

Imperialist Globalisation and Labour Market Reform in India

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After transfer of power at political level, in post colonial India in order to decolonise the Indian economy, state interfered in the economic activities. There was consensus to assign greater role to the state. Indian Constitution adopted in 26th January 1950 also stated that state shall strive to promote the welfare of the people. The Indian National Congress to whom political power was handed over In Its Avadi session in 1954 adopted the resolution that the object of the national policy in the 1948 would be to build a "socialist pattern of society." All these ideas were reflected in 1948 and 1956 Industrial Policy Resolution (IPR) of the government of India. In both the IPR the defence and strategic, basic, key and heavy industry like arm and ammunition, atomic energy, coal, iron and steel, aircraft, ship-building, telephone, mining, etc were to be exclusively reserved for public sector of the central and state governments. Besides this, state in order to strengthen the state monopoly capitalism nationalised major section such a way that the public sector become a base for the private capitalist as well as foreign monopoly capital.

This was also the period when the working class through their protracted struggle achieved certain social securities. The Industrial Disputes Act, 1947, The Minimum Wage Act 1948, Factories Act 1948, Apprentices Act 1961, Maternity Benefit Act, 1961, Payment of Gratuity Act, 1971, Contract Labour (Regulation and Abolition) Act 1970, Equal Remuneration Act, etc. Thus state was under obligation as well as willing to take care of the labour by providing social security measures.

However after nearly four decades of development of mono-poly capitalism state reverse back to imperialist globalisation. The essence of the process of globalisation is: (1) unprecedented expansion of the capitalist relation of production throughout the world. Capitalism has the tendency to expand and transform the society in to a huge. Capitalism in this age of monopoly capitalism has converted every product of human labour in to a commodity form. There was huge expansion of home market by commercialising agriculture, banking, insurance, real estate etc. There was also promotion of free trade zones and export promotion zones. (2) internationalisation of production through growth of Multi National Companies (MNCs) and Trans National Companies (TNCs). These MNCs and TNCs have entered in to the industrial sector of India, earlier reserved for the public sector, due to deregulation, liberalization and privatisation, policy of the state. The multilateral institutions like WTO, WB and IMF are facilitating this process. Hence the MNCs and the TNCs are relocating their industries in India due to (a) availability of abundance of cheap labour (b) cheap raw material (c) Low transport cost (d) huge market (e) availability of infrastructure. (3) There is new international division of labour where the developed, rich countries specialises in skilled activities, planning and management, R and D, patent of the production processes etc., whereas, the developing poor countries manage with the unskilled activities, manufacturing and assembling jobs. The 'make in India' slogan of the ruling party, BJP in India should be understood in this light of exploitation of cheap labour of the country. (4) There is internationalisation of Finance capital. Earlier the capitalist was investing in production i.e. in real economy but, today, finance capital is investing in stock market, share and debenture market. There is less capital for trading in goods and services. (5) By the advice of the World Bank there is transfer of public sector enterprises to the private sector which is known as privation. Along with this Foreign Financial Investors (FII) are

also invited to invest their capital in Indian industries in a way that was unthinkable a few years ago. (6) the neo-liberal economy has also thrown the country in the areas of trade, finance and fiscal policies which is known as liberalisation. This has given rise to a policy of export promotion. Hence government of India has dismantled a number of controls and restrictions on import and exports of the country. However globalisation, liberalisation and privation are interdependent.

From 1990s' onwards the country is moving towards neo-liberal regime. It is an outward looking, market driven export led growth strategy. Now, instead of public sector the MNCs and TNCs are in the commanding height of the economy. There is plunder, drain out of country's resources. T. Nagi Reddy has characterised this as imperialistic hold over India where colonialization has been retained, extended and strengthened.

Employers Demand Flexible Labour Market

Flexible Labour Market (FLM) implies freedom of the enterprises in deciding wage, employment, and labour processes unfettered by any institutional and legal restrictions. Any intervention by the state, trade union, or any other formal or informal labour market institutions on wage, employment and work allocation constitute limitation on the labour market functioning. It has been argued that inflexibility or rigidity in the labour market leads to (1) higher labour cost (2) lower profit margin (3) inhibits technological advancement, (4) misallocates scarce resources and (5) make the industry uncompetitive. Therefore the employers are clamouring for a flexible labour market by dismantling the protective labour laws, most particularly chapter v-B of the Industrial Dispute Act, 1947 which makes it compulsory for the industrial units employing 100 people or more to seek prior permission of the government for retrenchment, lay off or closure. Government at the centre responded with the assurance to amend these laws. The centre is working on the Second National Labour which submitted its report in 2002. One of the important recommendations of the commission is that the 45 labour laws in the country will be compressed into five codes. They are (1) code on Industrial Relation, (2) code on wages, (3) code on social security, (4) code on safety, (5) code on welfare and working condition. Thus in the name of compression of statutes the workers would lose their hard earned rights they have acquired in the protracted struggle.

Jobless Growth

A paradoxical situation is existing in Indian economy where economic growth is accompanied with unemployment and under employment. This is known as structural deceleration and stagnation in the Indian economy. However, from 2004-05 onwards one can notice from the Annual Survey Industries that there is a marked increase in the people employed in the manufacturing sector. This period has witnessed high rates of growth in industrial output accompanied by sizable increase in the industrial employment. The employment in capital intensive industries is increasing and that of labour intensive industries has been steadily decreasing. The labour supply is outnumbering the demand in labour. Thus capitalism always keeps a 'Reserve Army of Labour' to depress the wage rate.

Technological Change and Labour Redundancy

In a liberalised trade and technology policy, it is believed that MNCs and TNCs would transfer and upgrade the skill of Indian workers. But they want to exploit the low labour cost situation and other fiscal incentives and normative environment laws. Hence they were emphasizing the introduction of micro-computers, robots, computer numerical machines, automations etc. Hence there is Downsizing, redundancy, early separation, lay off retrenchment and labour de-skilling.

Casualisation and Informalisation of the Labour Market

Several studies including the NSSO have noted the increasing casualisation of the Indian labour market. The share of informal sector in manufacturing workforce increased from 78 percent in 1999-2000 to 85 percent in 2004-05. A number of explanations were given for the cause of employing casual labourers: (1) Stringent labour regulations, particularly the ID Act, 1947 drive firms to employ casual labourers. (2) Openness of an industry to international competition tends to raise the use of casual labourers. (3) Difference in wage rate between casual labour and regular labour (4) availability of rural labour to work as casual labour (5) Availability of female labour etc. Due to Informalisation of the labour market there has been a downward movement of labour from security

to insecurity, from permanent temporary, from formal to non-formal. Workers driven out from both from public as well as private sector has joined the informal sector as own account worker, petty producer, small capitalist producer, street vendors, floating or footloose labours.

Contractualisation of Labour

Bypassing as well as violating the Contract labour (Regulation and Abolition) Act 1970 contractual labourers are being used both in organised as well as un-organised industrial establishments. The share of contract labour rose around 13 percent in 1993-94 to around 35 percent in 2011-12. The Supreme Court has ruled that if work performed by contract labour was essential to main activity of the industry contract labour should not be used.

Despite the directives, contractual labourers are employed both in public as well as private sector establishments. Even the regular labourers are retrenched and in their place contract labourers are being employed. No labour laws ever applied to these contract labourers. Neither there are minimum social security nor safety for these workers. They are bereft of working hour, minimum wage, and PF and ESI facilities. They were a sort of bonded labour in the guise of contract labour.

Labour Market segmentation and discrimination

Labour market has been segmented horizontally, where men and women concentrated on one segment or other. There is also vertical job in the primary, internal, core sector of the economy and women in the secondary, informal, unorganised periphery sector.

Discrimination arises when some individuals are paid less than the others (wage discrimination), or less likely to be employed (Job discrimination) Discrimination in the labour market is going on in the name of cast, colour, nativity, religion etc.

Feminisation of the work force

In recent years, there has been increasing in the participation of women in the labour market. Generally they choose a job to combine jobs with household work. Food processing, textile, garment, catering, lace making, bidi and cigar rolling are some of the jobs where women used to be crowded. These are the sectors where the jobs are temporary, part-time home based and piece rate system. On the demand side the employers always preferred the women labour due to the fact that (1) they are docile (2) they will work more (3) they will demand less wage (4) they will not go for strike.

De-unionization of the Working Class

The Trade Union Act, 1926 provides for the formation of the trade union by the workers in India for redressal of their grievances. However in recent years workers in India are prevented from forming any trade union and when formed are prevented from functioning and registering the same. The employers are using numerous devices like closure, lockouts subcontracting and transfer of ownership etc to intimidate workers. Both in magnitude and intensity the lockouts are severe than the strikes. After globalisation workers are in defensive and employees are in offensive. Even MNCs and TNCs like Maruti Suzuki, Honda motorcycle and scooters India, Hind Motors are threatening workers of retrenchment and closure. Sometimes the management have gone to the extent of liquidating the trade union leaders and threatening the workers of dire consequences if they would not fall in the line of the management. The assignation of popular leader Sankar Guha Niyogi on September 28th 1991 was a case in point, which was carried out by the Bhilai industrialists. The conviction of 31 workers of India's largest car maker Maruti Suzuki India limited is a grim reminder of the fact that state can collude with the MNCs and industrialists and suppress the legitimate demands of the working class.

The Apprentices Act, 1961 Changed

The Apprentices Act, 1961 has been amended to remove binding on owners to employ a minimum of 30 percent of the workmen post apprenticeship. The owners violating this Act was having provisions for jail terms was withdrawn by a fine of Rs 500, The government organisations which are supposed to be the model employers like Integrated Coach Factory, Railways, Ordnance Factory are also not employing the trained trade Apprentices. 'Make in India,' 'Skill India' like

slogans are nothing but hoax. They are ment to supply trained cheap contract labour to the private companies.

Minimum Wage Act, 1948

The Minimum wage act, 1948 has become a misnomer for the vast majority of the workers belong-ing to the unorganised ,informal sector. Even in the organised sector, after the liberation of the economy employers have been resorting to practices like putting out system and sub- contracting to avoid the minimum wage Act.

Paralysing the Labour Law Enforcement Machinery

The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Amendment and Miscellaneous Provisions Bill, 2011, seek to widen the number of establishments that are exempted from furnishing returns and maintaining registers, by changing the definition of small establish-ments from any place employing between 10-19 people any day of the preceding twelve months to that employing 10-40 people. Due to this slackening of the supervisory work more than 70 percent of the factories in the country will go scot free by violating the labour laws. Thus the exploitation of workers would be more direct, fierce and naked. Even under self certification scheme an industrial unit is allowed to make a declaration that they follow all the labour laws in front of a class II officer and these units then get exemption from inspection by the labour department. Thus state is not disciplining the capital rather capitalist is deciding in which way he is to be disciplined.

Court Ruling Strengthen the

The Indian judiciary is having class bias. The employers very often used to violate the labour laws. It is not feasible on the part of a poor worker to approach the labour courts.

When approached even the Supreme Court and High Court are turning blind eye to the violation of the labour laws. Even courts have gone to the extent of declaring agitations, demon-strations, bandas ,processions , strikes as illegal. In case of Tamil Nadu government employees and teachers strike in July 2003 the Supreme Court pronounced that the employees have no funda-mental, moral, legal right to on strike. The Maruti –Suzuki worker have bravely faced a repressive management a complicit state. However the judiciary on 18th march punished a number of workers with imprisonment. Thus the Judiciary is in no way indepen-dent and impartial.

Conclusion

It is clear from the above analysis that the neo-liberal state has not receded but actively facilitating capital at the cost of the working class. Capital accumu-lation is taking place in most primitive way. The introduction of flexible labour market has impacted the working class by loss of direct control of jobs, change in jobs content, responsibility, job redundancy and re-deployment. It has also informalised, segregated, feminised, contractualised Indian labour market. Hence employment of a-typical, non-standard, part time, home working and casual type has increased. It is the duty of the trade union movement to secure and safeguard the interest of the working class. All the ruling political parties including CPI,CPI(m) supporting the neo-liberal economic reforms and labour law reforms when they are in power but the moment they are out of power they support the cause of the working class in order to gain votes in the elections. We must mercilessly expose their deceptive nature. At the same time we must educate the working class and make them conscious to wage the protracted fight against feudalism and imperialism, the principal enemy of the working class. Only the anti-feudal, anti-imperialist struggle can safeguard the interest of the working class. Karl Marx's call 'workers of all countries unite' is still valid today. We must carry out the unfinished tasks of Marx, Engels, Lenin, Stalin, Mao, Charu Mazumdar, Kahnu Sanyal,T.Nagireddy and complete.

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