greater mobility career patterns have changed. A large number of persons have been compelled to leave their farms and become wage- and salary earners under trying factory conditions. A substantial population including women and children is therefore concentrated in a few urban areas; and this population is characterized by ignorance, poverty and diverse conflicting ideologies. The organizations in which they are employed have become larger and shifted from individual to corporate ownership. There is also a status – dominated secondary group – oriented, universalistic and a more sophisticated class in urban areas. Employees have their unions and employers their bargaining associations, both of which give a tough fight to each other and try to demonstrate their own strength. The government had played an increasing role in industrial relations partly by becoming an employer for millions of workers and partly by regulating working conditions in privately owned industries and establishments. Rapid changes in the techniques and methods of production have eliminated long-established jobs and have created opportunity that requires different patterns of experience and education the non fulfillment of many demands of the workers breed industrial unrest. All these changes have made employer – worker relation more complex. Hence, a clear understanding of these is imperative of industrial **strike** is to be avoided.

Personal Management Industrial Relation and Human Relation:

Industrial relations have now become a part and parcel of the science of management because they deal with the man power of enterprise. They are therefore closely linked with personal management. Till recently there was no clear distinction between the use of the terms "Personnel management and industrial

relations.” The two were often used interchangeably. This is evident if we consider some of the definitions offered by scholars.

Dale Yoder defines personnel management as that phase of management which deals with the effective control and use of manpower as distinguished from other sources of power. Industrial relations are the relations that exist in and grow out of employment. They refer a wide field of relationship among people, human relationship that exist because of the necessary collaboration of man and women in the process of modern industry.”

E.F.L. Breach observes: ‘personnel management mainly deals with executive policies activities regarding the personnel aspects of the enterprise; while industrial relations are mainly concerned with employee – employer relationships.’”

The British institute of personnel management does not make any distinction between personnel management and industrial relations. It defines personnel management.” that part of the management function which is primarily concerned with the human relationship within an organization its objective is the maintenance of those relationship on a basis which, by consideration of the well – being of the individual, enables all those engaged n undertaking to maxmise their personnel contribution to the effective working of the undertaking.” The institute, thus, prefers to include under this term “methods of recruitments, selection training, education, term of employment, methods and standards of remuneration, working conditions, amenities, employee services, joint consultations and procedures for the settlement of disputes etc.”

However, of rate, some distinctions has been made between the two terms, personnel management in the more restricted usages refers to that part of employment relation which are concerned with employees as individuals. Group relationships are excluded from if scope form part of industrial relations, “Accordingly”, collective relationships of individual’s workers with their management constitute the subject matter of industrial relations.

The term “human relation in industry.” has also come into vogue. According to some authors, human relations cannot “the direct relationship existing between the employer and his work people considered as individuals, as distinct from the term industrial relation, which is used to denote collective relations other include under ‘human relations’ these subjects in which employers and employees have common interests and, therefore, interests likely to make for understanding, while holding the field of industrial relations to be essentially that divergent interests.” the view of

some others “human relations are concerned with relations as a whole at the level of undertaking, whether they are relations with the union or personal relations with the staff.’ While industrial relation would apply to the relation between the organization of employers and workers of a higher level of the economy.” Yet others consider human relations as the scientific investigation of the psychological and social inter – relating produced in the collective performance of work.

These different interpretations show that, while it is difficult to draw a definite line of demarcation between the concept of industrial relations and human relations a broad distinction can however, be made.

Concept of industrial Relations:

The term industrial relations refer to industrial and relations. “Industrial” means “any productive activity in which an individual is engaged” and “relations” mean” the relations that exist in the industry between the employer and his workmen.” To observe like Kapoor, the concept of industrial relations is a developing and dynamic concept, and does not limit itself merely to the complex of relations between the unions and management, but also refers to the complex of relation between the union and management, but also refers.

It includes all primary activities, such as agriculture, plantation, forestry, horticulture, dissolutive, agriculture, mining, collecting:

b) Secondary activities, such as manufacturing, construction, trade, commerce, transport communications, banking and other tertiary services to the general web of relationship normally obtaining between employees a web much mix complex than the simple concept of labour – capital conflict.”

Different authors have defined industrial relations in a somewhat different below are given some off quoted definitions.

“The term industrial relations explains the relationship between employees and management which stems directly or indirectly from union employer relationship.” **V.Agnihot’**.

“Industrial relations are **broadly** concerned with bargaining between employers and trade unions on wages and other terms of employment. The day – to – day relations with in a plant also constitute one of the important and impinge on the broader aspects of industrial relation.” – **C.B.Kumar.**”

Industrial relations are an integral aspect of social relations arising out of employer – employee interaction in modern industries, which are regulated by the state in varying degrees in conjunction with organized social forces and influenced by prevailing, institutions. This involves a study of the state, the legal system, workers ‘and employers’ organization at the institutional level; and that of patterns of industrial organization of the labour force and market forces at the economic level” **V.B Singh.**”

“Industrial relations are the composite result of the attitudes and approaches of employers and employees to each other with regard to planning supervision, direction co-ordination of the activities of an organisation with a minimum of human effort and friction, with an animating, spirit of co-operation with proper regard for the genuine will – being of all members of the organization – **Gradway Tead and Nefcalfe.**”

“Industrial relations may be referred to as an art, the art of living together for purpose of production.” I. **Henry Richardson.**

“The subject of industrial Relations deals with certain regulated and institutionalised relationship in industry – **Allan Flanders.**”

“They field of industrial relations deals with certain regulate and institutionalised relationship in industry.” **Allan Flanders.**”

“The field of industrial relation includes the study of workers and their trade unions, management, employed’ associations and the state institute concerned with the regulation of employment-.” – **H.A. Clegg.**

Industrial relations involved attempts of workable solutions between conflicting objectives and values – between incentive economic security, between discipline and industrial democracy, between authority, between discipline and industrial democracy, between authority and freedom, between bargaining and co-operation. “ **R.A. Leslar.**”

“Industrial relations refer to the part of management which is concerned with the manpower of the enterprise – whether machine operator, skilled worker or manager.” **Bethel and others.**

According to the ILO, “Industrial relations deal with either the relationship between the state & employers’ and workers’ organizations or the relation between the occupational organizations themselves. “The ILO uses the expression is denote such matters as “freedom of association and the protection of the right to organise, the application of the principles of the rights to

organize and the right of collective bargaining, collective agreements, conciliation and arbitration', and machinery for co-operation between the authorities and the occupational organization at various level of the economy.

“The concept of industrial relations has been extended to denote the relations of the state with employed workers and their organisation. The subject therefore, includes individual relation and joint consultation between employed and work people at their work place, ‘collective relations between employed and their organisation and the trade unions and the part played by the state in regulating these relations.’ – Encyclopedia Britannica.

The following points emerge from an analysis of the above definitions.

i) Industrial relations are the relations which are the outcome of the “employment relationship” in an industrial enterprise. Without the “existence at the two parties, the employer and the workmen, this relationship cannot exist. It is the industry which provides the setting for industrial relations.

ii) This relationship lays emphasis on the need for accommodation by which the parties involved develop skills and methods of adjusting to, and co-operating with, each other.

iii) Every industrial relations system creates a complex of rules and regulations to govern the work place and the work community with the main purpose of achieving and maintain harmonious relations between labour and management by solving their problems through collective bargaining.

iv) The government / state involves, influence and shapes industrial relations with the help of laws, rules, agreements, awards, of courts, and emphasis on usages, custom traditional, as well as the implantation of its policies, and interference through executive and judicial machinery.

The term industrial relations may be conceptualized as: the relations and interactions in industry, particularly between labour and managements of the affairs of the industry for the betterment of not only the management and workers but also of the industry and the national economy as a whole.

Industrial relations are concerned with the organisation and practice of multi – pronged relationship between workers and their union in an industrial enterprise. These relationships exist in both the organized and unorganized sectors of industry.

These relations, however, do not constitute a simple relationship but are a set of functional inter – dependence involving

historical, economic, social, psychological, demographic, technological occupational, political, legal and other variables – needing an inter-disciplinary approach for their study. If we make industrial disputes (the absence of positive industrial relations) the centre of a circle, it will have to be divided into various segments. A study of the conditions of work, mainly the level of wages and security of employment, comes under the purview of economic, their origin and development under history the resultant social conflicts under sociology, the attitudes of the combatants, government and the press under social psychology; their cultural interactions under will have Anthropology; state policies learning on the issues involved in the conflict under political science; legal aspects of disputes under law; issues involving international aids (to combatants) under international Relation', the degree of effectiveness with which labour policy is administered under public Administration; the technological aspects of the disputes under technology; and quantitative assessment of losses incurred by the parties and the country's economy under mathematics.

Industrial relations do not function in a vacuum but are multi-dimensional in nature, & are conditional with three sets of determinants, namely,

- 1) Industrial labours,
- 2) Economic labours and
- 3) Technological factors

i) Under institutional factors are included such items state policy, labour laws, voluntary codes, collective agreements, labour unions and employers' organizations, social institution the community, caste, joint family, creed, system of beliefs, etc. – attitudes to work, systems of power status, relative nearness to the centers of power, motivation and influence and industrial relations.

ii) Under economic factors are included economic organization (socialist, capitalist, communist, individuals, ownership, company, ownership, government ownership) and the power of labour & employers; the nature and composition of the labour force and the sources of supply and demand in the labour market.

Sometimes, external factors, such as international relations, global conflicts, dominant socio-political ideologies and the operations, of international bodies (such as the I LO) influence industrial relations in a country.

Industrial relations are therefore a web of rules formed by the interactions of the government, the business community and

labour, and are influenced by the existing and emerging **constitutes** institutional and technological factors.

In this regard, the observations of Singh are noteworthy. He declares: "A country's system of industrial relations is not the result of **caprice** or prejudice. It rests on the society which products. It is a product not only of industrial changes, but of the preceding total social changes out of which the industrial society is built (and industrial organisation emerges). It develops and moulds to the institutions the prevail in a given society (both the pre-industrial and the modern). It grows and flourishes, or stagnates and decays, along with these institutions. The process of industrial relations is intimately related to the institutional forces which give shape and content to the socio – economic policies a given time. "The outward and invisible signs of the country's industrial relations are generally the reflexes of the nation's history and it's political, historical and social philosophy and attitudes.

The development of industrial relations is not due to any one single labour but has rather been largely determined by the conditions existing on the eve of the industrial Revolution in Western Europe, and the social, economic and political situations prevailing in different countries. The changes which took place following this revolution did not follow a uniform pattern in different countries but reflected such economic and social forces as had for a long time shaped the principles and practices of industrial relations in the following words: "from the earliest phase of industrialization when workers, formerly working with their own tools, entered into power driven factories owned by others to the minimisation of break down due to industrial conflicts of later days and further to industrial peace, and hence to the human relations approach to raise productivity in area of full employment when the treat of a sack would no longer be real; and finally, to industrial democracy based on labour partnership not only for the sharing of profits, but of managerial decisions themselves it has been an along journey indeed."

Objectives of Industrial Relations:

The primary objective of industrial relations to bring about goods and healthy relations between the two partners in industry – labour and management. It is around this objective that other objectives revolve. According connected with the form of it's political government, and the objectives of an industrial organisation may change from economic to political ends. "He divides these objectives into four.

- a) Improving the economic condition of workers in the existing state of industrial management and political government.

- b) Control by the state over industries to regulate production and industrial relations.
- c) Socialisation or nationalization of industries making the state itself and employer and
- d) Vesting the proprietorship of industries in the workers.

If it is found that political objectives are likely to bring about disunity in the trade union movement, then other safeguards & greater restraint are required to avoid conflict.

The labour – management committee of the Asian Regional conference at the ILO has recognized certain fundamental principles as the objectives of social policy in governing industrial relations with a view to establishing harmonious labour – management relations they are.

- i) Good labour-management relations develop when employers and trade unions are able to deal with their mutual problems freely independently and responsibly.
- ii) Trade unions and employers and their organisation are desirous of resolving their problem through collective bargaining, 'and in resolving these problems, the assistance of appropriate government agencies might be necessary in the public interest collective bargaining, therefore, is the cornerstone of good relations; and the legislative frame work of industrial relations should assist in the maximum use of the process of mutual accommodation.
- iii) The workers' and employers' organizations should be desirous of associating with government agencies in considering the general, public, social & economic measures affecting employer's and worker's relations.

In briefly, the committee laid stress on the need on the part of the management for acquiring a fuller understanding of the human labour in production.

The objectives of industrial relations are:

- i) To safeguard the interests of labour as well as of management by securing the highest level of mutual understanding and good will between all sections in industry which take part in the process of production;
- ii) To avoid industrial conflicts and develop harmonious relations, which are essential for the productive efficiency of worker and the industrial progress of the country.

- iii) To raise productivity to a higher level in an era of full employment by reducing the tendency to higher and frequent absenteeism;
- iv) To establish and maintain industrial democracy based on labour partnership, not only for the purpose of sharing the gains of organisation but also participating in managerial decisions so that the individual's personality may be fully developed and they may grow into a civilized citizen of the country.
- v) To bring down strikes, lockouts and gheraos by providing better and responsible wages and fringe benefits to the workers and improved living conditions.
- vi) To bring about government control over such units and plants as are running at losses or where production has to be regulated in the public interest; and
- vii) To ensure that the state endeavors to bridge the gap between the unbalanced, disordered and maladjusted social order (which has been the result of industry development and the needs for reshaping the complex social relationship emerging out of technological advances by controlling and disciplining its members, and adjusting their conflicting interests – protecting some and restraining others and involving a healthy social order.

The most important fact to be noted is that the one thread which runs through the whole fabric of industrial relations and which is necessary for success is the "labour is not a commodity of commerce but a living being who needs to be treated as a human being and that employees differ in mental and emotional abilities, sentiments and traditions.

Therefore, the maintenance of a good human relationship is the main theme of industrial relations, because in its absence the whole edifice of organizational structure may crumble. Employee constitutes the most valuable asset of any organisation. Any neglect of this important labour is likely to result in increased costs of production in terms of wages and salaries, benefits and services, working conditions, increased labour turnover, absenteeism, indiscipline and cleavages, strike and walkouts; transfers on the grounds of discontent and the like, besides deterioration in the quality of the goods produced and strained relations between employees and management.

On the other hand, a contented labour force would bring outstanding success, besides earning large profits and good will for the enterprise. Therefore, if the intrinsic abilities of employees are properly utilized, they would prove to be a dynamic motive force in

running the enterprise at its' optimum and ensure maximum individual and group satisfaction relation to the work performed. The important of industrial relations cannot, therefore, be over emphasized.

Scope of Aspects of Industrial Relation:

The concept of industrial relations has a very wide meaning and connotation. In the narrow sense, It means that the emergence of the day – to – day associations of management and labour. In its wider sense, industrial relations includes the relationship between and employee and an employers in the work of the running of an industry and may project itself into spheres which may transgress into the areas of quality control. However, the term industrial relations is generally understood in the narrow sense.

An industry is a social world in miniature. The association of various workers, workmen – supervisory staff management and employer- creaks industrial relationship, this association affects the economic, social and political life of the whole community. In other words, industrial life crates a series of social relationships which regulate the relations & working together of not only workmen & management but also of the community and the industry. Industrial relations are, therefore, inherent in an industrial life these include.

- i) Labour relation i.e., relations between union and management (also known as labour – management relations)
- ii) Employment employee relation, i.e., relations between management and employees,'
- iii) Group relations, i.e., relation between various groups of workmen', and
- iv) Community or public relations i.e., relations between industry and society.

The last two are generally not considered for study under industrial relations, but form part of the larger discipline – sociology. The two terms, labour – management relations & employee relations are synonymously used.

The main aspects of industrial relations are:

- i) Promotion and development of healthy labour – management relations;
- ii) Maintenance of industrial peace and avoidance of industrial strifc', and
- iii) Development of industrial democracy.

i) Development of healthy labour - management Relation:

The promotion of healthy labour management relations pre-supposes.

a) The existence of strong, well – organized, democratic and responsible trade unions and association of employee, help in increased workers 'participation in decision. Making and give labour a dignified role in society. These associations also lend to create vantage grounds for negotiations, consultations and discussions on a mutual basis which ultimately lead to good labour – management relations;

b) The spirit of collective bargaining and willingness to forego recourse to voluntary arbitrations. Collective bargaining recognises equality of status between the two opposing and conflicting groups and prepares the ground in an atmosphere of trust and goodwill, for discussions, consultational & negotiations on matters of common interest to both industry and labour collective bargaining, plant discipline and union relations are the principal items which form the core of industrial relations.

c) Welfare work – whether statutory or non- statutory – provided by the state, trade unions and employers to create, maintain and improve labour- management relations and try to achieve peace in the industry.

ii) Maintenance of industrial peace:

Industrial peace pre-supposes the absence of industrial strife. It is essential for increased production and healthy relations between workers and employers. Such peace can be established when facilities for it are available from the government & when bipartite tripartite consultations are held to resolve the differences between the two contending parties.

Machinery should be set up for the prevention and settlement of industrial disputes in the form of legislative and administrative enactments – Trade unions Acts, the disputes Act, industrial employment (standing industrial orders) Act; works committees and joint management councils conciliation officer & Boards of conciliation', labour courts, industrial tribunals National Tribunals, courts of enquiry', and provisions for voluntary arbitrary national Tribunals, courts of enquiry and provisions for voluntary arbitration.

The government should have the power to refer disputes to adjudication when the situation tends to get out of hand and industry is faced with economic collapse following continued stoppage of

production due to long strikes / lockouts', or when it is in the public interest to do so during periods of emergence; or when there is fear of foreign attack; or when production needs to be carried on without interruption.

The government enjoys the power they maintain the status quo, this power is exercised when the government, after referring the dispute to arbitration, finds that either party is continuing the strike or lockout and that strike or lockout is likely to jeopardize the life of the community and to create chaos in industry.

The provisions of the bipartite and tripartite forums for the settlement of disputes these forums act on the basis of the code of discipline in industry, the code of conduct, the code of efficiency and welfare, model standing orders, grievance procedure and the granting of voluntary recognition to trade unions by the employer. These non – statutory measures help to create satisfaction among employers and employees.

The creation and maintenance of implementation cells and evolution committees which have the power to look into the implementation of agreements, settlements and awards and also into violations of statutory provision laid down under various labour laws.

iii) Development of industrial Democracy:

The idea of industrial democracy suggested that labour should have the right to be associated with the running of an industry to achieve this objective the following techniques are usually employed.

a) Establishment of the shop councils and joint management councils at the floor and plant level, which Endeavour to improve the working and living conditions of employees'; improve productivity encourage suggestion from employees assist in the administration of laws, and agreement, serve as a channel of communication between management and employees, create in the employees a sense of participation in the decision – making process and a sense of belonging to the industry these methods and activities provides the necessary climate for the development of industrial democracy in the country.

b) Recognition of human right in industry this implies that labour is not a commodity of commerce which can be purchased disposed according to the whims and caprices of employers workers are to be treated as human as human beings whose sense of self – respect is to be fostered and better understanding of their role in the organisation is to be brought home to them trade unions urge for self-

expression (through closer association with managements) should be satisfied these are the basic pre-requisites for achieving industrial democracy.

c) Increase in labour productivity. The factors which contributes to higher productivity are, improvement and the level of efforts and skills at workers; improvement production design process, materials, equipment, layout, work methods which can be brought about by the ideas or suggestion received from the workers' research and development, including special studies and technological development elsewhere'; improvement in the output flowing from capital intensification within the frame work at the some technology, & increasing the productivity of labour by adopting a proper motivational system which may lead to a satisfaction performance of job and maintenance of good industry relations.

d) The availability of proper work environment is necessary so that the worker may just and adopt himself at work. It is this environment which stimulates or depresses, improves or more the relation between labour and management.

According to letter," Industrial relations involve attempts at arriving at solutions bet the conflicting objectives and values, better profit motive and social gain; between discipline & freedom'; better bargaining and co-operation; and better conflicting interests of the individual the group and the community.

Socio- economic / political ideologies and Industrial Relations:

A variety of socio- economic and political systems and ideologies are prevalent in different part of the civilized world these are, therefore, different type of labour management relations suited to these ideologies for instance. Where there is a stable social and political order, a common ideology of free enterprise or better democratic capitalism is accepted by the government, businessmen and worker. In such an ideology," Collective bargaining" supported by legislation and government intervention, has been the rules, as in the USA.

Where democratic socialism has been accepted, as in the UK and Scandinavian countries, "collective bargaining" is encouraged as the standard form of labour – management interaction. Government intervention is rater rare.

In countries with state socialism, as in the USSR and other east European countries, trade unions are assigned wel-defined roles, and they function within the parameters of the overall political system. In some countries professing these ideology for ex,

Yugoslavia- “collective bargaining” is encouraged, there worked’ control over business enterprises has been a reality through the worker management councils.

In countries with a economy, such as India, public sector and private sectors co-exist there, there are many methods for dealing with labour management relation ranging from conciliation, arbitration, workers’ participation in management and collective bargaining to the ethical codes and bipartite and tripartite forums for conciliation. The government has shifted its emphasis from time to time and pragmatism has alternated between the ideology of the mixed economy and the Gandhian philosophy of trusteeship.

Now, industrial relations has become highly regulated and to some extent is dominated by legalists. Many of these laws reflect the government’s socialistic orientation. To meet the situation of industrial strike, the government issued an ordinance to ban strikes. A new law called the Essential Services Maintenance Act (ESMA) has come into force giving the government wide ranging powers to intervene in industrial relations.

11.6 CHECK YOU PROGRESS

- 1) Describe industrial relation
- 2) State approach covered in industrial relation
- 3) What are the important functions in I.R
- 4) Explain history of trade union in India
- 5) Discuss the role of industry in post independence period.

11.7 REFERENCES

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11.8 QUESTION

- 1) Explain Industrial relation? What are its functions and days function.
- 2) What do you mean by I.R.? To what extent it helped an Indian society.

11.2.1 Industrial Conflict:

Industrialization has brought with it some new socio economic problems. New divisions have emerged within society. Industrial conflict arises when there are differences between employers and employees, between employers and workmen or between workmen and workmen. It is usually connected with employment or non employment, terms of employment or with the conditions of labour. Industrial conflict is not between an individual worker and the management. If an individual dispute is taken up by other workmen or majority of the workers of the establishment, then it becomes an industrial dispute.

Genesis of industrial conditions:

Modern industrialism has not been unmixed blessing it has created a gulf between management & labour because of the absence of workers ownership of the means of production power is concentrated in the hands of a few entrepreneurs, while the majority has been relegated to the insignificant position of the more wage earners the workers have now come to realize to that most of their demands can be satisfied if they resort to concerted & aware of the fact that they can resist these demands. This denial or refusal to meet their genuine demands has often led to dissatisfactions on the part of the workers, to their distress & even to violent activities on their part which have harmed both the workers & the employers.

Conflict of the interest of management & labour is inherent in the capitalistic form of organisation. Each entertains ambitions which cannot be realized. AS a result there is antagonism between them.” The profit maximization of management may demand changes in the types of goods produced, installation of new machineries adoption of newer methods of production involving loss of hard- earned skills, transfers retrenchment & compulsory retirement of workers on the other hand, the workers expect & demand stability in their income security of employment, protection of skills & improvement in their status.

Profit maximization may also require authoritarian administration of the enterprise closer supervision of worker, maintenance of strict discipline & complete obedience of the rules of the enterprise. On the contrary, workers may demand a share in the management of the enterprise, a voice in the formulation the orders. & scope for self – expression & respect for the dignity of their individuality. “Hence it is not on the sharing at the fruits of industry the general conflict: The very fact of the existence of the wide cleft at authority between the “hands that –produce” & the

“hands that control the means of production.” has become a major source of conflict between management & labour.

Industrial conflicts / Disputes

Industrial conflicts is a rather general concept when it acquires specific dimensions it becomes an industrial dispute, various terms, such as industrial dispute, labour dispute, or “trade dispute” are used in different countries to identify the differences between employers & workers. In this book these terms are regarded as equivalent & for the sake of simplicity only the expression “industrial disputes” has been used.

Definition & essentials of a Dispute:

According to the Industrial Disputes Act, 1947, section 2(k), “Industrial disputes mean any dispute or difference between employers & employees or between employers & workmen or between workmen & workmen, which is concerned with the employment or non-employment or terms of employment or with the conditions of labour of any person.”

For a dispute to become an industrial dispute, it should satisfy the following essentials.

- i) There must be a dispute or a difference a) between employers & employees (such as wage –warfare where labour is scarce); b) between employers & workmen (such as demarcation disputes); and c) between workmen & workmen:
- ii) It is connected with the employment non-employment or the terms of employment or with the conditions of labour of any person (but not with the managers or supervisors’ or it must pertain to any industrial matter.
- iii) A workman does not draw wages exceeding Rs.1,000 per month &
- iv) The relationship between the employer & the workmen must be in existence & should be the result of the contract and the workmen actually employed.

The term industrial dispute has been interpreted & analysed differently in different cases by the courts. Some of the principles for judging the nature of a dispute were evolved by the courts as follows.

- 1) The dispute must affect a large group of workmen who have a community of interest & the rights of these workmen must be affected as a class in other words, a considerable section of

employees should necessarily make common cause within the general lat

2) The dispute should invariable be taken up by the industry union by appreciable number of workmen.

3) There must be a concerted demand by the workers for redress & the grievance becomes such that it turns from individual complaint into a general complaints.

4) The parties to the dispute must have direct & substantial interest in the disputes, i.e. there use of some **nexus** between the union which excuses the causes of the workmen & he dispute. Moreover the union must fairly claim a representative character.

5) If the disputes was in the beginning an individual's dispute & continued to be such till the date of its reference by the government for adjudication, it cannot be converted into an industrial dispute by support subsequent to the reference even of workmen interested in the dispute.

By incorporating section to a in the Industrial Dispute Act, 1947, a right has been given to the individual himself workmen himself to raise an industrial dispute with regard to termination, discharge, dismissal or retrenchment of his service even though no other workmen or any trade union of workmen raise if or is a party to the as dispute.

Patterson observes: "Industrial strikes / disputes constitute militant & organized protest again existing industrial conditions. They are symptoms of industrial unrest in the same way that boards are symptoms of discarded system."

Industrial unrest thus takes an organized form when the work people make common causes of their grievances against employers by way of strikes, demonstrations, picketing, morchas, gate, meeting, gheraos etc.

Classification of industrial Disputes:

The most common practice is to make a distinction between two main types of disputes relating to terms of employments they are

- a) Disputes that arise out of head locks in the negotiation for a collective agreement, popularly known is interest disputes, 'and
- b) Disputes that arise from day- today workers grievances or complaints popularly known as grievance disputes. In addition,

in various countries special provisions apply to two other types of organizational rights.

- c) Those arising from act of inferences with the exercise of right to organize, or out commonly known as unfair labour practices &
- d) Disputes over the right of a trade union to represent a particular class or category of workers for purpose of collective bargaining, simply referred to as recognition disputes.

Contract Disputes:

These disputes are also called conflicts of interest or economic disputes. They generally correspond to what in some countries all called collective layout disputes. In general, they relate to the determination of new terms & conditions of employment for the general body of worker. In most case, the disputes originate from trade union a demands or proposals for improvements in wages, fringe benefits job security, or other term, or conditions of employment. There demand or proposals are normally made with a vie to the conclusion of agreement. A dispute arises when the parties fail in their negotiations to reach an agreement on the outstanding issues.

Since there are generally no mutually behind standards that can be retired upon to arrive at a settlement of interest disputes, resource must be had to bargaining power, compromise, & sometimes a rest of economic solution. As the issues in their disputes are "compromise able", they lend themselves best to conciliation, and are a matter of give off and bargaining better the parties.

Grievances typically arise on such questions as discipline & dismissal the payment of wages & other fringe benefits, working time over time, tome off entitlements, promotion, demotion, transfer rights of seniority, rights of supervisors, union officers, job classifications problems the relationship of work rules to the collective agreement the fulfillment of obligations relating of safety & health laid down in the agreement. In some countries grievances arise especially over the interpretation application of collective agreements. Grievances arise especially over the interpretation application of collective agreements. Grievances disputes such grievances, if not dealt with in accordance with a procedure that is respected by the parties, often result in differences of the working relationship & a climate of industrial strike.

There is a definite standard for setting a grievance disputes. The relevant provision of the collective agreement, employment

contract, works rules or law, or customer usage. In many countries, labour courts or Tribunals voluntary arbitration for their settlement.

Disputes over unfair labour productive:

The most common unfair practices in industrial relations parlance are attempts by the management of an undertaking or participate in trade union activity. In most cases, the objects of this discriminatory treatment are made union officials or representatives employed in the undertaking, and trade union which have actively participated in a strike. Other unfair labour practices are generally concerned with interference restrain or coercion for employees when they exercise their right to organise join or assist a union establishment of employer, supported union refusal to bargain collectively, in good faith with the recognized union; recruiting new employees during a strike which is not an illegal strike, failure to implement an award, settlement or agreement indulging in out of force or violence etc.

These unfair labour practices are also known in various countries as trade union victimization. In many countries a special procedure is available under the law for the prevention of such practices. Such a procedure obviates or precludes conciliation. In the absence of such procedure, disputes are settled according to the normal procedure laid down under the Disputes act.

Recognition Disputes:

This type of dispute arises when the management of an undertaking or an employer's organization refuses to recognise trade union for purposes of collective bargaining.

Issues in recognition disputes differ according to the causes which have led the management to refuse recognition. It may be that the management dislikes trade unionism & will not have anything to do with a trade union. The problem is then an attitude, as in the case of a trade union victimization. However the management refusals may be on the ground that the union requesting recognition is not sufficient representative. Such rules need not necessarily be laid down by law; they may be conventional or derived from prevailing practices in the country. In many countries guidelines for trade union recognition have been laid down in voluntary codes of discipline or industrial relations charters accepted by employer's & worker's organization

Impact of industrial Disputes:

The consequences of industrial disputes are very far reaching, for they disturb the economic, social & political life of a

country, in their importance they are no less than “war”. As in modern wars, the casualties & sufferings are not confined to soldier fighting on the front, so in the case of strikes, the adverse effects are not confined to the employees. Though it initially starts locally, a war has every possibility of engulfing the entire humanity. So industrial disputes may & do occasionally assume national proportions affecting the entire community. The worker, the employers, the consumers, the community & the nation suffer in more than one way.

Industrial disputes result in a huge wastage of man days & dislocation in the production work. A strike in a public utility service like water supply, power & gas supply units, posts & telephone or telephones service railways or railways or any system of public conservancy or sanitation defense establishment hospitals & dispensaries etc. disorganizes public like & throws the economy out of gear & consumes are subjected to unhold hardships. If the community produced by a factory where workers are on strike is used in other production operational, then other reduces also suffer. When stoppages of work take place the short supply of consumer goods result in skyrocketing prices, & leads to their non-availability in the open market.

Workers are also badly affected in more than one way. They lose the wages for the strike period. The workers are prosecuted, often intimidated even victimised or kidnapped & given a severe beating by goons as, repressed by police. Firing & arrests & loss of morality result. Frequently, the weak trade union itself is crippled & dies permanently or for a while.

Employers suffer heavy losses, not only through stoppages of production reduction in sales & loss of markets but also in the form of huge expenditure incurred on crushing strikes engaging strike breakers & blacklegs, maintaining a police force & guards. A part from there so losses the loss of mental peace, respect & status in society cannot be computed not in terms of money.

The public/society too is not spared industrial unrest creates law & order problems, necessitating increased vigilance on the part of the state. Further, even when disputes are settled. Strike & bitterness continue to linger, endangering social relations. As calling has out it” The strikes & lock-outs are a great menace to public safety. They infringe upon property rights and become malicious in their effects if not in their purpose, & they are regarded as a war or at any rate a blocked.”

Industrial disputes also affect the national economy Prof Pigou has observed’, “when labour & equipment in the whole or any part of an industry are rendered idle by a strike or lock – out,

national dividend must suffer in a way that injures economic welfare. It may happen in two ways. On the one hand by impoverishing the people actually involved in the stoppage, it lessens the demand for the goods the other industries make, on the other hand, if the industry in which the stoppage has occurred is one that furnishes a commodity or service largely used in the conduct of other industries. It lessens the supply to the of raw material or equipment for their worked. This result in a loss of output, ultimately, reducing the national incompetence development activities can not undertake for want of necessary finances.

Although there are multitude of causes leading to industrial conflicts. It is not always easy in specific instances to ascertain the particular cause or cause involve. Moreover the relative importance of the cause, when more than one is resent, if often very difficult to evaluate.

In spite of this observation it has been pointed out by experts in industrial relations that the causes of conflicts between labour & management are usually the some, wherever capitalistic prevails e.g. Mukerjee observes, "The Development of capitalistic enterprise, which means the control of the tools of production by a small entrepreneur class brought to the fore the alike problems of friction between management & labour throughout the world."

Prof Lerner notes. "When people sell their services & spend their working lives on the premises of the purchaser of those services, a varying amount of dissatisfaction, discontent & industrial unrest are like to occur. Employers are especially interested in higher wages, healthy working condition opportunity to advance, satisfying work m some voice in industrial affairs & protection against loss of wages, government & arbitrary treatment. But when such things are denied to them, they are forced tie pert their rights & stop working to make the employers understand their grievances & redress them-

Industrial relations may be harmonious. In the later case there may be many causes which are rooted in historically political & socio-economic factors, &k in the attitudes of workers & their employers.

These causes may be discussed under the following heads:

- A) Industrial factors.
- B) Management's attitude to labour,
- C) Government machinery, and
- D) Other causes.

A) Industrial Factors:

Under this category, some of the causes of a dispute may be:

i) An industrial matter relating to employment, work, wages, hours of work, privileges, the rights of & obligations of employers & employees, terms & conditions of employment, including matters pertaining to:-

- a) Dismissal or non-employment of any person.
- b) Registered agreement, settlement or award; and
- c) Demarcation of the functions of an employee.

ii) An industrial dispute which connotes any difference which has been fairly defined as is of real substances: i.e. a matter in which both parties are directly & substantially intimated; or which is a grievance on the part of a worker the employees is in a position to redress or which is such as the parties are capable of settling between themselves or referring it to adjudication.

iii) Disputes often arise because of-

a) The rapidly increasing population which has no opportunities for gainful employment. There is, therefore, no improvement in the standard of living of employees who put forward demands for higher wages, which if not conceded, often lead to strained industrial relations & strikes.

b) Rising unemployment. There was a backlog of 20 million unemployed workers at the end of the fourth five year plan & of 30 million by the end of the fifth plan, & 56 million during sixth plan. Idle manpower has always been a **prolific** source of disturbed and **acrimonious** industrial relations.

iv) The galloping prices of essential commodities, their shortage & /or non-availability all their trade the value of money as a result of which the real wages of the workers go down. Failure to pay a head based wage" & D.A. all these have created dissatisfaction among workers & constrained them to demand higher wages.

v) The attitude & temperament of industrial workers have changed because of their education, their adoption of urban culture & progressive legislations enacted for their benefit.

vi) Trade unions have often failed to safeguard the interest of workers. The reasons for this state of affairs are:

- a) Inter-union rivalry & multiplicity of trade unions have destroyed the solidarity of the working class.
- b) Non-recognition of some trade unions as "bargaining agents" of their members.

- c) Compulsory adjudication has made trade unions indifferent to the wages & working conditions of industrial employees which can now be determined by courts, tribunal & wage boards:
- d) Trade unions generally do not bother about any aspect of the lives of industrial labour except their wages.
- e) Trade union leaders who are not themselves industrial workers have become an eye-sore.
- f) Trade unions generally function on the basis of caste, language or communal consideration, which 'divide' rather than 'unite' industrial labour.
- g) Trade unions are unstable and ephemeral.

B) By Management attitude to labour:

- i) Management generally is not willing to talk over any dispute with the employees or their representative or refer into 'arbitration' even when trade unions want it to do so. This enrages the workers.
- ii) A management's unwillingness to recognise a particular trade union want the dilatory factories to which it resorts while verifying the representative character of any trade union have been a very fruitful source of industrial strife.

3) Even when representative trade union have been recognized by employers, they do not, in a number of cases, delegate enough authority to their official to negotiate with their workers, even though the representative of labour are willing to commit themselves to a particular settlement

iv) When during negotiations for the settlement of a dispute, the representatives of employers unnecessarily and unjustifiably take the side of the management intension are created, which often lead to strikes, go slow or lock-outs.

v) The management's insistence that it alone is responsible for recruitment, promotion, transfer merit awards, etc. and that it need consult employees in regard to any of these matters, generally annoys workers, who become un-co-operative and unhelpful and often resort to strikes.

vi) The services and benefits offered by a management to its employee's promote **harmonious** as employer worker relations. But a large number of managements have not taken any steps to provide these benefits and services for their workers.

c) Government Machinery:

i) Though there is a plethora of enactments for the promotion of harmonious relations, yet these have been ineffective or unsatisfactory in most cases because of

- a) Their irrelevance in the context of the challenges of present industrial climate / culture, as many have not been convinced of their unity satisfactorily;
- b) Their inability to understand & answer the imperatives of development;
- c) Improper and inadequate implementation by many employed.

ii) The government's conciliations machinery has assisted in the settlement of a very small number of disputes because;

- a) Both employers and employees have very little confidence in it,
- b) Both have become litigation – minded
- c) It is inadequate, for the number dispute referred to it is very large and the personnel dealing with them is helplessly inadequate, particularly become in addition to labour disputes, it is called upon to see to it that labour laws are properly implemented; and
- d) The offices associated with conciliation proceedings have very little training in handling the problems or disputes which are referred to them.

Causes of Conflict:

Conflict between management and employees can be caused by very minor matters where industrial relations are poor. Reasons for the conflicts can be categorized as:

- a) **Economic causes:** wages, bonus, overtime payments etc.
- b) **Political causes:** Political instability, various parties and their affiliations with unions.
- c) **Social causes:** Low morale in society, permissiveness, bankruptcy of social values and norms.
- d) **Psychological causes:** conflict in individual and organizational objectives, motivational problems, personality and attitude.
- e) **Technological causes:** Unsuitable technology i.e. difficulty in technology adaption, resistance to change fear of unemployment.
- f) **Market situation:** Rising prices and shortage.
- g) **Legal causes:** Inadequacy of legal machinery, injustice.

11.2.2 Approaches to Industrial Relations:

There are various approaches to industrial relations which attempt to explain why there are industrial conflicts and how they can be resolved. Some of these approaches are discussed below.

1) The Systems Approach: Borrowing from 'Talcott Parsons' structural functionalist approach, John Dunlop considers industrial relations as a distinctive sub-system of society on the same logical plane as an economic system. There are three sets of actors and their interrelationships are central to understanding the industrial relations system. a) A hierarchy of managers b) a hierarchy of workers c) specialized government agencies who are concerned with the relationships between workers and their organizations. By interacting with each other, these three sets of actors establish rules which govern the workplace and the work community.

The actors are however not free agents their interactions are influenced by forces in the environment. The most important of these forces are technology, markets and power relations in the wider society. For example, technology used in different industries varies and cause important differences in the skills required from workers and managers, nature of supervision, pattern of work organization and the role played by regulatory agencies of the state. Markets in which an enterprise operates has an impact on industrial relations. Firms that operate in a competitive market are placed differently as against monopolistic producers. Finally, the power relations of the wider society and the position of the three actors in this structure affect their business rules.

Generally the relations between these actors are stable and cohesive even though their interests are varied. Even though there may be conflict of interests between the actors, there is also a body of common ideals that each of these groups of actors hold towards the place and function of the others in the system. This shared ideology and compatibility of views helps to resolve conflicts by framing appropriate rules.

2) Pluralism: This approach to individual relations is most commonly associated with the Oxford School in Britain. It is inspired by a) the sociological postulates of Durkheim who stressed the need for voluntary groups to intercede between the individual and society and b) the monumental contributions of Sidney and Beatrice Webb's study of labour organizations.

Pluralists argue that the industrial organization is a coalition of interest groups. It is presided over by the top management which pays due concern to the interests of employees, shareholders,

consumers, community etc. when the management does not pay sufficient need to the needs of labour, they (the latter) mobilize themselves to meet and negotiate with the management on equal terms.

The conflicting interests of management and labour are not only natural but are also necessary because it is only competing social forces which can constrain and check the exercise of absolute powers. While pluralists accept that conflict and competition are widespread they also believe that consensus is possible even when distances are involved.

3) The Marxist Perspective: Like the pluralists, Marxists are also concerned with conflict. For them, the capitalist society is divided into classes having conflict of interests. The capitalist mode of production is the main reason for the antagonism between the classes. The conflict of interests leads to the exploitation of labour by management. The answer to this exploitation lays in class consciousness i.e. the transformation of the proletariat from a class in itself to a class for itself and class conflict.

4) The Strategic Management: This date back to the early 1980's, is of American Origin and today has spread well beyond the United States. Though the approach takes off from Dunlop, it questions the relevance of trade unions and collective bargaining today in the face of a sea change in the environment.

With the globalization of production since the 1980's there have been major shifts in the industrial relations systems of Western Industrial societies. This has resulted in severe competition from powerful economies of newly industrializing countries such as Singapore, South Korea, Taiwan etc. and made the very survival of industries in developing countries are forced to cut costs in the face of external competition and a recession in their domestic economy. Therefore employers started experimenting with decentralized bargaining and ask unions to roll back wages and reduce benefits. In brief, this perspective argues that industrial relations process and outcomes are determined by the continuously evolving interaction of environmental pressures and organizational responses.

11.2.3 Nature of Conflict and its Manifestations:

Conflicts can occur at various levels i.e. within an individual, between members of a group and between groups. Organizations try to maintain harmonious industrial relations but some amount of conflict is inherent in the industrial structure. The three main groups in an industry – namely owners, managers and the workers develop different orientations and perceptions of their interests. This causes

friction and ultimately leads to conflict. It finally manifests itself in the form of a strike by workers and a lockout on the part of managers or the employers.

Conflict is always viewed as unhealthy and dysfunctional. It is a fact that strikes and lockouts result in loss of production and profits to the owners, loss of wages to the workers, irregular supply of goods and services to the consumers and an aggregate loss in gross national product and income at the national level.

On the other hand, however when viewed objectively, conflict can be beneficial. It can help to maintain stability of the group by forcing groups to air their grievances and resolve their problems. In this way it can prevent unhealthy upheavals and ill feelings within and between groups. Conflict also brings issues out in the open so that public opinion helps in resolving them.

11.2.5 Resolution of Conflict:

As conflict is and will remain a fact of industrial society it has to be dealt with for the viability of an organization. There are various measures of conflict resolution and these can be broadly categorized as 1) Government sponsored guidelines. 2) Statutory measures and 3) Non statutory measures.

1) Government sponsored guidelines: The Government labour departments both at the centre and states play an important role in maintaining industrial harmony. The Central and State governments have enacted and administered labour laws. The ministry of labour and employment of the central govt is the main agency for policy for nation and administration in all labour matters. Together with the State governments the local bodies and the Statutory Corporations / Boards, it sees to the implementation of these policies and the decisions of the Tripartite Committees. These four agencies are also responsible for enforcing of labour laws.

2) Statutory Measures are related to the various types of machinery set up by the government under the Industrial Disputes Act 1947. This act has provided for:

- a) **Work committees**
- b) **Conciliation officers and Board of Conciliation**
- c) **Courts of Enquiry and**
- d) **Labour Courts Industrial & National Tribunals.**

The first two provisions constituted conciliation machinery. Court of Enquiry was a fact of finding agency. Labour courts and the tribunals were adjudication authorities.

- 3) **Non Statutory measures** include a
- a) **Code of Discipline**
 - b) **Tripartite machinery**
 - c) **Workers participation in management.**
 - d) **Collective Bargaining Schemes.**

The code of Discipline contains self imposed obligations formulated by the central organization of employers and workers voluntarily. It provides guidelines for the employers, workers and the unions.

Tripartite Machinery consists of several bodies like the Indian Labour Conference, the Standing Labour Committee etc. which were set to deal with specific subjects. They include government representatives from the State and the centre and an equal number of representatives from workers and employers organizations.

The concept of Workers Participation in Management (WPM) is considered as a mechanism where workers have a say in the decision making process of an organization. WPM falls into several categories – informative, consultative, associative, administrative and decisive participation. The experiments conducted by Blake, Mayo, Lewin and others popularized the belief that there could be positive gains to an organizations effectiveness and morale if workers are given an opportunity to participate in the management process.

The concept of collective bargaining was first identified by Sidney and Beat Rio Webb in Britain and also by Gompers in the USA. It is identified as “Negotiations about working conditions and terms of employment between an employer, a group of employees or one of or more employers’ organizations on the one hand and one or more representative workers organization on the other with a view to reaching agreements.”

11.2.6 Some of the Salient features of Collective Bargaining are:

- 1) It is a group process, where in one group representing the employers and the other representing employees sit together to negotiate terms of employment.
- 2) It is a process in that it consists of a number of steps. The starting point is the presentation of the charter of demands and the last stage is the reaching of an agreement, or a contract which serves as the basic law governing labour management relations over a period of time in an enterprise.

- 3) Negotiations form an important aspect of the process of collective bargaining i.e. there is considerable scope for discussions, compromise or mutual give and take in the collective bargaining deliberations rather than confrontation.
- 4) It is a bipartite process. The employers and the employees are the only parties involved in the bargaining process. There is no third party intervention. The conditions of employment are regulated by those directly concerned.

According to Flandero, collective bargaining is basically a political institution in which the rules are made by the trade union of workers, employers and corporations or the organization. Secondly, the two aspects of administration and legislation are interlinked. Therefore, there is a considerable degree of joint regulation by both the parties and this is governed by the traditions and customs that exist at the organization level. Finally, collective bargaining is not just an economic process but also a socio-economic one. The values, aspirations and expectations also play a significant role.

Levels of Collective Bargaining:

Collective bargaining is generally structural and conducted at three levels the plant, industry and national level.

The plant level is the basic or micro level unit where negotiations are conducted between the management of the plant and the union(s) of the plant. The pioneers of plant level agreements are Tata Iron and Steel Company Ltd, the Tata Workers Union for their agreement in 1956 and 1959, the Belur Agreement between Indian Aluminium Company and its union in 1956.

In the industry level, several units in the same industry come together to form an association which negotiates with a union having a similar status. These agreements are broader in scope and delineation as compared to plant level settlements. Example of these agreements is the Rashtriya Mill Mazdoor Sabha negotiations with mill owners of Bombay.

At the National level, the terms of reference and scope are much wider but such agreements are not so common in India. In 1956 the agreements on bonus for plantation workers was made between the representatives of the Indian Tea Planters Association and Indian Tea Association and representatives of HMS.

In India collective bargaining has been adopted by many industries as a method of wage fixation. Of late, the scope of collective bargaining is expanding and it now covers issues such as

wages, bonus, overtime, paid holidays, paid sick leave, safety wear, production norms, hours of work, performance appraisal, workers participation in management hiring and modernization.

11.2.7 Collective Bargaining in India:

Collective bargaining has been widely accepted in the organized sector since independence. It took a back seat with the declaration of the Emergency in 1976, but it witnessed the arrival of a new chapter in 1977 when emergency ended. It was a period when labour's power was at its peak and therefore collective bargaining took on a phase of aggression leaving employees surprised. It took some time for management to cope with the re-emerging labour movement but eventually it came up with a strategy when it decided to make demands on labour.

By the late 1980's, union power planted and employers had gained the upper hand. If the late 1970's and early 1980's were marked by massive strikes, lockouts were the dominant mode of industrial action by the end the 1980's. The Bombay Textile strike of the early 1980's by the employees was equivalent to the lockouts at Bata and Wimco in West Bengal and Hindustan Lever in Bombay by the employers. By the early 1990's managements were ready with their strategy for industrial relations. They converted collective bargaining into their chief instrument of policy. Productivity has risen dramatically as a result of this, according to Ramaswamy.

Thus the process of collective bargaining is bipartite in nature i.e. the negotiations are between the employers and the employees without the intervention of a third party. The objective is to continue is to come to an agreement. If this process fails and the two parties do not arrive at a mutual agreement, a third party intervention becomes necessary. Conflicts are then resolved with the help of State intervention. This is in the form of the Industrial disputes Act 1947 which has provided two types of machinery, one to improve cordial relations and prevent disputes and the other for the settlement of disputes. The mechanism to prevent disputes includes a number of legislations, committees, schemes, implementation of Awards, Code of Discipline, grievance procedures etc. The machinery to settle disputes include conciliation, Arbitration and Adjudication machinery all tripartite processes.

Tripartite processes to settle disputes:

Conciliation: this is a persuasive process of settling disputes in industries. In India both voluntary and compulsory conciliation implies that the state sets up machinery consisting of professionals who are trained in the art of conciliating disputes. The disputants

are not obliged & accept, appoint or resort to this mechanism. The aim of the conciliator is only to break the deadlock, convey standpoints and messages make suggestions.

Compulsory conciliation, on the other hand imposes obligations to submit disputes to the conciliation. A settlement arrived at in the course of conciliation proceedings are binding on all the parties to the dispute. Members of the Board of Conciliation who represent the disputant parties investigate on all matters affecting the case. If an agreement is reached, the board sends a report to the government together with a memorandum of settlement signed by the parties to the disputes. If negotiations fail, then also a full report containing the proceedings and steps taken and its recommendations has to be sent to the government.

Arbitration Machinery: When all other machinery fails to bring about peaceful settlement of the dispute, the government may decide to refer the dispute for compulsory arbitration to statutory bodies such as Labour Courts tribunals. The disputant parties are forced to abide by the awards of the arbitrator.

11.2.8 Changing Role of the State:

The State is a major store house of power in modern society. The power of the state is especially impressive in a developing country like India where it takes on the responsibility for economic development and controls the allocation of scarce resources between competing needs.

In most societies the State regulates the relationship between labour and management in industry. In fact, no industrial relationship in the world is entirely free from state control and regulation. What does differ, however, is the extent of such regulations and interventions. In some societies, the role of the state is that of a watch dog which steps in when limits are exceeded. In some societies like India, the state enters the everyday relationship in industry as a mediator, arbitrator and adjudicator. In India labour and management are only theoretically free to do without external intervention. Third party mediation is readily available and the state enters a dispute the moment the union serves notice of a strike or the management serves notice of lockout even if both the parties do not seek its help. Therefore industrial relations in India are essentially triadic in character. When the state occupies an important place in an industrial system and exercises its vast powers, it is of great significance for both labour and management. In India, the role of the state is concerned with issues that are for more immediate as they are directly concerned with employment relationships.

The role of the State has undergone changes with the changing industrial, political, and social situations in the country. From 1875 to 1928 the state's role was that of enacting protective legislation, regulating employment and working conditions in factories, mines and plantations. During 1929 to 1947 this role changed to enlightened intervention because of industrial turmoil and restlessness as a result of depression and intensification of the national movement.

After Independence, the state's role became more active and positive in matters relating to management, labour welfare and labour relations. This was done with a view to establishing an egalitarian society with the Directive Principles as provided in the Constitution and also to raise the living standards by increasing industrial production.

Since then the state policy had fastened and promoted closer relationship between employers and workers. High power committees like the Tripartite Indian Labour Conferences were formed and convened, Standing Labour Committees were set and Joint management councils were formed. Workers Representatives were also of the state were expanded in matters of industrial relations.

However, the 1990's has once again brought major changes in the role of the state related to industrial relations. Earlier, the role of the state was predominantly protective and based on centralized planning. With the acceptance of New Economic Policy since 1991 and the resulting Liberalization, Privatization and Globalization processes, the State is under constant pressure from international funding organizations like the World Bank International Monetary Fund. Therefore it has turned its back on centralized planning.

The exit policy in terms of retrenchment and the voluntary retirement schemes has brought in a feeling of in security among labour. The disinvestment of some stock to meet budgetary deficits has caused uncertainty of the public sector. Earlier, the public sector was encouraged and sick industrial units were helped to revive. Now, such units are allowed to be sold off or merged.

The State earlier imposed controls on the production volumes and diversification plans of companies by the centralized planning. The private sector employers found out sourcing a convenient method of by passing these controls of the government. Now even public services like railways, telecommunications have become the biggest employers of such peripheral labour. Companies like Hindustan Ciba Geigy used the voluntary retirement scheme to close down after retiring every single worker. The motive was not so much to down size and reorganize the

labour force. The idea was to wind up high cost operations in favour of cheap labour in the hinter land. Even a public sector company like the National Textile Corporation alone accounted for giving voluntary retirement to 30% of 2.17 lakh workers. As voluntary retirement schemes have become lucrative and sometimes even innovative, workers put pressure on unions not only to accept them but even to ask for them. All this has affected the strength and functioning of the trade unions. Thus, by introducing the New Economic Policy the state is attempting to substitute the command economy with market forces and altering the environment in which industry operates.

11.5 SUMMARY

Industrial relations as a discipline relatively of recent origin but has its theoretical roots in history. It is defined in several ways to focus on different aspects of the relationship between management, employees and the state.

Industrial relations has a wide scope covering a variety of aspects. It is an effective weapon for safeguarding the rights of workers and prestige and interests of the management.

Although every effort is made to maintain harmonious industrial relations, some amount of conflict is inherent in the system because it involves the interaction of two classes with varied interests. Beside this, there are several causes of conflict, various approaches to the study of industrial relations have been put forward to explain why there are conflicts in the industry. These industrial conflicts are resolved with the help of institutional means such as collective bargaining, conciliation, arbitration and adjudication.

In most societies the state plays an important role in regulating relationships between labour and management. State intervention is necessary in the interest of the wider society. What differs is the extent of such regulations. The role of the state has undergone changes with the changing industrial, political and social situations in the country.

11.6 CHECK YOUR PROGRESS

- 1) Explain Industrial conflicts.
- 2) Discuss approaches to industrial relation.
- 3) State some steps to resolve conflicts.
- 4) Describe collective bargaining.

- 5) Elaborate tri-partite method as step for solving industrial disputes.

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11.8 QUESTIONS

- 1) Discuss the causes of industrial conflict and explain the institutional means of resolving them.
- 2) Examine the role of the state in Industrial Relations and explain how it has been changing in India.

Chapter: 8

Trade Unions Evolution of Trade Unions Trade Unions and Politics

Contents

- 12.0 Objectives
- 12.1 Introduction
- 12.2 Trade Union Movement in India
- 12.3 Functions of Trade union
- 12.4 Union tactics
- 12.5 Types of strikes
- 12.6 Summary
- 12.7 Reference
- 12.8 Questions

12.0 OBJECTIVES

- 1) To familiarize students about collection action and its expression in trade unionism.
- 2) To understand union activities and common economic betterment.
- 3) Problems relating to caste ethnicity and Gender.
- 4) Growth and influence of Trade Unions in India.

12.1 INTRODUCTION

The universal principle that the individual in isolation is powerless and unable to defend his interests effectively and that strength and power lies in unity, association and collective action finds its strongest expression in trade unionism. Labour has organized itself into association and unions for self protection as well as for self help." It is a social movement of working people and its purpose is to improve the social, economic and political status of an individual: by improving the position of the working group as a whole. In fact, trade unionism is the general name for all types of unions of working people who have joined together for their common economic betterment".

According to Sidney and Beatrice Webb, “A trade union.....is a continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives”. This definition is very narrow as it does not include salaried workers and also restricts the function of a trade union to the maintaining or improving the conditions of their working lives. Today, the functions of trade union have considerably widened.

British Ministry of Labour has defined trade unions as “all organizations of employees including those of salaried and professional workers as well as those of manual wage earners which are known to include among their functions that of negotiating with employers with the object of regulating conditions of employment”. According to Howard, Trade Unions means – “to get together to enter a common organization, to determine that whatever conditions of work are to be allotted shall be the same for all workers and to make a bargain with employers to that effect, workers should unitedly refuse to work in case the negotiation fails”. According to Indian Trade Unions Act 1926, trade unions means “any combination whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers or for imposing restrictive conditions on the conduct of any trade or business and includes any federation of two or more trade unions. Oxford Dictionary defines a trade union as an association of workers in any trade or allied trades for the protection and furtherance of their interests in regard to wages, hours and conditions of labour, and for the provision, from their common funds, of pecuniary assistance to members during strikes, sickness, unemployment, old age etc.

Objectives of Trade Unions:

The whole economic health of the country depends on rapidly increasing productivity of labour and so trade unions have to assume increased responsibility for the success of the productivity effort. They are the true representatives of workers. Trade union platform can be used to achieve various ends. It's pure and simple objective may be to further the interest of labour at the work place and try to improve the working conditions in the fields and factories and inculcate in them good habits so as to enable them to become good citizens of society. Trade Unions can also use political power to do good to working class. According to the National Commission on Labour, the trade unions are organized to achieve the following objectives:

- 1) to secure for workers fair wages;
- 2) to safeguard security of tenure and improve conditions of service;

- 3) to enlarge opportunities for promotion and training;
- 4) to improve working and living conditions;
- 5) to provide for educational, cultural and recreational facilities;
- 6) to cooperate in and facilitate technological advance by providing training to workers;
- 7) to enlarge the perspectives of workers;
- 8) to promote identity of interests of the workers with their industry;
- 9) to offer responsive cooperation in improving levels of production and productivity, discipline and high standard of quality;
- 10) to see that no injustice is done to any worker;
- 11) to promote individual and collective welfare;
- 12) to maintain the morale of workers.

Since workers alone cannot secure jobs or sufficient wages for themselves or in case they are retrenched or removed from jobs, they cannot fight on their own, associations like trade unions can lend supportive hands to them, can fight for justice for them, and can bargain with the employers for increased wages and safe working conditions. By organizing themselves into unions the worker feel that the social system is such that their voice can be heard and that they cannot be entirely ignored. This also can give them the assurance that they are not alone, they are the part of the system and so they can also cooperate with the system.

12.3 TRADE UNION MOVEMENT IN INDIA

Trade unionism in the modern sense of the term is of recent origin in India. It is a corollary to the dawn of the industrial age and to the development of the new system of capitalism. But this does not mean that organizations of craftsmen, workers, for the protection of their common rights and interests, did not exist in India before the establishment of factory system. In ancient India, we had fully developed guilds of craftsmen, "which were securely entrenched in society, and had their own power, prestige and privileges". Legislative and executive powers were enjoyed by some of the guilds and they regulated the hours of work, terms of employment, conditions a modern trade union with these guilds, but a study of ancient text does not however lend support to this idea. The guild did not consist exclusively of workers but included entrepreneurs and master craftsmen, who supplied capital as well as skill.

The labour movement in India, as in other industrialized countries, is a response to the challenges thrown by the modern

factory system of production. The movement is an inevitable reaction to modern industrialization, which brought in such unfair labour practices like employment of women and children for heavy manual work, (intensification of labour prolongation of the work day, low wages and insanitary and unsafe conditions of work. In India modern industries started around the 1851-60 decade in five sectors – cotton textiles, jute textiles, railways, coalmines and plantations.

Labour Movement and Trade Union Movement:

Before the History of movement is traced it would be relevant to explain the difference between labour movement and trade union movement. The labour movement is for labour, whereas the trade union movement is by the labour. In India, till the workers organized themselves into trade union there were attempts, mainly by social reformers, to improve their working and living conditions. The labour movement which was led by non-workers for workers started in 1875, when a number of measures were taken up the government management and social worker to improve working conditions. In 1918, the trade union movement started when workers formed their own organization to better their conditions. The trade union movement is thus a part of the labour movement. Even today, government or employers do undertake such measure like worker's education; family planning welfare centres etc. but trade unions do not do so.

Labour Movement (1875-1890):

It has already been mentioned that modern industrialization in India began in the 1851-60, decade giving rise to labour problems. To tackle these problems, the British government initiated crude legislative measures, such as the Apprentices Act (1853), Fatal Accidents Act (1853), Merchant Shipping Act (1859) , Workmen's Breach of contracts Act (1859) and Employer's and Workmen's (Disputes) Act 1860. However, these laws were more favourable to the employers rather than to labour and hence were of not much use to them.

During the 1881-90 periods, the labour movement was marked by many events –

- A] The appointment by the Bombay Government of Mr. Meade King, a Lancashire factory inspector and his suggestions on modifying the Act (1882).
- B] The setting up of the Second Bombay Factory Commission (1884).
- C] Workers meetings organized in Bombay (September 1884) and

- D] The submission of a memorandum to the second factory commission (October 1884); lastly
- E] The submission to the government of another memorandum signed by about 17,000 workers in 1890. Shri N.M. Lokhanday, the first labour leader organized in 1884, a meeting and had a memorandum signed by 5,500 workers for submission to the second factory commission. The memorandum made the following demands:
- 1] All mill hands should be allowed one complete day of rest every Saturday,
 - 2] Half an hour recess should be allowed to them at noon,
 - 3] Work in mills should start at 6.30 am and stop at sunset,
 - 4] The payment of wages should be made before the 15th of every month.

Birth of Indian Trade Union Movement (1918-22):

The end of the First World War saw the birth of the Indian Trade Union Movement. The economic and political factors alike contributed to the new awakening. The factors which contributed to the growth of labour movement were as under-

- 1] During war period, industry and trade enjoyed a period of unprecedented boom, prices had shot up and there were no huge profits. The economic maladjustment created labour unrest and evolved class consciousness amongst workers.
- 2] The Russian Revolution in 1917 which brought a great upheaval in Russia bringing in its wake a new form of social order gave a further momentum to the worker's cause in India.
- 3] The setting up of International Labour Organization (ILO) was also helpful in the organization of labour associations in this country. It created an atmosphere where labour problems could be discussed and debated.
- 4] Political leaders also greatly helped in the formation and development of trade unions. The mass movement started by Lokmanya Tilak, Annie Beasant and later by Mahatma Gandhi raised ripples in the trade union movement.

Gandhiji developed his own philosophy based on mutual agreement and harmony rather than class struggle. His objective was to strengthen the union and to work for all round betterment of the working class and train the members.

He organized the ATLA (Ahmedabad Textile Labour Association) which has gone a long way in upholding the ideals cherished by Gandhiji while some unions chose to operate; independently and confined their activities to an industrial centre others felt the need for the coordination of the activities at the

national level. The formation in 1920 of an All India Federation viz. the All India Trade Union Congress (AITUC) was the result of these urges.

With the communist party declared as unlawful and adoption of new Indian constitution 1935, efforts were made to achieve unity of the trade union movement which was ultimately achieved in 1938. Unionism once again picked up pace between 1936 and 1946. Because of economic hardships and the resultant discontent generated by World War – II collective bargaining and compulsory arbitration were promoted by the government to minimize disruption of work and to ensure industrial harmony. In the post war period the number of work stoppages in 1946 and 1947 rose to 1929 and 1811. In 1947 there were 2766 registered union in India of these 1920 (50%) submitted returns and reported a total membership of 16.63 lacs.

Unionism in Independent India:

The Second World War brought with it high profits, proportionately low wages, increased demand for labour and many other war problems. There was a big increase in Industrial production which inflated the purchasing power and prices. Real wages fell. There was abnormal rise in cost of living. Acute scarcity of necessities of life came to be felt. This hit the workers very badly. In consequence, trade union activities increased and there was all round progress both in respect of number of trade unions and their memberships. During war years the number of registered trade unions increased from 667 to 865 and the total membership increased from 5, 11,000 in 1939-40 to 889,000 in 1944-45.

In 1947, India won Independence and the National Congress which was previously busy on the political front, started taking interest in the labour problems also. The Indian National Trade Union Congress (INTUC) was set up in May 1947 under the Congress Patronage and with the official backing. It was recognized as the most representative organization of Indian Labour within a very short period.

The AITUC was dominated by the Communists and aimed to establish a socialist state. While INTUC's Policy was of negotiation and conciliation within the existing political set up. The Socialist party floated another central labour organization free from political affiliation the Hind Mazdoor Sabha (HMS). HMS seeks to establish a democratic socialistic society and believes in independence of trade union from government, the employer and the political parties. It expects the trade union to play a positive role in development of the industry and the nation.

The number of Trade Unions has increased tremendously after independence, an increase brought by a variety of factors such as changed outlook towards labour organizations, the new spirit of awakening in the country and the economic distress that followed the war years. The desire of political parties to help labour as much as to seek help from it, was also a contribution factor.

Union membership between 1947 and 1952 grew at an average annual rate of more than 6% and 1951-52 there were 3,744 registered unions of which 2,291 submitting returns reported a membership however fell per union. Industrial disputes also declined after reaching a peak in 1946 and 1947.

Further proliferation of Trade union centres was linked to splits in the political parties. Whenever there was a split in a political party Corresponding division took place in trade union centre. Each party irrespective of identical ideology promoted its own labour wing. With the creation of Jan Sangh, the Bhartiya Mazdoor Sangh (BMS) was formed in 1955 and the formation of Sanyukta Socialist Party led to the birth of Hind Mazdoor Panchayat. (HMP), in 1962. Centres of Indian Trade Union (CITU) were created by CPM in 1970. This was more aggressive and radical in approach than ALTUC. After a split in UTINJC another central organization UTIJC led by Lenin Sarani came into existence. A split in the Congress in 1972 resulted into the formation of National Labour Organization (NLO). Of these central trade union organizations INTUC has had the maximum membership and maximum number of unions affiliated to it till 1993. It is followed by BMS, HMS, IJTIJC, AITUC, CITU and NLO in that order respectively.

The government of India has committed in its labour policy to encourage trade union in industry. The first five year plan (1952) stated—'The workers right of association, organization and collective bargaining is to be accepted without reservation as a fundamental basis of mutual relationship. The attitude to trade unions should not be just a matter of toleration. They should be welcomed and helped to function as part and parcel of the industrial system'. Second plan document observed – "A strong trade union movement is necessary both for safeguarding the interests of labour and for raising the targets of production".

In the initial stages the trade unions were organized on plant level since most workers were unskilled. Gradually industry wise and area wise unions grew. The tendency to form craft unions though unhealthy has also grown especially in the government departments and the public sector. Now the emphasis is to have a plant level union affiliated to a central trade union. However, industrial unions, area wise unions, craft unions, caste union, are

also to be found in strength. The unions have been using various techniques for realizing their demands. Ever since independence lightening strikes stay in strikes or pen down strikes, go-slow, sympathetic strikes, token strikes have been used to exert pressure on the employers. The technique of “Gherao” or holding an officer first appeared in Calcutta in the mid 1960’s and despite being declared as an unfair labour practice and the Industrial Disputes Act 1947, is still successfully used by workers as a last desperate bid to get their demands accepted. Trade union protects in India have also been at times marked by violence, sabotage and indiscipline e.g. physical confrontation in the course of inter-union rivalries and killing of managerial personnel and damaging plant and machinery during strikes.

12.4 FUNCTIONS OF TRADE UNIONS

It is our modern ‘society’, the only true society that industrialism has fastered. As a true society, it is concerned with the whole man, and embodies the possibilities of both the freedom and the security essential to human dignity – Frank Tannen Baum. Primarily trade unions serve as a means of achieving working class desires and goals. Thus one of the worlds is to promote, defend and protect the interests and to maintain and improve the living standard of their members. Other functions include

- 1] To negotiate with employers over wages and other terms of employment, through the process of collective bargaining and
- 2] Enter into agreements with a view to provide economic benefits like – wages, fringe benefits, better working conditions and facilities, and
- 3] Thus to provide security of their jobs. Insurance is a function which is complimentary to the economic functions of trade unions which struggle to get the personal risks of sickness, accident, disablement etc. covered by the schemes introduced by the government or the employer. With limited finances, trade unions cannot cover any personal risk on their own.

Trade Unions interpret labour laws for the benefit of workers. The leaders are consulted in the process of law making either through conferences or through the representatives of labour in legislative bodies.

Organizing and guiding workers is another important function of the unions.

Trade unions have a strong impact on management organization any decision as a matter of policy taken by trade union contracts.

On the government side trade unions serve as an agency for industrial democracy advocating workers right to raise a voice in the determination of their "Working conditions" and thus giving protection against arbitrary and unfair treatment on their jobs.

Many labour unions can turn into political labour parties which can also contest the elections. But they must be very strong. They have to be discreet and responsible and not allow their ties with political elements to affect adversely their main functions.

In order to achieve success in all these parts the Union seeks power through the following Union Tactics:

12.5 UNION TACTICS

Once the union is secured it employs a number of tactics.

Type of Union Tactics: - By tactics we mean the specific forms of coercion or persuasion which the union uses in certain situation.

The Organizing drive: - It can be a form of union tactics when

- 1] Its mere threat may be enough to bring management terms.
- 2] A successful drive may likewise bring management to accept the terms and conditions.
- 3] An organizing drive may be the part of a larger campaign against an entire industry.

The Organizer – who may or may not be important – is usually a paid staff member of the national union. He is typically tough, resourceful a good speaker, he has an intimate knowledge of the psychology of Indian workers.

The aim of the organizing drive may be to gain recognition for the local management. He arranges a spontaneous strike by uncovering possible sympathizers in the community. He may also call a meeting secretly, if necessary of the actively dissatisfied. His aim is to get these workers to spread the union message in the plant. A general propaganda campaign is begun to activate more workers, to overcome fear, and to isolate and discredit management oriented workers. Thus propaganda campaign is carried out by the word of mouth, through the distribution of pamphlets, and at a certain stage, through meetings and speeches by the organizer. The message may be economic appeal or to build up the confidence of the workers or it may call for the loyalty of members to their classes.

Minor Tactics: - a] Boycott – There are several types of boycotts. The primary boycott involves a concerted refusal by the employees of a given firm to buy the products they are manufacturing. A secondary boycott or general boycott involves not only the employee's of a given firm, but other workers, other trade unions or even the public in general. A third type of boycott is the refusal of workers to work on goods made in unfair shops or where there is a strike, this form of boycott comes close to being a strike in some cases.

Sabotage: - This may involve the deliberate destruction or damaging of machinery or goods. It may also consist of bungling work, turning out improperly made or styled goods. An example of this kind of sabotage would be sewing improperly sized button holes on clothing or cutting a thread of the wrong size on pipes or mislaying orders or making only one shoe of the pair.

Another tactics sometimes employed by labour is the slow down in the slow down, work proceeds, but at a snail's pace. It is difficult to estimate the extent or the effectiveness of the slow down; we do not find them in statistics. Sometimes BEST workers work-to-rule and they are often successful. It is widespread and most effective. University employees also go work –to-rule to show their indifference to work or opposition to authority. This is also quite successful.

The Strikes: - As one of the most powerful and effective weapon strike may be defined as a more or less temporary suspension or abandonment jobs by the working force of an organization the intention of forcing management to accept a particular goal. Thus it is a concerted and simultaneous stoppage of work till the demand it met. Hence it may be justified if the demand is just, when other more responsible means of solving the problems have failed, when other more reasonable probabilities of success and benefits to be contained may exceed the harm or inconveniences that may follow. Thus the strike is defined as a concerted and temporary suspension of function, designed to exert pressure upon the authority.

No other tactic can inflict such great damages on management so quickly. The strike directly suspends production, it cuts out the creation of profit, which is the mainspring of our, industrial system. The strike furthermore cut off employer, from his market and there is always danger that the market will be lost while the strike is being fought out. It also cuts off the employer from his source of raw material not a small matter in terms of prosperity or shortages. In some industries, materials may deteriorate during the strike. Fixed charges such as interest, taxes and salaries for officials must be met during a period when production is

suspended. Finally, since a long continued strike often drastically cuts down the size of dividends, it affects the ability of a firm to raise capital. Strike thus may threaten the very existence of a firm.

The strike is a supreme weapon brought into play when only other experiments have failed. Even the threat of strike is effective.

12.6 TYPES OF STRIKES

1) The organizing strikes:- Or the strikes for 'recognition' may be the most dramatic of all strikes. These strikes are marked in many cases by bitter conflict and open violence. In this type of strike, a union, i.e. as yet untested, with an undetermined hold on its member is seeking to bring to terms management which has so far successfully resisted unionism or its influence. Management always opposes every move of the union. Furthermore unionization represents a serious blow to managerial authority and powers and a serious modification in the social structure of the plant. The organizing strike is a sort of minor revolution putting class against class in the factory. Before an organizing strike is over, it may seriously modify the social pattern of relationship as well, sharpening the class divisions, rearranging the political set up.

2) Strike for Economic Benefits:- This is most common strike which is for higher wages, shorter hours and other economic gains. The aim is to secure 'better working conditions' this may mean anything from cleaner lavatories to an end Forman's harassment. They are known as 'economic strike and they are surprisingly peaceful.

3) Demonstration Strike:- In this case there may be a short work stoppage designed to impress on management, the need for meeting certain labour demands. The demonstration strike may also be a harrying instrument of considerable force if it is repeated often enough of course, behind the demonstration strike stands the threat of the full scale strike.

4) A rather rare type of strike is the "sympathetic" strike:-In order to express sympathy with other striking workers group, a group of workers stops work. The sympathetic strike is often the reflection of union morality, and feeling of labour solidarity. Sometimes there is an element of bargain between the striking groups.

5) The wild cat strikes:- It occurs without union sanction in fact sometimes directly against the wishes of the union. The wild cat strike may have certain 'economic' goals but often it seems to spring from some local dissatisfaction with working conditions, often

it may be confined to a single department in a plant. The wild cat strike may indicate dissatisfaction not only with management but also with the union. The wild cat feels that the union is failing in some important respect. Thus the wild cat strike is a threat both to management and union control and is usually roundly condemned by both the parties by management because it represents a breach of contract and an interruption of production and by the union because it represents a threat to union structure and power.

Such strikes are often the expression of stronger feeling of resentment against the leaders. They also warn or teach the union leaders to be more careful and more in tune with the workers needs and aspirations. Such strikes also show the anger of the workers towards their leaders.

6) Lightning Strike:- Without any warning given to the management and to show the strength of the workers, the unions go on strike. It is momentary but quite effective. The aim is to express some grievances against the management.

7) General Strike:- The rarest of all types is a concerted effort by all or large sections of organized labour to bring employer to terms by stopping the essential activities of society. In a complete general strike (city bandh) factories would cease to operate, buses won't ply, police would not protect. In such cases mostly all unions and political parties support and organize such bandh.

8) Hunger strike:- This is the Gandhian non-violent form of resistance used by some determined people not necessarily workers. This is also quite effective. This can be done either by individuals or groups by remaining hungry for hours or for days.

A strike is by its nature a test of strength and if it succeeds in wreaking damage on management it does so only at the cost of the workers. But in case of failures, workers have to lose their jobs. Responsible unions generally go on strike only after careful and thorough thought over the issue.

Once a strike begins, all efforts are made by the union to keep the factory closed and this is considered a sign of workers' unity. Where the union is strong, management does not attempt to open the plant. But in other case, there is picketing by the striking workers in order to keep the factory closed.

Other forms of strike:

Sit Down Strike:- Here workers occupy the factory, sit on costly machinery. They do not move or go out of the factory. Management cannot do anything to remove them. Sit down strikes can harm and

damage the plants and machinery. This is quite unknown perhaps because of its illegality and public disfavour. Pen down strike is also other form which is generally used by officers. In this case office workers stop writing or doing any work.

Picketing:

A] Token Picketing:- Which involves only a limited number of workers, whose function is to advertise the fact that the plant is being struck. Such tactics are used when the union is strong. Where the union is not strong the token picketing is designed to persuade workers not to enter the plant and persuade customers not to buy the products of the struck plant, or explain about the righteousness of labour's case. There is no violence and hence it is fully legal.

B] Mass Picketing:- It may involve thousands of workers who form a barrier around or in front of the struck plant. The aim is to stop strike breakers to enter the gate both by physical force and by moral persuasion. Another function is to discipline the strikers, i.e. to stand in queue. A third function is to increase the morale of the strikers. The massive picket line acts as a symbol of both the unit and strength of the workers, while the songs, cheering and gravity of the picket line, at least in its early stages may have an heartening effect on the workers.

The strike may decide quickly whether management or labour is the stronger party. It may also turn, into a test of strength a content of endurance between the financial resources of the strikes and the financial health of the company. Under these circumstances the morale of the strikers becomes the critical point. Workers suffer deprivation while management suffers no personal loss.

Public opinion is also created in favour of the strike in order to maintain the morale. It also depends on the industry, sex, age, racial and ethnic back ground of the workers, their experience with unionization and the temper of the community.

In general, strike may end in victory for one side or the other in compromise or in postponement. It happens when union can no longer bear the cost of a strike and employer cannot afford to have further loss of business. It also ends when public strongly condemns one party to continue the strike. Recently resident doctors (MARD) in Bombay had gone on indefinite strike. Public and criticized them a lot and did not support them.

Dharna:- Several strike workers sit in front the office of the employer with the intention to give more pressure. Dharna, a purely

Indian tactics is used to put more pressure in order to see that the demands of the striking employees are met. This is also done to achieve quick results. Striking employees use this tactics continuously for several days.

Bandh:- This is characterized by closure of shops, markets and at time transport facilities are also forced to be stopped. Some Unions declare bandh in the city in support of the striking employees. It is the duty of the union to see that there is no eruption of violence during bandh. Mostly for political reasons bandh is declared by the unions.

Gherao:- This is the extreme form of 'Dharna'. In this case the group of striking union members stand or sit in front of the office of the concerned authority and do not allow them to go, to talk on telephone or to do any urgent work. This produces psychological fear in the minds of the authority gherao and they may give in. Demands of the employees can be met immediately.

'Gherao' can also be continued for days. This is the most severe form of putting pressure on the employer.

Recently, the Vice Chancellor of Bombay University was gheraoed by a number of students for pressurizing him to accept their demands related to examination results.

Ways of Achieving Industrial peace:

The responsibility for nurturing a healthy industrial climate lies with the management, the unions and the government, the unions and the government, political parties, the community and society should also play a decisive role in improving the existing industrial relations situation in the country by placing moral emphasis on the partners in industry that it would be in the interest of all maintain harmonious relationship; that if there is any dispute or conflict, it should be settled by mutual negotiation or conciliation or voluntary arbitration.

The management and the unions, in co-operation, should work out an enlightened and progressive development programme covering different aspects of the worker's life so that involvement might be ensured and his social and psychological satisfaction achieved. Without these industry cannot survive. To provide various fringe and other benefits to the workers and to ensure full and efficient utilization of all the available resources – financial, technical, human professional these should be aimed at.

Some of the basic causes of industrial conflict can be prevented or at least reduced a great extent by effective

management and action. Employee communication, grievance procedure and speed settlement of grievances, joint consultation at different levels the plant, workers' education programmes, since observance of the code of discipline, helpful attitude of supervisors to workers problem improvement in working conditions and provision of welfare amenities on a much wider scale including facilities for transport, education, housing and health services for the workers and their families – these would all go a long way in achieving industrial peace.

In sum, industrial unrest is a general state of well-health in the country, the causes of symptoms of which indicate what diagnostic treatment should be offered preventive measures also have a significant role to play in ensuring a industrial peace.

According to C.W Doten "Strikes are merely symptoms of more fundamental adjustments, injustices & economic disturbances." Patterson views a strike as "a temporary cessation of work by a group of employees in order to express their grievance or to enforce a demand concerning change in work conditions.

Section 2 (q) of the industrial disputes act, 1947, defines a strike as "a cessation of work by a body of persons employed in any industry acting in combination, or a concerted refusal under a common understanding of a number of persons who are or have been so employed to continue to work or to accept employment."

Accordingly, the definition of a strike postulates three main elements, elements, namely i) plurality of workmen ii) Cessation of work or refusal to do work & iii) combined or concerted action. "Cassation of work' implies that mere absence from work is not sufficient but that cessation of work or refusal to work should be the result concerted action on the part of workmen for the purpose of enforcing a demand. Such a stoppage, even for the short period, say, for two to four hours, will fall under the definition of strike.

The cessation of work or concerted refusal to work must be in defiance of the authority of the employers.

Further, the object of the combination or common understanding of workmen should be to stop working or to refuse to perform normal duties & not simply to undertake a fast' for pressing certain demands. Mere absence from work does not constitute concerted action to stop work.

Generally speaking, a strike can be looked at in various ways – as a course of action determining the psychology of men at work or as an action for some economic cause or an action designed to sere some political end. For whatever purpose or in

whatever from they are launched, strikes may be broadly classified into primary & secondary strikes.

Primary strikes are generally directed against the pressure with whom a dispute exists. They may take the form of a stay-away strike, stay – in, sit- down pen down or tools, down strike; go slow & work – to- rule token or protest strike; lightning or cat-call strike picketing or boycott.

Secondary strikes are the strikes in which the pressure is applied not against the primary employer with whom the primary worker have a dispute but against some third person who has good trade relations with him which are severed & the primary employer incurs a loss., Such strikes are popular in the USA but not in India because here the third person is not believed to have any locus standi so far as the dispute of worker s with employer is concerned.

12.7 SUMMARY

Trade union functions as an instrument for changing certain economic and social conditions in the factory. It fights for higher wages for workers, short hours, and worker's welfare. It also seeks to cut down the power of management and social means to achieve its goals, the union must operate as force as instrument of power i.e. it must function as an army in order to bring its opponents to terms.

12.7 CHECK YOUR PROGRESS

- 1) Labour has organised itself into association. Discuss.
 - 2) Describe objective of labour by National Commission.
 - 3) When workers are retrenched from job, why they need support system.
 - 4) Explain meaning of trade union movement.
 - 5) Discuss unionism after independence.
 - 6) What are the functions of union?
 - 7) What do you mean by union tactics?
 - 8) What is strike?
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12.9 REFERENCE

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12.10 QUESTIONS

- 1) Trace the development of the trade unions movement. What are the problems of union in India today?

Chapter 9

ECONOMIC LIBERALIZATION AND GLOBALIZATION

CONTENTS

- 13.0 Objectives
- 13.1 Introduction
- 13.2 Importance of globalization
- 13.3 Globalization - a sociological perspective
- 13.4 Contemporary globalization in the world
- 13.5 New economic policy
- 13.5 Consequences of new economic policy
- 13.6 Impact of globalization in India
- 13.7 Summary
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13.0 OBJECTIVE

- 1) To familiarize the students that the introduction of Globalization was through liberalization of policies.
- 2) To emphasize that the multinationals played an important role in the expansion of world trade.

13.1 INTRODUCTION

Before we study the meaning of globalization it is necessary to know the reason for studying globalization, which is a part and parcel of today's modern world. In the pre-industrial stages every nation was interested in its own progress and development. In such a situation international relations were extremely limited. However with the development of industrialization, modernization, urbanization, developed means of transport, communication science and technology, the business between the countries of the world started breaking down and international or external relations between the countries developed at a rapid rate.

Globalization as a term refers to a policy adopted by the Government of India especially since 1991. The critical foreign exchange situation, galloping inflation and the compulsive need for external aid, prompted the government to accept the news terms and conditions for opening up of Indian economy. This resulted in the removed of restrictions and duty on imports, which implied liberalizing of the India's economy interns of import of foreign goods and permitting almost unrestricted free flow of foreign capital is practically all the important areas of the Indian economy.

Today there is need for close interaction between the countries of the world. Therefore different nations are co-related to each other and attached to each other through various aspects such as communication, media, social relations, economic or is termed an globalization that is one that involves the globe. The world globalization, like socialism till recently, is currently in much use and the collapse of socialist economics has greatly enhanced its prestige. The economics today are seen an enter lined and economic life now has become so competitive and interdependent that they have turned into a world market and economies have partially or fully been globalized or are moving towards globalization.

India after independence had adopted a policy of planned economic development and to achieve this it hard tried to follow a policy of mild protection and import substitution Our economy slowly moved towards globalization that got a boost by the policy of late Prime Minister Shri Rajiv Gandhi and thrust with the announcement of the New Economic Policy in July 1991. During the east 10 or 15 years there has been a gradual shift of employment form the organized sector to the unorganized sector. Within the organized sector the proportion of causal and contract labour is increasing. This has been one of the major consequence of industrial restrictions during the 1980s. The new Economic Policy accelerated this trend with the increased importance to experts, and more and more expect processing zones have emerged in different parts of the country.

Globalisation refers to a world wide phenomenon buying different countries of the 1st world and the third world into a close network of social economic and political connections crosscut borders between countries. Globalisation thus means increasing interdependence of the world society.

Giddiness defines globalization on the intensification of world wide social relations, which like distant localities in such a way that local happening are shaped by events occurring many miles away and vice-versa. McGrew also speaks of globalization as simply the intensification of global inter-connected and stresses the multiplicity

of linkages implies-goods capital social inspirational relationship technological developments ideas all really flow across territorial boundaries.

13.2 IMPORTANCE OF GLOBALIZATION

Our lives are rive singly influenced by events happing far away from the social context in which we carry on our day-to-day activities. Then there is an emergence of woud system or a single social order for the world. Although globalization is rapidly developing today, it is not a completely new concept. However it has become very important today became the effects of globalization are felt on a world wide basis. Major economic **referees** which were considered to be nearly impossible until recently, were introduced which are popularly known on structural adjustments or liberalization or globalization.

This globalization of the Indian economy is the need of present times. Looking to the need of the unsatisfactory economic record of previously closed economies like East Germany, China, Poland and the U.S.S.R. On the country the open economies like HongKong, Singapore, Taiwan and South Korea have progressed well thereby justifying the process of growth under liberalization through globalization Indians economy must prepare itself for moving on non-traditional lines to achieve goals of macro balances between aggregate demand aggregate supply, saving and investment revenues and expenditure, explain and imports etc. The Indian economy needs to be totally transferred to solve its basic problems of poverty, unemployment and inequality, Liberalization or globalization of the economy is a remedy for all these ill.

13.3 GLOBALISATION

A sociological understanding According to Hoogvelt, Sociologists have been at the fare front in the effect to give globalization a consistent and rigorous heretical status. In the contemporary period, its development a specifically sociological concept owes by for the greatest debt to Roland Robertson of the university of Pittsburg. Curiously globalization, or a concept very much like it, put in an early appearance in the development of social science. Saint Simon noticed the industrialization was including commonalties of practices across the disparate cultures of Europe Durkheim's legacy to globalization was his theories of differentiation and culture. The state and the collective consciousness must progressively become more weak and abstract in the order to encompass intra society diversity. All this implies that industrialization tends to wreakers collective commitments and to open the way for dismantling the boundaries between societies just

on Durkheim identified differentiation, Weber identified rationalization as the globalizing solvent. Weber's concern with the success of rationalization and with its spread from the speed bed origins of Calvinism Protestantism to infect all western cultures implied a homogenization of cultures as well as reduced commitment to such values as patriotism and duty. But even this globalizing effect was restricted to Western Europe.

Of all the clinical terrorists, the one mostly explicitly committed to a globalizing the rely of modernization was Karl Marx. Globalization caused an enormous increase in the power of the capitalist class because it opened up new markets for it. The establishment of a 'world market' for modern industry gave a cosmopolitan character not only to production but also to consumption.

In contemporary sociological theory, one of the theoretical debates of globalization surrounds when it began. Two broad patterns are suggested

- 1) The emergence of a new age
- 2) Through the powerful mediating category of modernity

1) The emergence of new age - Martin Albrow wants us to think of globalization on its own terms and in its own time. He speaks 'of the global age' which he argues has replaced 'the modern age'. The modern age has been supplanted and superseded by a new global age, with its own axial principles and specific cultural imaginary. The '**optical** shift' from pre modern to modern to global lies in the axial principles that put commercial, mobility and connectivity at the centre of our lives. Through the mediating category of modernity under this pattern, three possibilities can be separated:-

a) Globalisation is seen in the historical context of modernity. Robertson is a strong proponent of this view. Only within the historical appearance of key modern institutions of capitalism, industrial and urbanism, a developed nation state system and network of social relations characteristic of globalization wise. Thus modernity understood on the basis of these institutions is the essential historical context of globalization. Prior to this period the socio-institutional conditions and the resources of cultural imagination enabling connectivity are simply not in place. Robertson does not subscribe to Giddens' view that modernity has led directly to Globalisation. Rather, Robertson insists that globalization of the contemporary type was set in motion long before modernity in the economic sphere it predates even the rise of capitalism. He does not however deny that certain aspects of modernity have greatly amplified globalization i.e. modernization tends to accelerate the globalization process.

b) Globalisation is seen as a consequence of modernity. Giddens has offered one of the most sophisticated analysis of modernization and its inherently globalizing properties in his book 'consequences of modernity using the concepts of time-space **distinction** disembodiment and reflexivity, he explains how complex relationship develop between local and interaction takes place across distances. He sees globalization on the result of inherently expansive characteristics of modernity. He list for such institutional characters his an organizational cluster a) is capitalist system of commodity production (owners of private capital and labour (b) industrialization (technology requires a collective Private capital and labour, (c) administrative competence of the nation state (a good surveillance system) (d) military order (for centralization of control wither an industrialized society) He explains that his discussion of globalization focuses on modernity since he sees globalization as a consequences of modernity. Modernity implies universalizing tendencies that make possible global networks of relationships and were basically extend temporal spatial distance of social relationship.

c) Globalization is the result of the hegemony of modernity. Wallerstein sees globalization in its strategic role of the maintenance of western cultural dominance and its universalizing and hegemonic tendencies. The concept of globalization he opines is an obvious, object for ideological suspicion, became like modernization a predecessor and related concept, it is bound up intrinsically with the pattern of capitalist development as it has ramified through political and cultural arenas, it does not imply that every cultural/society met become westernized and capitalist, but they must establish their position in relation to the capitalist went.

Wallerstein concentrations on the emergence and evolution of the modern European world system, which he traces from its late medieval origins of the fifteenth and sixteenth countries to the present day. Capitalism function in relation to the long-term cyclical rhythms, the central one of which is the regular pattern of expansion and contradiction of the whole economy, which one the year have trams farmed the capitalist world economy from a system located primarily in Europe to one that covers the entire globe.

13.4 CONTEMPORARY GLOBALIZATION IN THE WORLD

The task of globalization theory is to understand the sources and condition of this complex connectivity evident in all spines and every where in the would today Robertson explain that while events in any one part of the world will increasingly have consequences “ for or be referenced against events in other distant parts, this

relativization may not always be positive. We need to understand that globalization follows the path of its own inexorable logic. Global connectivity then means that we now experience distance indifferent way. This particular sense of proximity can be seen in the transformation of spatial experience into temporal existence. Robertson looks in dated of how connectivity shades into a) proximity b) unity

a) Connectivity and proximity refers to the shrinking of distances through the dramatic reduction in time taken either physically or representational (information technology) to cross distances. It also refers to spatial proximity via the idea of 'stretching' social relations across distances on Giddens speaks of it. Global proximity results from a shrinking world or an McLuhan describes it the world reduced to 'global village'. The United Nations uses the term 'Global Neighbourhood'. Phenomenologically , proximity is described on a common conscious appearance of the worlds, more intimate and more comprehend' metaphorically it implies an increasing immediacy and consequentially thereby reducing real distanced relations.

b) Connectivity and Unity for the first time in history the globe is becoming a single serial and cultural setting. Thus in all spheres of life, issues an no longer be looked at independently from a local perspective, Globalization has connected the world. Local is raised to the horizon of a 'single world'. There is both increasing introduction and simultaneity of frames of reference. Robertson Claufies that global unity does not imply a **surplices** infirmity like a world culture. It does not imply wholeness and inclusive even that is total and encompassing. Rathy, it is complex social and phenomenological condition in which different aspects of human life are brought into articulation with one another. It should lead to cultural differences becoming more accentuated precisely as it is identified in relation to the 'world as a whole'. The world system may be divided by conflicts that one more intractable than the previous disputes between nations.

Globalization needs to be industrial and analyzed multi-dimensionally intern and analyzed multi-dimensionally intern of the simultaneous and completely related processes in the realize of economy, polity, culture technology and so faith. Robertson stresses that globalization needs to be understood as involving contradictions, resistances and countervailing forces, as involving a **dialeche** of opposed principles and tendencies local and global. Particular and universal, integration and differentiation.

13.5 NEW ECONOMIC POLICY

Structural adjustment loans brought forward various changes in the policies of the Indian government. Before 1991 the Indian government tried to have a minimum entry of foreign enterprises in the Indian economy. Foreign companies were not given a free market for their products but at the same time; limits were maintained as regards foreign collaboration. The government, due to the structural adjustment loans, had to remove these limits of control. Therefore these changes were welcome and thus formed the New Economic Policy. It was due to this policy that the process of globalization entered India at a very rapid pace. Hence the new economic policy is considered as a significant aspect related to globalization.

The July 1991 budget incorporated the first stages of structural adjustments of the new economic policies. The reforms or changes introduced in 1991 have the following important elements.

- 1) The major intention of the Indian government was to solve its balance of payment crisis.
- 2) It liberalized import and export and policies on foreign trade. This meant that the Indian businessmen as well as foreign enterprises were now free to have trade relations with each other.
- 3) This policy led to internal de-regulation of the market.
- 4) The Indian government de-valued the rupee to encourage exports. It increased the professional tax and reduced income tax.

When the Indian government brought about so many changes they were considered positive because they increased the pace of globalization. However the government also had to introduce certain other changes, which had negative consequences e.g. the Indian government had to reduce subsidies on agricultural inputs and on prices within the public distribution system.

Positive and Negative Consequences of the New Economic Policy:

The new economic policy brought in its wake certain significant consequences in the Indian society. These consequences were both positive and negative.

Positive consequences:

- 1) The government spent amounts on welfare and poverty removal programmes. This meant that the extra finance that

the government had earned through reducing the subsidies was used for the positive activity.

- 2) One of the significant consequences was the justification provided to the new economic policy or the policy of liberalization. The Indian government anticipated an inward rush of foreign capital in the form of direct investment. It was assured that this would be rapid growth for the economy, reduction in unemployment and rising personal incomes.

Negative consequences:

- 1) The new economic policies had to increasing impoverishment. There was depression of wages.

2) One of the serious after affects of the new economic policy was an increase in the amount of child labour. Thus affects the future of the nation because children are the citizens of tomorrow. In order to ensure proper program for the nation it is necessary that the young generation should have at least a decent level of education. Due to the problem of child labour children are deprived of education and are infact explored and deprived of their right to education.

3) The poor class suffered a lot due to the withdrawal of government subsidies on agricultural inputs as well as in the public distribution system. The waist affected were the loud less laborers who were dependent on daily wages.

4) The integrated rural development also faced a set back due to the governments policy. This resulted in a tremendous loss to the prevent section and particularly those who dependent guaranteed work scheme in slack seasons.

5) The policy of liberalization can also link with increasing rationalization and regions started company with each other for **favoury** from the union government. The basic aim of the competition amongst the region as to receive foreign capital. This resulted in ethnic movements and other serious conflicts.

6) The new economic policy brought back caste divisions in a major way. The private sector started becoming more and more important. However the private sector did not implement the policy of renovation. As a result of the scheduled casts and scheduled tribes were adversely affected. On the other hand the brahmans or the upper caste benefited a lot when the economy was privatized. Then there was an in centre based economic division.

7) Under the impact of new economic policy and the policy of liberalization the MNC's entered into the Indian market at a very fast rate. Though their entry was considered significant by the

government became of increase is foreign capital investment, it did create a variety of negative consequence. The MNCs had its own selfish interest. They were most interested in local buyouts and mergers rather than in genuine new enterprises. Their main concern was to enter the Indian domestic market e.g. Coco Cola took over Thums up, Honda merged with Bajaj. Thus tendency of the MNC's led to serious doubts regarding their own genuine concerns. There were the following allegations against the MNC's.

- 1) They were executing dominance and control over the local companies.
- 2) The MNG's showed a tendency to import outdated technology.
- 3) There was a marine brain chain to the went especially in the software industries.

8) The government had liberalized the controls on export under the new economic policy. Due to thus, certain highly capitalized Indian farmers started satisfying their own selfish interest. They indulged in exporting high qualitative products to overseas market for high profit e.g. high quality Basmati rice and Alphonso mangoes are exported, infact majority of the Indian population don't even get to see this quality of rice and mangoes. Thus the farmers show interest in their own profits.

13.7 IMPACT OF GLOBALIZATION ON INDIA

The concept of globalization has affected almost all countries in the world. The impact of globalization on Indian has resulted in various changes in the various spheres of life. Some changes have been possible whereas some have resulted in negative consequences. Globalization in India, especially in the economic or market aspect has been very significant because of its important social consequences both positive and negative. One of the significant impacts of globalization on India is the new economic policy. The new economic policy is extremely significant because it has brought globalization into the Indian society on a very large scale. It means before the implementation of the new economic policy the concept of process of globalization was limited in its structure.

After the British left India in 1947, the situation of Indian society was not at all favorable. Low level of growth in the economy and high levels of deprivation among the population marked the immediate post independence situation. It was necessary to improve the low levels for stable economic growth. The consequences or a solution to this problem was the creation of a planned, relatively closed economy with a high degree of government control and of a policy of widespread subsidies.

The government of India developed the policy the five-year plans that is continued even today. The interest five year plans concentrated on industrialization and modernization through a large capital investment. The reason was to reduce high economic growth. Gradually the later five years plan concentrated more on welfare and poverty removal.

The Indian economy was divided into two major sectors namely, the public sector and the private sector. The private sector was important but it did not venture into certain areas of the economy due to long gestation periods. high capital investment as well as high risks. They wanted these industries to be within the country but neither by themselves nor under the control of foreign enterprise. Therefore, the main intention of the public sector was to setup industries in those areas rejected by the private sectors. When the Indian government attempted to raise money for this investment from the World Bank it was referred on the following grounds.

- a) India was basically a public driven school i.e. the public sector was extremely active in nature.
- b) In the world Banks view, India has agriculture as its major aspects as compared to industries and therefore industrial goods should be improved rather than produce at home.
- c) Help should be taken from the multinational companies (MNC) for setting up any industrial enterprise.

As the world Bank rejected the loan, India approached USSSR & processed the loans, In spite of the loan clearance try the USSR the problem in the Indian society did not stop old problems were solved to a certain extent and at the same time several important and serious problems aloes e.g. within the frame of bureaucratic structure, corruption, bribery increased at a rapid rate.

The five years plan had also resulted in certain partial policies such as the queen revolution which favoured regions like Punjab and it created differences between venders regions in the country. The Government of India was also unable to effect the income redistribution which would have stimulated the demand for domestic production. Thus India was now failing new types of problem.

The Gulf was took place in 1991. During this war, India found it impossible to borrow from the world market. The Non Resident Indians or the NRI's in this situation become worried about the money that they had invested in India and therefore they quickly withdrew their deposits. The situation made India more short of foreign exchange. With a lack of foreign exchange the

balance of payment crisis emerged. India now found it impossible to build up her independent economy and therefore was forced to accept a structural adjustment loan from the World Bank. The loan popularly came to be known as New Economic Policy.

13.8 SUMMARY

International economy experienced a program international economic integration, that is internationalization of production, trade, investment and finance, called globalization since 1950. However this process of globalization is not a global phenomenon as has been finally adulated by the World Bank in a report published in May 1996. Like limits to economic growth, there are also limits to globalization & the economy and the minimization of state control wherein the awareness is growing that no nation can feel safe without the commitment to international obligations. However there is yet long way to go before this consciousness is transformed into reality.

13.9 CHECK YOUR PROGRESS

- 1) What do you mean by globalisation.
 - 2) India after independence had adopted a policy of economic development.
 - 3) Globalisation has brought close relation between the 1st world and 3rd world.
 - 4) Discuss globalisation as a consequence of modernity
 - 5) What is new economic policy?
 - 6) Discuss positive and negative consequences of New economic policy?
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13.10 QUESTION

- 1) Discuss globalization and new economic policy? What is its importance in the present times.
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Chapter 9

LABOUR in A GLOBALISING WORLD

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14.0 OBJECTIVE

1. To families students with the role of new economic policy
automation and labour welfare.
2. To make students aware about the development of industry
service sectors and current information technology revolution.

14.1 INTRODUCTION

Until liberalization in 1991, the government banned most imports, established price controls and discouraged foreign investments. The performance of Indian economy had been dominated by a regime of multiple controls, restrictive regulation and wide ranging state intervention. A large proportion of the nation saving was appropriated by the state through various administrative and tax measures, and was diverted to finance government expenses, public sicker undertakings and their losses. Industrial economy of the country protected by the state and insulated against external competition was prevented to grow in a wouold of rapidly advancing technology.

14.2 ECONOMIC GLOBALIZATION

As Karl Marx has said, the very logic of capitalism seeks to expand discover new market searching for raw materials and sources of capital labour and profit. This was the reason why British rules expanded their kingdom by making new colonies in America, Africa and Asia. But globalization change is the global economic process. Some basic aspects are included as follows

1) Post industrialism:- David Harvey argues that today there is a flexibility in production process, products and patterns of consumption as well as increasing mobility of capital and labour. There is organized subcontracting, outsourcing etc. which link third world and advanced countries. Big **corporations** have taken the international marketing in their hand and dominate the small business, Harnery argues that this is the example of capitalism being more centrally organized than even, due to more tight control over capital. This is possible by growth of information technology an reorganized financial system.

2) World business:- Dispersal produces and consumers are linked together thought world trade. Earlier Britain was the dominating nation was USA leads. Many land developed nations also have taken part in world business. There are many trade blocks like ASEAN, EV, NAPTA competition has been increased map** push in industry and business is towards globalization of markets.

3) Multinational corporation (MNC):- Multinational have emerged as powerful lobby for world. They capture most advantages business market. Not only from America, from other countries also MNC function today over 35,000 MNCs in would controlled approximately 1,70,000 foreign officials. One third of world trade takes place within MNCs as transfer from me unit of an MNC to another. Many MNCs have entered India and are made good business e.g. MC Donald's food chair business.

4) New International division of labour:- Rich countries (core countries) spread their manufacturing activities throughout the world. They spend money and buy labour. Underdeveloped countries produce labour and this join the divided manufacturing activities. According to Walla Stan, core industries control would market, and production and they make underdeveloped countries dependent on there. The more industrialized countries such for cheap labour and easy accessibility to raw materials and set factories there. They also origin contracts to already established factories in such countries like East Asia. But it has been confirmed that only in fields like textiles, clothing, shoes , rich countries give contract bur in other fields they invest money in machine production

and save labour costs. Through local branches, MNCs invest money in business, they also transfer technology, accepting big projects. Through joint ventures and marketing agreements, subcontracting MNCs are less developed countries as expanding local markets and further industrial partners.

5. Financial markets:- There is a trend in developed countries financially through IMP which can impose structural adjustment programmes and conditionalities of which devaluation of currency is usually first. Global financial institutions are gradually controlling domestic policies of member countries and in 1980 they clearly favour privatization, liberalization and globalization. There was a major shift in international finance away from banking into security markets. Enormous increase in volume of transactions in turn influenced currency prices. Therefore there has been sharp differences between the real economy and finance. MNCs have pushed hard for free capital movement and opening of capital and other markets. Growth of financial markets has influenced less developed countries, since huge increase in foreign portfolio investment rather than direct investment has confronted LDCs with qualitatively new relationships with international capital.

6. Labour irrigation:- While financial markets are most globalized, labour markets are least so. In spite of having higher irrigation flows, international irrigation is becoming a major feature of a globalized economy.

14.3 CULTURAL PROCESS OF GLOBALIZATION

While the economic process of globalization is based on capitalism or world system theory, the social and cultural process of globalization is different. This view is confident of separating out economic, political and cultural aspects of globalization as relatively autonomous or independent processes. Technology and media, which dissolve boundaries between localities and allow cultural transmission to take place at an increasingly rapid rate, were generated by modernization. e.g. television, money, transportation, electric communication, social technology of administration. Globalization is progressing more rapidly and completely in the realm of culture. Contemporary increased spread of globalization is due to the explosion of signs and symbols that are associated with modernity. All modern technology originated in advanced capitalist societies. There are three effects:

- a. Export of culture ideology of consumption from centre to periphery.
- b. Cultural flows through mass media dissolve boundaries.

- c. In so far as man media convert contest of human relationships into symbols or takes they can connect people across great distance hence communities of interest or commitments can develop between people who have never met.

14.4 LABOUR IN THE CURRENT TRENDS OF OCCUPATIONAL STRUCTURE, KNOWLEDGE ECONOMY AND LABOUR

The occupational structure across also industrialized countries has changed very substantially since the beginnings of the twentieth century. At the start of the twentieth century the labour market was dominated by blue colour manufacturing jobs, but over time the balance has shifted towards white collar position in the service sector. In the UK in 1900, more than three quarters of the employed population was in manual (blue collar) work. Some 28 percent of there were skilled worked 35 percent sent skilled and 10 percent unskilled white collar and professional jobs were relatively in numbers. By the middle of the century manual workers made up less than two thirds of the population in paid labour, and non manual work had expanded correspondingly. There is considerable debate over why such changes have occurred. The resources seem to be several; one is the continuous introduction of labour saving machinery, culminating in the spread of information technology in industry in recent years. Another in the rise of manufacturing industry outside the west, particularly in the far East. The older industries in western Societies have experienced in western societies have experienced major cutbacks because of their inability to complete with the more efficient far Eastern producers whose labour costs are lower.

The knowledge economy and labour:

Some observers have suggested that what is accusing today is a transition to a new type of society that is no longer based primarily on industrialism. We are entering, a phase of development beyond the industrial era altogether. A variety of term has been coined to describe this social order such as the post industrial society the informatics age and the new economy. The term that has come into most common usage, however is the knowledge economy.

A precise definition of the knowledge economy is difficult to formulate, but in general terms it refers to an economy in which ideas, information and forms of knowledge underpin innovation and economic growth. A knowledge economy is one in which most of the workforce is involved not in the physical production or distribution of material goods, but in their design, development,

technology, marketing **seller** and servicing. These employees can be termed knowledge workers. The knowledge economy is dominated by the constant flow of information and opinion, any by the powerful potentials of science and technology.

A recent study by the organization per Economic Cooperation and Development has attempted to **gauge** the extent of the knowledge economy among developed nothing measuring the percentage of each country. Overall business output that can be attempted is knowledge based industries. Knowledge based industries are understood broadly to include high technology education, training research and development and the financial and investment sector. Among OECD countries as a whole knowledge based industries accounted for more than half of all business output in the mid 1990s

Investment into the knowledge country in the form of public education, spending on software development and research and development now comprise a significant part of many countries budgets. Sweden for example invested 10.6 percent of in overall goose domestic product into the knowledge economy in 1995. Finance was a close second because of its extensive spending on public education. The knowledge economy remains a difficult phenomenon to investigate - both quantitatively and qualitatively. It is easier to measure the value of physical things than weightless ideas. Yet it is undesirable that the generation and application of knowledge is becoming increasingly central to the economies of western societies.

Multi skilling new forms of work allow employees to increase the breadth of their skills by engaging in a variety of tasks rather than performing the specific task over and over organ. Group production and teamwork are seen as promising a multi skilled workforce capable of a earring out broader set of responsibilities. This return leads to higher productivity and better quality goods and services; employees who are able to contribute to their jobs in multiple way will be more successful in solving problems and coming up with creative approaches. The more towards multi skilling has implications for the hiring process. If one time there were made largely on the basis of education and qualification many employees now look for individuals who are adoptable and can learn new skills quickly. Thus expert knowledge of a particular software application might not be invaluable as a demonstrable ability to pick up ideas easily specialization are often assets, but if employees have difficulty in applying narrow skills creatively in new contexts, they may not be seen as a benefit in a flexible innovative workplace.

A Joseph Rowntree Foundation Study:

On the future of work investigated the types of skills which one now sought by employees. The study concluded that both, skilled and unskilled occupational sectors, personal skills are increasingly valued. The ability to collaborate and to work independently, to take the initiative and to adopt creative approaches in the face of challenges are among the best skills an individuals can bring to job. In a market in which consumers individuals needs are increasingly created for it is essential that employees is a range of setting from the service sector to financial consulting be able to how on personal skills at the workplace. The downgrading of technical skills according to the **author** of study may be most difficult for workers who have long worked is routine repetitive work in which personal skills had no place.

Training on the Job multi skilling is closely had up with the idea of employee training and retraining. Rather than employing narrow specialists, many companies would prefer to hire capable non specialists who are able to develop new skills on the job. A technology and market demand change companies retrain their own employees on needed instead of **bringing** in experiences consultation or replacing exciting staff with new employees, investing in a were of employees who may become valuable lifelong workers is seen as strategic way to keep up with rapidly changing times.

Some companies organize on the job training through job sharing teams. This technique allows skills training and mentoring to take place at the sometime as work it getting above an IT specialist might be paired for several weeks with a company manages in order for each to team some of the others skills. This form of training is cost effective as it does not significantly lessens working hours and allows all employees involved to prouder their skills base.

Training on the job can be an important way for workers to develop their skills and career prospects. But it is important to note that training opportunities are not equally available to all workers. The Economic and Social Research council (ESRC) studies of young people born in 1958 and 1970 found that employees already possessing qualification were much more likely to receive training on the job than their counterparts who are without qualification.

Such students suggest that there is more continuing investment in those who are already the most highly qualified while those without qualification suffer from fewer opportunities, Training also has on impact on wage levels; among the 1970. What work

board training increased employee earnings by average of 12 percent.

Home working – Home working allows employees to perform some or their entire responsibilities from home, after a computer connected to the internet. In jobs which do not require regular contact with clients is co-worker, such as computer based graphic design work or copy writing for advertisements, employees find that working from home allows them to balance non work responsibilities and perform more productively. The phenomenon of wise workers seems sure to grow in the years to come as technology radically changes the way we work. Although working at home has become more accepted in recent years, it is not necessarily formed by all employees, it is much more difficult to work as an employee when they are out of the office, for this reason, new types of control are after placed on home work in order to ensure that they do not abuse their freedom. Worker might be expected to check in regularly with the office, for example or to submit updates on their work more frequently than other employees while there is a great enthusiasm about the potential of home work. Some scholars have cautioned that a significant polarization is likely to emerge between professional home workers who pursue challenging creative projects from home and largely unskilled home workers who perform roughly jobs such as typing or data entry from home.

The end of career for life and the rise of the portfolio worker - In light of the impact of the global economy and the demand for a flexible labour force. Some sociologists and economists have argued that more and more people in the future will become portfolio workers. They will have a skill portfolio a number of different job skills and credentials which they will use to move between several jobs and kinds of jobs during the course of their working lives. Only a relatively small proportion of workers will have continuous 'careers' in the current sense. Indeed, proponents argue, The idea of a job for life is becoming a thing of the past.

Some see this move to the portfolio workers in a positive light. A worker will not be tied to the same job for years on end and will be able to plan their work lives in a creative way. Others hold that flexibility in practice means that organisations can hire and fire more or their workers might have. Employers will only have a short term commitment to their workforce and will be able to minimize the paying of extra benefits or pension rights.

A recent study of silicon valley, California claims that the economic success of the area is already founded on the portfolio skill of its workforce. The failure rate of firms in silicon valley is very high about three hundred new companies are established very

years but an equivalent number also go bust. The work force which have a very high proportion of professional and technical workers, have learned to adjust to their. The result is that talents and skills migrate rapidly from one from to another, becoming more adoptable on the way Technical specialists become consultants. Consultants become managers; employees become venture capitalists and back again.

Among young people, especially consultants and specialists in information technology there does seem to be a growing tendency towards portfolio work. By some estimates young graduates in the UK can be put to work in eleven different jobs using here different skills bars over the course of their working lives yet such a situation still remains the exception rather than rule. Employment statistics have not shown the great rise in employee turnover that one would expect with a large scale shift towards portfolio work. Surveys carried out in the 1990 several that fulltime workers in Britain and the USA which have the most deregulated labour markets among industrial countries spent as long in each job are they were doing ten years before. The reason seem to be that managers recognize that a high degree of turnover among worker is costly and bad formula and that they prefer to retrain their won employees rather than being in removes, even if their means paying above the market rate.

Organizational downsizing is reality, throwing many thousands of workers who may have thought they had a lifetime job into the labour market. To find work again, they may be faced to develop and diversify their skills, Many particularly older people might never be able to find jobs comparable to those they held before or perhaps ever paid work at all.

14.5 JOB INSECURITY UNEMPLOYMENT AND THE SOCIAL SIGNIFICANCE OF WORK

In recent decades he phenomenon of job insecurity has become an important tops of debate within the sociology of work. Many common taken and media sources have suggested there has been a steady income in job insecurity has now reached unprecedented heights in industrialized countries. Young people can me longer count in a secure career with one employer, they lain because the rapidly globalizing merges and corporate downsizings where employees one laid off. The drive for efficiency and profit means that those with few skills or the among skills are relegated to insecure, marginal jobs that one vulnerable to shifts in the global market. Despite the benefits of flexibility at the workplace, the arguments continue we not live is a 'hire and fire'

culture where the idea of a job for life no longer applies the rise in job insecurity.

In 1999 the Joseph Rowntree Foundation published the results of the Job insecurity and work Intensification survey (JIWIS) examined the types of worker who had experienced greater or lesser levels of insecurity with the passing of time. The authors found that in the mid 1990s the greatest increase in job insecurity occurred among non-manual workers. From 1986 to 1999, professionals shifted from the most secure occupational group to the least secure while manual workers experienced somewhat lower levels of job insecurity. One of the main sources of this insecurity appeared to be a lack of trust in management. When asked if management looked out for the employees best interest, 44 percent of respondents claimed that they did so only a little or not at all.

Most scholars agree that job insecurity is not a new phenomenon. The disagreement surrounds the extent to which it has become more pronounced in recent years and more importantly, which segments of the working population experience job insecurity most acutely. Some critics argue that studies like the JIWIS project are nothing more than an unwanted response to perceived job insecurity among the middle classes. In the last 1970s and 1980s Britain experiencing economic recession that proved to be particularly harmful to traditional manufacturing industries. Roughly 2 million jobs were lost during this time in sectors such as steel, shipbuilding and coal mining. It was not until the 1980s and into the 1990s that professional and managerial workers had their first large scale exposure to job insecurity. Corporate takeovers and lay off have affected the banking and finance sectors, the spread of information age has cost many civil servant their jobs as systems are streamlined through the use of computer technology.

If manufacturing workers had become accustomed to living with the threat of redundancy white collar workers were not prepared for the changes affecting their occupation. This anxiety among professionals, led some to speak of the insecure middle. The term was used to describe white collar workers whose faith in the stability of their jobs meant that they had taken on significant financial commitments such as sizeable mortgages, private education for children or expensive hobbies. Because redundancy had never crossed their minds before, the sudden spectre of unemployment caused them to experience enormous anxiety and insecurity. Job insecurity soon became a buzz topic in the media and in professional circles although some believe this was an **over a chain** where compared to the mere chronic insecurity experienced by the working class.

The job insecurity and work intensification survey formed that far many workers job insecurity is much more than a fear of redundancy. It also encompasses anxieties about the transformation of work itself, and the effects of that transformation on employee's health and personal life. The study revealed that workers are big asked to take to more and more responsibility at work as organizational structures become less bureaucratic and decision making is spread through out the workplace. Yet at the sometime that the demands on them one increasing many worker see their chances of promotion decreasing. This combination leads workers feel that they are losing control over important features of their job, such as the pace of work and confidence in their overall career progression. A second harmful dimension to job security can be seen in workers personal lives. The study found a strong correlation between job inconstantly and poor overall health. This link is substantiated by data from the British household Panel. Survey, which showed that peoples, mental and physical health continues to determinate with episodes of prolonged job insecurity. Rather than adjusting to the insecure conditions worker remain anxious and undercounting stresses. This pursuer from work seems to transfer into the home environment those workers reporting high levels of job insecurity also tended to experience tensions at home.

14.6 THE EXPERIENCE OF UNEMPLOYMENT

The experience of unemployment can be very disturbing to those accustomed to having secure jobs. Obviously the immediate consequences are a loss of income. The effects of this vary between continues become of contents in the level of unemployment benefits. In countries where there is guaranteed accent to healthcare and other welfare benefits, unemployed individuals may experience acute financial difficulties but remain protected by the state. In some western countries, such as United States, unemployment benefits last a shorter time and healthcare is not universal making the economic strain on those without work correspondingly greater.

Studies of the emotional effects of unemployment have noted that people who are unemployed often pan through a series of stages o they adjust to their new status. While the experience is of course an individual one the namely unemployed often experience a secure of shock, followed by opportunity about new opportunities. When that opportunity is not rewarded, as is after the care, individuals can slip depression about pessimism, themselves and their employment prospects. If the period of unemployment stretches on, the power of adjustment eventually completed with individuals resigning themselves to the relatives of their relations.

The strength of communities and societies can be undecreased by high lack of unemployment. In a classic sociological study in the 1930, Marie Jahoda and her colleagues investigated the care of Marien that a small farm in Austria experiencing was unemployment after the closure of the local factory. The insecurities hotel how the long term experience of unemployment event natty increased many of the community sort structures and networks. People were ten active in civic affairs, spent less nine socially with one another and even visited the town literacy less frequently.

It is important to note that the experience of unemployment also causes by social class. For those at the lower end of income scale, the consequences of unemployment may be felt mostly financially. It has been suggested that middle class individuals find unemployment damaging primarily in terms of their social rather than their financial status.

14.7 SUMMARY

Globalisation in India has brought many changes. The new economic policy has wet the decision towards entry of multinational compares disinvestment, foreign direct investment privatization and more liberal economy. Computerization, information technology, all sectors have affected the growth of individuals and labour and there is large scale unemployment of white collar and blue collar workers all over world.

14.8 CHECK YOUR PROGRESS

1. What do you mean by globalisation.
2. India after independence had adopted a policy of economic development.
3. Globalisation has brought close relation between the 1st world and 3rd world.
4. Discuss globalisation as a consequences of modernity.
5. What is new economic policy.
6. Discuss positive and negative consequences of New economic policy.

14.9 QUESTION

1. Discuss the impact of globalization on industries and workers.

14.10 REFERENCES

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Chapter 9

STATUS OF PUBLIC SECTOR AND PRIVATIZATION, VOLUNTARY RETIREMENT SCHEME

CONTENT

- 15.0 Objectives
- 15.1 Introduction
- 15.2 Necessity of globalization
- 15.3 Privatisation of public sector
- 15.4 Critique - impact of globalization
- 15.5 Automation - computerization
- 15.6 Sub contracting and outsourcing
- 15.7 Downsizing, exit policy
- 15.8 Impact on trade unions
- 15.9 Voluntary Retirement scheme
- 15.10 Summary
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- 15.12 Questions

15.0 OBJECTIVE

- 1) To familiarise the students regarding the impact of globalisation on Indian industries workers.
- 2) To introduce the students to the concept of liberalization and privatization.
- 3) To evaluate the disinvestment policy of the government.

15.1 INTRODUCTION

The industrial policy of India after attempting liberalization policy in 70s & 80 s changed once to further liberalization i.e. Globalization. This meant entry of multination, infect re-entry for many of them in the Indian economy. This policy has been adopted to attract foreign capital for investment. Globalisation means a country open its economic activities outside its boundary. The

globalizing country does not confine its economic activities to the limits of its own geographical boundary. In other words globalization means having trade and industrial relations with other countries without restrictions like tariffs and quotas and disincentives like taxations.

15.2 NECESSITY OF GLOBALIZATION

Globalisation is the need of the time. If a country chooses to be-in-isolation then it will not get the best knowledge, best technology, best management expertise and adequate capital. The country has to bring all the superior things like capital and entrepreneurship available abroad into the country. If there is isolation then the producers, both the individuals and the companies in the country will have no competition and therefore no improvement in the quality of the products. When domestic market is limited there will be monopolies, restrictive practices and consumer exploitation. This will lead to inefficiency in production. No competition means complacency and inefficiency and the things will be taken lightly. When outside firms enter inside firms will become vigilant, hard working and have a fighting spirit in place of lethargy. From the consumer's point of view they will benefit both in quantity and quality of the goods. For example the Usha fans have to compete with the RDK of Japan. Usha will therefore try its best to retain the market by making improvement in its product the benefit of this will go to the consumers.

Globalisation also means for business we can go out to the other countries, there is free import and export without any restrictions, when there globalization giant multinationals enter our country and they may kill our own enterprises. And for that reason we must allow only those companies which are helpful and beneficial and which are ready to function at our terms and conditions. On economic policy should be able to balance the interest of the country as well as the interest of the multinationals. The year 1964 is a watershed Nehru's death led to a landmark in our economic policy. The original the socialist policy of Nehru was failing. His policy was distorted the coming of liberalization.

Real changes came after 1984 when the process of liberalization started. The licensing and regulatory controls were liberalized. The policy of liberalization gained momentum from 1991 onwards. When Narasinha Rao's government came into power. Even today there is no complete liberalization. Public sector is still continuing. Neither there is complete privatization nor complete public sector. State Bank a public sector organisation issues shares for private individuals. Similarly in petrol and oil companies there is private investment in public sector. This is done so because it is due

course of time. The commercial norms will be introduced in the public sector and that will have potential to make more profits. For example with the entry of private individuals in air Lines, An India is expected to perform better. Not only this when individual inverters enter into the management of Air India its performance will be more efficient. As a result it will give better service and earn more profit.

Privatization and Liberalization are different in their connotation but their result is more or less same. Liberalization is a negative concept in the sense that it results in the withdrawal of state control and regulations, whereas privatization means private individual and entrepreneurs are allowed to enter into public sector organizations. Liberalization is an ideology whereas privatization is an operational thing. Liberalization and privatization help our economy to raise its level and improve our industries both quantitatively and qualitatively. Globalisation is a wider concept. In the process of globalization our country asks the foreigners to enter our country by liberalizing its licensing and tariff policy. As the foreign entrepreneurs can come and start industries in India even Indians can go to foreign countries and invest their capital! Tatas and Birlas have started industries in Malaysia, Indonesia, Philippines and Mauritius. Mahatma has gone to Indonesia and Nepal. State Bank has branches in foreign countries.

Impact of Globalisation (Realities):

1) Low participation in world trade by developing countries:-

One of the indicators of a nation's integration with the world economy is the participation in the world trade. There has been remarkable increase in world trade. There has been remarkable increase in world trade in recent years. Percentage of trade in goods to the PPP, GDP (ie GDP measured in purchasing price parity) has increased from 22.5% to 27.4% during the period 1989 and 1999. The expansion was much faster in the high income countries, 28.5% to 37.47. But increase in the low income countries was less than 1%. India also has very small properties of trade to GDP. Share of trade in PPP GDP increased from 3.2% to 2.6%. It was lower than the increase in the low and medium income countries and far below the rate of growth of high income countries.

2) Charges in structure of trade:- India's share in trade of agriculture products with developed countries declined. These countries are receding of subsidies by WTO while India and other developing countries are rejected on the basis of sanitary and phytosanitary consideration.

3) Rich countries became richer and poor man poorer:-The maximum advantage of the expanding trade regime in the world has accrued to the rich countries. Low and medium income

developing countries have to be satisfied with insignificant gains. India has only marginally integrated with world economy.

The vast majority of the world's wealth is concentrated in the industrialized as 'developed' countries of the world. While the nations of the 'developing world' suffer from wide spread poverty, over population, inadequate educational and health care systems and crippling foreign debt. The disparity between the developed and developing world has widened steadily over the course of the 20th century, and it now the largest it has ever been.

4) Greater reliance on foreign capital from private sources:- Foreign direct investment has become more attractive several measures have been take to attract foreign capital, latest being the removal of cap on foreign ownership in several industries, if DI increased from US \$ 162 million in 1990 to nearly US \$ 22 billion in 1999. But China has received approximately US \$ 40 billion. More importantly, this is hardly 2% of the gross domestic saving. As in trade, in capital formation also we have to rely basically on our domestic resources.

5) Uneven distribution of world income:- According to Robert Wade of the London School of economics, share of world income going to the poorest 10% of the world's population fell by over a quarter, whenever as the share of the richest 10 percent rose by 8 percent, the 10% pulled away from the median white the poorer 10% fell away from median. In other words, poorer countries and the poor in these countries were left behind in the process of growth. In recent years world has become much more unequal. To quote him Technological change and financial liberalizations results in the disproportionately fast rise in the number of households at the extreme rich end, without shrinking the distribution at the poor end.

6) Indian scene:- Indian government could not make sufficient investment in development of infrastructure late electricity, health or education on time earlier. Today we are lagging behind. We have technologically less efficient industrial infrastructure. We also have missed over the years, vast opportunities of expansion of the industry, trade, output and employment. Even in the field of cotton textile, garments, leather goods, gems and jewellery, light engineering for products, India together occupy a small proportion of the total global exports. India has lost its status as the 10th largest industrial power in the world during least decade, over all share of India in global market is at present is amount 07%.

7) Role of WTO:- To understand our gains or prices we have paid due to our joining WTO in the name of globalization, it is important to have the historical background of WTO. It was only after 1980

the us agriculture exports faced a steep decline and a view emerged that the decline in the agricultural exports was due to protectionist policies of EEC and Japan that the US started supporting an agreement which would enable free trade in agricultural commodities. Finally WTO was established by an agreement between IUS and EEC so called Blair Home Agreement as GATT provisions were found inadequate and unsatisfactory.

'AOA is one of the important agreements under the auspices of WTO, the important features of which are the market access without dissemination and discouragement to domestic support and export subsidies. But against expectations there was healthy the rise in the volume of agricultural trade nor the share of the developing countries in the trade since 1995. In fact, the negotiations benefited most of the developed countries and developing countries like India did not gain anything by signing the agreement. It could not expand in trade in agricultural commodities with developed countries.

8) Income inequalities in spite of globalization and free markets a good 1/5 the of humanity lives below the poverty line and another one fifth is just floating near or above it. According to a report, the world's richest men Bill Gates Warner Buffet and Paul Allen, own assets equivalent to that owned by 600 million in the world 48 least developed countries.

9) Company closures:- Globalisation has rendered many companies and then operations redundant. So neither they are closed (wholly or partly) or are hived off or their ancillary units are declared sick. For example the decision of Hindustan Organic Chemicals to cease its benzene operation has covered closure of many related units. This in turn adversely affects the lives of their employees.

10) Unemployment:- A negative impact of globalization has been widespread unemployment wither due to technological innovations or diversification or relocations or closure of companies, employees had also been retrenched due to cost cutting measures adopted by the employers due to worldwide recession.

11) Human right violation:- As the supremacy of many states decline and that of corporations rise the capacity of the latter to violate the rights of people or to create conditions in which rights become difficult to exercise or protect, has increased tremendously. Against this is not surprising when we receive the reports surfacing MNC's making considerable profits at the cost of people.

Both NIKE and Reebok companies had subcontracted in Asia the production of athletic shoes and soccer balls, among

others to firms that operated sweat shops, employed child labour and made them to work in very unsafe working conditions. The Bhopal gas tragedy of December 1984 killing over 8000 people was the worst corporate human rights violation and the MNC involved was none other than the chemical giant union carbide.

11) Environmental risks:- chemical pesticides and herbicides have created health hazards. Animals were pumped full of hormones and antibiotics which has resulted in disease among them. Such commercial agriculture and arrival rising have proved extremely dangerous to human life. In order to attract foreign investment the government has permitted foreign investor including multinationals to invest in India in a big way. In India chlorine, petro-chemicals, caustic Soda and such other Chemical industries have come up in large number since 1991-92. This has encouraged impact of chemicals polluting the environments. Even drastic cut in our duties on chemicals has led to this situation.

12) Loss of traditional jobs:- many joint ventures related to fishing activities in 1994 have led to the threat of jobs to many fishermen of India when their companies decide to go for **trawlerization** of marine fishing.

15.3 PRIVATISATION OF PUBLIC SECTOR

Privatisation means many of the government sectors are sold or given to private individuals hands to run than. Although the public sector enterprises have played an important role in the development of industrial sector of the economy in the planning period, the level of profits in there enterprises have registered substantial losses in some years. Given the fact that the level of investment in there enterprises has been staggering, the returns has been very low. Bimal Jalan, has argued that it is the 'low return on investment in the public sector enterprises that is to a large extent, responsible for the fiscal crisis of the central Government. Serious problem are observed in the form of (a) insufficient growth in productivity, (b) poor project management (c) over manning, (d) lack of continuous technological up gradation (e) inadequate attention to R & D and human resource development. In addition public enterprises have shown a very low rate of return on the capital investment. This has inhibited their ability to regenerate themselves in terms of new investments as well as in technology development. The result is that many of the public enterprises have become a burden rather than being an asset to the government. Supporter of privatisation have argued that all problems of the public sector can be tackled effectively if they are handed over to the private sector. They give the following reasons:

a) Improvement in efficiency and performance:-the private sector introduces the profit oriented decision making process in the working of the enterprise leading to improved efficiency and performance. Moreover private ownership establishes a market for managers which improved the quality managers which improves the quality of managements.

b) Fixing responsibility is easier:- while personnel in the public enterprises cannot be help responsible (or accountable) for any lapse, the areas of reasonability in the private sector are clearly defined. This makes it possible to take people to task in the private sector units for any blunder committed by them.

c) Private units are subject to capital market discipline:- performance or cursing fund in capital market in given the highest importance in private sector. With government as owners it is easier for the public sector to get the support of credit or budgetary support in respective of then performance. Thus time in no compulsion for them to perform well.

d) Political interference is unavoidable in public enterprise:- due to political interference in crucial decisions operational efficiency cannot be incased. Political decisions have affected the choice of technology resulted in overstaffing or location, inefficient me of inputs and purchase or price preferences for certain suppliers. Most governments also impose non-economic objectives on public enterprises.

e) Succession planning:- for many years very PSUs worked without any 'head' therefore nobody was to take the responsibility

f) Response time in the case of private sector is less:- private units take on the spot decisions while public sectors consult many people. This delays right decisions at right time in public and private sectors.

g) Privatization leads to better service to customers:- the very survival of private sector enterprise depends on customer satisfaction since only then they can grow while public enterprises do not give priority to customer's satisfaction their markets always decline.

15.4 CRITIQUE- IMPACT OF GLOBALIZATION ON LABOUR

Trade unions in India are generally opposed to all the moves to liberalise and globalize the economy, irrespective of their party lines. They have organized Bharat Bandhs, stakes and other for us

of agitations to stall these processes. They oppose these measures for the following reasons

- a) Liberalization would lead to excessive retrenchment and lay off.
- b) Introduction of new technology would hamper the future employment.
- c) The policy of hue and cry would lead to the scenario of fear at the work place.
- d) Public sectors grow they will be checked. Employers have more job security in these sectors.
- e) Labour laws which protect the labour will be diluted in the name of flexible labour force.
- f) Existing public sector undertaking will be transferred to private sector in the name of privatization.
- g) Excessive liberalization would generate wage decline and insecurity.
- h) In the absence of government's protection, worker would be at a tremendous disadvantage since demand for labour is less than the supply of labour.
- i) Working of the free market force would increase the wages of management and reduce the wages of workers
- j) Inequalities of income and wealth would further increase.
- k) Social justice, would be a casualty
- l) 'Human face' in the organization would be replaced by human brutality.
- m) Reduction in public expenditure would put labour at a disadvantage.

The liberalisation has resulted in stunted employment growth, larger mergers of large, medium and small-scale Indian industries with foreign companies, widened fiscal deficits, speedy rise in prices slower rate of growth of industry, increased inequalities of income and wealth, ignoring the poor of the country, concentrating on luxury consumption through import and indigenous production and deduction of expenditure on social welfare programmes and education. A large number of workers are affected through closure, retrenchment and layoff. Nearly are lakh workers in public sector alone sought voluntary retirement. Permanent labour is being replaced by contract labour. Governed by the forces of demand and supply of labours they are paid low wages, and no benefits or facilities. Surveys have revealed lower wages of the workers in AIR INDIA, Indian Airlines and Airport Authority. These contract workers do not get the benefits of provident fund, gratuity, bonus, leave facilities, canteen, transport medical and uniform facilities.

Policy of line and fine is getting popular protective ring provided through various labour legislation is loosening its grip. Earlier government would not permit the closure, retrenchment or lay off under the Industrial Disputes Act, 1947 so easily. But now state governments under the tremendous propagandas of new economic policy is permitting it. It was reported that on an average in Punjab 300 workers are retrenched every month. Trade unions have refuted the charge that public sector inefficient therefore workers are against liberalisation Reserve Bank of India report that only 2% of the Indian industries sickness is due to labour problems. And also there are large numbers of PSUs which are working at 85% to 110% efficiency. Trade unions also refuse to accept that such liberalization measures would come more employment in near future. More and more capital intensive technologies would result in labour surplus.

They have a feeling that under the pressure of IMF and World Bank generated because of the foreign exchange crisis; government is to continue its policy of reforms. The fall of communist regime and the dependence on limited status has further strengthened it. Central Trade Union have opposed all the direct and indirect attempts to introduce exit policy. The unions have not allowed the government to formally declare the exit policy. Through recent state election they have been successful in telling the government to slow in their reform process shed their pro rich image and spend more for the welfare of the poor. Though management is always for reforms as they are given entry to public sectors and relief from several government controls, the private managements are also getting critical of the new economic policy. The reasons are :-

- a) The increase in the number of sick units of large, medium and small scale industries
- b) Takeover by the foreign collaborators and shutting out of the existing Indian managers under 50% equity ownership permission to them.
- c) Severe competition from the foreign companies which are for more efficient in their technology and resources.
- d) Continuation of several contract to the Indian industry while the foreign companies do not have them.
- e) Withdrawal of the protective subsidy structure by the government.
- f) High interest rate structure reflecting on their cost and putting them at disadvantage.

The free entry of MNC, especially in the non-private sector and the public sector management, on the other hand is joining hands with workers, union so as to fight against the new economic

policy. Though the government has also started the rational renewal fund for helping the retrenched labour, and to provide resources for approved employment generation schemes, the gain is not much. There are more emphasis on spending on VRS and less emphasis on retraining and redeployment. It has been reported that the money collected through VRS was squandered by the workers and they had miserable unemployed life with more responsibilities at home. Government has been very slow to change the existing labour laws. It is suggested that it is high time to reconsider the whole issue of globalizaaiion, liberalization and privatization.

We should not forget that India as a largest country including other developing countries are the 'engines' of growth for the developed countries as the prouder of market and our raw materials developed countries cannot sustain their higher level of progress or even the present standard of living. It is also true that globalization has resulting in developing countries in a jobless growth, **cultural** growth (unequal growth with rich galaxy richer and poor getting poor) rootless growth (material prosperity without social and cultural generation) and futureless growth (growth at the cost of environmental degradation)

15.5AUTOMATION-COMPUTERIZATION-NEW TECHNOLOGIES OF INDUSTRIAL REVOLUTION

Globalisation:- when business no longer can have a local focus and management now recognizes global fours. It means that the business had global orientation. Due to globalization-

- a) The globe has become almost like a village due to the best means of communication. There is no problem of distance for sound and vision due to phenomenal growth of TV, Video and d telecommunication.
- b) We have increasing technological and managerial abilities to cater to the global market with the help of global brands. Even produce can be located at many countries.
- c) We have now developed global attitude in business. Nothing is overseas any more.

Present global business scenario is distinguished by high levels of turbulent changes uncertainty and keen competition. The effect of globalization is briefly outlined below.

Changes in the world of business:

- a) Company wide total quality management (T & M)
- b) Restructuring and reengineering revolution

- c) Planned changes in the management / organization.
- d) Shorter product life cycle, shorter product change over cycle, higher rate of new product development, ample scope for creativity and innovation.
- e) Product quality integration, interns of zero defect production.
- f) Increasing importance of project management, self management, self managed teams holism values and strategic management.
- g) Rapid development and increasing use of information technology, including telecommunication and computers.
- h) Competitive strategy based on technology educating and training of employees is multiple work. Skills based on values involvement of all personnel is organizational changes, in planning and decision making, break through strategy for problem solving, real participation of workers in management and empowerment of employees with responsibility.

Automation:- traditionally, automation has been understood as more replacement of labour by machines- This perception has now changed. Today, automation projects are initiated not just for labour cost savings, but also for improved product quality, fast production and delivery of products and increased product flexibility. Simply stated automation refers to the technique of operating or controlling a productive process by electronic devices and reducing human intervention to the minimum. Human contribution to production comprises two kinds of efforts - physical and mental. The physical aspect i.e. Labour was taken over by machines which came to be increasingly used after the industrial revolution. The mental contribution to production is now taken over by electronic devices, chiefly computers, which are often known as giant brains. With the advent of automation the second industrial revolution has begun.

In a fully automated plant, all the aspects of manufacturing i.e. feed, production, information and control are carried on by computers, supervised by only a few men who glance occasionally at a control panel or sweep the cuttings. However, the extent of automation varies from plant to plant, and depends on the willingness and capacity of the management, co-operation of the workers and their trade unions, and the general economic conditions of the country. 'In the simplest sense' writer Rudell Reed 'automation is nothing more than the extension of the principles of mechanization to the integration of machines, one with another in such a way as to have the group operate as an individual processing and control unit. At the other extreme automation is the application of electronic digital computer control systems, which not only read the individual measurement devices but analyse the data as received from the devices, reach a decision and adjust the control values or motors or proper setting for optimum results.

Between these extremes are a number of levels of application of automation technique and principles.

In practice, automation may assume three distinct forms, namely integration, feedback control and computer technology. Integration involves processes in which the finished product is moved automatically untouched by human hands, from one stage to another, for example, industries handling liquids or gases, powdered goods such as oil and chemical industries. Feedback control is mainly an electronic process by which any error or diversion of the machine from a planned performance is automatically corrected. These controls called 'servo mechanisms' are highly developed in chemical industries and operate the number of **mechanisms** involved in these industrial processes. Third, the computer technology, depends on the use of electronically operated machines capable of recording and classifying information and when required, drawing conclusion from this information. Third, the computer technology depends on the use of electronically operated machines capable of recording and classifying information and when required, drawing conclusion from their information.

Advantages and disadvantages of automation:

Automate or die is the slogan of many producers all over the world. Increased production and productivity reduced cost, better quality, elimination of wastage and inefficiency etc. are essential requirements for any owner of an industrial establishment so that he may successfully face competition. Those days are gone when whatever was produced found a ready market, in times to come, only the producers with the best performance will survive and the best performance will be possible only through automation.

Especially the advantages of automation are:

1) Increased output and enhanced productivity:-automation results in enhanced productivity and production because it increases the speed of production, eliminates production bottlenecks, reduces dead time (the time when a machine does not work due to lack of such things like cutter fixtures etc.)

2) Improved and uniform quality:- the quality of production is immeasurably improved because the entire production processes, beginning with raw materials and ending with end product, is handled by machines. There is uniformity in the quality of the products - a factor which earns or spoils the customer goodwill.

3) Reduced cost:- automation results in reduced total cost per unit of output, saving of the cost in factory is mainly due to the virtual elimination of labour.

4) Dangerous and unpleasant tasks:- the tasks like cutting work on the factory which produces an ear splitting noise, painting which requires the workers to cover their whole face except their eyes, tasks in a machinery plant where oil seeps right through the clothes to the skin etc. are now handled by robots instead of by men. It is predicted that robots will be performing many public and welfare services with the next few years. There will fight fires, work in garbage dumps, remove dirty water and take the place of nurses in lifting patients out of their beds. The day is not far off when the robot will step outdoors to carry out tasks under dangerous conditions.

Disadvantages:

1) Heavy capital investment:- automation involves higher capital outlay, and therefore the cost of capital increases, depreciation, power consumption etc also increase, automation is therefore a luxury for small firms.

2) Displacement of labour:- in spite of assurance to the contrary, automation does result in worker replacement and often in management replacement as well. Workers is unionised concerns oppose the move for automation. The LIC wanted to introduce computers in 1965. Trade unions opposed and saw that no LIC workers was retrenched due to automation, through ultimately one compute.' was installed in Mumbai, office and further employment opportunities are lost forever.

3) Fighter specification:- may be needed machines are not flexible as human beings. Mistakes in design or product cannot be corrected by the machines. Therefore increasing automation will bring demands on suppliers to adhere to specification more rigidly.

4) Dehumanization:- automation carried to its logical end, dehumanizes the plant and generates a peculiar atmosphere in it. It is true that it offers several advantages. It is also true that an automated plant can save the management from labour troubles. But it should not be forgotten that the employment of thousands of persons in a single plant carries its own charm and gives a sense of pride and achievement which hundreds of **robots** or computer cannot.

5) Impact on employment:- in developing countries already in such countries unemployment rate is very high. The introduction of machines will further boost unemployment. Scarcity of foreign

exchange, shortage of highly skilled personnel, and shortage of capital cannot allow the country to go for 100%. Computerization Automation may be useful to increase production in agriculture and industrial areas but for some time to come these countries cannot afford to have this luxury selective automation to ensure accuracy, if not speed may be more relevant.

Subcontracting and outsourcing:

It is most common to think of skill upgrading as spontaneous technical change due, for example to the discovery and introduction of computers which displace production workers. Many authors like Feenstra and Hauson (1997) compared to the effects of automation in the USA with those of outsourcing to low wage developing countries. They found that the effect on wage dispersion of computerization is larger by half than that of outsourcing.

There are, however a number of other explanations for spontaneous changes of technique, skill upgrading has been seen as being driven at least in part, by a recent rise in the relative supply of skilled workers. The first of their concerns the Premium Firms pay for good workers. In the early 1970s the proportion of professionally trained workers was low and advanced qualifications were rarely available as an index of quality. Today after 1990s tertiary qualifications have increased greater costs in shedding unsatisfactory workers. It seems natural therefore for them to use tertiary qualifications as a quality & index and to opt for the professionally trained candidates even for routine jobs.

When the firms see advantage in both financial and quality aspects of production by outsourcing many of its components, they always, prefer it. Since it has become very costly to employ highly skilled labour and the firms have to maintain or even increase the quality of many products to keep world market, outsourcing i.e. Subcontracting various parts or stages of production, to small industries which may be in developing countries has been found most beneficial and cost effective. But such industries have to produce quality products with their high tech production technique. 1) Trade competition, when combined with internationally mobile physical capital, affects vertically integrated internationally mobile physical capital, affects vertically integration production processes so as to increase the outsourcing of components. This is form of interior industry structural change that yields the observed skill upgrading in all sectors. It provides the appearance of innovation as technical change

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oppose the move for automation. The LIC wanted to introduce computers in 1965. Trade unions opposed and saw that no LIC workers was retrenched due to automation, through ultimately one computer was installed in Mumbai, office and further employment opportunities are lost forever.

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15.6 SUBCONTRACTING AND OUTSOURCING

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There are, however a number of other explanations for spontaneous changes of technique, skill upgrading has been seen as being driven at least in part, by a recent rise in the relative supply of skilled workers. The first of these concerns the Premium Firms pay for good workers. In the early 1970s the proportion of professionally trained workers was low and advanced qualifications were rarely available as an index of quality. Today after 1990s tertiary qualifications have increased greater costs in shedding

unsatisfactory workers. It seems natural therefore for them to use tertiary qualifications as a quality & index and to opt for the professionally trained candidates even for routine jobs.

When the firms see advantage in both financial and quality aspects of production by outsourcing many of its components, they always, prefer it. Since it has become very costly to employ highly skilled labour and the firms have to maintain or even increase the quality of many products to keep would market, outsourcing i.e. Subcontracting various parts or stages of production, to small industries which may be in developing countries has been found most beneficial and cost effective. But such industries have to produce quality products with them high tech production technique. Trade competition, when combined with internationally mobile physical capital, affects vertically integrated internationally mobile physical capital, affects vertically integration production processes so as to increase the outsourcing of components. This is form of interior industry structural change that yields the observed ski; upgrading in all sectors. It provides the appearance of innovation as technical change at last, across measured sectors when what is actually happening is a relocation of component activities with increased import competition, both wage and employment of production labour falls as many firms are ready to manufacture the same quality products and that too at lower prices e.g. Chinese goods in India. As imports of competing products flow in, the monopolist responds optimally by retaining its original product price but contracting its output. Low skill employment falls and the discarded workers drive down the unskilled wage elsewhere in the economy or if that wage in rigid downward raise unemployment.

With the voluminous rise of services and the corresponding decline of manufacturing in the industrialized economies, there is more demand for manufacturing good in developing countries. Yet the relative prevalence of services firms in the new industrial economy brings with at pressure for organizational change. One of the European style of managing this is the incidence of 'multitasking' in the typical services firm. This makes the **central mend** wage bargaining prevalent in Europe less efficient, creating pressure for a switch to individual contracts and hence greater wage dispersion.

In India many companies have started subcontracting their products e.g. Parle Glucose biscuit, Johnson and Johnson, well known Jewellers, Bombay Dyeing, Bata Shoe Company, many pharmaceutical firms which outsource their parts or components and after carefully supervising their qualities, market those products under their trade marks. Such subcontracting to smaller firms reduces the labour costs by not employing skilled workers in the factors. As such the competition with MNCs or foreign manufacture

is very tough and market is uncertain, it is absolutely necessary to raise the level of productivity and quality of goods. If the present labour structure is unable to produce the desired output, it has to be changed and technological change has to be brought in.. Business process outsourcing is treated to be one of the biggest job opportunities in the Indian market as a part of the IT **enabled** services. In a fast changing business environment prevailing in the world today, many large companies no longer want to get involved in doing jobs that are routine and administrative. This trend is giving rise to a big industry today what is called Business Process Outsourcing (B P O)

B P O - means delegating back end administrative functions that are necessary to run business but do not directly generate any revenue. Companies all over the world are increasingly outsourcing their routine and administrative functions. These include a whole range of functions like data entry, data conversion and processing, insurance claims processing, document management, billing services, accounting, recruiting, payroll services, credit and debit card services, logistics management, sales administration, travel management and data research.

IT (information technology) is the first field which started outsourcing on the large scale. Eastman Kodak turned over the bulk of its IT operations to three external partners, helping to ignite the outsourcing industries. Over the next 20 years this practice became pervasive. Gnomonic in certainty and the accelerating pace of change say Mazzawi - a consultant at Capgemini, are driving companies towards transformational outsourcing partnerships. Under traditional outsourcing performance improvement is operational rather than strategic in nature doing the same thing a better, faster or cheaper. But typically there is no scope for change. Transformational outsourcing changes the whole business. Earlier non-essential services activities like payroll, processing or security were given to outside agencies. But now according to Jim Jackson and Jim Laseter, the more important activities like manufacturing or logistics can also be transferred.

15.7 DOWN SIZING AND ITS IMPACT

Exit policy:- the proposal to introduce an exit policy was first mooted in September 1991 when it was stated that without labour market flexibility efficient industrialization would be difficult to achieve. The World Bank and the IMF have been resisting for quite some time that the government should introduce labour market reforms to allow employees shift workers from one unit to another and also retire excess labour. It is the danger of retirement that is causing worry to the working class.

Under the guise of improving the competitive strength of our experts and introducing competitive environment in the Indian domestic market, the new economic policy has opened up the doors to MNCs. A large number of collaborating with foreign companies have been entered during the last few years. MNCs are also assuming control over a number of Indian companies. These tendencies are found to have serious implications for the workers on MNCs employ capital intensive technology with automatic machine the production process in a unit can be carried on with a handful of workers and this can lead to the downsizing of the unit i.e. shrinking of the size of workers. The danger sign bare **ahead** there for everyone to see. A large number of companies have already introduced VRS (Voluntary Retirement Schemes) at their various units. While some companies have introduced VRS to overcome losses by turning 'lean and fit' some companies have adopted it to improve their margins of profits at the cost of workers because of the increasing threat from foreign competition. The domestic companies are now forming more on core competency and on **diversification**. They are, accordingly, trying to pull out unrelated and unprofitable business. VRS is also adopted by companies when they form strategic alliances with other companies or there is a takeover. Worker's workers are the victims of the process of consolidation, restricting mergers, acquisition and amalgamations sector presently. The government policy has been to make the task of retrenchment of workers easier.

15.8 IMPACT ON TRADE UNIONS

Trade unions in India played a phenomenal role in protecting the interests of the workers even by controlling and regulating the management at the cost of the organization. But trade unions now play an important role by co-operating with the management as the survival of the organization under competitive environment would be at stake. Trade unions role fighting with the management in order to protect the interests of workers would be changed on most of the employment condition would be determined by market forces rather than by the political and all membership strength of the trade unions. Further the government would support management rather than trade union unlike in the past, as currently government's objective is to attain rapid income development. Hence, the liberalisation would not guarantee the same role and importance for the trade union in India.

Trade union in India resisted the implantation of economic liberalization as they do not generally favour multinationals getting free access into the Indian industrial field do favour the growth of small-scale sector, oppose privatization of public enterprises and do not want to close the sick units. But they could not respond

adequately and effectively to the rapid fall out in employment and salaries. Market forces compel the management to take unilateral decisions to solve the problem of labour insert all to reduce the burden of labour. Technological and other changes for modernizing and/or restricting enterprises can be introduced to overcome crisis and to withstand competitive pressures. Most of the private sectors organizations have been seeking to promote labour management co-operative through consultation rather than collective bargaining. Hence the collective bargaining machines would not enjoy the same privilege under liberalized economy.

15.9 VOLUNTARY RETIREMENT SCHEMES (VRS)

In order to increase profitability, many management decided to shrink the size of their organization. This is called downsizing. For this They adopted various exit policies. Under the exist polity, the government has allowed business and industrial establishment, to reduce them excess staff and employees. The reduction of excess staff is a result of rest metering of organization , due to modernizing applying new technology and new methods of operation, so that the industrial organization could operate economically and withstand the competition with companies organization which have occupied foreign collaboration, innovative methods and technology up gradation rendering some employee surplus.

Since the procedure under Industrial Disputes Act 1947, retrenching involves lot of legal handles and complex system, the government authorized schemes of voluntary retirement of employees offer suitable voluntary retirement benefits and give some tax relief under the guidelines issued by the government and income tax authorities. Public sector units were giving jobs to million of people but not many of them are not cost effective. The trade unions have been opposing retrenchment under the existing labour laws. The government therefore found a solution to the problem of surplus staff by allowing voluntary retirement both is private and public units. The workers is industrial units have become surplus due to a) existing level of technology b) will become surplus with adopting of well technologies and technological up gradation.

The industrial disputes act 1947, as it is existing, puts restriction on employees in the matter of reducing excess staff by retrenchment by closure of establishment. The unions strongly oppose any plans of retrenchment and reduction of staff and workforce. The government had taken a decision to amend the labour laws, whereby the employees could him to labour force legally after complying with the conditions of labour laws. But for

some reasons government would not do so. However a way was found by allowing employees including those in the government units, to offer voluntary retirement schemes to off load the surplus manpower. The URS schemes were not opposed by the unions because the very nature of its being voluntary and not using any compulsion.

URS has been found have not complication. This involves voluntary separation of employees who are above the age of 40 years or have served the company for minimum 10 years. The company may offer different separation benefits to employees is different age groups subject to overall benefits including tax exemption PSYs however have to obtain prior permission from the government before launching any such programmes. The reason for proposing RS

1. Recession in business.
2. Intense competition which make the establishment of invariable unless downsizing is resorted to.
3. Charges in technology, production process innovation, new product line.
4. Realignment of business due to market condition
5. Joint ventures with foreign collaboration
6. Takeover and mergers
7. Business reengineering process
8. Product / technology has become old procedure far URS the employer has to circulate his offer of URS mentioning there is
 - a) The reason for downsizing.
 - b) Eligibility i.e. who are eligible for voluntary retirement.
 - c) The age limit and the minimum service period of employees who can apply.
 - d) The benefits that we offered.
 - 1) The provident fund.
 - 2) Gratuity fund.
 - 3) Salary for balance of privilege leave up to the date of their retirement, besides the UR benefits
 - 4) The right of an employee to accept or reject any application for voluntary retirement.
 - 5) The date to which the scheme is open and application or received for consideration.
 - 6) The circular may indicate income tax benefits on any voluntary retirement benefits which are in excess of Rs. 5 lakhs which is maximum for fax benefits
 - 7) It should also be mentioned that those who accept URs and benefits under it, shall not be eligible in future for employment in the establishment.

Awarding to the studies conducted on URs and their impact on employees and employees it was observed that after URs many people squandered the money they had got is as part of the retirement package. Some dent it at high interest rates. Some bought houses which had to sell after wards. Some committed suicide after their children deserted then. Some others have turned alcohol's. It was noticed that the rate of anti departments in Mumbai has gone up. On the brighter side, there are people who restricted and reorganized their lives. Some started business on their own, some, others became outsourcing partners of their farmer companies.

It is necessary to counsel there people who take VRs. Essentially URs is neither voluntary nor retirement but a retrenchment scheme. Many employees are made is separate from the organization in order to increase efficiency. The union leaders do not accept VRS Schemes. They say that management considers VRS as a means to boost profitability. For them if is unacceptable. And go for subcontracting. Also is the name of setting up new units, some managements close down many others and for people.

15.10 SUMMARY

Globalisation, liberalization and privatization had affected the economic policies of India. The new economic policy had set the direction founds entry of MNC, disinvestment foreign direct, investment, privatization and more liberal economy. Computerization, subcontracting outsourcing and down sourcing all have affected the growth of industries and labour and there is large scale retrenchment of worker with no jobs at hands.

15.11 CHECK YOUR PROGRESS

1. Describe industrial policy of India.
2. Globalisation is the need of time. Discuss.
3. Elaborate public sector is still continuing.
4. State impact of Globalisation on society.
5. What is privatisation.

6. Discuss impact of globalisation on labour.
7. State advantage of automation.
8. Discuss subcontracting and outsourcing.
9. Innovation leads to technical change. Explain.
10. What do you mean by downsizing.
11. Explain V.R.S.

15.13 QUESTION

1. Discuss the impact of liberalization on employment and labour structure.
2. Explain briefly effects of globalization on labour.
3. Write a note on critique of globalization.
4. What is exist policy? Discuss VRS is detail.
5. What do you mean by computersation or automation? Discuss its impact on modern economic activities on labour.

15.14 REFERENCE

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