

Industrial Workers and Their Movement: A Case Study on Prospective Roles in Bargain, Governance and Change

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- A case study on
 - (i) industrial restructuring at the enterprise-level and regional-level and
 - (ii) its possible effects on industrial workers and their organized resistance and the three roles mentioned.

- **A study in the Industrial Relations(IR) System**

Focus on:

- Trade Union (TU) as the main labour institution
- Interaction with labour market regulations
- Perception of the employers

Background: the ongoing industrial restructuring in the study area

- **Study area:** Durgapur-Asansol Industrial Belt (DAIB) in West Bengal
- **Focus:** Iron & steel industry – PSEs & private units
- **Time Period:** since 1980s till date
3 main events:
 - (i) many units closed down
 - (ii) restructuring at enterprise-level to raise profitability
 - (iii) new units were set up
- **Survey:**
 - (i) Interview with PSE workers – management employees – TU leaders, 2003
 - (ii) Interview with workers – management employees – TU leaders of the closed private units, 2005

Industrial Restructuring (enterprise-level)

- **Aim:** to infuse greater flexibility
- **Processes:**
 - I. concentrate on areas of core competencies
 - II. raise rate of innovation & diversify
 - III. contract out low value-adding activities
 - IV. Employment on contract – multi-skilling – team effort – greater autonomy

Effect on workers of restructuring units

- High road vs. low road of restructuring
- Low road cost-based restructuring in areas: workers' weak bargaining power, decentralized collective bargaining, weak government intervention in labour market
- High road firms likely to resort to low road
- **Possible effects:**
 - (i) fall in employment – survival problem of the TUs
 - (ii) long run low pay-low productivity trap – responsible unionism not effective
 - (iii) TU's role switchover with high road not likely

- Effects on workers outside:
- Peripheral activities to the small enterprises
- Lowest bidder wins
- Smooth & timely supply of quality products and services crucial
- No significant help from the large unit
==> precarious work condition
- ✓ Movement conceived in terms of the standard capital-labour conflict in small units misleading
- ✓ Work not a homogenizing factor
- ✓ TUs not responsive to the needs of outside workers

- New factories:
- **3 categories of workers:**
 - (i) union workers: 80-100 local youth employed per plant – less hazardous work – better paid
 - (ii) contract workers: migrants working for 12 hrs or more – hazardous work – low pay
 - (iii) bonded workers: no limit to working hour – hazardous work – lowest payPartial payment and no safety measure for (ii) & (iii)
- TU – a divisive agency – blocking effective resistance

- **TU role in collective bargaining and governance undermined**
- **Third possible role as an agent of change**
 - Higher flexibility – may benefit the workers inside, not the workers outside; lower pay means longer hours work and higher surplus appropriation
 - Falling employment and higher informalization accompanied with rise in income inequality worldwide & rising distance between highest and lowest income groups in DAIB
 - Change requires recognizing exploitation
 - Possibility of effective functioning by the TUs