Marxism developed as a theoretical system in the process of its interrogation of social change in the Western countries. Recently scholars are exploring the possibility of application of Marxist theory in the analysis of social transition in the 'Third World' countries. In his search for a Marxist analysis of the Chinese society, Mao Tse-Tung warned as early as 1940:

......the universal truth of Marxism must be combined with specific national characteristics and acquire a definite national form if it is to be useful, and in no circumstances can it be applied subjectively as a mere formula. Marxists who make a fetish of formulas are simply playing the fool with Marxism......

This observation is not without relevance in the context of the present study. In this chapter our concern is to locate how far the elements of the capitalist mode of production identified by Marx and the symptoms of industrial capitalism noted by Gramsci in the Western nations found expression in the history of capitalist industrialization and the concomitant labour-management relations in colonial India during the inter-war years. The specificities of industrial capitalism in India studied in the earlier chapters will be integrated in this dialogue with Marxism.

The entrepreneurial composition in India varied in the different regions during our period of study. While the Europeans were the dominant entrepreneurs in Eastern India, the non-European business communities dominated the industrial landscape in Western India. A common trend noticed in the two regions was that most of the industrial

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1 See Diptendra Banerjee (ed), Marxian Theory and the Third World (Sage Publications, New Delhi, 1985).
concerns were concentrated in the hands of a few business firms.

In spite of diverse composition of entrepreneurs in the different industrial centres in terms of their national and regional identities, there was a common element in their business strategies. All the prominent entrepreneurs had non-industrial business interests. These interests took different forms - trading, speculation, moneylending, landholding, etc. The Indian Yearbook (1939-40) designated G.D. Birla, the leading Marwari entrepreneur of the time, as 'Millowner, Merchant and Zamindar'. The leading Parsi and Gujarati entrepreneurs in the Bombay textile industry were found to have trading and landholding interests. In the mercantile economy of Ahmedabad, trading, banking and textile interests merged with each other. No better was the business outlook of prominent non-Indian entrepreneurs in Eastern India. The Andrew Yule & Co., who controlled a large number of industrial enterprises, formed the Midnapore Zamindary Co. Ltd. in 1902. The properties of this Zamindary covered over 2,400 square miles at the time of compulsory Government take-over of all Zamindaries in the 1950s. The main business interest of another European giant in Eastern India, Bird & Co., was 'jute trading and manufacturing' at the outbreak of the Second World War. The firm's oldest business as labour contractor 'came into something like its old glory' during the War.

Some of the leading Indian entrepreneurs like the Tatas and the

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3 The Indian Yearbook, 1939-40, p. 988.
Birlas developed ties with the nationalist movement. But their nationalism was very much conditioned by their business interests. The Tata group sent 'anonymous' funds to the 'Anti-Non-Cooperation Committee' formed in 1920 to oppose the Gandhi-led non-cooperation movement. But the Tatas did not miss the chance of joining hands with the new Congress Government which came to power in Bombay in 1937. In his autobiography, *In the Shadow of the Mahatma*, G.D. Birla (a close friend of Gandhi) claimed that the 'racial arrogance' of the Europeans developed a 'political interest' within him which he 'fully maintained' since 1912. But in a letter to a British official in 1932 he promised to try to develop a 'closer co-operation' between the Indian and European communities 'interested in trade and commerce'.

Marx noted in *Capital*: "In the pre-capitalist stages of society commerce ruled industry. In modern society the reverse is true". The conservative character of the merchant-led transition to capitalism did not escape Marx's attention. And the fact that mercantile capitalism acts as an obstacle to the development of the 'real capitalist mode of production' was emphasized by him. In the case of India, we find that 'commerce ruled industry' even in the phase of industrialisation. The institution that came to be adopted in industrial management in colonial India - the Managing Agency System - had a mercantile origin.

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9 See ibid., pp. 330-35.
It was short-term gains, rather than efficient running of industrial concerns, that mattered to the Managing Agents. The notion of profit they had in mind was a mercantile one. The gross profit, sales and output, not net profit, were the variables that were usually taken into consideration for calculating commissions which the Managing Agents charged to the industrial concerns under their management. Though the mode of charging commissions varied in the different industrial regions, the burden of commission was found to be high in all the centres. The Indian Industrial Commission noted in its Report (in 1918) that a common criticism against the managing agents was that they were 'inclined to develop commerce rather than industries'. Since the mercantile mentality of the entrepreneurs fitted well with the *modus operandi* of the Managing Agency System, the leading industrial entrepreneurs in India and the representative associations of entrepreneurs spoke highly in favour of the system at different points of time.

Gramsci noted in his fragmentary *Prison Notebooks* that the capitalist entrepreneur 'must have a certain technical capacity' in the sphere of economic production. But the technical knowledge of the industrial entrepreneurs in India during our period of study did not extend beyond the field of commerce. With the exception of a few large firms, the entrepreneurial firms in general did not appoint any permanent technical expert in their staff. The Boards of Directors of

the industrial companies were packed with men of mercantile backgrounds. The directors appointed were either members of the agency firm or their business friends. A single person often held a number of directorships. A large number of directorships in the Boards of European-managed jute and coal companies were found to be occupied by the Marwari merchants in the 1920s and 1930s. The Ahmedabad Millowners' Association could not cite any technical qualification for the mill directors before the Tariff Board (1927). In Bombay, only 11 out of a total of 175 mill directors were found to have technical training in 1925.

Marx identified 'uniformity, regularity, order, and economy' as organic elements of the industrial firms operating under the capitalist mode of production. Since the Indian managing agents were guided by a mercantile notion of 'economy', irregularity, disorder and lack of uniformity were noticed in their mode of functioning. The representative associations of the entrepreneurs in the different industries did not have the authority over the members to enforce a common code of conduct. This anomaly was most evident in the wage policies pursued by the agents. Standardization of wages was hardly attempted in the jute and coal industries during the inter-war years. The few attempts that were made in the cotton textile industry of Bombay and Ahmedabad did not meet success. Worse still, the wage rates in the mills and mines in close proximity and often under the same management were found to vary significantly.

Marx ascribed a pivotal role to science and technology in the disciplining of labour under the capitalist mode of production.

According to Marx, the capitalist labour process ensures the rule of capital at the site of production through the replacement of pre-capitalist craft skill by 'science'. He wrote in this context:

.....the entire production process appears as not subsumed under the direct skillfulness of the worker, but rather as the technological application of science. [It is,] hence, the tendency of capital to give production a scientific character; direct labour [is] reduced to a mere moment of this process".

In the Indian industries under consideration, no technological dynamism was noticed during our period of study that can be termed 'technological application of science'. The technology of the jute industry remained a totally stagnant one over the years. The fact that no 'scientific research' was conducted in the industry was testified to by a member of a noted managing agency firm in Calcutta in the late 1930s. A degradation, rather than upgradation, of technology took place in the Indian coal industry over time. The colliery agents increasingly resorted to wasteful methods of mining for earning quick profits. This production strategy resulted in higher proportion of wastage of coal resources and mining disasters causing loss of lives of a large number of workers. The cotton mills in Bombay and Ahmedabad diversified their products during the inter-war years. Since the mid-1920s some of the mills in Bombay introduced 'rationalization' schemes in their spinning and weaving departments. The rationalization in the Bombay mills took place in an anarchic way. Even the same agency firm did not adopt any uniform scheme of rationalization for its mills. Following the example of Bombay, rationalization took place in the spinning departments of the Ahmedabad mills. These rationalization schemes took the form of

increasing the workloads of the spinners and weavers. But the basic technology of the industry remained the same. Automatic looms were not installed in the mills of Bombay and Ahmedabad, because the mill agents were not prepared to make large capital investments (In contrast, Japan made a breakthrough in the world of textile technology after the First World War by inventing the Toyoda automatic loom. And the rights to the manufacture and European sale of this Japanese loom were acquired by Platt Brothers, the famous machinery-manufacturing firm in England, in the late 1920s\textsuperscript{14}). It should be mentioned here that the Textile Labour Inquiry Committee could not locate any technological invention in the history of the Indian cotton textile industry at the end of the 1930s.

Gramsci's hypothesis that 'the capitalist entrepreneur creates alongside himself the industrial technician'\textsuperscript{15} took a special meaning in the context of industrialisation in India. Gramsci characterized the industrial technician as a new type of intellectual in the 'modern world':

In the modern world, technical education, closely bound to industrial labour even at the most primitive and unqualified level, must form the basis of the new type of intellectual\textsuperscript{16}.

Since the merchant-entrepreneurs in colonial India were not interested in giving 'production a scientific character' as stated by Marx, technical education did not get priority in their production

\textsuperscript{15} Gramsci (1982), op. cit., p. 5.
\textsuperscript{16} ibid., p. 9.
strategies. The managing agents in the three major Indian industries under consideration preferred to run their industrial concerns mostly with cheap managers and technicians, many of whom did not have any technical qualification. Even the qualified technical staff, when appointed, did not have any meaningful say in the choice of technology. In fact, the agents themselves, without having any 'scientific' technical knowledge, determined the technological policies of the industries with the sole purpose of earning quick returns. As a result, no innovation took place in the industries during the inter-war years. The rank and file workers were not given any technical training either at the workplace or by any outside institution on behalf of the management. The newly appointed workers used to learn their work from the co-workers. In such an environment, 'the new type of intellectual' identified by Gramsci was not born on the Indian soil.

In spite of diversity of areas of origin, and caste and community identities of the workers in the different industrial centres, a specific category of workers, known as 'jobbers', was given the responsibility of recruitment and supervision of labour in all the Indian industries. The jobbers were called sardars in Eastern India. Generally the women workers were put under male supervisors. Only in the Bombay cotton mills the women were put under the charge of women supervisors called naikins. The jobbers, sardars and naikins, along with the clerical staff in the mills, used to take regular bribes from the workers at the time of appointment and during the tenure of service in the mill centres of Bombay, Calcutta and Ahmedabad. Instances are there that sometimes the higher mill officials also took bribes from the workers, particularly for their promotions to the jobber/sardar post in
the mill. This bribe-taking was most rampant in the coal industry. The workers had to pay bribes to the *sardar*, *munshis* (the clerks who kept record of coal tubs) and other supervisory officials regularly. In some cases the colliery managers even paid bribes to the colliery agents for getting their appointments. In none of the industrial centres under consideration, the technical expertise of the jobbers/ *sardars* was taken into consideration for their selection. This specific class of supervisors resorted to coercive methods to establish their command over the workers. The use of corporal punishment was very much a part of their authority. The power enjoyed by the jobbers in the Indian factories is evident in the following observation made by the Royal Commission on Labour in 1931:

The temptations of the jobbers' position are manifold, and it would be surprising if these men failed to take advantage of their opportunities. There are few factories where a worker's security is not, to some extent, in the hands of a jobber; in a number of factories the latter has in practice the power to engage and to dismiss a worker. We were satisfied that it is a fairly general practice for the jobber to profit financially by the exercise of this power.\(^{17}\)

The coercive and corrupt methods of labour management practised by the supervisory staff in the different mill centres and coalfields were based on a pre-capitalist notion of authority. They had nothing to do with capitalist labour management. While discussing the nature of labour management under the capitalist mode of production, Marx noted:

The place of the slave-driver's lash is taken by the overlooker's book of penalties. All punishments naturally resolve themselves into fines and deductions from wages...\(^{18}\).

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There were other means of coercion in the hands of the mill-management and colliery-management which do not conform to Marx's notion of capitalist management. The *durwans* (gate-keepers) in the jute mills were found to assault the workers physically in moments of labour discontent. In the coalfields, even the higher management staff often resorted to corporal punishment 'without rhyme or reason'. Moreover, the owners of the collieries maintained *lathials* ('Musclemen'), who were used in moments of need. After the mammoth textile strike of 1928, the workers in the Bombay mills were made liable to be searched by the gatekeepers. Each mill in Bombay had in its Watch and Ward Department its organized force for coercion. Sometimes the mill agents in Bombay used *dadas* (workers who established their power in the mill neighbourhoods) in breaking strikes.

The industrial capitalist establishes his rule over the workers not only within the workplace, but also in the social milieu in which the workers live. Gramsci's concept of capitalist 'hegemony' (intellectual and moral leadership) over the 'civil society' is a relevant pointer to this mode of legitimization of power. Gramsci defined 'civil society' as the ensemble of organisms commonly called 'private'\(^{19}\). Extensive housing construction programmes were carried out in the European countries after the First World War for establishing 'cultural hegemony' over the workers\(^{20}\). But the Indian capitalists and the colonial state did not take any initiative in reforming the everyday

\(^{19}\) Gramsci (1982), op. cit., p. 12.

\(^{20}\) Adelheid Von Saldern, 'The workers' movement and cultural patterns on urban housing estates and in rural settlements in Germany and Austria during the 1920s' in Social History, Vol. 15, No.3 (October, 1990), p. 334.
patterns of living of the workers, and provided housing accommodation to
only a small section of the workers. Rather than a means of establishing
hegemony, such scanty housing was used as an instrument of coercion in
moments of 'labour unrest'. The jute mill workers were evicted from the
company lines during the 1929-strike. The Bombay Government converted
some of the rooms in the Development Department chawls constructed for
the workers into a temporary prison in the 1929-riot and imprisoned the
millhands. On the other hand, the power of the jobbers/sardars was
extended to the industrial neighbourhoods. They often acted as
moneylenders, landlords and shopkeepers in the workers' colonies. Some
of them acted as the agents of professional moneylenders and landlords.

The power relations in the industrial neighbourhoods played a
significant role in the perpetuation of the coercive methods of labour
control followed by the jobbers/sardars at the worksites. This mode of
'disciplining' of labour could not integrate the workers permanently in
the neighbourhood life. Most of the workers in the industries under
consideration were found to maintain social and cultural ties with their
villages during our period of study.

Since the jobbers/sardars used to employ workers according to
their arbitrary choice, typical patterns of division of labour developed
in the Indian industries. The Muslim workers in the jute mills of Bengal
and cotton mills of Bombay and Ahmedabad - having in most cases a family
background as handloom weavers - found employment mostly in the weaving
sheds. In the Bombay mills, apart from weaving, the Muslims worked in
very specific departments. In a survey made by the Bombay Millowners'
Association in 1940, almost none from the 'depressed' classes were found.
in the weaving department\textsuperscript{21}. In the mills in Ahmedabad, caste background of the workers determined their placement in the mill departments. Apart from the Muslims, the workers belonging to the Patidar community, by virtue of their high status in the caste hierarchy, found employment in the weaving departments. But the Vankars and Dheds, in spite of their family tradition as handloom weavers, did not find employment in the weaving sheds, because they were considered 'untouchables'. In the coal industry, the Muslims were found to appropriate more skilled jobs (relative to their numbers) than the dominant castes/tribes among the workers in the Raniganj field in 1921. The women found employment in the relatively unskilled jobs in the different industries. The place of origin of the workers often determined their placements in the factory. The Bengali workers, both Hindus and Muslims, were reluctant to work in any of the unskilled occupations in the jute mills. They were employed mostly in the weaving departments\textsuperscript{22}. A labour union in Bombay, Girni Kamgar Mahamandal, informed the Royal Commission:

\begin{quote}
After all the Hindusthani Bhayyas [Hindu migrants from U.P.] work in the departments of little importance such as carding and blow-room while men from Konkan work in the much more important department of weaving......\textsuperscript{23}.
\end{quote}


\textsuperscript{22} S.R. Deshpande, Report on an Enquiry Into Conditions of Labour in the Jute Mill Industry in India (Delhi, 1946), p. 8.

It should be noted here that the Ratnagiri district, which supplied a large proportion of the workforce of the Bombay mills, was situated in the Konkan region.

As to the mode of employment of labour in the Bengal jute industry and the Bombay cotton textile industry, the Indian Industrial Commission noted in 1918: "There is more specialisation in different departments of the mill [in Bombay] by workers of particular castes or origin than in Calcutta". The only change that took place over time in this mode of division of labour in the two important mill centres was that Calcutta established its dominance over Bombay. The Deshpande Committee reported this change in 1946:

Even in some centres of the cotton mill industry in India, such as Bombay, for instance, one finds a large number of persons belonging to a particular Province or community working in particular departments. In the Bengal jute mills, however, this tendency is most pronounced.

Marx identified technological division of labour based on 'science' in the capitalist mode of production. But division of labour based on caste, community, gender and regional identities of workers persisted in the three major Indian industries during the inter-war years. Such division of labour was the legacy of the merchant-led transition to 'industrial capitalism' in India.

An official publication of the International Labour Organization noted in the late 1930s that the mercantile associations in India -

Chambers of Commerce and Trade Associations - played a significant role in the determination of labour policies in Indian industries:

These organisations are not the employers of industrial labour .......but they have nevertheless a great influence upon the development of the labour policy both of the employers and the Government, and some employers' organisations are actually members of these Chambers.\(^{26}\)

Gramsci characterized trade unions as institutions of 'civil society' and noted the possibility that trade unions could play a vital role in the modern world in the rule of capitalism.\(^{27}\) But the Indian capitalists showed a hostile attitude towards the trade union movement in general and depended on the jobbers in the everyday management of their enterprises. The Royal Commission on Labour noted (in 1931) that the jobbers in the Indian industries performed some functions 'frequently discharged by trade union officials in the West'.\(^{28}\) Only the Textile Labour Association (TLA) played a hegemonic role in the Ahmedabad mill industry in the Gramscian sense to ensure the subordination of labour to the rule of capital. But this hegemony was a weak one. Many workers, particularly the Muslim weavers, remained outside its hegemonic sway.\(^{29}\) Moreover, the way the TLA left undisturbed the jobber system of management reflects that this Indian institution of 'civil society', born in a mercantile economy, had its pre-capitalist moorings.

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The State was assigned the double functions of 'dictatorship + hegemony' in the discourse of Gramsci\(^\text{30}\). In fact, the state in Britain made an attempt during the inter-war years to establish hegemony over the 'working class' through the adoption of welfare measures and incorporation of trade unions in the rule of capitalism\(^\text{31}\). But the colonial state in India played an autocratic role in the 'disciplining' of labour during our period of study and used coercive force like the police and the military in times of labour discontent. On the other hand, the Indian capitalists depended on the coercive machinery of the state in moments of crisis in the management of labour.

The reforms made in the domain of industrial relations in Bombay and Calcutta in the 1930s had nothing to do with the prevailing methods of labour management. The labour officers appointed by the state and the employers in the two mill centres were, in many cases, former police and military personnel. The jobbers/sardars were found to act as the main instrument of labour management in the mill industries of Bombay and Calcutta, like the other industrial centres under consideration, at the end of the 1930s. Thus, a culture of coercion, rather than hegemonic culture, dictated the terms of labour-management relations in the main industrial centres in India during 1918-1939.

\(^{30}\) See Gramsci (1982), op. cit., p. 239.

\(^{31}\) See James E. Cronin and Peter Weller, 'Working-Class Interests and the Politics of Social Democratic Reform in Britain, 1900-1940' in International Labour and Working-Class History, No. 40, Fall 1991, pp. 47-66.