India's Liberalisation Project and the Future of Trade Unions

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India's far-right government has deepened the commitment of State institutions towards both international capital and the Indian bourgeoisie (both rural and urban). Disregard for the working-class and the peasantry comes in the form of denial about the perilous conditions of employment and livelihood across India. Reports by agencies of the State based on surveys of workers and of peasants are not released in a timely fashion, and when they are released the government simply treats them as curiosities. For example, the *Periodic Labour Force Survey* (PLFS) of 2019 was held by the government for six months till the 2019 General Election was over, largely because the news in the survey was not good for the government. The *Survey* found that the Indian workforce has shrunk for the first time in four decades – from 467.7 million in 2011-12 to 461.5 million in 2017-18. The largest loss was in agriculture, where 29.3 million people went out of work. Of these people, the vast bulk to lose their jobs – 24.7 million – are women. Nonetheless, when the Indian Finance Minister Nirmala Sitharaman spoke in Parliament, she said that in India's growth story, 'the role of women is a very sweet story' (Budget Speech of Nirmala Sitharaman, Minister of Finance, 5 July 2019). The *fact* that the working-class and peasantry is under assault is not something that the government will honestly admit; it would rather conduct anti-people policies *in the name of the people*, despite the ready availability of facts that show that the people are being hurt by these policies.

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But it is not the far-right alone that has driven an agenda of anti-worker, anti-peasant policies. From 1991 onwards, the Indian ruling class pursued a policy known as 'liberalisation', which involved pivoting the State's policies away from any support for the socio-economic development of the working-class (both rural and urban) and the peasantry and towards the pecuniary interests of international and domestic capital. Part of this policy entailed a directs attack on workers' rights – with the assault on trade union rights at the forefront – and an attack on policies that partly benefitted workers and peasants – including the weakening of government banks that provided agrarian credit to peasants. All of this came alongside the opening up of the Indian economy to foreign capital, and the emergence of this capital as a powerful force to shape domestic policy (Ghosh and Chandrasekhar, 2002; Bhattacharyya, 2016). Growth was now premised on the rate of return on financial investment and not on the investment in people and their futures (Patnaik, 1997). The new policy orientation – liberalization – has grown the middle class and earned the wealthy fabulous amounts of money. But it has also created an agrarian crisis and produced a precarious situation for workers (Patnaik, 2002). A consensus emerged amongst the ruling class parties over this liberalisation policy; neither the Congress Party, nor the far-right Bharatiya Janata Party, which now controls the government, disagree with the broad outlines of this policy, and indeed, many of the smaller regional parties in India also accepted liberalisation without much opposition.

India formally opened up its economy in 1991. However, the foundation for this opening was created a decade and a half earlier, when India began to dismantle the 'license' policy for the operation of industry and for international trade (Prashad, 1996). Between the exit of the British in 1947 and the late 1970s, India pursued a mixed economy policy. Heavy industries were set-up and run by the Government-controlled Public Sector Undertakings (PSUs). The private sector had some role in heavy industry (particularly steel), but it was relegated to the manufacturing for the consumer sector, for the trade in goods, and in the service sector to produce intangible goods. Indian capitalists were, by and large, not able to develop monopoly control in any sector (Chandrashekar and Ghosh, 2002). The State followed a contradictory development model, as Chandrashekar and Ghosh have demonstrated. On the one hand, the State used social resources to invest in the growth of a domestic market and to increase the consumption needs of the population. On the other hand, the State exchequer enabled the "primary accumulation of domestic capitalists through large-scale transfers, tolerance for tax evasion, and lucrative contracts". The State could not dominate the capitalist class; it was unable to impose discipline on the capitalists, as was the case in Japan and South Korea. Furthermore, the State – despite the attempt to control the economy and despite the socialist rhetoric about increasing the consumption patterns of the poorest of the poor – fell prey to the consumer demands of the richer social groups. Therefore, the growing demand for consumer goods by the richer social groups forced the State "to dismantle the controls on import of good regardless of the effect on the balance of payments" (Chandrashekar and Ghosh, 2002, pp. 4-8). By the 1980s, India's import of capital goods, its import of military equipment, and its reliance on external borrowing, created a crisis in the balance of payments as international creditors refused to allow the country to get more credit. This led India to the International Monetary Fund, who then demanded an opening up of the economy and structural adjustment policies as the political down-payment for the injection of liquidity into the Indian exchequer.

In India everything is enormous

India's population is around 1.3 billion, out of which the workforce – based on the *Employment Survey* – comprises about 461.5 million. The most recent Census shows that at a minimum 50.22% of workers who are employed for more than six months are either cultivators or agricultural workers. The other half of the workforce is divided amongst a range of occupations, with the two largest in that block being mining (8.52%) and trading (7.83%). India, despite the dramatic rural to urban migration and the urbanisation of rural areas, remains a country with a primarily agricultural workforce.

There has been a steady decline in the percentage of workers who are mostly engaged in agricultural activities. In the earlier Census of 2001, about 58.2% of workers were cultivators and agricultural workers. The starkest decline in these categories is the column marked 'Female Workers'. One in two males works in agriculture, but two of every three females are in this sector, and it is here that the decline has been most significant – as shown by the 2019 *Employment Survey* (PLFS, 2019). The shrinking of employment in agriculture has meant a major decline of women in the workforce. Already, only 30% of working age women are employed (compared to 80% of men). This cannot be entirely blamed on cultural attitudes; survey of social attitudes in 2016 found that between 40% and 60% of men and women believe that married women should not work if her husband has a good job (Coffey, *et al.*, 2018). One of the key problems is that as capitalist agriculture dominates rural India, employment for women has decreased; and as industrial production stagnates, women – for patriarchal reasons – are sent to the back of the queue.

The far-right government of Narendra Modi has refused to release the periodic labour force survey prepared by the National Sample Survey Office (NSSO); it was, however, leaked to a business newspaper (*Business Today*, 2019). The report shows that the unemployment rate in India has climbed to a four-decade high of 6.1%, most likely caused by the government's 2016 demonetisation policy. Demonetisation was a policy the government announced on the 8 November 2016 at 9pm through a TV telecast, declaring that the largest denomination of currency notes – Rs 500 and Rs 1000 – would withdrawn by the government; possession of these notes would be illegal. This means that 86% of the physical money in circulate in India was withdrawn. More than 100 people died – many from shock and from non-availability of food and medicines – due to this government action. The demonetisation policy deeply impacted the small business community, which is a major employer (Ramakumar, 2018; Ghosh, Chandrasekhar and Patnaik, 2017).

The labour force participation rate (LFPR), namely those who are working or seeking a job, declined from 39.5% (2011-12) to 36.9% (2017-18). All is not well in the Indian labour market. There was a sharp rise in the unemployment rate for educated rural females, 17.3% of whom are now unemployed; there was an even sharper rise for young women, 27.2% of whom are now unemployed (ILO, 2019).

Evidence of the crisis in agriculture has been mounting for years, with the example of farmer suicides (now over 300,000 since 1995) as the most dramatic illustration. To alleviate the crisis, the previous government – pushed by the Left – developed the Mahatma Gandhi Employment Guarantee Act (MGNREGA), which entitled rural residents to roughly 100-150 days of employment per year within 5 kilometres of the beneficiary's home. The Act was modest, but even this was not implemented properly. Discussion of income transfers – such as through the MGNREGA – or of universal basic income as an antidote to both endemic and mass unemployment as well as inflation has been tampered down (Khera, 2011).

Attack on labour

Since liberalisation, the Indian government has made the argument that the economy is being hampered by labour laws, which go back to the Industrial Disputes Act of 1947. India's labour market is regulated by forty-five laws of the central government, and a total of one hundred and seventy laws from the twenty-eight states that comprise the Indian union. Most of these laws are framed for the organised sector, where less than ten percent of the workers are employed (National Commission for Enterprises in the Organised Sector, 2007). The government's assault on the laws are not therefore designed to impact the entire workforce or to create better conditions for Indian workers. The essence of the attack is against trade unionism, or the power of workers to organise themselves into a political force.

In the early 2000s, the Indian ruling class deepened the attack against trade unions through the bureaucracy and the judiciary. In 2002, after decades, the National Commission on Labour produced a report on the regulatory framework for labour (National Commission on Labour, 2002). The mood of the Commission and of its Report was that since major changes had taken place in regulations regarding industries and finance that acceded to the liberalisation agenda, the labour laws must also be revised so as to facilitate market access. The Commission noted that it had been formed for three reasons: to come to terms with the rapid urbanisation in India since the Commission's first report of 1969; to come to terms with the technological and productivity advances of modern industry; and to streamline labour laws along the grain of the new economy policy of 1991. To come to terms with these changes meant to draw in neoliberal economic theory into the framework of Indian labour law (Guha, 2009; Ghosh, 2004). The recommendations of the report were mixed, with several beneficial to workers. But these were minor. The greatest changes called for by the Commission struck at the heart of trade union power. Capitalists should be given the right to retrench workers and to close factories at will; neither were permitted in earlier labour and factory regulations.

The Supreme Court's judgment in *TK Rangarajan vs. Government of Tamil Nadu & Others* (2003) suppressed the right to strike (Goel and Karn, 2011). No right to strike exists, wrote the judges, for government employees. "Law on this subject is well-settled", wrote the Bench, "and it has been repeatedly held by this court that the employees have no fundamental right to resort to strike". Justice MB Shah went further, writing, "Strike as a weapon *is mostly misused* which results in chaos and total maladministration". This case has been referenced often to make the argument that the Indian judiciary has ruled against the right to strike, not only for government employees (because of Essential Services Maintenance Ordinances), but for all employees (Noorani, 2003).

The architecture of the attack on trade union power came from two sets of neoliberal economic arguments that remain powerful in both the academy and in policy circles (Roychowdhury, 2018 and 2019). These arguments make the case that unemployment is not caused by the normal dynamic of capitalism, where capitalists use technology and productivity gains to increase their own profit at the expense of the well-being of their workers and of society. Instead, unemployment – for these two arguments – comes from labour laws and trade unions. Labour laws must be revised and trade unions shuttered in order to give firms more flexibility with their labour force. This position is broadly known as 'labour market flexibility'. The first argument is that if workers are in unions, they bargain up wages, which increases 'labour turnover costs' and thereby encourages capital to move to labour-saving machines. The second argument is that 'insiders' discourage 'outsiders' from having access to jobs, and so weakening the former and strengthening the latter will somehow increase employment. Roychowdhury (2018 and 2019) has provided the most through evisceration for both arguments, which – he argues – has an 'unsound' theoretical foundation.

Nonetheless, it is this 'unsound' theory of labour market flexibility that underlies the Labour Code on Industrial Relations Bill (Government of India, 2019), which is the sharpest attempt by the government to push to end labour regulations and trade unions. This code has several proposals to rationalise the range of regulations that from the central government to the state governments. The core proposal is to centralise the power of registry of trade unions with the State bureaucracy. In the name of union democracy, the Code turns over power to the Registrar of Trade Unions – appointed by the government – and the grounds for the cancellation of registration of trade unions – by this Registrar – is wildly expanded. The most chilling section is on 'Strikes and Lockouts'. The Code effectively extends the barriers for striking by essential service employees to all employees, and thereby bans strikes in general.

Laws that lead to death

On 7 December 2019, in Anaj Mandi in North Delhi, a handbag manufacturer's small factory went up in flames. This factory is in an 'industrial area', where the regulations are limited, and the conditions are terrible. The workforce is mostly migrants who come from eastern India. They are paid a pittance. Their employer allows them to sleep in the factory not as an act of kindness, but because it provides free security for his factory and it means that the workers at his beck and call. A fire started in the factory, which then consumed everything – included burnt to death 45 of the workers. Their lives were inside the factory; its hot breath their days, and now their tomb (Rajalakshmi, 2020).

When it comes down to an investigation, the authorities might make an example of the owner of this small manufacturing unit; this owner might go to prison for one or another of a host of violations. But the system that allows such small operators to function and provide goods into the global value chain is unbroken (Suwandi, 2019). Indeed, there are two sets of legal provisions that have legalised the kind of behaviour of firms that are links in this value chain. The State, when looked at from this angle, is not a 'neutral actor', but helps to do one essential thing: to create the legal infrastructure that enables firms to cheapen labour, which then appears 'natural' in the global value chain. There is nothing natural about the cheap labour found in India; the 'cheapness' is a consequence of the legal apparatus constructed by the State that allows private capital to treat workers as so many disposable inputs in the production process. These two sets are as follows:

1. Apprenticeships. In 1961, the Indian government passed the Apprentices Act, which makes it mandatory for firms with thirty or more workers to hire or engage apprentices. For companies that hire less than twenty-nine workers, this becomes optional. The law provides apprentices with the right to earn a stipend and to work for a certain number of hours. The apprentices can work in that capacity for up to four years. Amendments to this bill came in 1991, 1992, and then in 2014. The most recent amended bill said that at least 15% of employees in a company must be apprentices. Having mandatory apprentices in a firm allows owners to lower the wages, since the apprentices are paid stipends and not anything near the prevailing wage. In 2013, the government introduced the National Employability Enhancement Mission (NEEM), which brought in apprentices without any right to a stipend or wage; they are paid a lumpsum that is equivalent to the wages of an unskilled worker. These apprentices perform the duties of a skilled worker, and yet they are paid the wages of an unskilled worker. Any liability incurred because of the worker is shifted from the firm to the government, whose NEEM agent is the one who signs the contract with the worker, and it is the NEEM agent who must oversee the work done. In other words, the government colludes with the firms to cheapen the cost of labour power in the manufacturing sector – from the least skilled parts of manufacturing to the most highly skilled.
2. Exemptions and Lack of Enforcement. In 1988, the government of India passed The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act. This Act states that any firm with less than nineteen employees need not maintain any record of the names of the employees. What this means is that the firm has no long-term commitment to the workers; they can be fired at any time, even if they are hurt in an accident at work. There is simply no way for a worker to hold the firm responsible for anything, or even to have a contract that stipulates working conditions and wages. In 2014, the government amended this Act to increase the size of the firm to one with forty or fewer workers. Advocate Kumar Ravishankar, who practices in the Labour Courts in Delhi, told researchers from Tricontinental: Institute for Social Research, "It means that the factories would on a given day show employment of less than forty and hence can deny the existence of other workers, since they are exempted from maintaining any muster rolls. In case of

> any dispute, the worker would be at a loss since the company can deny that the said person is an employee".

A legal apparatus that favours capital over labour leads to a situation where workers can burn to death. It is the structure within which the Indian workforce operates.

Garment workers: a survey

The garment sector in India – like the rest of Indian manufacturing – is divided between the formal and informal sector. According to government data, 45 million people work directly in the textile industry, which contributes to 2% of India's GDP and 15% of India's export earnings (Ministry of Textiles, 2017-2018). By 2018, India rose to be the third largest exporters of textiles in the world, after China and the European Union (WTO, 2019). These three regions – China, the EU, and India – account for 67% of the world's textile trade. India is the fifth largest exporter of garments, behind China, the EU, Bangladesh, and Vietnam. These four countries account for 72% of the garment trade, with India accounting for 16.6% of that trade. China is by far the world leader in the export of textiles and garments. No country comes close.

The informal sector – largely home-based work – is opaque, with the numbers of workers not easily gauged; the forms of exploitation are diverse, from the system of piece work to the hiring of children. Over the years, even in the formal sector, the conditions of work now resemble those of the informal sector (Rani and Sen, 2018; Indian Employment Report, 2018). This has taken place either through the gradual increase of the use of contract labour or through the general deterioration of working conditions due to the withdrawal of regulatory bodies. Alessandra Mezzadri calls this the "sweatshop regime", since it is not one form of work or another but "a complex system of labour subjugation and social oppression" with capital taking advantage of a "complex matrix of social differences and patterns of labour unfreedom" (Mezzadri, 2017). Caste, gender, region – all these axes of social differentiation provide subsidies to the garment sector, whose rate of exploitation can rise beyond belief as a consequence of the externalisation of social reproduction and of the brutalisation of social life.

In 2018, the all-women trade union – Tamil Nadu Textile and Common Labourers Union – started three radio stations broadcast through mobile phones in the cities of Chennai, Dindigul, and Tirupur. On the air, women who worked in the garment sector complained about the terrible conditions of work in the factories where they were employed. Callers into the radio programme spoke about a range of issues from the lack of basic facilities in the factories – such as toilets and creches – to sexual harassment and rape. The National Human Rights Commission (NHRC) ordered its Tamil Nadu branch to follow-up with these complaints, after they had been reported by Reuters (Nagraj, 2019). Kaveri Manoharan, head of Tamil Nadu's Directorate of Industrial Safety and Health, said that the investigations of the Directorate "found violations and have served notices to more than two hundred factories"; these violations include just what the workers had complained about – no toilets, no creches – but there was no word on the sexual harassment or management violence, little word on the very danger posed by these factories where industrial accidents can so easily claim the lives of all the workers.

Tricontinental: Institute for Social Research, where we are both researchers, has been involved in a long-term survey of garment workers in Delhi. Our team has collected data by doing long-form interviews with workers; these interviews, conducted with a questionnaire in the homes of workers and in factories, have provided us with vital information on the working-conditions and lives of the workers. This project, which began in 2018, will be an ongoing study for our Institute. This section is based on our analysis of the data we have thus far collected.

One of the key findings is that the idea that garment production takes place in India – and other places – because of the *cheapness* of the labour is entirely false. There is nothing inherently cheap about any worker's time and energy; the entire process *produces* what is called 'cheap labour'. The domination of capital over this sector defines and structures the labour process in such a way that the process benefits capital *almost entirely*, while the social reproduction of labour power is outsourced to the labourer and the labourers' families and communities.

The garment industry – from the standpoint of capital – is seasonal, based on the market demands that are structured by the overseas customers. The workers told us that they are laid off during the Monsoon season – August to October – and that their work picks up again in November. Whenever capital wants them, it hires them; when it does not want them, it lays them off. This seasonality is a key to understanding the precariousness of the informalized workers. Most of the workers are contracted by jobbers, who dominate their lives in many ways.

The jobber or contractor is hired by the manager or owner of the firm to provide workers when capital wants it and with as much servility as can be built into the relationship. The jobbers do not hire workers who are native to the NCR. They prefer to bring in migrants from far away, and therefore who are beholden to the jobber. Our survey found that 93% of the workers were migrants who come from rural areas. They live in rented accommodations or inside the factory. Working long hours, the workers are unable to build social connections with their neighbours.

Their entire day is focused around the factory. The contractor or the manager is able to utilise them for long hours, regardless of any labour regulation. The workers were expected to work overtime for low wages. An International Labour Organisation study, published in 2012, found that garment workers in the Noida SEZ – in the NCR – worked for ten hours per day, as well as two to six hours of overtime. This overtime work took place over all six working days for the six months of peak season. Pay for the overtime – above ten hours – was at the normal, not the premium, overtime, rate (Mansingh, 2012). Pressure on the work floor is so high that toilet breaks are almost impossible.

"We are here for work", one worker told us. "We left our family in the village. We try to work as much as possible to earn that little extra income to feed and support our family". Three-quarters of the workers we interviewed said that they are the only wage-earning member in their family; the agrarian crisis has beaten down the earning capacity of their families, who rely on remittances even though they themselves provide unpaid labour for the social reproduction of family life in the village. The workers rarely see their relatives. There is no paid leave for contract or casual workers, which is the situation for all our surveyed workers.

The garment workers in the NCR that we surveyed were all contract workers. None of them have any permanent standing. This means that they are basically denied the mandated social security benefits, such the Provident Fund, Employees State Insurance, and Bonus. Most of the workers earn between Rs. 9,000 and Rs. 11,000 per month. This is roughly 40% of the average national wage. To put this in context, an Oxfam calculation found that it takes just four days for a CEO of one of the top five global fashion brands to earn what a Bangladeshi garment worker earns in her lifetime (Oxfam, 2018). The legal minimum wage for Bangladeshi garment worker is 10,700 Taka, which is Rs. 9000, the lower limit of wages for the workers in our survey. That means that Pablo Tejera, CEO of Inditex – which owns Zara, and other brands – and is the biggest fashion group in the world, earns the NCR garment workers' lifetime wage in four days; it is also an absurd calculation because NCR garment workers do not even work for a full year and they rarely work for a lifetime.

Theft of garment worker wages happen on a routine basis. One of the meanest ways in which managers and bosses 'steal' from their workers it to pay them irregularly. Standard practice is to pay the workers on the first or the last of the month, which lines up with various bills that come due (such as for rent); garment workers we spoke to said that their bosses pay them either on the 7th, 10th or 15th day of the month, which makes it difficult for these hand-to-mouth workers to meet their monthly expenses. This unusual payment practice forces the workers to take on extra workdays – usually one or two weeks – without being paid.

The issue of expenses is crucial. The average work, we found, spends 68% of their earning to sustain themselves. For a worker with an average salary of Rs. 10,000, about Rs. 3,000 goes towards rent, Rs. 2,500 goes to food, Rs. 1,000 goes towards travel, and Rs. 150 is spent on their phone (an average of Rs. 200 is spent on health expenses – but this expense skyrockets upwards if there is anything beyond illnesses that can be self-treated with medicine). Only Rs. 2,700 is sent home to sustain the family in the distant town or village. There is almost no money towards the education of children. The rest of the money is spent on the very basic expenses; there is no money for leisure. If there is money to be spent on a religious festival or on a family occasion (weddings), the family must go into debt. An International Labour Organisation (ILO) report from 2015 based on their survey of garment workers in the NCR and in Bengaluru found that 56% of workers had outstanding household debts; half of those indebted owned more than Rs. 50,000 and a quarter more than Rs. 100,000. The workers borrowed to cover medical expenses. The money is borrowed from moneylenders, with the collateral being either family gold (very rare), the wages of the workers, or the threat of debt bondage. Employers rarely advance money (ILO, 2015).

Perpetual poverty is the standard for these workers

The complaints of the workers are many, but a few are important to highlight:

1. They do not get regular work.
2. Their wages are minimal.
3. They are not paid on time.

These are basic issues, nothing complicated about them. The workers cannot put their stamp on the production process; it is the process, and the capitalist's motivation for profit, that puts its stamp on them. Their lives are derived from that of capitalist accumulation, and so their lives are ancillary, secondary to themselves. The pressure upon them to survive alienates them from their own desires.

Trade unions

None of the workers we spoke to are part of any trade union. The last census of trade unions was published by the Government of India in 2012 (Labour Bureau, 2012). Only 15 states (out of 28 states and 9 union territories) participated in the Census, which makes these numbers incomplete. In these 15 states, there are 16,154 trade unions with a combined membership of 9.18 million workers. These trade unions are federated into one of at least twelve central trade union organisations. Amongst these, the Bharatiya Mazdoor Sangh (BMS) – the trade union affiliated to the fascist group, Rashtriya Swayamsevak Sangh (RSS) – has the largest membership but is the least militant union. The Communist-affiliated unions – the Centre of Indian Trade Unions (CITU), the All-India Trade Union Congress, the All-India Central Council of Trade Unions – are the most militant. The total membership of the central trade unions is above 25 million workers, with at least of fifth of them coming from the informal sector. The CITU, the largest left union, has 5 million members (as opposed to the BMS, associated with the fascist RSS) which has 9 million members.

If you set aside the 9 million members of the RSS's union, then a mere 16 million workers are in trade unions, which means only 3.5% of the workforce are in unions. This is a very low level of unionisation (our numbers are one third of those given by the ILO). A recent ILO report notes, "Although trade union numbers are quite high in absolute numbers, the tendency to effectively bargain is quite low due to a lack of statutory support to promote collective bargaining in India" (ILO, 2018). And this statutory support – the legal apparatus – which is largely ignored on the ground is now being deliberately destroyed with the new labour code. Working conditions are so poor in the garment sector – for example – that workers are often retrenched or leave for health conditions; high-turnover makes unionisation very difficult (this was evident in our survey, and in Mansingh, 2012).

"It is very difficult to start a union", Ram Swarath of the Centre of Indian Trade Unions, who organises workers in the garment sector, tells researchers from the Tricontinental: Institute for Social Research (Swarath, 2019). "If the management comes to know about that somebody has joined a union", he told us, "then they would be dismissed from work immediately. And no other worker would employ that worker". The disincentive to form a union is immediate. CITU has only one union in the entire area; this is with a company called Barbell India Private Limited.

Workers are employed for only ten months a year; if they want to remain at work, they have to get their contracts renewed. That is one of the reasons why workers do not want to file grievances or make any noise. CITU filed a case in the Labour Court on behalf of one worker; that case has been sitting in the court for the past three years, which has meant that the worker – who lives on very slim margins – cannot easily survive.

The entire regime of sweatshop production along the global value chain has produced a manufacturing phenomenon of light footprints in terms of investment. Factories are often rented, their fixed costs minimal, and their reliance upon that area – in this case the NCR – is not essential. Capitalists can close down a firm at any moment and move on; or they sell off their business, which often means that any legal challenge by workers on management is muddied.

In May 2012, the CITU took up a case against AMS Fashions, a garment exporting firm that operates in the Noida Special Economic Zone (SEZ), which is in the state of Uttar Pradesh, adjacent to Delhi (ILO, 2015). The firm refused to negotiate with Vastra Silai Udhyog Kamgar Union, a CITU affiliate. When the workers attempted a strike, CITU argued, the police intervened on the side of the factory owners (ILO, 2015). Towards that end, the CITU wrote to the ILO about the problems at this particular factory, where anti-union layoffs and dismissals followed after the attempted strike. On 17 October 2011, the firm laid off 407 workers; then on 3 February 2012, it retrenched 110 workers. These removals, CITU noted, were against the Industrial Disputes Act, 1947. The union informed the ILO that the Labour Commissioner, whose remit is to supervise the workers' well-being, also held the job of the Development Commissioner of the Noida Special Economic Zone, whose remit is to promote business. CITU told that ILO that the Labour Commissioner/Development Commissioner did not respond to their requests. The ILO urged the government to move forward on a dispute settlement, and to refrain from anti-union actions.

The Government of India responded to the ILO on 28 February 2013 on the question of the conflict of interest for the Labour Commissioner. The government said that the Development Commissioner's job was to "provide ease and comfort to both the entrepreneurs and the units and this system is working well in the Noida Special Economic Zone". The Development Commission, the Government said, is there for "facilitating expeditious and objective implementation of labour laws in special economic zones". This is as far as things go. Five hundred and seventeen workers are laid-off; they have no rights in this matter, while the firm continues to operate. The company was sold; it operates under a new name, Ram Swarath told Tricontinental (Swarath, 2019).

A recent ILO report (Mansingh, 2012) has examples from three factories in the Noida SEZ that are worth quoting in full:

1. Silvia Apparel Limited, Noida Special Economic Zone: In the case of Silvia Apparels, the management never implemented a single labour law. Workers were not even allowed to talk to one another. There are many cases of harassment that were never brought out of the SEZ premises. About 300 to 400 women workers and 500 to 600 men workers work there. No registers were maintained to prove that a particular worker belonged to this company. Workers were given neither minimum wages nor any other benefits as per the labour statutes. When the workers gathered together and tried to form a union to put forward their

demands, the management resorted to violence. Workers even complained to the development officer, but he never paid any heed to their demands. At one point, when the workers had gathered together, the management ordered a lathi [stick] charge by its security personnel. Workers were beaten up brutally inside the company premises. After that lathi charge, workers were unable to form a union. All the plans of forming a union came apart.

2. AMS Fashions Private Limited, Noida SEZ: In 2001, the employers retrenched all the workers from Silvia Apparels Private Limited and changed the company's name to AMS Fashions. The same old story was repeated in AMS Fashions. When a manager misbehaved with two women workers, there was a huge protest by workers in November 2011. When two women workers raised an alarm against the misbehaviour of Manager Althaf Hussain, they were brutally beaten by the company's security personnel. These two women workers approached the police to file a case, but the police refused to even file an FIR. They approached the magistrate and he directed the police to register an FIR under Section 156, and also ordered for a probe. In response to this, the police conducted an enquiry and submitted a report saying the claims of these two women workers were invalid, and that no such violence took place at the work site. Now, AMS Fashions has also closed down and all the workers have been sent back.
3. Garmex exports company, Noida SEZ: At Garmex, when workers tried to form a union, the management ordered a lathi charge (police attack with batons). One woman worker died in the lathi charge. The company has since closed down.

The basic point is that the factories are run with the close collaboration of the State (the Development Commissioner, the Labour Commissioner, and the police), and that the State provides no succour to the workers who find it hard to deepen the bonds of society let along unionisation.

One of the most well-known effects of neo-liberal policy is the evisceration of trade unions – often through the reorganisation of industries around Special Economic Zones, around sub-contracted small manufacturing firms and around home-based outsourced labour. It has been a challenge on the global stage to find ways to organise workers in the new kinds of industry, which have been designed to prevent trade union organisation. The nature of the global commodity chain, which disarticulates production across several countries, invalidates the one major political support that the workers and the Left could rely upon – the role of the State, whether to insist upon regulations that benefit workers or to utilise the policy of nationalisation to build power for their own citizenry. The new regime of the global commodity chain has made the state prone to global capital, eager to please firms that are otherwise footloose, and eager as well to attract foreign direct investment (FDI) that relies upon a state's commitment to Money over its population. Having lost one of its potential pillars of support, the workers are now thrown to the wolves.

Future

The largest recorded strike in world history took place in India in 2016, when 180 million workers protested the government of Prime Minister Narendra Modi. The demands of this strike are – as usual – many, but they centre around the deterioration of the livelihood of workers, around the demise of work itself for many people and around the political attack on unions.

The government, since 1991, knew that it was not enough to privatize the public sector and to sell off precious public assets to private hands. It had to do two more things. First, it had to make sure that public sector enterprises would fail and would then lose legitimacy (Khanna, 2015). The government starved these public sector firms of funds and watched them swing in the wind. Without investment, these firms were unable to make improvements and so began to deteriorate. Their demise validated the argument of liberalization, although their demise had been manufactured by an investment strike. Second, the government pushed to break trade union power by using the courts to undermine the right to strike and by using the legislature to amend the trade union laws. Weaker unions would mean demoralized workers, which would mean that workers would now be utterly at the mercy of the private firms.

Since 1991, the trade unions have conducted at least 18 strikes that have brought over 150 million people onto the streets. These general strikes have been about livelihood issues and about the right to strike. A new trade union law sits in the Parliament that is going to be enacted by the government; it would mean the death of trade unionism in India. Trade union leaders' statements about enslavement seem less hyperbolic in this context. If workers have no power, then they are effectively enslaved to the firm. This is already the case in factories that operate almost like concentration camps. Walking through factories along the Chennai-Coimbatore corridor or in the Manesar area gives you a sense of the power of these new factories. They are a fortress, difficult to breach. Or a prison. Either way, trade unions are not welcome there. They are kept out by force – either violence or political muscle. Workers are often brought in from far away, migrants with few roots in the area. No workers stay long. As soon as they appear settled, they are removed. Footloose workers and harassed trade unionists make for a harsh work environment. The culture of working-class solidarity erodes, social violence grows – the seedbed of neofascist politics.

We asked K. Hemalatha, president of the CITU, about the situation with workers in the SEZs and the potential for unionisation. Her answer (Tricontinental, 2019) was straightforward,

> [...] Special Economic Zones (SEZs) and Exclusive Export Units are all across India, but they are concentrated in a few states. The SEZ Act in India (2005) does not prohibited labour organising. All labour laws are applicable to the SEZs but the government has avoided their implementation in order to attract investment from multinational firms. Labour laws are not honoured in these SEZs and workers are afraid. Laws related to maternity benefits, sexual harassment, minimum wage, right to organisation, collective bargaining, and so on are not applied. Firms are given time-bound exemptions for complying with certain labour laws, say for five years. After five years, they close up their shop, change their name and start a new factory or they leave one SEZ and go to another.
>
> The firms hire workers from far outside the region of the SEZ. We found that in one SEZ in Andhra Pradesh, the firm sent company buses to villages as far as 100 kilometres from the factory. They gathered workers who came to work, terrified of losing their jobs. When we got one factory to agree to improve conditions, the state government used the entire machinery of the state to prevent the agreement. The government did not want to provide any example of worker advance, since this would perhaps scare off new investment.
>
> Union cadre are not allowed into the SEZs. We wait outside and distribute leaflets based on information provided by disgruntled workers. We share with them an assessment of what they are entitled to based on the law. At the Visakhapatnam EPZ (Export Processing Zone) in Andhra Pradesh, there were diamond cutting factories owned by people from Belgium and Israel. Workers at the SEZ went on a spontaneous strike. We supported them. They gained confidence and set up a CITU-affiliated workers' union. The government refused to accept what had happened. The police were sent in. We approached the International Labour Organisation to act. Earlier the managers used to hire goons to intimidate workers; now the employers seem to hire goons to be the managers.
>
> On one side you have SEZ workers and on the other you have home-based workers. Home-based production has certainly increased in a range of sectors, from *bidi* (cigarette) rolling to the stitching of blue jeans. Outsourcing has become rampant. Companies distribute raw material to the workers who manufacture the goods in their homes – often in slums. Workers do not produce the entire product; often they produce just a part of the commodity. This means that the workers are not concentrated in one factory, where they would be and able to be organised. Rather, they are working on just a part of the commodity and have less power because of this. We have taken up the organisation of home-based workers as one of our priorities, but we know that this kind of work is very difficult. In Anantapur (Andhra Pradesh), we have been able to create a union of workers who stitch blue jeans. But it is not strong yet.

> One of the methods we are going to use is to organise people in their residential areas and not just at the places of production. We took this decision at the 15th CITU conference in 2016. We decided that workers need to be organised through the struggles for electricity and sanitation as well as ration cards [document that allows people to purchase food grains at subsidised rates from licensed shops].

CITU played a key role in the general strike in 2020, when 200 million workers from a wide range of industries and services went on strike. The various trade unions that organised the strike produced a robust charter of demands, which summarises the wide-ranging and honest claims that the workers are making against capitalism:

Workers' Charter of Demands (March 2019)

1. Fix national minimum wage as per the recommendations of 15th Indian Labour Conference and Supreme Court judgement in the Raptakos & Brett case, which has been reiterated unanimously by later Indian Labour Conference.
2. Abolish Contract Labour system in perennial nature of job pending which strictly implement equal wage and benefits to contract workers doing the same job as permanent workers, as per Supreme Court judgment.
3. Stop outsourcing and contractorisation of jobs of permanent and perennial nature.
4. Strict implementation of equal pay for equal work for men and women as per Indian Constitution and equal remuneration act and also reiterated by Supreme Court.
5. Minimum Support Price for the produce of the farmers as per the recommendations of Swaminathan Commission, strengthen public procurement system.
6. Loan waiver to farmers and Institutional credit for the small and marginal farmers.
7. Comprehensive legislation covering social security and working conditions for all workers including agricultural workers.
8. Take immediate concrete measures to control skyrocketing prices of essential commodities; ban speculative trading in essential commodities. Expand and strengthen public distribution system; no compulsory linkage of Aadhar to avail services of PDS.
9. Check unemployment through policies encouraging labour intensive establishments; link financial assistance/incentives/concessions to employers with employment generation in the concerned establishments; fill up all vacant posts in government departments; lift the ban on recruitment and 3% annual surrender of government posts.

10. Assure minimum pension of Rs 6000 per month and indexed pension to all.
11. Recognise workers employed in different government schemes, including anganwadi workers and helpers, ASHAs and others employed in the National Health Mission, Mid-day Meal workers, Para teachers, teaching and non-teaching staff of National Child Labour Projects, Gramin chowkidars etc as workers and pay minimum wages, social security benefits including pension etc to all of them.
12. Immediately revoke 'Fixed Term Employment' which is in violation of the spirit of ILO Recommendation 204 which India has ratified.
13. Stop disinvestment/strategic sale of public sector undertakings. Give revival package to the important PSUs in the public interest.
14. Revival and opening of jute industries and tea plantations, as thousands of workers in these industries are facing distress, malnutrition and deaths due to closure.
15. Revoke the decision to privatise Railways, Defence, Port and Dock, Banks, Insurance, Coal etc. Immediately revoke decision allowing commercial mining of coal mines.
16. Withdraw the Motor Vehicle Act (Amendment) Bill 2017 and Electricity (Amendment) Bill 2018.
17. Immediately resolve the issues of the central government employees related to the recommendations of the 7th Pay Commission.
18. Scrap NPS and restore the Old Pension Scheme.
19. Stop anti worker and pro employer amendments to the labour laws and codifications. Ensure strict implementation of the existing labour laws.
20. Implement paid maternity leave of 26 weeks, maternity benefit and crèche facilities for women workers no incentive be given to employers who are following amended provision of Maternity Benefit Act as proposed by the Government.
21. Strict implementation of the Prevention of Sexual Harassment of Women at Workplace Act.
22. Ratify ILO Conventions 87 and 98 on Freedom of Association and Right to Collective Bargaining along with the ILO Convention 189 on Domestic Workers.
23. Stop dilution of OSH & Welfare provisions through merger of 13 Acts in one Code. Ensure implementation of existing Acts and rules. Vacant posts of factory inspectors, Mines inspectors etc and lift ban on inspections. Ratify ILO C-155 and recommendation 164 related to OSH & Environment. Tripartite audit of human and financial loss due to accident should be mandatory.
24. Strengthen Bipartism and Tripartism; make recognition of trade union by the employers mandatory in every establishment; no decision should be taken on any issue related to labour without consensus through discussion with trade unions, ensure regular, meaningful social dialogue with workers representatives.

25. Cut the subsidies given to the corporates.
26. Right to work as fundamental right by amending the Constitution.
27. 300 days of work under MGNREGA. Enact similar legislation to cover urban areas. Fix minimum wages not less than minimum wages of the state.
28. Strict measures to stop the inhuman practice of manual scavenging. Compensation, as per Supreme Court judgment, to the families who die while cleaning sewers.
29. Strict implementation of the SC/ST Prevention of Atrocities Act
30. Immediately fill up all backlogs in the posts reserved for SC/ST; reservation of jobs for SC/ST in private sector employment also.
31. Protect couples opting for inter-caste and inter-religious marriages. Ensure strict actions against those encouraging/ resorting to so called 'honour killings'.
32. Ensure strict punishment according to law for all guilty of rape and other cases of violence against women in letter and spirit.
33. Ensure effective implementation of Article 51A of the Constitution that calls upon all citizens to promote harmony, spirit of common brotherhood, diversities and to transcend religious, linguistic, regional and sectional culture and to denounce policies derogatory to the dignity of women.
34. Free and compulsory education to all children up to Class XII along with technical education. The budget allocation for education should be 10% of the GDP.
35. Free health care for all. Strengthen health infrastructure, particularly in the rural and tribal areas. Increase government expenditure on health to 5% of GDP.
36. Workers should have active and effective participation in all Welfare Boards constituted for their welfare.
37. Potable drinking water be provided to whole populace.
38. Fill up all already sanctioned vacant posts.
39. Lift Ban on recruitment in all Government and Public sector undertakings and also 3% compulsory annual surrender of post.
40. Lifting ban on new creation of posts on introduction of new work.
41. Protection of street vendors should be ensured. States should frame rules accordingly.
42. In order to protect the interests of Home-Based Workers which is women dominated sector ILO Convention 177 for Home Work be ratified along with an Act for Home Based Workers.
43. The unspent amount of cess collected under Building and Other Construction Workers Welfare Board be spent only on welfare of workers. Welfare Boards should have adequate workers representation. The functioning of the boards should be strengthened so that the workers can get registered with the board and have easy access to welfare benefits.

44. The Government should direct the States to frame the rules for inclusion of waste recyclers of the solid waste management in the cities at all levels.

Conclusion

The list of demands is formidable. Many of them are rooted in the class struggle in India, defending laws and rules that had been won over decades of struggle, making sure that trade union rights are not going to be further cut-down. But the demands are not only economic, but also social – demands for freedom of young workers to marry whom they like, freedom for young women to make choices outside the most suffocating traditions. Reading these demands is bewildering because they are not easy to classify; there is so much that the workers demand, their pent-up frustrations with declining conditions of labour and life growing rapidly. The far-right government, which was re-elected in 2019, has little interest in moving a pro-worker and pro-peasant agenda; it is far more interested in divisive social policies that divert worker unity into religious and regional conflicts. The BJP is an authentically capitalist party, entirely committed to the IMF policy of 'labour market reform'. No ruling class party is able to manage to win mass support in a democracy if it goes before the people only with its capitalist agenda; no worker is going enthusiastically to back a party that pledges to ruin the lives of workers. That is why ruling class parties require another platform to derive mass support. The BJP goes to the people as a party with a suffocating social agenda, a party that pledges to help the majority Hindu population against the various minority groups in India. It is easier for the BJP to break through the potential unities of class and nation-hood through the use of cleavages of religion and region, gender and caste; the BJP's formulation of nationalism is entirely about majoritarian politics, a nationalism that is the patriotism of the many rather than a nationalism that is framed around Constitutional values and democracy. Worker rights are a consequence of a full-throated democracy. That is what the trade unions demand. It is not what this government can accept.

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Abstract

India's Liberalisation Project and the Future of Trade Unions

India's ruling class, since the liberalisation period that began in 1991, has attempted to fragment and weaken India's trade union movement. The main instrument for this weakening is to be the IMF-drive 'labour market reform' agenda. However, the Indian working class has struggled against the structural process of being integrated into the global value chain, a process that has put pressure on the trade union movement even as trade union laws remain in place. Drawing upon a survey we have conducted amongst garment workers in the Delhi region, we describe the nature of the class struggle faced by Indian workers, and we introduce the reader to the character of the resistance offered by the workers and the unions.

Keywords: Trade Union movement; India; India working class; Class struggle.

Resumo

O projeto de liberalização na Índia e o futuro dos sindicatos

A classe dominante da Índia, desde o período de liberalização iniciado em 1991, tentou fragmentar e enfraquecer o movimento sindical do país. O principal instrumento para esse enfraquecimento é a agenda da "reforma do mercado de trabalho", impulsionada pelo Fundo Monetário Internacional. No entanto, a classe trabalhadora indiana lutou contra o processo estrutural de integração à cadeia de valor global, um processo que pressionou o movimento sindical, mesmo com as leis sindicais em vigor. Com base em uma pesquisa que realizamos entre trabalhadores da confecção de roupas na região de Délhi, descrevemos a natureza da luta de classes enfrentada pelos trabalhadores indianos e apresentamos ao leitor o caráter da resistência oferecida pelos trabalhadores e pelos sindicatos.

Palavras-chave: Movimento sindical; Índia; Classe trabalhadora indiana; Luta de classes.

Recebido em 11/12/2019 e aprovado em 25/2/2019.

DOI: 10.11606/0103-2070.TS.2020.164980.

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