CHAPTER 6
GLOBALISATION AND LABOUR POLITICS IN INDIA

6.1 Introduction
Trade unionism gains strength from the contemporary labour politics in any country. Labour politics is a political action of the working classes which enables to send labour representatives to Parliament and Legislative Assemblies. Labour politics in India is on the verge of completing 100 years. Formation of All India Trade Union Congress in 1920 with heavy involvement of political leaders shaped the directions of Indian trade unionism. Indian workers have utilised both industrial and political actions to fulfil their demands. Collective bargaining was yet to emerge as an important method of industrial action, and dependence on strikes has been harming industrial growth in India after 1950, particular of infant industries. So, it became imperative to the government to have control over labour issues because of its ownership of public sector enterprises which together employed the largest number of workers. In order to avoid strikes and disruption of work, the government had to come out with several mechanisms for ensuring workers’ safety, solve industrial disputes, etc. Hence, government began to insist on adjudication process as alternative to traditional methods like strikes for resolving industrial disputes or increasing wages. It increased the dependence of trade unions on political parties.

In a democratic country like India, economic and social dissatisfactions find political expression; political parties therefore consider workers important for winning elections. Even industrial workers have not been in a dominant position in Indian mainstream politics, but they derived benefits in term of regular wage revisions thanks to their direct involvement in active politics. These developments posit labour as an emerging group in mainstream politics, and some constituencies have become boroughs of trade union or labour-centric leaders.

Since 1982, when labour mobilisation saw its last upsurge in Mumbai textile mill strike, Indian labour has travelled on a path of declining onwards. The liberalization process during the 1990s and 2000s also made labour irrelevant to some extent. The changing attitudes of government and the judiciary as de-facto supporters of capitalism and the inherent problems of trade unionism like shrinking numbers, rivalry, factionalism, inability to incorporating informal workers and informal
workers’ alignment with other movements together reduced the lobbying power of labour politics. Another blow came in labour politics through the emergence of caste and community based mobilization and rise of religious fundamentalism during 1980s-90s.

However, the outcome of 2004 parliamentary elections marked the return of labour politics in India. Its collaboration in the struggle of informal workers, displaced people, slum dwellers, etc. against liberalization and privatization helped to raise the stature and clout of organised labour in India. The emergence of these new forces in Indian politics slowed down the liberalization and compelled the government to introduce several welfare schemes. Some experts see it as welfare politics and not labour politics. These developments caused a shift in the focus of Indian labour politics, and led to the emergence of new trends which were distinct from those existed earlier. These trends remain largely unexplored, and the objective of this paper is to make an in-depth analysis of these developments through a study of labour politics in Jamshedpur.

Tata’s industries in Jamshedpur are over 100 years old, and its history is intertwined with the history of steel making in India. Modern steel industry came into existence in 1907 in Jamshedpur, and trade unions emerged on the scene in 1920, when Indian steel industry was in infancy. Jamshedpur emerged as a labour constituency after independence and several trade union leaders or workers were elected to the state assembly and also the Parliament. A series of events like the riots in 1964 and 1979, death of prominent labour leader Kedar Das in 1981, the emergence of Jharkhand Mukti Morcha on Jharkhandi identity and the liberal policies after 1991 reduced the scope of labour politics in Jamshedpur like elsewhere in India. This chapter records the milestones in labour politics after 1920, when rank and file members strived to raise the edifice of trade union, including the role played by national leaders in this endeavour. Labour politics has now completed over 90 years in Jamshedpur. What is attempted here is to understand the complexities of labour politics in India, by taking as sample the labour movements in Jamshedpur, which can be called a microcosm of India. The outline of this chapter is as follows. The second part provides brief about labour politics in India; the third part concentrates on Jamshedpur through detailing several developments in labour politics both before and after independence; the fourth
part presents the current scenario of labour politics in India and Jamshedpur; and the last part posits the future of labour politics in India.

6.2 Labour politics in India
The collective organisations of workers in India can be categorized as political unions, independent unions and civil society groups or Non-Government Organizations. Political unionism or labour politics emerged as an offshoot of national politics and not the other way round. Its origin can traced to the political development at the national level in the first/second decade of the 20th century. Mahatma Gandhi was associated with the Textile Labour Association, Ahmadabad in 1918. The first session of All India Trade Union Congress (AITUC) (First central trade union federation) was chaired by Lala Lajpat Rai, who was the President of the Congress Party at that time. During 1920-47, several dissenting voices emerged in the AITUC congress as the communists like M. N. Roy and S.A Dange, nationalists like Gandhi and Nehru and the moderates like N. M. Joshi and V. V. Giri. Ideological differences in the freedom movement and Indian involvement in the World War II led to several splits in Indian trade Unions.

After the independence, AITUC became the labour wing of the Communist party, while the labour wing of the Congress party which broke away from the former AITUC morphed as the Indian National Trade Union Congress (INTUC). Hind Mazdoor Sabha (HMS) with close links with socialist groups was surfaced in 1948. Spilt in Communist Party of India in 1964, led to the formation of Centre of Indian Trade Unions (CITU ) in 1970, and became the labour wing of the Communist Party of India (Marxist). Bhartiay Majdoor Sangh (BMS), labour wing of Bhartiya Janta Party and several other regional trade unions linked with regional parties came into existence in the post - independence era (Joseph 2004). Currently, 13 central Trade union federations are representing the workers as given below.
Several arguments exist in favour of or against the participation of trade union in politics and the participation of politicians in trade unions. Political links are blamed for several problems in trade unionism like failure to foster solidarity among workers, and given rise to questions such as ‘workers for parties or ‘party for workers’. Growing rivalries, factionalism, absence of commitment to work, irresponsible behaviour and sometimes unreasonable demand, etc. are cited as reasons for the rampant industrial inefficiency in public sectors during 1960s and 1970s. Most of these evils are attributed to the link of politics with trade unionism. (Sheth, 1993).

There is little doubt that political unionism is behind the fragmentation and proliferation of trade unions at all levels, which discouraged the development of worker leadership from the rank and file members. But it is also a fact that trade unions in all countries are more or less political in the sense that they are affected by the decisions of the state and therefore try to affect those decisions. In developing countries like India, most of the existing problems of workers can be solved by the
government. Workers require political assistance and the political parties are ready to provide assistance in return. Industrial workers reside mostly in urban constituencies. It is normally easier to win urban constituency and organise workers rather than rural constituency, which is large and divided on several parameters as caste, region etc.

Trade unions can attempt to influence government decisions by having their representatives elected to parliament or to the state legislatures. Occasionally trade unionists contest elections as independents or on the ticket of one political party or another. Few trade unionists obtain party tickets and even fewer win seats in elections. Thus, the trade unionist members in parliament or state legislatures form a small and usually insignificant minority. Even among Communist party the direct representatives of the working class are in a minority. Despite being in minority, trade unions could have many privileges through political unionism before 1990 without resorting to strikes and collective bargaining. State patronage through regulation and other means of intervention had been the primary source of strength for trade unions, particularly in the provision of civic service and in public sector enterprises, and to some extent even in the private formal sector in the period before 1980.

After 1980, the situation began to change. Most of the central trade unions became disinterested in escalating labour politics. Although AITUC and CITU remain interested in increasing bargaining power for gaining influence in mainstream politics, several other unions like HMS do not seem to have ambition for political power. INTUC and BMS are particular on maintaining industrial peace and harmony. The problems of these trade unions (INTUC & BMS) are that while they work for labour, their parent political parties endeavour to reduce workers’ role in the industry.

Further, the undemocratic recognition process in India has also been responsible for not developing industrial democracy in the workplace. Emerging trends of unions focussing solely on wages and promotion is also preventing the emergence of class consciousness among workers. The political clout of left parties with true ideological commitment to labour politics has been dwindling over time in both parliament and state assemblies. Party-affiliated trade unions often change their loyalty with the change in party in power. For example, INTUC cooperated with Congress Government during the Emergency but reversed its attitude towards the government when the Janata Party came into power. Similarly left unions who are generally more
vocal on labour issues at the centre have consistently avoided to go against the
government in left-ruled states. (Dutt, 2008).

Despite the several lacunas in political trade unionism, it has generally succeeded in
exerting pressure on their patron political party to some extent. When BJP led NDA
government proposed labour reforms during 1999-2004, the vehement opposition of
its labour wing BMS, prevented any amendment to core labour legislations. The
development pattern adopted after independence such as the predominance of public
sector enterprises, etc. has also helped in nurturing trade union leaders and making
them effective contributors to industrial development in India. In 1960s-70s, most
labour parliamentarians came from labour unions in the public sectors like railways,
ports and textile industries.

Nationalization wave in 1960s increased labour politicians’ tally in Lok Sabha. In the
years 1952 to 2004, the highest representation of labour parliamentarians in the Lok
Sabha was in 1971 with 108 elected members (21per cent). This decreased to 41 (7.7
percent) in 1996 and 21 persons (3.9 percent) in 2004 (Ahn, 2010). This indicates the
eroding role of labour politics in India.

Public sector enterprises, which were considered as ‘engine of industrial
development’ after independence, could not generate enough employment and growth
in the 1960s. Several problems like recurring draughts, wars, low growth and
worsening poverty forced the government to increase control of the economy in the
1970s. It took some time for the government to realize the folly in imposing control-
licence raj, and the government was forced to relax control gradually, which found
its logical end in liberalisation in the 1990s.

Liberalisation brought about a change in government attitudes with several
consequences to labour. Public sector’s role declined and private sector dominance
increased in Indian economy. Casual or informal employment, which was means of
survival the poor masses was earlier confined to small sector industries and
constituted the mainstay of such industries. However, after 1991, this came to be
widely used in the organized sectors, which were earlier known for formal and secure
employment. Sadly, the existing labour legislations covered only a small section of
formal employment, and left informal workers to the whim of employers. Informal
employment was justified in India for its comparative advantage and to attract foreign investments.

Despite claiming representation of the entire working class, trade unions in fact worked for a very narrow pool of workers. Trade unions focused on organizing workers in the organized sectors, the size of which has never exceeded more than eight percent of India’s total workforce, even in pre-1990s (Sengupta, 2009). The structural problem associated with informal sector workers such as diversified and dispersed workers may be a reason for low penetration of trade unionism among them. The success of NGOs in organizing them exposes the inability or lack-lustre attitude of trade unions.

Indian society has unique feature like caste and clan which are decisive in nature, unlike in European countries where mobilization/solidarity is based on class. This could be the main reason for the success of trade unionism in European countries. Indian trade unions (specially left) did not consider caste as crucial for trade unionism, and followed only the path of the European class line. Lower castes could not be accommodated in the leadership position of trade unions because of the caste cleavage in Indian society. They felt deprived in the long run and were attracted to the emerging identity politics of the 1980s. This led to the alienation of the lower caste workers who mostly worked in informal sectors or lower rung on formal sectors from mainstream labour politics.

Although the communists collaborated with these regional castes based political parties during 1990s, they could not succeed to bring them into their folds. Identity politics got prominence and implementation of reservation for backward caste in public sectors and government services gave legitimacy to caste identities. In the meantime, the political churning that followed the Jay Prakash movement of the 70s had unleashed new political forces in India, the most important of which was the birth of Bharatiya Janata Party based on Hindu religious identity, and by the 1990s, the BJP had gained prominence in national politics through its Hindu movement. The emergence of the BJP, and its strong support for neo-liberal policies, could be seen as a severe blow to labour politics. A comparison with the scenario of labour politics in Jamshedpur those days adds depth to our understanding of labour politics in India.
6.3 Labour Politics in Jamshedpur
6.3.1 Brief profile of Jamshedpur

Tata Steel works was established in 1907 in village named Sakchi, which was renamed Jamshedpur after the founder of Tata business empire, Sir Jamshedji Tata. Total population in Jamshedpur as of 1911 was 5672 persons. It increased ten-fold to 57,360 in 1921, which indicates that people from all part of the country had marched to Jamshedpur for employment. Its population increased to 84,000 in 1931 and after independence, it grew exponentially to 465,200 in 1971. Currently, Jamshedpur agglomerate has 14 lac populations (2011 census).

The first plant that came into existence was Tata Steel works. It was followed by the establishment of Tinplate Company, The Cable Company and The Indian Steel and Wire Company, all of which had come to existence before Indian independence. After independence, Tata Motors (earlier TELCO), Tata Robins Frasers and others industries were established. Unlike other industrial regions of the country like Mumbai, Ahmadabad, Kanpur and Kolkata, Jamshedpur is still the hub of industries and several supporting services have come up in the informal sectors in Adityapur Industrial Area adjacent to Jamshedpur.

As per available records, 30,135 workers were employed in Tata Steel in 1924 along with contractor workers whose number varied from 4000 to 8000. Allied establishment as the Tinplate Company, The cable company, The Indian steel and Wire Products Company together employed 14,352 blue collar workers in 1930s. As of 1974 the number of permanent workers in Tata Steel was 36,625. Besides, there were 1740 temporary workers and over 4000 casual workers engaged through a contractor. (Mamkootam, 1982).

Developed as an industrial city, Jamshedpur became the second largest city in Bihar after Patna in the undivided Bihar, and first largest city in Jharkhand. Till the 1952 parliament elections, Jamshedpur was striding two electoral constituencies – Manbhum South and Dhalbhum. The independent Jamshedpur parliamentary constituency came to existence in 1957 after Manbhum was added in West Bengal in 1956. Jamshedpur parliamentary constituency now consists of the six assembly seats of Baharagora, Ghatshila (ST), Jugsalai (SC), Potaka (ST), Jamshedpur East and Jamshedpur West covering both rural and urban areas. Jugsalai and Potaka were the
two constituencies before 1957. Jamshedpur city was divided into two constituencies East and West in 1967. Workers reside mainly in Jamshedpur East and Jamshedpur West, and marginally in Jugsalai. Workers also reside in Adityapur area which falls in the Chaibasa Parliament constituency.

6.3.2 Labour politics in pre-independence era

The origin of labour politics in Jamshedpur can be traced in first labour upsurge of 1920. Tata Steel (Then TISCO) earned handsome profits through supplying steel goods to the British in the First World War. Increasing production beyond the installed capacity, scornful behaviour of European supervisor and American Managers, working pathetic working condition and wages, forced workers to organize against management.

At the time when trade unionism in India was in its infancy, workers of Tata Steel were eager and bold enough to organize themselves under a trade union, and approached Congress Leaders Surendra Nath Haldhar and others in Kolkata for the purpose. The initiative taken for the trade union formation and continuous struggle for gaining recognition shows the maturity and class consciousness among rank and file members of Tata Steel. Tata Steel’s profits had declined in the 1920s, and it wanted the support of Swarjists on tariff reduction. Presumably, taking advantage of this situation, Jamshedpur Labour Association (JLA) (members, who were active in Non-Corporation Movement,) approached Swarjists Motilal Nehru and C. R. Das to pressurize Tata Steel for providing recognition to JLA.

The involvement of national leaders like trade unionists at national level increased further in JLA, and subsequently, C. F. Andrews and Subhash Chandra Bose became presidents of JLA. However, the lower rung workers were not satisfied with the performance of the national leaders whom they apprehended had a soft corner for Tata Steel. These disgruntled workers then organized themselves under the leadership of a local advocate Mr Maneck Homi. By 1937, when elections to the provincial assembly were conducted, Jamshedpur had become a labour-majority constituency. Maneecck Homi’s popularity grew further and, the candidate sponsored by Maneeck Homi, Mr Natha Ram defeated W. V. R. Nayadu, a company candidate and Michael John, the JLA candidate by a decisive margin in the 1937 election (Simeon, 1995).
Fearing loss control over workers, Bihar Congress party, especially Rajendra Prasad deputed Mr Abdul Bari, the then Vice Chairman of Bihar Legislative Council to take over the leadership of LJA. Bari succeeded to bring workers back into the JLA fold through his emotional speeches and also by boycotting the birth ceremony of J. N. Tata in 1939. Another major incident in the pre-independence era occurred in ISWP in the late 1930s, constituted a milestone in the emerging labour politics in Jamshedpur after independence. A communist cadre named Hazara Singh was run over by a truck and succumbed to his injuries (Simeon, 1995). This incident triggered a workers’ movement and helped to increase communist presence and dominance in labour politics of Jamshedpur in post-independence era. Workers also participated in ‘Quit India’ Movement in 1942, and several trade union leaders were also arrested including Michael John, V. G. Gopal, Mani Ghosh, N. C. Mukherjee and other, during agitations (Bahl, 1995).

6.3.3 Labour politics in Post-independence

In the 1940s, Tata Steel management woke up to the changing reality, and started to cooperate with Tata Workers’ Union (TWU) (changed name of JLA), and tried to foster cordial relations between the management and the Union. In the meantime, Abdul Bari was murdered in 1947 on his way to Patna, and Michael John occupied the post of president. Despite peaceful labour relations, workers had agitated against management and the recognized union, TWU. In 1946, workers’ violent action forced a revision of the wage structure. Workers were organized again in 1948 by the Socialist Party of India, and in the 1950s, by the communist party of India (Bahl, 1995).

In First Lok Sabha election, 1952, Jamshedpur was comprised of two seats, Manbhum South and Dhalbhum. Popularity of Abdul Bari was still strong in Jamshedpur. Michael John, then president of Tata Workers’ Union, contested as congress candidate and came forth with 12 per cent votes (Appendix table A).

In the assembly election held in the same year, Munshi Ahmuddin of the Socialist Party became runner in Jamshedpur seat. Kedar Das, the communist trade union leader came fifth with 8 % votes from Jugsalai cum Potaka (two seats that time). Winning candidate from the Jharkhand party got 15% votes. This indicates that communist and socialist were active on the labour front along with INTUC. In 1957
Lok Sabha election, Jamshedpur became an independent constituency and Mani Ghosh of INTUC, (he was secretary of the Jamshedpur Labour Association in 1925) won the election. In the assembly elections, Kedar Das and V. G. Gopal, general secretary of TWU, won Jamshedpur and Jugsalai seat respectively. Udaykar Mishra of CPI remained runner in Jugsalai seat. These two elections held after independence is indicative of then increasing significance of workers in mainstream politics of Jamshedpur (Appendix table B).

After the 1957 election, Jamshedpur saw a new upsurge in the labour movement. The Jharkhand Mazdoor Union, affiliated with to AITUC, had increased its presence by then, and it called a strike for wage revision and recognition in Tata Steel. Tata Steel earned lavished praise from several corners for the 1956 agreement with the TWU, and the agreement became a landmark in collective bargaining in India. Although Tata Steel did not acknowledge it as strikes in its literature, it did hamper production, and two people were killed and five seriously injured in the police firing in the violence that erupted during the strike. This reflected the growing frustration and apathy among workers towards TWU leadership, which was attributed to the oligarchy that had developed in TWU in the latter period.

The majority of workers expressed the view that this strike would have been a success and TWU would have lost all support, if government machinery had not helped (Mamkoottam, 1982). The 1958 strike in Tata Steel increased the popularity of the Communist party in Jamshedpur. The Communist party won one Parliament seat and three assembly seats in the 1962 election (Appendix tables). The split in the communist party at national level and riots in Jamshedpur in 1964 caused a decline in the influence of the Communist Party of India. Both parliament and assembly seats were won by Congress candidates in the 1967 election.

The Strike in engineering industries (Tube, Telco, Tinplate, Cable, TRF etc.) in 1969 which lasted 40 days and involved of 40 thousand workers gained good dividends to CPI, and CPI won both the assembly seats in the 1969 assembly Bi-election. The basic difference between 1958 and 1969 strike was that the 1958 strike was initiated and fully controlled by CPI and its affiliate, Jamshedpur Mazdoor Union, while the 1969 strike found success with the help of other unions such as HMS and a splinter group of INTUC. The 1969 strike did not affect Tata Steel, but its intensity and
gravity was however acknowledged in the Annual statement of JRD in 1969-70. The JP movement made inroads in Jamshedpur also like the national level during 1970s.

The support of CPI to the Congress party at the national level and to the ‘emergency’ of 1975, and the severe communal riot occurred in 1979 made Jamshedpur a playground of the right wing party, the BJP, in the latter period. *Rudra Pratap Sarangi* a Jan Sanghi, was elected MP in 1977 on Bihar Lok Dal ticket, while *V. G. Gopal* and *Kedar Das* came second and third respectively. Also, the Assembly seats of Jamshedpur went to the Janata Party in 1977. However, *Tika Ram Majhi* of CPI continued to be elected from Ghatshila during the elections held in between 1972 to 1980. He was an advocate by profession and active among workers of the Copper mines in Ghatshila, even though he was not from Jamshedpur.

In the 1980 elections, Congress party pocketed one assembly seat, i.e. in Jamshedpur, while the CPI pocketed the Jugsalai seat, elected persons being rank and file workers and not active in trade union as leaders. The Parliamentary seat was retained by *R.P. Sarangi* on the ticket of Janata Party. In the Parliamentary elections of 1984, Mr *Gopeshwar* an INTUC representative and General Secretary of Telco Majdoor Union, was elected on Congress ticket. However, his victory was then attributed the Congress wave that lashed after former Prime Minister Indira Gandhi’s murder, and not to his clout in the trade union movement.

Jamshedpur saw the last upsurge of labour movement during Contractors’ workers strike in 1981. Management could crush this strike with the help of government machinery and tribal workers. Jharkhand Movement for a separate state had escalated by that time, and Jharkhand tribal identity had overshadowed the earlier class identity. Management turned tribal workers against agitating contract workers (comprising mostly of non-tribals) on the promise of providing them permanent jobs in Tata Steel.

This promise became a headache for Tata Steel in the late 1980s, tribal workers agitated vehemently and the murder of *Nirmal Mahato in 1988*, a local JMM leader, intensified their movement in Jamshedpur. This agitation enabled JMM to capture Jamshedpur seat in 1989, where its candidate could reach only the fourth position in 1984 with 5.24 per cent votes. JMM retained Jamshedpur Parliament seat in 1991 and increased its tally to six in Jharkhand (then South Bihar).
After 1991, BJP won the Jamshedpur seat in 1996, 1998 and 1999 parliamentary elections. One interesting episode in Jamshedpur’s mainstream politics is the electoral success of Mr Russy Mody, who had been MD cum Chairman of Tata Steel till the 1993, as an independent candidate in 1998 parliamentary elections. He received over two lac votes, ever highest, for any independent candidate in the history of Jamshedpur mainstream politics. His votes are rightly attributed to the sympathy votes received from the workers of Jamshedpur, particularly Tata Steel who were living in fear and insecurity due to the downsizing initiatives in Tata Steel. Russy Mody who had campaigned against Tata Steel for its anti-worker policies was ruthless thrown out from Tata Steel in 1993, and this probably was behind the sympathy wave, which helped Russy Modi to garner such support. It is learned that he had also planned formation of a Trade Union for Jamshedpur workers. Assembly seats in 1985, 1990, 1995, 2000 and 2005 were won mostly by BJP excluding one.

After 1981 contractors’ workers’ strikes, labour unrests did erupt in industries occasionally, but their intensity was not high enough to affect industries or influence mainstream politics. The 1981 contractors’ strike did not benefit CPI as it did in 1958 and 1969 strikes. It was the Right wing party BJP that benefitted much in the changed scenario. JMM intervened in Parliament election on identity politics twice, and Workers issues no longer troubled political parties, except issuing occasional statements in newspapers, political parties did not do anything tangible to support the agitating workers.

Cleavage was also seen in labour movements, and solidarity among workers looked almost absent. CPI, which dominated Jamshedpur politics before 1980s, weakened after the death of Kedar Das in 1981. Its candidate Tika Ram Majhi was interested in contesting, but he was not linked with Jamshedpur Labour politics. Raghuwar Das, current chief Minister of Jharkhand who has been winning the Jamshedpur east assembly seat since 1995 was a former worker of Tata Steel. He started his career in Tata Steel in 1978 as a pool worker on his father’s service.

However, he was not associated with trade unionism; he had started his political career as student leader of Akhil Bhartiya Vidhyarthi Parishad (ABVP), and was latter involved in the struggle for providing ownership right to encroachers in the Tata Steel leased area named as Chiyasi Basti (eighty six hamlets). He formed Basti Bikas
Samiti and agitated for provision of civic amenities and ownership rights. Civic amenities in Jamshedpur are largely provided by JUSCO (Erstwhile town division of Tata Steel). JUSCO had earlier refused to provide these services to hamlets as being encroachments in the leased area, and several cases were still pending in the Jharkhand High Court on this issue. The outcome of Parliament election in 2004 and state assembly election in 2009 appeared to be marking the revival of labour politics in Jamshedpur, but it different form.

6.4 Labour politics in globalised era
The major development after 1990s has been informalisation of the workforce in urban centres where labour politics had traditionally flourished. Along with the expansion of informal sectors, casualisation of the workforce also increased. Industries rely on casual or contractor workers for increasing profit and get a competitive edge in the global market. By nature, informal employment is highly diversified and fragmented. It can be categorized as employer-owners of informal firms, own-account workers, domestic workers, daily casual workers, street vendors and unpaid family member workers.

Sanyal (2007) names this emerging economy as need economy. In need economy, workers utilize their labour power as a commodity for generating money which is further used in consumption for reproduction. It differs from formal sector production which is termed as accumulation economy where capitalist utilize money for purchasing labour power and means of production to produce another set of commodity and by selling this commodity, money is generated for further accumulation. In between these two types of economy, capitalists utilize informality in the formal sector through the ‘putting out system’ where the self-employed sub-contractor and the sub-contractor works as the informal employer of wage labour. In the putting out system, capitalist provides material and means for workers and workers work in the households, not within the factory premises.

The self-employed sub-contractor purchases material and other means of labour and works with household and sell finished products to capitalists. The sub-contractor as the informal employer of wage-labour acts as small entrepreneur who employs a few wage-labourers, with himself as owner worker, and sells the produced commodity or services to the capitalist.
Apart from these modes of informal workers, population in urban centres consisting of slum dwellers, street vendors and hawkers, rural displaced people also enter the work-force. They are poor, underprivileged and majority are squatters on public land. These population groups are distinct from traditional middle class workers like full-time employees in public sectors and government departments. These groups are treated as encroachers on urban life, and their livelihood and habitation often involve violations of law (Sanyal, 2007). They emerged as political society (named by Chatterjee, 2004) and engaged in consultation, confrontation, and negotiations with state’s machinery to reproduce their precious and ever vulnerable existence at the margin of the economy and society. The new liberal policies after 1990s have increased their number in urban life along with informal workers, and made them effective pressure groups during elections. They vote in the election as a community, but that is not traditionally based on caste, religion and ethnicity. Their form of solidarity is plural, disparate and local. Their politics is unable to posit a unified struggle against capital like in the traditional labour politics. Their politics is directed towards state and not any specific employer, and revolve around welfare and not labour rights, the goal being to gain material benefits from the state (Agarawala, 2008).

The question arises here is, why the class is not emerging them. They have nothing to lose, even the chains of wage salary. Class politics based on exploitation and the politics of exclusion based on poverty seem to proceed in two separate directions and look conflictual, not complementary at the current juncture. The concept of class also looks blurred in the case of small entrepreneur, who employs a few wage workers in the informal economy. He may be capitalist as per class angle, but generating income is low for both workers and employer. The battle against these small entrepreneurs can be backfiring for labour politics and helpful to big capital, which is creating threats for need economy (Sanyal, 2007).

These situations that emerged after 1990s, has created both opportunities and threats for labour politics. In reality, it is indeed posing a threat to labour politics. Trade unions seem to lose both structural and organizational power. These grim conditions posit challenges to trade unions to rejuvenate their politics by incorporating these groups in their fold. These groups have developed as a unique class for itself through
shifting their target and demand. They have shifted their target from employer to state and their demands are focused on welfare rather than labour right (Agarawala, 2008). They look successful when operating within the electoral context as in the 2004 parliamentary election, when impressive growth did not help NDA to come in power and successive government were compelled to increase social expenditure. Instead of going with trade union leaders, these groups prefer to attach with populism propagated by regional leaders, not ideology.

On these emerging scenarios, Rina Agarawala (2013) provides the ground reality of informal workers’ movement through case studies in Tamil Nadu, West Bengal and Maharashtra, in her thought provoking book, *Informal Labour, Formal Politics*. Informal workers seemed to have been successful in Tamil Nadu largely and Maharashtra to some extent. The irony is palpable in West Bengal where Left was in control of the state machinery for more than three decades, but remained unable to make inroads among informal workers (Webster, 2013). The left could not acknowledge the informal workers as distinct class location and identify their specific interests. The Left used to treat them as a ‘reserve army of labour’.

The liberalisation hinged on neo-liberalism has now emerged as an accepted ideology among common people and politicians in India. Every successive government either at the centre or in the states has followed the path of liberalisation. Regional Populist leaders in Tamil Nadu have been successful in mobilising informal workers through launching several welfare schemes as is evident from the electoral success of such parties. The MANREGA for rural workers and social security scheme for unorganised sector, launched in 2008 can be identified as emerging methods for mobilising the downtrodden under state welfarism. The irony of this development is that politicians are not challenging liberalisation policies even though these are responsible for the proliferation of informal workers.

The scope of reviving labour politics is not as pessimistic as it looks. It can be revived albeit in a different form, if trade unions earnestly endeavour to address the issues concerning informal workers. It is a good sign that trade unions have realized their shortcomings and making attempts to collaborate with other organizations and NGOs working among informal workers to protest against liberalization process. Their protests have forced the government to slow down the privatisation juggernaut and
introduce more welfare measure for informal workers (Uba, 2008). It could be seen in table 6.2.

**Table: 6.2 Protests against privatisation**

<table>
<thead>
<tr>
<th>Protest tactics</th>
<th>No of actions</th>
<th>Mean no. of Participants</th>
<th>Mean duration in days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blocking roads, occupying buildings</td>
<td>6</td>
<td>450</td>
<td>1.00</td>
</tr>
<tr>
<td>Demonstration, marches and rallies</td>
<td>54</td>
<td>4,669</td>
<td>1.00</td>
</tr>
<tr>
<td>Strikes, slow downs</td>
<td>91</td>
<td>161,385</td>
<td>2.68</td>
</tr>
<tr>
<td>Sit-ins</td>
<td>17</td>
<td>35,635</td>
<td>1.13</td>
</tr>
<tr>
<td>General national wide protests</td>
<td>32</td>
<td>782,256</td>
<td>1.08</td>
</tr>
<tr>
<td>Others</td>
<td>26</td>
<td>11,980</td>
<td>1.27</td>
</tr>
</tbody>
</table>

Source: Uba, 2008

The industrial climate in Jamshedpur doesn’t seem to have changed over time. The labour unrests have occurred after 1990s too, but it could not become address larger issues. The movement of employ’s offspring against Tata Steel in 1990s and 2000s, hunger till death against Tata Motors in 2004 by temporary workers and more than 600 days sit in Dharana against Lafarge cement by contract workers have been successful marginally, but could not overly influence the mainstream politics of Jamshedpur. The result of parliament election 2004 in which JMM candidate won over BJP through garnering support of tribal, non-tribal informal workers and minorities and retaining the Jamshedpur west assembly seat by Auto driver leaders in 2009 indicates the revival of labour politics in different form. Auto driving has emerged as the main livelihood for offspring of permanent employed workers in Tata Steel along with contractual employment after 1990.

**6.5 Conclusions**

Even labour has never been a major factor in Indian mainstream politics. The involvement of workers in freedom struggle; the policies adopted after independence and paternalism of state distributed adequate share of the fruits of industrial development among workers. Trade union leaders represented less or more in parliament and state assemblies. After 1980s emergence circumstances as religious polarisation and identity politics reduce the scope of labour politics. Reduced regular and Informalisation of workforce further dwindled their strength. And in the era of liberalisation when the state and judiciary changed their attitude and neo-liberal
regime made inroads in Indian economy, the trade unions found themselves in total
disarray. Labour politics looks totally absent.
Several industrial belts had developed as labour constituencies in the 60s and 70s
during golden era of labour politics, and Jamshedpur was the most prominent among
them. Jamshedpur has witnessed both an upsurge of labour politics in 1960s -1970s
and its decline in 1980s like national level. But, there is no room for pessimism; the
ever increasing number of informal workers and their grievances make the revival of
trade unionism in India an eventuality, but it resembles differently from traditional
labour politics based on class concept. The emerging labouring poor are concerned
more with their immediate problems related with survivals. Incorporating them into
the wider labour politics does not seem to be feasible at this juncture. But way to
incorporate them into labour politics could be explored and it looked visible in some
extent in Jamshedpur. It is also a good sign that trade unions seem to be engaged in
this task. However, such efforts are still in infancy and would take time to bear fruits.