

## CHAPTER - III

### A RESUME OF THE SOCIO-ECONOMIC DEVELOPMENT OF INDUSTRIALIZATION

- 3.1 Meaning and Significance of Labour
- 3.2 The Rise of Labour Problems
- 3.3 Dynamic Character of Labour Problems
- 3.4 Present Position of Industrial workers
- 3.5 The Emergence of New Workers
- 3.6 Socio-Economic Importance of Labour Problems in India
- 3.7 The Economics of Migrating of Workers
- 3.8 Features of Migration
- 3.9 Social and Economic Effects Industrialisation upon the workers
- 3.10 Industrialization and Social Disorganisation
- 3.11 Steps to check defects of Industrialization

-:: C H A P T E R - III ::-

A RESUME OF THE SOCIO-ECONOMIC DEVELOPMENT OF  
INDUSTRIALIZATION

3.1 MEANING AND SIGNIFICANCE OF LABOUR :

The term labour is used in various senses. In economics, 'any work whether manual or mental which is undertaken for monetary consideration is called labour.' It has been defined by Marshall, A., as "Any exertion of mind or body undergone partly or wholly with a view to earn some good other than the pleasure derived directly from the work."<sup>(1)</sup> It may be defined as any hand or brain work, which is undertaken for monetary consideration. Nicholson defined labour as "the very high professional skill of all kinds as well as the labour of unskilled workers and artisans and of those employed in education, in the fine arts, in literature, in science, in the administration of justice and in government in all its branches", and we must include also, "not only the labour that results in the permanent form, but also that which renders services which perish in the act."<sup>(2)</sup>

In the discussion of labour problems the term 'Labour', 'Labourer', 'Worker', have been used as having synonymous meanings. Therefore, the term labour may be

defined as "workers who do not have any other adequate source of livelihood except the sale of their labour power in return of which they get wages." (3) Thus labourers are to be found in all sorts of economic activities such as agriculture, manufactures. The labour today includes workers both of hand and head who work for others for a given payment in cash or kind. Therefore, highly trained or skilled technicians, supervisors, clerical and salaried staff are as much a part of labour as the unskilled or semi-skilled manual workers. Sometimes the term is used in a very broad sense of total working force or labour force which includes all persons who work for a living as distinguished from those who do not or are not expected to work for a living such as house wives, children, old persons etc.

Labour is not only a means of production, but also an end of production. The working class, in other words, is not only a significant segment of the population of the country and a beneficiary of the fruits of development, but is also the most important instrument for the achievement of national objectives. So the Planning Process in India is proposed to initiate a process of development which will "raise living standards, and open

out the more new opportunities for a richer and more varied life." (4) The labour as a factor of production, is the most important and utilization of other factors largely depends on the proper utilization of time and energy on the part of workers. In fact, workers are social animals and hence they have to live in the community or society. They tried to change themselves according to the changing conditions of the society. To-day the status of the workers is mainly dependant upon economic conditions and not upon the kind of work they perform. They have their own attributes and aspirations which, if handled properly, lead to the success of industrial or other work and growth of the economy. Besides, labour is no more an unorganised mass of ignorant and unconcious workers ready to obey the orders of the employers or management. Today it deals with matter not only as the individuals but also as members of trade unions which have greatly added to its strength and consiousness.

Thus it is obvious that labour is a major factor in the field of production and its great role cannot be over estimated. Today, it forms an important and vocal section of the community. Today greater interest is being taken in the study of labour and its

problems by state agencies, social welfare organisations, planners, employers and all others concerned with it. It is also now being increasingly realised that in India, labour education, which means training and research in problems pertaining to labour, can provide common platform for trade unions and universities. Various factors have contributed to such an increasing importance of labour in modern society, especially in India, viz., the desire for greater industrialization, modernization and increased productivity, the need for preserving and furthering industrial peace, the recognition of the importance of increased association of labour with management in industry, progressive labour legislation and the growing class-consciousness amongst labour in the country.

### 3.2 THE RISE OF LABOUR PROBLEMS :

Whatever may be the system of economy and administration, without solving these problems productive efficiency will suffer in every country. Those who believe that labour problems arise only under capitalism and there can be no such problems under controlled or socialist economy, are living in an ivory tower. As long as labour remains a separate factor of production supplied by different agents other than those who supply other

factors, labour problems will always exist. The intensity and seriousness of each problem, however, may differ in different systems of economy.

It follows that labour problems do not arise under small-scale industries, where, there are no employers and employees and the various factors of production are supplied by one and the same person. Labour movement every where has been the product of the establishment of large scale industries in which different factors of production come to be supplied by different agents. Since every agent tries to get the largest share in profits and the chance of conflicts between the employers and employees become more pronounced and acute in a free or capitalistic economy. This is because due to profit motive and due to peculiarities of labour mentioned above, are greater chances for exploitation of labour, if the workers are not properly organised into strong unions or government laws for the protection of labour are not sufficient and effective.

However, even in socialistic economy, there can be a clash between the interest of the workers and the interest of the government or party in power. The emphasis placed by Mahatma Gandhi on small-scale industries, therefore, was not without its significance.

### 3.3 DYNAMIC CHARACTER OF LABOUR PROBLEMS :

Great and sweeping changes have taken place in the political and economic spheres throughout the world during the period of 1931-1939 and India has shared in full the joys and sorrows of the world all these years.

The emergence of India as a major industrial power amongst the nations of world, has led to an increasing recognition of its status both in industrial labour and organisation. This has done great and valuable work for labour problem and in many ways helped in the amelioration of labour conditions.

That the Royal Commission on labour reported that, in India the working class is neither sufficiently organised nor properly stabilised. In recent years, however, there has been a great concentration of the working class population in industrial areas, and this has led to a rise of industrial proletariat in most cities, which is prepared to stick to the town to a greater extent than before, to fight for its legitimate rights and to seek its livelihood in urban rather than rural area.

(A) Effects of the World War II :

World War II has brought about tremendous changes in the structure of Indian Industry and Labour. The major problem which the country faced after the war on labour front was the problem of reemployment. Besides the problem of employment there arose the problem of an assured minimum wage and an assured standard of life. To some extent, there was not a conflict, at least, in the short period between greater employment and higher wages, which can not easily be resolved. However, there is no doubt that average workers would prefer even a comparatively low standard of life to the absolute destruction caused by unemployment.

(B) Impact of political and social forces :

Forming of trade unions and the shaping of their activities by the political workers and their philosophy were not entirely unknown in the past. They have acquired new dimension with the advent of independence and the environment in which the political system has operated and has created for itself. Though unions are free from organisational ties with the political parties, the association of many unions/federation with politics through ideology and leadership cannot be denied. Such



ties have led to fragmentation of unions to inter unions and intra union rivalries and some confusion in the minds of ranks and files of the workers.

(C) Joint Family System :

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The joint family system is loosing its hold, more particularly, in the urban areas where provision for social security by the state is encouraging small families. Because of the growth of nuclear families, demand for improvement of social security provision is also gaining in strength. The Royal Commission had observed that most industrial areas had grown into multi-lingual microcosm, diverse in the structure of their population. The great majority of the factory workers were, at heart, of villagers. They had villages and traditions and they retained contacts with villages and happened to return to them. But they were not agricultural workers, serving for a brief spell of industrial work in the city. The artisan group among the village population sought employed in textile factories, railway workshops and other places of urban industry. They hardly looked back rather to village crafts and village fields.

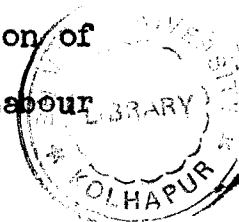
### 3.4 Present Position of Industrial Workers :

The industrial workers of today have acquired a dignity not known to his predecessor. He is no longer the unskilled coolie of days gone by engaged in an unending struggle to eke out his existence, neglected by society except for his labour and with very limited aspirations. He has now a personality of his own. He shares the benefits of his abilities meagrely, which a welfare state with a vast population and inadequate resources can offer. He enjoys a measure of social security, he is secure in his employment. He cannot be dismissed unjustly and has been given statutory protection against retrenchment and lay off.

In the days since independence, there has been a continuous rise in his money earnings, several new amenities are a part of his working life both because of legislation and because the conditions of the new industries require the provision of these facilities. However, increase in money earnings has not been without a struggle, nor has it necessarily improved his standard of living.

### 3.5 THE EMERGENCE OF NEW WORKERS :

(A) The social composition : The social composition of labour is undergoing a change in the modern age. Labour



is not restricted to certain castes and communities.

Though caste and occupation have always interested and relation between the two has been elastic in our society. But social mobility today accounts for the emergence of the mixed industrial work force, while in traditional industries this change is slow but it has become more significant in sophisticated employment such as engineering and metal trades, chemicals, machine tools and machine building etc.

(B) The social barriers are breaking down : It is now found that the son/daughter of a spinner or a weaver is working side by side in a chemical or a pharmaceutical factory, with a son/daughter of a person of an earlier generation, for whom factory or mill work, except in clerical or supervisory categories, was a taboo, the old among certain groups of manual workers is gradually waning off, because the groups themselves have not retained their separate identity as of old because jobs are no longer wholly manual.

(C) Social and political climate : High skills and educational requirements expected of workers in modern factories and better wage levels consequent upon them have tended to further the traditional distinction between

manual and non-manual workers.

The political and social climate in the country has its own effect on the process, against the background of rising tempo of industrialisation, the society has acquired a better sense of dignity of labour, though some trades like scavenging and tanning where they work on disagreeable basis and are looked down upon.

(D) Social attitude : The worker of today is socially  
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 more developed than of the past, he is not interested in the development of self alone but of the entire community. The National Commission on Labour observed that his inclination would be primarily to struggle for his rights, though he need be under mindful for any public cause. He does not require in his own struggle the sympathies others, his attitude towards the state is conditioned by the attitude of the state to his problems.

### 3.6 SOCIO-ECONOMIC IMPORTANCE OF LABOUR PROBLEMS IN INDIA :

The rise and growth of modern industries with a complicated industrial system has given a rise to labour problems in various countries. India shares with the other countries the economic and social change, i.e. an outcome

of industrialization, problems of labour have increased with industrial development. These problems apart from their economic impact, have social repercussions as well. The welfare of the workers is important for the country and the community at large. Problems of wages, industrial peace, strikes and lockouts, industrial housing, unemployment, indebtedness of industrial workers etc. confront the state as well as social reformers.

There are some non-economic aspects psychological and social of labour problems also, which cannot be ignored. The question of wages is not only that of determining the price of a factor of production. The social and psychological effect of employment are not less important than the problems of utilization of human resources and job satisfactions and health, labour management relations depend not only upon wages and physical environment of work place. A worker wants a variety in his work, he wants economic security, prestige and an opportunity for self advancement. These are the aspects of labour problems which are assuming greater and greater importance and which cannot be accurately analysed exclusively from the economic point of view.

### 3.7 THE ECONOMIC OF MIGRATING WORKERS :

India being an under-developed country, there exists an unemployment and underemployment amongst her

population. The phenomenon of underemployment exists especially in the agricultural sector of the Indian economy. Nearly 72% of the total population depends on agriculture for its employment and livelihood. The rest of the population i.e. 28% is being absorbed by the industrial sector and service sector of the economy. This points out to the fact that the industrial and service sectors of the economy are incapable of absorbing and reducing the burden of the population pressure on the agricultural sector. There is, however, an urgent need for siphoning off the surplus population that exists in the rural sector of the economy.

After the independence (1947), the planned economic development programme was launched in the year 1950-51. The Five Year Plans were formulated and implemented with a view to achieving rapid industrialization of the economy. The development of an under-developed economy has been identified with rapid industrialization. The various plans implemented so far, put emphasis, among other things, on generating the employment opportunities to the vast majority of the unemployed population, through industrialization. Keeping in view this primary objective of the planned economic development, the policy of establishing agro-based industries in the rural sector was

accepted. It was envisaged that the establishment and dispersal of agro-based industries and other small scale manufacturing industries in rural areas will help reduce the existing underemployment amongst the rural population. To achieve this objective, a number of sugar co-operative factories were set-up in the rural areas. So as to provide employment opportunities to the rural population in the surrounding area of the sugar co-operative factories. The different places or locations of sugar factories have been regarded as the growth centres, which are expected to attract the population from its surrounding rural areas. In the following paragraphs, we intend to analyse the migratory characteristic features of the labourers in the sugar factory under study.

### 3.8 FEATURES OF MIGRATIONS :

One of the notable characteristic feature of the industrial labour has been its migratory characteristic which indicates the absence of any permanent industrial population. "In the advanced industrial countries of the West, the factory population is permanent and completely divorced from land and is drawn mainly from among the persons brought up in the towns and partly from amongst those who have abandoned the country for the city." (5) On the contrary, the industrial workers in India, are mostly migrants from

the villages. Thus, the workers in the factory under study, are no exception to this, which is applicable to India as a whole. Generally speaking the small and medium size units in the industrial centres have dependent upon the surrounding of rural areas for supply of all unskilled labour. Accordingly, a major portion of the workers in the factory is drawn from its surrounding rural areas. Lastly, portion of the workers is drawn from the adjoining talukas viz. Miraj, Hatkanangle and Chikkodi, which belong to Belgaum district of Karnataka State.

### 3.9 SOCIAL AND ECONOMIC EFFECTS OF INDUSTRIALIZATION UPON THE WORKERS :

Though, the industrialization in India is making rapid strides, it is still far behind the industrial growth in Western countries. After India became independent in 1947, the government of India adopted a policy of encouraging the local industry to grow rapidly, in order to put India on the industrial map of the world. The government decided to enter the field of heavy industry which demanded huge investment. The government set-up many heavy industrial complexes all over India in order to promote a balanced growth and also to help the ancillary



industry to expand. As a result of a fast industrialization, the process of urbanisation is being accelerated and this has deep impact upon society. The following are the important consequences in the social and economic fields of industrialization :

(A) IMPACT OF RAPID INDUSTRIALIZATION :

(i) Urbanisation : As a consequence of industrialization, the population in cities has gone up. The process of industrialization increases the urban population. It is on account of industrialization that there has been progressive rise in the population of cities. In India what ever impact on the society is noticeable, it is due to urbanization, which in turn is due to industrialization. Therefore, the factors underlying the process of industrialization and consequent urbanisation in fact are the same.

(ii) Social Solidarity (The feeling of oneness) : The effect of urbanisation in India is the concentration of population in the cities, and this is in turn has resulted in a progressive decline of the feeling of oneness. In the villages, the feeling of solidarity is strenger than that of in the cities. Therefore, the progressive exodus of the village population to the urban industrial centres

has been causing the feeling of solidarity to decline continuously among the members of the society.

(iii) Decline in Family ties : As the population of the cities has grown, the cities have developed rapidly in recent years. As a result, the distances between the places of work and the places of residence have increased. Under these circumstances an example there has been a progressive weakening of the family ties.

(iv) Housing Shortage : A shortage of houses particularly in industrial areas has become acute and has led to overcrowding of residential houses and so obviously such an overcrowding and an emergence of slums can never be conducive to family life. And yet, hundreds of thousands of adults of both sexes stay in dismally overcrowded houses. Boy's and girls are growing up under these conditions in which no provisions can be made for what are ordinarily called the decencies of life. Since both sexes have to share the same room for all purposes, modesty is an impossibility for many living under such conditions, self respecting workers, therefore, prefer not to live under such conditions with their families. They left them behind with their village homes and live in city population of masculine character. Similarly, there is an ever

increasing army of single women engaged in factories and other occupations unmarried young women, widows and deserted women form a good proportion of women workers. The existence of such non-family groups in industrial cities gives rise to serious problems of personal and social disorganisation.

(v) Growth of Slums : Industrialization has resulted in a shortage of accommodation and this in turn, has given rise to slums, overcrowded shabby living quarters. These slums are inhabited by workers and other indigent people. The workers living in these slums are constantly exposed to all kinds of diseases and are liable to become social deviates and criminals.

(B) THE ECONOMIC CONSEQUENCES :

The following are some important economic effects of industrialization upon the workers :

(i) Division of Labour and Specialization : An economic impact of industrialization is the division of labour and specialisation. Gradually, the number of technocrats and highly skilled personnels has been growing.

(ii) Industrial disputes and accidents : The industrial disputes and accidents are inevitable accompaniments of industrialization. Where there is an industry there are thousands of workers. It is a natural tendency of workers to expect more and more for their work. On the other hand industrialists want more production for less wages. Under these circumstances, there are bound to be clashes of interests resulting in industrial disputes. The working conditions in Indian industries are not of high standard and accidents are very likely.

(iii) Problems of Workers : Besides strikes and lock-outs, workers have some other problems. An important problem in this connection is that of rest and relaxation first, they have to work for long hours so that they get little rest. Secondly, whatever rest they get is not an adequate source of healthy entertainment available.

(iv) Spread of Socialism and Individualism : The industrialization has promoted both socialism and individualism, as a result of it, capitalism grew and with it spread the idea of individualism and laissez-faire, on the other hand, the ideology of industrialization. The industrial workers organised their self-service into

trade unions and political parties in order to gain support to their professed socialism.

### 3.10 INDUSTRIALIZATION AND SOCIAL DIS-ORGANISATION :

Industrialization gives rise to many such sources which lead to social disorganisation. The industrialization produces many problems at an individual family and community level. Industrialization gives rise to such other factors that are responsible for social disorganisation. They are as follows :

#### (A) Facts of Individual Disorganisation :

The industrialization gives rise to factors which cause disorganisation in individuals. Millions of workers migrate from the villages to towns for jobs. As there is an acute shortage of accommodation in towns and the life is otherwise costly, they are also unable to bring their families in cities. Therefore, after a day's hard work, they can get neither any healthy entertainment nor the peace of mind. Owing to lack of all suitable amenities, they take to drinking, prostitution etc., this leads to their moral degeneration. This produces disorganisation not only among workers but in other persons too.

(B) Unemployment :

While industrialization has created employment opportunities for millions, it has also led to unemployment. The mechanisation of production greatly reduces the need for workers. Whenever, a new sophisticated machine is installed in any factory, hundreds of new workers are thrown out of job, but they are unable to find alternative jobs and as such forced to form an alarming threat.

(C) Crime and Immorality :

The process of industrialization has also led to the rise in the incidence of crime and immorality. As referred to earlier, thousands of workers in the town are unable to find suitable accommodation and are unable to cope with high expenses of urban life. They are forced to lead secluded existence. Being not highly morally trained, they succum to the twin lust of wine and women. As a result of industrialization small boys and girls take to work and they are easily spoiled.

(D) Family Disorganisation :

Industrialization has resulted in disorganisation of family life. The husband and wife go to their respective places of work and there is no one at home to care and

look after children. Where children also do jobs, there can be no proper provision for education due to change in values and consequent change in the attitudes, the cohesion of family life is severely disturbed. If, husband and wife both stay out of home, chances of disharmony among them increase. If women and girls go out of home for job chances of illicit sexual relations increase on account of all these factors which responsible for family disorganisation.

### 3.11 STEPS TO CHECK DIFFECTS OF INDUSTRIALIZATION :

From the above discussion of social and economic effect of industrialization, it is quite clear that industrialization has given rise to a number of evil effects. These include housing shortage, labour problems, rural industry etc. Therefore, following measures should be taken to contract the evil influence of industrialization.

#### (A) Town Planning :

The industry should be located at reasonable distance from the residential colonies and the main centres of the cities.

(B) Planning of the Factories :

The factories should be well planned. They must be well ventilated and have all amenities. They should be so structured and equipped that the chances of accidents are minimum.

(C) Enactment of labour laws :

There must be well laid down rules for the workers. Their wages, bonus, working hours, gratuity pension, leaves etc. should be governed by laws enacted by the government.

(D) Housing :

As a result of industrialization there is an acute housing shortage in industrial towns. Numerous evil effects flow from the shortage of housing. " The Royal Commission on Labour, in its report emphasized the urgent necessity for improving the housing conditions of industrial workers and suggested various measures such as adequate space, ventilation, lighting, latrines, drainage and other sanitary arrangements." (6) These can be avoided by giving top priority to build residential houses for workers.



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