CHAPTER I

REVIEW OF THE LITERATURE

Introduction

An increasing concern with problems of urban poverty, unemployment and income distribution surfaced during the Sixties and Seventies in both the developing and developed countries. In the former, it was largely a consequence of disillusionment with rapid industrialisation strategies in providing employment to a growing labour force; whereas in the latter, it was on account of the increasing incidence of such problems among Blacks and other disadvantaged communities, particularly in the U.S.A. These concerns stimulated fresh theoretical perspectives or extended existing theoretical frameworks in order to grapple with these problems. An important direction of these efforts was to focus more sharply on urban labour market behaviour in their economies as an important element in understanding poverty, unemployment and income distribution. In the case of developing countries, such a focus sought to 'explain' the fact that despite the limited growth of non-agricultural employment, there was a general tendency for continued mass migration into the urban economy resulting in an increase in unemployment and consequent accentuation of social tensions. These theories are broadly the orthodox neo-classical approach, which we associate with the writings of Harris-Todaró, Bauer-Yamey and Dipak Mazumdar; the institutionalist and marxist versions (popularly known as the dual labour market and radical theories) associated with the names of Piore-Doeringer,
Gordon, Edwards and Reich, which originated under the specific conditions of advanced capitalism in the United States. Despite differences with respect to the contexts in which these theories arose as also the specific problems they addressed, these theories nevertheless share some common features which are useful in providing a definite starting point for our study of the urban labour market in India during the Post Independence period. This chapter reviews the relevant literature in detail.

Structure of labour market

A feature which is common to all these theories is that they posit a dualistic structure in the urban labour market. The two segments of the market, described variously in terms of 'informal-formal', 'organised'-unorganised', 'modern-traditional' and 'primary-secondary' dichotomy, contrast sharply with one another in several respects. Thus according to Mazumdar, employment in the formal segment is stable or regular, and offer higher wages and working conditions which are 'protected' from the operation of free market forces. By contrast, in the informal segment employment is characterised by variable hours of work, low wage rates, ease of entry and high turnover of labour. "This is because of (a) lack of long contractual relationships in this sector, a substantial part of total employment being on a daily or hourly basis, and (b) the prevalence of self employment" (Mazumdar, 1975:4). Essentially similar is the distinction between the 'modern' and 'traditional' segments of the labour market. (Todaro, 1969:139). The institutionalist and marxist theories, dichotomize the U.S. labour market in terms of a 'primary' and 'secondary' segments1 — "the primary market offers jobs which possess several of the following traits: high wages, good working conditions, employment stability and job security, equity and due process in the administration of work rules, and chances for advancement. The secondary market has jobs which, relative to those in the primary sector, are
decidedly less attractive. They tend to involve low wages, poor working conditions, considerable variability in employment, harsh and often arbitrary discipline, and little opportunity to advance." (Piore, 1971: 91).

While the description of a dualistic structure in the labour market is broadly similar in these theories, the explanations for the phenomenon are quite varied. Harris and Todaro emphasize the importance of "an institutionally determined urban minimum wage at levels substantially higher than that which the free market would allow" in the modern sector as a cause of dualism in the urban labour market. (Harris and Todaro, 1970:129). High wage rates in the modern sector (after being adjusted for the probability of finding a job in this sector) is believed to sustain a continuum of migration into the urban labour market. Those migrants unable to secure employment in the modern sector have to undergo a period of 'waiting' in the urban traditional sector at much lower wages than their long run supply price, before they eventually 'graduate' into the modern sector. (Todaro, 1969:139). In other words, the traditional segment of the urban labour market bears the brunt of adjustment in response to excess labour supply (of migrants).

Bauer and Yamey anticipated this line of causation much earlier. They argued that dualism in the urban labour market (i.e. higher wages in one segment than free market forces would permit) was essentially on account of 'institutional' factors such as minimum wage legislation and trade unionism. The consequences of dualism in the urban labour market in the context of large reserves of labour in the rural economy would be to "contract employment in certain sectors of the economy, to aggravate overcrowding in other activities and to increase unemployment and underemployment." (Bauer and Yamey, 1957:78). The ranks of the self employed swell up in these over-crowded activities: "Petty trading and porterage are perhaps the most important of these, though the provision of
all kinds of unskilled personal services represent such over-flow occupations." (Bauer and Yamey, 1957:79). While they did not explicitly deal with the urban 'traditional' or 'unorganised' sector as it is now known today, it is clear that they outlined the basic characteristics and causes of dualism in the urban labour market.

Mazumdar's conception of dualism has two quite distinct strands: On the one hand, he is very much in the Bauer and Yamey tradition in recognising the importance of 'institutional factors' in causing dualism in the urban labour market. On the other hand, he also argues that dualism essentially reflects differences in labour quality in the two segments of the labour market rather than the effects of institutions. (Mazumdar, 1979:4). The heterogenous nature of migrant labour supply to the urban labour market is the point of departure for the latter variant: Two broad types of migrants, the permanent family migrants and the lone temporary migrants who drift into the urban labour market for long or short periods differ not only in their supply prices but also desirability for employers, particularly in the organised (or formal) sector. The permanent family migrants are supposed to represent a qualitatively superior form of labour than the lone temporary migrants in terms of their stability, loyalty and commitment to work. Their supply prices are higher than the lone temporary migrants because of

"(a) substantially higher housing costs for the family migrant in town; (b) lower earning strength of the family in the town, because women and children are less easily part of the urban labour force than they are of the rural; and (c) the existence of disguised unemployment on family farms, which could make the marginal contribution of an individual low relative to the average income per earner of the family.

The reason for the high demand price of family migrants is that they are settled in the urban environment, and likely to be more stable; the relationship between stability and productivity of labour is well documented in the literature. Certain types of employers will pay the higher wage that will attract family migrants, because the higher productivity of such workers will more than offset their higher wage cost."
The relationship between stability and productivity need not be equally strong in all sectors of the urban labour market. In the formal factory sector we could expect employers to profit considerably from the existence of a stable labour force. But in many parts of the informal sector—in small shops or eating houses for example—productivity increase with stability of labour is likely to be minimal. Under competitive conditions, then, we would expect wage differentials to emerge in the urban labour market with the higher wage sectors attracting more stable family migrants" (Mazumdar, 1979: 6 and 7).

Thus, dualism in the urban labour market reflects, and is responsive, to the operation of market forces of supply and demand; therefore, it is not incompatible with the efficient functioning of the labour market. By contrast, the Bauer-Yamey view of dualism in the labour market is 'structural', being rooted in institutional factors such as unionism and minimum wage legislation which 'are there to stay', as it were, in the labour market irrespective of market forces.

The main reason for quoting Mazumdar's view of dualism in extenso is that it is based on a concrete historical analysis of the Bombay-based cotton textile industry, during the early phases of its development and is, therefore, possibly more relevant to the Indian situation. The peculiarities of migrant labour supply to the urban labour market (in terms of permanent family migrants and lone temporary migrants) is emphasized in connection with the evolution and persistence of a dualistic structure of labour utilisation in the industry, in which, alongside a permanent core of workers, a substantial complement of 'badli' or substitute workers were employed on a day to day basis. (Mazumdar, 1973:478).

This dualistic structure of labour utilisation essentially evolved in the context of recurring complaints on the part of employers regarding shortage of labour (of the right type and commitment to work); high wages and high labour costs per unit of output in the industry despite the availability of a persistent excess supply of labour, mainly lone temporary migrants at lower supply prices. Temporary
migrants were

"employed as badlis partly because at the going wage permanents were in short supply to meet the labour demand in the industry. It may be misleading to think of this purely as a physical shortage, and this brings us to a point which probably provides the most important part of the explanation of the badli system....

The short supply of permanents may, indeed, not have been one of absolute shortage at the going wage, but rather a shortage of labour of the required type and commitment to industrial work which the employers required of the permanent wing. We have already seen that the badlis were, in some sense, probationaries. Every migrant seeking a permanent job in the textile industry tried to gain entry by first serving a period as badli. The badli system could have served effectively as a system of recruitment, giving an opportunity to screen the job-seekers and select those showing the best potentiality for stable commitment to industrial work." (Mazumdar, 1973: 492).

Thus the cotton textile industry evolved a dualistic structure of labour utilisation in the context of a heterogenous nature of migrant labour supply, (hence labour quality) in the urban labour market. The cotton textile industry, in fact, is the exemplar for Mazumdar's conception of dualism in the urban labour market.

The institutionalist and marxist theories suggest a slightly different explanation of dualism in the specific context of U.S.A. The rise of giant oligopolistic manufacturing firms amidst a multitude of competitive enterprises at the periphery from the early years of this century onwards provides the specific background to both these formulations. This is seen most clearly in their focus on giant manufacturing enterprises as exemplars for their theories. According to the institutionalists, technological factors such as the growing importance of firm-specific skills and on the job training are important in explaining the formation of a primary or internal labour market.

"Enterprise specific skills are those which can be utilised in a single enterprise in contrast to general skills which can be transferred among many enterprises. The effect of skill-specificity is two-fold: it encourages employers, rather than workers, to invest in training; once the investment has occurred it leads employers to stabilise employment and reduce turnover so that they can capture the benefits of training." (Piore and Doeringer, 1971: 39).
Towards this end, employers forge an internal or primary labour market, the characteristics of which have been described earlier. In the secondary segment, on the other hand, the incentive for employment stability is much less as the small and marginal enterprises face a demand that fluctuates severely or is transient. Production is therefore organised in a way which requires a minimum of capital outlay and minimum investment in training. It is noted, however, that not all jobs in either segment are technologically determinate. During the course of the cycle, work performed in the primary segment is shifted to the other segment through subcontracting, temporary help services and so on. In other words, allowance is made for the fact that there is a certain 'degree of elasticity' in the distribution of work between the two segments of the labour market. Thus it emerges that the "most important characteristic distinguishing jobs in the primary sector from those in the secondary sector appears to be the behavioural requirements which they impose on the work force, particularly that of employment stability." (Piore, 1971: 91).

The marxist view of dualism has both similarities and dis-similarities with that of the institutionalists. On the one hand, it retains the argument of the latter with respect to the formation of a 'structured' primary labour market essentially to do with technological factors. Significant differences, on the other hand, stem from their emphasis on control of the work force on the part of employers. The rise of giant oligopolistic corporations around the start of the century onwards brought together an enormous concentration of workers, which in turn presented problems of working class cohesiveness. The marxists argue that it was in the interest of capitalists to devise strategies "to divide and conquer the workforce" in order to prevent it from threatening the system. (Edwards, Reich and Gordon, 1975: xiii). While technological factors in the giant firms necessitate the formation of a stable labour force, internal or primary labour
markets forged by employers also served to weaken class consciousness as they

"seek to develop in the labour force a kind of 'hierarchy fetishism' - a continual craving more and better job titles and status, the satisfaction of which leads eventually to intensified hunger for still more and better job titles and job status. .. . And in order to satisfy this 'hierarchy fetishism', employers probably find it increasingly useful to create constantly and perpetually differentiated job categories - if for no other reason - in order to provide new and relatively compelling fodder for the fetishistic craving. This incentive - utility of job hierarchies and the increasing division of labour may or may not converge with the dictates of efficiency criteria on strictly technological grounds. Whatever the relationship between the two kinds of criteria for job design and organization, hierarchical job structures and specialised labour attain an independent rationale, over and above efficiency rationale.

And, in order to create hierarchical incentives without providing too many mobility opportunities - in order to satisfy 'hierarchy fetishism' without simultaneously establishing a continuum of relationships among workers along which they can develop common class consciousness - employers may find it useful to forge hierarchical ladders within clearly differentiated job clusters." (Gordon, 1972: 77).

**Characteristics of workers in a dual labour market**

A second common feature in most of these theories concerns the composition of labour force in the two segments of the urban labour market. Mazumdar highlights empirical evidence from certain Latin American countries (Brazil and Peru) to show that relatively more female workers and those who are either too young or old in age figure more prominently in the unorganised than the organised segment of the urban labour market. (Mazumdar, 1975: 13 and 14). The institutionalist and marxist versions highlight the concentration of Blacks, other minority workers, women and teenagers in the secondary segment of a dual labour market in the U.S.A. Apart from these theories, evidence of sex and age selectivity has been noted in the Japanese labour market as well, particularly in modern industry. In most enterprises (particularly the giant corporations)
there is a dualistic structure of labour utilisation - alongside a core of permanent or regular workers, who are expected to stay on in the enterprise till retirement age (55 to 60 years of age) there is a significant complement of temporary workers which enables the enterprises "to cope with normal business fluctuations". (Hanami, 1981:26). Women workers (mainly married) and the relatively older aged workers (after retirement) are disproportionately represented among the temporary rather than the regular or permanent core of workers. (Hanami, 1981: 33; Etsuko, 1973:54; Ichiyo, 1982:27; Stevens, 1980:46 and 47; Yul Song, 1982:57).

The explanations for sex and age selectivity, however, are quite varied. Mazumdar's writings suggest that sex and age selectivity in a dual labour market essentially reflects the preference for family migrants (superior labour of the right type and commitment) in the organised sector, the heads of which work therein while the family members seek employment alongside temporary migrants in the unorganised sector. The evidence of sex and age selectivity in a few Latin American countries, he argues, "suggest that many of the workers in the informal sector would be secondary workers from families whose heads have jobs in the formal sector." (Mazumdar, 1975:16). A necessary assumption for sex and age selectivity is that entry into the informal sector is relatively easy:

"The lack of long contractual relationship in employment ... means that there is a relatively high turnover of labour in the informal sector. This is one of the factors favouring ease of entry into the sector. Thus it can be expected to act as a buffer between employment and unemployment. Some job seekers who are unable to find regular employment in the formal sector may, for short or long periods, participate in the informal sector than be wholly unemployed. In this view, a substantial part of the workers found in the informal sector will be the "secondary workers", i.e., those who are not the main earners in the household. To look at it in another way, a disproportionately larger proportion of females as well as those outside the prime working age group (say under 25 and over 50) will be found in informal sector employment, if they are employed at all. Similarly migrants would be disproportionately represented in the informal sector." (emphasis ours) (Mazumdar, 1975:5).
The Harris-Todaro view of the migration process to the urban labour market suggests another possible explanation of selectivity by age. This is related to their view of rural to urban migration as a two-stage phenomenon. "The first stage finds the unskilled rural worker migrating to an urban area and initially spending a certain period of time in the so-called "urban traditional" sector. The second stage is reached with the eventual attainment of a more permanent modern sector job". (Todaro, 1969: 139). Thus, a preponderance of younger workers in the urban traditional or unorganised sector is consistent with their view of this sector as a starting point in the 'graduation' process to the organised sector.

The institutionalist and marxist theories explain the preponderance of Blacks, women and teenagers in the secondary segment of the U.S. labour market essentially in terms of discrimination and the strategies of the capitalists to 'divide and conquer' the working class. Both these theories emphasize racial discrimination which makes it difficult for Blacks and other minorities to move into the primary segment of the labour market even when they might have the qualifications necessary for jobs in that segment. Moreover, their continued participation in dead-end jobs and jobs in the secondary segment of the market contributes towards the development of behavioural traits which reflect the conditions of employment in this segment: They become inherently unstable workers, changing jobs frequently, which in turn adversely affects their prospects for getting into the primary sector. While discrimination has a role in confining women and teenagers to the secondary sector, the peculiarities of female and teenage labour (namely, a "marginal commitment to the labour force" and their intermittent and variable involvement motivated by the need to meet some target income) is also recognised. (Piore, 1979:xii; Gordon, 1972:74).
In addition to these factors, the marxist theory suggests that the drive on the part of capitalists to 'divide and conquer' the workforce leads them to fill the most disadvantaged and unstable jobs in the secondary sector with minority workers, women and teenagers also because "these three groups are least likely to identify with more advantaged groups and to develop a class consciousness about their relatively "oppressed" working conditions" (Gordon, 1972:78). Thus both racial and sexual discrimination are institutionalised to further divide and weaken the working class.

Lastly, sociological factors have been adduced to explain sex and age selectivity in the Japanese labour market. It is argued that the ideology of the traditional family is dominant even in the context of the work place of a firm. It serves to channel workers into various positions in the hierarchy of the firm according to personal attributes (sex and age) which accord rank in the traditional family. Thus, the disproportionate representation of married women and relatively older aged workers among the temporary workers is understood largely in terms of the dominance of traditional familial relations which have "channeled workers into the reserve army according to age and sex. The insecurity of these positions thereby takes the form of the insecurity of particular persons - women and the old - in the family hierarchy." (Stevens, 1980:46).

Changes over-time

A third common feature of most of these theories relates to the direction of changes in the dualistic urban labour market: The expectation is that the relative size of the 'unorganised' or 'informal' or 'secondary' segment, in terms of employment, would increase over time. This dimension has been explicitly articulated in the Bauer-Yamey-Nazumdar type of theories and to a much lesser extent in the institutionalist theory. In the Bauer-Yamey view of dualism noted
earlier, higher wages in the institutionally protected segment leads to a 'contraction' or relatively slower growth of employment in that segment. The theoretical logic is that the capital-labour ratio is a function of the wage-rental ratio; a higher than equilibrium wage rate induces a shift towards more capital intensive techniques of production, which in turn reduces employment. The consequent slower growth of employment in the institutionally protected segment in turn results in an 'over-crowding' in activities like petty trades and unskilled personal services in the unorganised segment of the urban labour market. Evidently, the relative importance of the unorganised segment is expected to increase over time, as a consequence of dualism.

Essentially similar is Mazumdar's view of over time changes in the urban labour market. Migrants respond to higher expected earnings in both the organised and unorganised sectors of the labour market as they can search for jobs in the former while participating in the latter. The labour supply determined by such a migration function leads inexorably towards an increase in the relative importance of the unorganised sector in terms of employment for the following reasons. The historical experience of several countries suggest that there generally is a high rate of both growth of labour productivity and wages and a slower growth in employment in the organised sector. Increases in productivity leads to rising wages and slower organised sector employment on account of both market determined and institutional reasons.

"Increase in capital intensity per worker can be expected to shift upward the wage level at which the cost per efficiency unit of labour is minimised. At the same time the type of skilled labour firmly attached to an establishment, and in some way specific to the production process of the firm, is sufficiently irreplaceable to obtain bargaining power through unionization. Unions are also helped by political support which they tend to get because of their urban presence and disruptive potential. Well-meaning legislative programmes of the I.L.O. type would also strengthen the tendencies for wages to increase. Management of firms with increasing productivity per worker would, of course, be reluctant to cause serious slow
downs in resisting wage increases as long as they are kept within the limits of the increase in quasi-rents.

In some cases, institutionally determined wage increases would be responsible for the speeding up of the learning process, and may even encourage mechanization to increase the capital and productivity per worker. Often this process of productivity and wage increase is one of cumulative causation in which it is impossible to isolate the cause from the effect." (Mazumdar, 1975: 52 and 53).

The consequent slower growth of employment in the organised sector would result in a larger proportion of migrants sharing the available employment in the unorganised sector. Quite clearly, the relative importance of the unorganised sector, in terms of employment is expected to increase over time as it bears the brunt of adjustment to excess labour supply (of migrants) in the urban labour market.

The institutionalists have argued that the direction of changes in the labour market is towards an increase in the relative importance of the secondary segment - "the dual labour market hypothesis suggests that the patterns in unemployment, in long term capital investment and in productivity growth may be attributed to a tendency to tilt economic expansion disproportionately towards the secondary sector" (Piore, 1979:xxii and xxiii). This has been attributed to the increased uncertainties during the post Vietnam period when employers believed the war induced boom to be transitory and avoided making long term fixed investments and instead met demand through temporary arrangements with the marginal firms in the secondary segment "with methods of production intensive in labour, which is variable as opposed to capital, which is not, and have preferred for this labour marginal groups who do not impose long term employment commitments, who can be counted on to quit before too long and if necessary can be fired." (Ibid ) This strategy was perhaps facilitated by the sharp rise in labour force participation rates, particularly of women and teenagers during the post war period.
The pioneering work of Harry Braverman, which has considerably influenced marxist theory, however, suggests a different view of changes in the U.S. labour market. His analysis of the impact of monopoly capitalism on the structure of the labour market points to the existence in capitalist industry of a "secular trend to accumulate labour in those portions of industry and trade which are least affected by the scientific-technical revolution: service work, sales and other forms of marketing, clerical work in so far as it has not yet been mechanized etc." (Bravermán, 1979: 382). Such occupations are being increasingly filled up by females, teenagers and minorities at much lower wage rates. Thus, technological changes under advanced capitalism are responsible for a secular increase in the relative importance of the secondary segment of the U.S. labour market. Unfortunately, the marxist theory does not draw out these implications which would surely follow if the structural changes in the U.S. economy during the present century are taken to their logical conclusion.

Issues for investigation

The common features of these theories which arose in the differing contexts of both developing and developed countries (U.S.A. in particular) provide a definite starting point for our study of the urban labour market in Post Independence India. The various aspects of dualism in the urban labour market, which are central to these theories will be the focus of our study. The most important aspect of dualism for investigation is the empirical correlates of the distinction between the 'organised-unorganised' or 'formal-informal' sectors in the urban labour market. This is an aspect on which there is hardly any systematic empirical investigation been done so far. The few attempts in this direction have, by and large, focussed on only individual cities in the country like Bombay, Ahmedabad, Delhi and Calcutta or an individual state of Kerala. [See Joshi and
Joshi, (1976); Papola, (1981); Mazumdar, (1980); Lubell (1972); Chandra Mohan, (1978). Although these studies have empirically investigated the relative dimensions of the organised and unorganised sectors in the major metropolises of the country, these are not sufficient for an overall view of the urban labour market in the country as a whole or for that matter, the various regions. Given the availability of secondary sources of information like the decennial Censuses and National Sample Survey, it is possible to attempt a more comprehensive macro-level empirical investigation into the relative dimensions of the unorganised sector not only for the country as a whole but also various regions for a few points of time.

Of the various theories reviewed, those of Bauer-Yamey-Mazumdar are more relevant for our purposes as they are specific to an early stage of development. Their view of dualism in the urban labour markets of developing countries in which self employment and the absence of long term contractual relationships define the basic characteristics of unorganised sector employment, are well-known characteristic features of an earlier stage of development in which "the share of small, individually owned productive units and firms, in either product or labour force, is far larger in the under-developed than in the developed countries. Agriculture, except for the limited plantation sector, is dominated by such units even in the most developed countries, let alone the under developed; and handicrafts, cottage industries, traditional transport, and the like are, by definition, small units. The share of all these branches combined, in total product and particularly in total labour force, is much greater in under-developed than in developed countries." (Kuznets, 1966:417). The greater dominance of small, individually owned producing units is reflected in a larger proportion of own account workers or the self-employed in the labour force, which is considered a characteristic feature of dualism in the urban labour markets of the developing countries.
Our investigation of the empirical correlates of dualism in the urban labour market of India, will, therefore, largely follow the directions indicated in the Bauer-Yamey-Mazumdar theories. The conceptual problems of definition of the organised-unorganised sectors, the nature of available information, the estimates of the unorganised sector that are possible with the available information will be the concerns of Chapter II and III.

The second aspect of dualism for our investigation is the nature and direction of over time changes in a dual urban labour market and the reasons thereof. This deserves closer attention because the expectations of the various theories, particularly those of Bauer-Yamey-Mazumdar, are quite contrary to the regularities observed in the course of development. In the Bauer-Yamey-Mazumdar view of the urban labour market, the consequences of dualism would be a 'vertical' growth of the organised sector and a 'horizontal' growth of the unorganised sector, in terms of employment, which clearly implies an increase in relative importance of the unorganised sector (in terms of employment) over time. This implies that the share of small individually owned enterprises in the labour force, reflected in the share of own account workers, would also increase over time. On the other hand, the course of development has been observed to entail rapid shifts in the distribution of aggregate product and allocation of the labour force (and probably capital) among economic units classified by size and type-ranging from the small own-account individual firms to the large impersonal corporations and government. The movement away from agriculture - the sector that dominated pre-modern economies - meant a marked reduction in the share of small own-account enterprises in aggregate output and of individual entrepreneurs and own account workers in the labour force. And these shifts were accompanied by growth in the scale of firms and changes in the type of organization within sectors such as manufacturing or trade - from the small unincorporated firm to the large corporate unit. With the rapid shifts in industrial structure and rapid change in technology there were also rapid shifts in the allocation of product among types and sizes of producing firms, and consequently in the allocation of the labour force - by the size of the enterprises to which it was attached,
by status as between entrepreneur own-account and employee — with a marked rise in share attached to larger enterprises and in the share of employees in the labour force.” (Kuznets, 1966:493 and 494).

It is therefore extremely important to investigate the nature and direction of changes in the dualistic urban labour market in order to know whether these changes are in consonance with what was observed elsewhere, in the context of advanced countries. These are our concerns in Chapter IV.

A third aspect of dualism in our study concerns various features of the dualistic structure of labour utilisation in modern industry. The Bombay-based cotton textile industry evolved in peculiar form of labour utilisation — alongside a core of permanent workers employed on a regular basis, there was a substantial complement of 'badlis' employed on a day to day basis — in the context of a persistent excess labour supply (mainly lone temporary migrants) in the urban labour market. Apart from the factors suggested by Mazumdar, official investigations into the conditions of labour revealed other important factors behind the employment of badli workers:

"But in some other textile concerns, especially Nagpur, the badli system is still uncontrolled and the badli worker is favoured and cultivated with a view to creating "a second line of defence" in the event of strikes and lock-outs. Not only this, but some employers are of the opinion that it is charitable on their part to distribute work amongst the unemployed in this fashion. It is noticed that in some centres employers actually encourage the employment of badlis by sending out permanent or temporary workers on compulsory leave so as to make room for the badli worker." (GOI, Labour Investigation Committee, 1946: 93).

The relevance of these factors possibly extends to various other industries, as well. It is therefore, interesting to investigate the possible factors behind the employment of badli and other non-permanent categories of workers in modern industry including the textile industry and its relation to the pressure of excess labour supply. This is the focus of Chapter V.
A fourth aspect of dualism in our study concerns the sex and age characteristics of workers in the organised and unorganised sectors of the urban labour market. The observation that relatively more females and persons who are either too young or old in age comprise the unorganised than the organised sectors has been noted across space, although the explanations for the phenomenon are quite varied in the literature. The extent to which sex and age selectivity characterises the urban labour market in India is dealt with extensively in Chapter VI.