

# CHAPTER 11

## Change and Development in Industrial Society

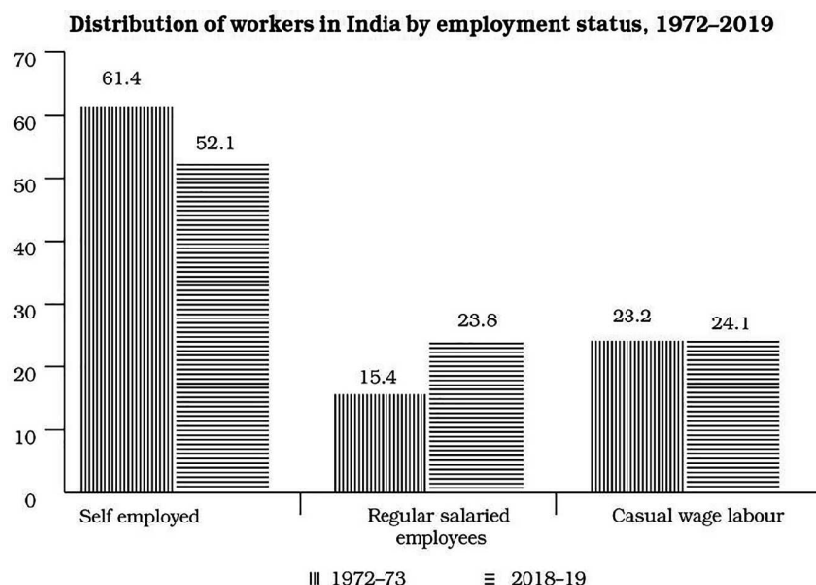
### Chapter at Glance

#### Images Of Industrial Society

- Karl Marx, Max Weber and Emile Durkheim associated a number of social features with industry, such as urbanisation, the loss of face-to-face relationships that were found in rural areas where people worked on their own farms or for a landlord they knew, and their substitution by anonymous professional relationships in modern factories and workplaces.
- People often do not see the end result of their work because they are producing only one small part of a product. The work is often repetitive and exhausting.
- Yet, even this is better than having no work at all, i.e., being unemployed. Marx called this situation alienation, when people do not enjoy work, and see it as something they have to do only in order to survive, and even that survival depends on whether the technology has room for any human labour.
- Industrialisation leads to greater equality, at least in some spheres.
- And even as social inequalities are reducing, economic or income inequality is growing in the world.
- Often social inequality and income inequality overlap, for example, in the domination of upper caste men in well-paying professions like medicine, law or journalism. Women often get paid less than men for similar work.

### Industrialisation In India

#### The Specificity Of Indian Industrialisation



- In India, in 2018-19, nearly 43% were employed in the primary sector (agriculture and mining), 17% in the secondary sector (manufacturing, construction and utilities), and 32% in the tertiary sector (trade, transport, financial services etc.)
- The contribution of these sectors to economic growth, the share of agriculture has declined sharply, and services contribute approximately more than half.
- This is a very serious situation because it means that the sector where the maximum people are employed is not able to generate much income for them. In India, in 2018-19 the share of employment in agriculture was 42.5%, in mining and quarrying 0.4%, in manufacturing it was 12.1%, in trade, hotel and restaurant it was 12.6%, in transport, storage, communication it was 5.9%, in community, social and personal services it was 13.8%.
- In India, over 52% of the workers are self-employed, only about 24% are in regular salaried employment, while approximately 24% are in casual labour.

### **Organized and Unorganized Sector**

- Economists and others often make a distinction between the organised or formal and unorganised or informal sector.
- There is a debate over how to define these sectors.
- According to one definition, the organised sector consists of all units employing ten or more people throughout the year.
- These have to be registered with the government to ensure that their employees get proper salaries or wages, pension and other benefits.
- In India, over 90% of the work, whether it is in agriculture, industry or services is in the unorganised or informal sector

### **Social Implications of Small Size of Organized Sector**

- I. Very few people have the experience of employment in large firms where they get to meet people from other regions and backgrounds. Urban settings do provide some corrective to this - your neighbours in a city may be from a different place - but by and large, work for most Indians is still in small-scale workplaces.
- II. Very few Indians have access to secure jobs with benefits. Of those who do, two-thirds work for the government. This is why people strive hard to get into government jobs. The rest are forced to depend on their children in their old age.
- III. Very few people are members of unions, a feature of the organised sector, the unorganised or informal sector workers do not have the experience of

collectively fighting for proper wages and safe working conditions.

### **Industrialisation In The Early Years Of Indian Independence**

- The first modern industries in India were cotton, jute, coal mines and railways.
- After independence, the government took over the 'commanding heights of the economy.'
- This involved defence, transport and communication, power, mining and other projects which only government had the power to do, and which was also necessary for private industry to flourish.
- In India's mixed economy policy, some sectors were reserved for government, while others were open to the private sector.
- But within that, the government tried to ensure, through its licensing policy, that industries were spread over different regions.
- Before independence, industries were located mainly in the port cities like Madras, Bombay, Calcutta (now, Chennai, Mumbai and Kolkata, respectively).
- But since then, we see that places like Baroda, Coimbatore, Bengaluru, Pune, Faridabad and Rajkot have become important industrial centres.
- The government also tried to encourage the small-scale sector through special incentives and assistance.
- Many items like paper and wood products, stationery, glass and ceramics were reserved for the small-scale sector. In 1991, large-scale industry employed only 28 per cent of the total workforce engaged in manufacture, while the small-scale and traditional industry employed 72 per cent.

### **Globalisation, Liberalisation And Changes In Indian Industry**

- Since the 1990s, however, the government has followed a policy of liberalisation.
- Private companies, especially foreign firms, are encouraged to invest in sectors earlier reserved for the government, including telecom, civil aviation, power etc.
- Licenses are no longer required to open industries. Foreign products are now easily available in Indian shops.
- As a result of liberalisation, many Indian companies- small and large, have been bought over by multinationals.
- At the same time some Indian companies are becoming multinational companies.

- The next major area of liberalisation is in retail.
- The government is trying to sell its share in several public sector companies, a process which is known as disinvestment.
- Many government workers are scared that after disinvestment, they will lose their jobs. In Modern Foods, which was set up by the government to make healthy bread available at cheap prices, and which was the first company to be privatised, 60% of the workers were forced to retire in the first five years.
- India is still largely an agricultural country.
- The service sector - shops, banks, the IT industry, hotels and other services are employing more people and the urban middle class is growing, along with urban middle class values like those we see in television serials and films.
- But we also see that very few people in India have access to secure jobs, with even the small number in regular salaried employment becoming more insecure due to the rise in contract labour.
- At the same time as secure employment in large industry is declining, the government is embarking on a policy of land acquisition for industry.
- These industries do not necessarily provide employment to the people of the surrounding areas, but they cause major pollution.
- Many farmers, especially adivasis, who constitute approximately 40% of those displaced, are protesting at the low rates of compensation and the fact that they will be forced to become casual labour living and working on the footpaths of India's big cities.

### **How People Find Jobs**

- Only a small percentage of people get jobs through advertisements or through the employment exchange.
- People who are self-employed, like plumbers, electricians and carpenters at one end and teachers who give private tuitions, architects and freelance photographers at the other end, all rely on personal contacts.
- Job recruitment as a factory worker takes a different pattern. In the past, many workers got their jobs through contractors or jobbers.
- In the Kanpur textile mills, these jobbers were known as mistris, and were themselves workers.
- They came from the same regions and communities as the workers, but because they had the owner's backing they bossed over the workers.
- On the other hand, the mistri also put community-related pressures on the worker.

- Nowadays, the importance of the jobber has come down, and both management and unions play a role in recruiting their own people.
- Many workers also expect that they can pass on their jobs to their children. Many factories employ badli workers who substitute for regular permanent workers who are on leave.
- This is called contract work in the organised sector.
- Employment opportunities have two important components:
  - (i) job in an organisation as a casual wage labourer or regular salaried
  - (ii) Self-employment
- Recently the Government of India floated many schemes such as MUDRA, Aatmanirbhar Bharat or 'Make in India' by which hired wage works and self-employment will become possible.
- These schemes are expected to support all sections including the marginalised sections of the society, like SC, ST and other backward classes.

### **In case of Unorganized Sector**

- The contractor system is most visible in the hiring of casual labour for work at construction sites, brickyards, and so on.
- The contractor goes to villages and asks if people want work. He will loan them some money. This loan includes the cost of transport to the work site.
- The loaned money is treated as an advance wage and the worker works without wages until the loan is repaid.
- In the past, agricultural labourers were tied to their landlord by debt. Now, however, by moving to casual industrial work, while they are still in debt, they are not bound by other social obligations to the contractor.
- In that sense, they are more free in an industrial society. They can break the contract and find another employer. Sometimes, whole families migrate and the children help their parents.

### **How Is Work Carried Out?**

- The basic task of a manager is to control workers and get more work out of them. There are two main ways of making workers produce more.
- One is to extend the working hours. The other is to increase the amount that is produced within a given time period.
- Machinery helps to increase production, but it also creates the danger that eventually machines will replace workers.
- Both Marx and Mahatma Gandhi saw mechanisation as a danger to employment.

- Another way of increasing output is by organising work. An American called Frederick Winslow Taylor invented a new system in the 1890s, which he called 'Scientific Management'. It is also known as Taylorism or industrial engineering.
- The more mechanised an industry gets, the fewer people are employed, but they too have to work at the pace of the machine.
- One important debate in sociology is whether industrialisation and the shift to services and knowledge-based work, like IT, leads to greater skills in society. We often hear the phrase 'knowledge economy' to describe the growth of IT sector in India.
- The famous sociologist, Harry Braverman, argues that the use of machinery actually deskills workers.

### **Working Conditions**

- The government has passed a number of laws to regulate working conditions.
- Coal mines alone employ 5.5 lakh workers. The Mines Act 1952, which has now been included in the Occupational Safety, Health and Working Condition Code, 2020, specifies the maximum number of hours a person can be made to work in a week, the need to pay overtime for any extra hours worked and safety rules.
- These rules may be followed in big companies, but not in smaller mines and quarries. Moreover, sub-contracting is widespread. Many contractors do not maintain proper registers of workers, thus avoiding any responsibility for accidents and benefits.
- After mining has finished in an area, the company is supposed to cover up the open holes and restore the area to its earlier condition. But they don't do this.
- Workers in underground mines face very dangerous conditions, due to flooding, fire, the collapse of roofs and sides, the emission of gases and ventilation failures.
- Many workers develop breathing problems and diseases like tuberculosis and silicosis.
- Those working in overground mines have to work in both hot sun and rain, and face injuries due to mine blasting, falling objects etc.
- The rate of mining accidents in India is very high compared to other countries.
- In many industries, the workers are migrants. The fish processing plants along the coastline employ mostly single young women from Tamil Nadu, Karnataka and Kerala. Ten-twelve of them are housed in small rooms, and sometimes one shift has to make way for another.

### **Home-Based Work**

- Home-based work is an important part of the economy. This includes the manufacture of lace, zari or brocade, carpets, bidis, agarbattis and many such products. This work is mainly done by women and children.
- An agent provides raw materials and also picks up the finished product. Home workers are paid on a piece-rate basis, depending on the number of pieces they make.

### **An example of Bidi Industry**

- The process of making bidis starts in forested villages where villagers pluck tendu leaves and sell it to the forest department or a private contractor who in turn sells it to the forest department.
- On average a person can collect 100 bundles (of 50 leaves each) a day. The government then auctions the leaves to bidi factory owners who give it to the contractors.
- The contractor in turn supplies tobacco and leaves to home-based workers. These workers, mostly women, roll the bidis - first dampening the leaves, then cutting them, filling in tobacco evenly and then tying them with thread.
- The contractor picks up these bidis and sells them to the manufacturer who roasts them, and puts on his own brand label.
- The manufacturer then sells them to a distributor who distributes the packed bidis to wholesalers who in turn sell to your neighbourhood pan shops.

### **Strikes And Unions**

- Many workers are part of trade unions. Trade unions in India have to overcome a number of problems, such as regionalism and casteism.
- In response to harsh working conditions, sometimes workers went on strike. In a strike, workers do not go to work.
- In a lockout the management shuts the gate and prevents workers from coming.
- To call a strike is a difficult decision as managers may try to use substitute labour.
- Workers also find it hard to sustain themselves without wages.
- The famous strike of the Bombay Textile strike of 1982, which was led by the trade union leader, Dr. Datta Samant, and affected nearly a quarter of a million workers and their families.
- The strike lasted nearly two years. The workers wanted better wages and also wanted the right to form their own union.

- According to the Bombay Industrial Relations Act (BIRA), a union had to be 'approved' and the only way it could be 'approved' was if it gave up the idea of strikes.
- The Congress-led Rashtriya Mill Mazdoor Sangh (RMMS) was the only approved union and it helped to break the strike by bringing in other workers.
- The government also refused to listen to the workers' demands. Slowly after two years, people started going back to work because they were desperate.
- Nearly one lakh workers lost their jobs and went back to their villages, or took up casual labour, others moved to smaller towns, like Bhiwandi, Malegaon and Ichalkaranji, to work in the powerloom sector. Mill owners did not invest in machinery and modernisation.
- Today, they are trying to sell off the mill land to real estate dealers to build luxury apartments.

## Exercise

- Which of the following are features of organized sector?
  - It consists of all units employing ten or more people in a month.
  - They are registered with the government.
  - They ensure proper salaries or wages, pension and other benefits to employees.
  - I only
  - II and III
  - I and II
  - All of the above
- Choose the incorrect statement:
  - Bhilai Steel Plant does not see any riots as it is having employees from particular religion.
  - Bhilai Steel Plant is a public sector enterprise.
  - Government jobs have overcome the problem of caste discrimination.
  - People gets salaries and benefits in government jobs.
- Which of the following are first modern industries in India?
  - Cotton
  - Jute
  - Coal mines
  - Railways
  - I, II and IV
  - II, III and IV
  - I, III and IV
  - All of the above
- Paper, wood and ceramics are reserved for which of the following sectors?
  - Organized sectors
  - Large entity sector
  - Small and medium sectors
  - Unorganized sectors
- Which of the following were the areas where liberalization focused in India in initial years?
  - Small and medium sector
  - Retail
  - Banking
  - Real estate
- What are the issues faced by the small companies in India?
  - Low wages
  - Poor working conditions
  - Difficulty in forming trade unions
  - Lock out are not valid
  - I, II and III
  - II, III and IV
  - I, III and IV
  - All of the above
- The secure employment in large industry is declining, the reason is -
  - Land acquisition
  - No employment to people in surrounding area
  - Both A and B
  - Neither A nor B
- 'Mistris' and 'Badli' are a type of -
  - Factories
  - Mechanical engineers
  - Hotel staffs
  - Factory workers
- Which of the following are components of employment opportunities?
  - Job as casual labor
  - Job in an organization and regular salaried
  - Self-employment
  - I and II
  - II and III
  - I and III
  - All of the above
- According to Marx and Mahatama Gandhi, which mechanism is dangerous to employment?
  - Hiring and firing of labors
  - Machinery to replace labor
  - More labors in unorganized sector
  - Low wages to the labors

11. Which of the following are correct provisions of Occupational Safety, Health and Working Condition Code, 2020?
- Fixing the maximum number of hours of work in a week
  - Overtime to be paid for the extra hour works
  - Fixing the limits of wages to be given to the workers
- (a) I and II (b) III only  
(c) II and III (d) All of the above

**Read the following passage and answer the following questions 12, 13 and 14:**

Workers in underground mines face very dangerous conditions, due to flooding, fire, the collapse of roofs and sides, the emission of gases and ventilation failures. Many workers develop breathing problems and diseases like tuberculosis and silicosis. Those working in overground mines have to work in both hot sun and rain, and face injuries due to mine blasting, falling objects etc. The rate of mining accidents in India is very high compared to other countries.

12. Working condition in underground is dangerous as it leads -
- Loss of jobs
  - Loss of vision
  - Poor health condition
  - All of the above
13. Tuberculosis and silicosis are breathing problem which affects -
- Immune system
  - Lungs
  - Eyes
  - Nostril and throat
14. Which of the following common issues which employees faces in the mining sites?
- Explosion of mines
  - Flooding
  - Heavy rain
  - Exposure to dust
- (a) I, II and III (b) II, III and IV  
(c) I, II and IV (d) All of the above
15. Which of the following comes in the category of home-based work?
- Agarbatti
  - Carpet and lace
  - Plastic products
- (a) I and III (b) II and III  
(c) I and II (d) None of the above
16. Which of the following statements is correct about lock out?
- Workers do not go to work in the factories
  - The management shuts the gate and prevents workers from coming.
  - Workers forms their union and demand for wages
  - None of the above
17. The Bombay Textile strike of 1982 was lead by which trade union leader?
- Jayprakash Bhilare
  - Lakshmi Bhatkar
  - Kisan Salunke
  - Dr. Datta Samant
18. According to the Bombay Industrial Relations Act (BIRA), a union had to be 'approved', if -
- They put their demands peacefully
  - They do not disturb the management unnecessarily
  - They give up the idea of strike
  - All of the above
19. Which of the following sector of economy is known as 'knowledge economy'?
- IT sector
  - Banking sector
  - Education sector
  - Organized sector
20. Which sociologist has viewed as 'the use of machinery actually deskills workers'?
- Karl Marx
  - Max Weber
  - Harry Braverman
  - Emile Durkheim

### Answer Keys

- |         |         |         |         |         |         |         |         |         |         |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1. (b)  | 2. (a)  | 3. (d)  | 4. (c)  | 5. (b)  | 6. (a)  | 7. (c)  | 8. (d)  | 9. (d)  | 10. (b) |
| 11. (a) | 12. (c) | 13. (b) | 14. (d) | 15. (c) | 16. (b) | 17. (d) | 18. (c) | 19. (a) | 20. (c) |