

FACTORY UNEMPLOYMENT IN INDIA
A Sociological Study of the Laidoff Workers of Two Sick
Textile Mills of Kanpur

A Thesis Submitted
in Partial Fulfilment of the Requirements
for the Degree of
DOCTOR OF PHILOSOPHY

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By
R. N. SHARMA

to the
DEPARTMENT OF HUMANITIES AND SOCIAL SCIENCES
INDIAN INSTITUTE OF TECHNOLOGY, KANPUR
APRIL, 1978

CERTIFICATE OF AUTHENTICATION

do hereby declare that the copy of the thesis submitted to the ICSSR
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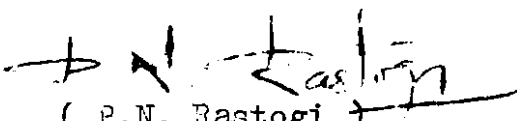
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Signature.

To the Memory of My Mother

CERTIFICATE

This is to certify that the thesis 'Factory Unemployment in India: A Sociological Study of the Laidoff Workers of Two Sick Textile Mills of Kanpur', submitted by Shri R.N. Sharma in partial fulfilment of the degree of Doctor of Philosophy to the Indian Institute of Technology, Kanpur, is a record of bonafide research work carried out by him under my supervision and guidance. The results embodied in this thesis have not been submitted to any other university or institute for the award of any degree or diploma.


(P.N. Rastogi)
Professor of Sociology
Indian Institute of Technology
Kanpur

CERTIFICATE

This is to certify that Mr. R.N. Sharma has satisfactorily completed all the course requirements for the Ph.D. programme in Sociology.

H-Soc. 720	Research Methods
H-Soc. 721	Sociological Theory
H-Soc. 722	Approaches to the Study of Social Phenomena
H-Soc. 723	Introduction to Statistical Inference
H-Soc. 725	Social Change in Developing Societies
H-Soc. 729	Agrarian Social Structure and Change in India
H-Soc. 731	Industrial Sociology
H-ECO. 740	Inter-Industry Economics

Mr. R.N. Sharma was admitted to the candidacy of the Ph.D. degree in September 1975 after he successfully completed the written and oral qualifying examinations.



(K.N. Sharma)
Head

Department of Humanities &
Social Sciences



(M. Mullick)
Convener

Departmental Post-graduate
Committee

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S Y N O P S I S

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During 1974-75 and 1975-76, two textile mills of Kanpur, Laxmi Ratan Cotton Mills Limited and Atherton West & Co. remained closed for more than 16 months. As a result of this closure some 5,850 workers became unemployed. The closure was a part of a general economic crisis of the mid-seventies identified as 'industrial sickness'. The crisis found its manifestation in mass layoffs, retrenchments and lockouts. According to official statistics about 300 large and medium size industrial units and about 4,000 small scale units closed down during this period resulting in the prolonged unemployment of more than half-a-million workers.

The present study is an attempt to understand this unprecedented problem phenomenon in empirical depth. Two recent and comparable situations of the closure of the textile mills at Kanpur, were selected for this purpose. The study explores the various dimensions of socio-economic sufferings undergone by the workers when their wages were discontinued suddenly. The study is based on a socio-economic survey of 250 respondents belonging to both the mills. To

understand the unemployment and the readjustment situations of the laid-off workers, factors like the financial condition of the respondents (before and during the closure); the alternative sources of income; the effects upon their social relations; the availability of new jobs; the nature of and the income from these jobs and the response of various societal agencies to the workers' plight, were investigated. As specified in the Introductory Chapter (I), the major objectives of our study are:

(1) to examine whether the problem of unemployment faced by our respondents was qualitatively different from the usual forms of unemployment and under-employment in the under-developed countries like India;

(2) to understand and portray the privations and miseries of the laidoff workers;

(3) to examine their prospects for job-mobility in the labour market;

(4) to identify the alternative sources of monetary help available to the idle workers and to assess their relative adequacy in relation to the magnitude of the problem;

(5) to assess the economically deprived workers' orientation toward anomie; and

(6) to evaluate the responses of various societal

agencies which might have come forward to cope with the crisis situation involving the very survival of some 6,000 citizens.

The theme of 'factory unemployment' is new to the Indian literature on unemployment and industrial sociology. There exists abundant literature dealing in general with rural and urban unemployment in the country. Similarly, the studies on 'industrial unrest' mainly cover themes like, decline of industrial growth due to workers' lack of commitment or, loss of production due to workers' strikes for higher wages, and so on. As far as we understand, the phenomenon of 'factory unemployment' has hardly been given due attention by the Indian social scientists. The present work, therefore makes a modest new contribution to the studies on 'unemployment' and 'industrial unrest' in the country.

Definitive theoretical formulations relevant to the present phenomenon that could have also oriented this inquiry, were lacking. Two theoretical concepts were however found relevant for our purpose. These were: Mrs. J. Robinson's concept of 'disguised unemployment' and Merton's thesis on 'anomie'. Mrs. Robinson proposes that trade fluctuations in a economy rendering a part of its man-power and machinery idle, would not always lead to an unemployment situation of complete idleness. The workers, to earn their living, would accept under employment termed as 'disguised un-employment'.

Put in the similar situation it was likely that our respondents might also have moved toward inferior and poorly-paid occupations. Merton's paradigm of anomie outlines the diverse kinds of rule-breaking behaviour when an individual is caught in the socio-cultural constraints (i.e., a disruption of the existing cultural goals and/ or institutional means). As our respondents were deprived of their legitimate means of livelihood, we found it relevant to examine the implications of Merton's paradigm for their behaviour.

The above two theoretical co-ordinates are supplementary in the present context. While Mrs. Robinson is mainly concerned with the economic aspect of an individual's role- behaviour, Merton examines various social, economic, psychological and political aspects of anomie behaviour. Both the theoretical formulations were hence found to supplement one another. A discussion on these issues is included in the Introductory Chapter (I).

Methodologically our exercise is primarily based on the empirical data collected during the field work. We have also frequently used the secondary information received from various governmental and non-official agencies. As no scale was available to identify our respondents' modes of adaptation (Merton's paradigm), we devised our own tests for the categories like "ritualism" and "rebellion". The issues relating to the relia-

bility and validity of these tests are discussed in Chapter II. This chapter also covers the discussion on sampling and data collection. Data collation and statistical analysis are often accompanied by the comments and observations of the respondents. This approach enables us to bring out the emotionally rich social reality underlying the statistically computed figures of data.

Chapter III sketches the course of events that led to the prolonged closure of both the mills. The basic cause of the closure found common to both the mills, was their financial liquidation. At the time of the closure, the respondents were found to be financially unprepared for meeting any such contingency with the result that the sudden stoppage of their wages led them to the verge of starvation. During this period, the labour market in the country in general and at Kanpur in particular, offered no potential for job mobility. Therefore, the news of the closure filled the respondents with feelings of helplessness and despair.

Chapter IV details the general economic condition of our respondents at the time of the closure. Majority of the workforce belonging to these mills originated from the eastern districts of Uttar Pradesh that are noted for their poverty and backwardness. They mostly belonged to the lowest socio-economic strata of our society and as such had little or no financial resources. Though, an increase in their wages occurred in the early seventies, it was simultaneously followed by an unprecedented price rise and high cost of living in the country. Moreover, the frequent layoffs due to input shortages, etc; during

the same period, left the workers further impoverished.

Consequently, the closure of these mills produced far-reaching consequences for the workers. The dimensions of their economic deprivation are discussed in Chapter V. The state of extreme poverty faced by these idle workers reached its culmination point when some of the respondents were found involved in beggary, starvation, prostitution by their family members, and suicides.

Chapters VI and VII present a detailed account of the unemployment and reemployment experiences of our respondents. Aspects of the situation like the duration for which a worker remained completely idle; the relationship between personal characteristics and duration of unemployment; the nature of and the income from new jobs, etc., have been investigated in these chapters. Chapter VII also includes a discussion about other (than reemployment) sources of income (if any) and the extent of help received from them. It was observed that the main intention of the majority of respondents was to somehow pull on till they could return back to their old jobs. This hope about the eventual reopening of their mills, confined their search for jobs to a 'time being' arrangement. Consequently, in the early phase of the closure, a majority of the respondents sat idle. It was only when the closure period lengthened and a state of uncertainty about the reopening of their mills prevailed, that they intensified their search for new jobs. Those, who succeeded

in getting new jobs, were mostly doing inferior and poorly paid occupations like rickshawpulling, vending, hand-cart pulling, daily wage work, and so on. These observations demonstrate the relevance of Mrs. Robinson's concept of 'disguised unemployment'.

Other sources of help which brought only marginal relief to the respondents were: the refund of their Provident Funds, borrowings, help from relatives, savings (only in a few cases) and the sale of property. In spite of the fact that many respondents tried to get help from as many sources as possible, they had to drastically reduce their monthly family expenditure. This reduction varied from 20 per cent to as much as 80 per cent.

Chapter VIII is mainly devoted to an empirical test of the Merton's paradigm of anomie. The exercise highlights many interesting features of his thesis. Though impressive and rich in its terminology, the paradigm proved unhelpful in understanding the unemployment experiences of our respondents. It served more as a statistical categorization device than a source of meaningful social insights.

The last Chapter IX examines the role of various societal agencies that might have helped the workers. The roles of the workers' unions, the management, the government and the welfare agencies are evaluated in this context.

The study thus highlights the recent emergence of one

more type of unemployment on the urban-scene, i.e., the industrial or factory unemployment. This phenomenon appears to have been ignored so far by the Indian social scientists. The study also shows the inadequacy of the common assumptions regarding the nature and sources of industrial unrest in India, i.e., the workers' lack of commitment and their demand for higher wages. The study deals with a situation where workers remained mute spectators while their wages were suddenly discontinued not because of their agitation for higher wages but due to the mismanagement and failure of their enterprises. The study invites the attention of the social scientists and policy makers to a new problem phenomenon with a view to promote its better understanding. Such an understanding is indispensable for formulating long range policies to alleviate and prevent the recurrence of human suffering in the context of industrial urban unemployment in the nation.