LABOUR PROCESS AND TECHNOLOGY: TRADE UNION DEBATES AND THE INDIAN BANKING SECTOR (1990-2006)

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SHASHI KANT PRASAD

CENTRE FOR STUDIES IN SCIENCE POLICY

SCHOOL OF SOCIAL SCIENCES

JAWAHARLAL NEHRU UNIVERSITY

NEW DELHI– 110067

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CERTIFICATE

This is to certify that the dissertation entitled "LABOUR PROCESS AND TECHNOLOGY: TRADE UNION DEBATES AND THE INDIAN BANKING SECTOR (1990-2006)", Submitted by SHASHI KANT PRASAD, Centre for Studies in Science Policy, School of Social Science, Jawaharlal Nehru University, New Delhi-110067, India, in partial fulfilment of the requirements for the award of the degree of MASTER OF PHILOSOPHY is his original work and has not been previously submitted for any other Degree of this or any other University.

We recommend that this dissertation be placed before the examiners for evaluation.

Shashi Kant
(SHASHI KANT PRASAD)

Prof. Pranav N. Desai

(Chairperson)

PRANAV N. DESAI
Professor & Chairperson
Centre for Studies in Science Policy
School of Social Sciences
Jawaharlal Nehru University
New Delhi-110 067

Dr. Rohan D'Souza

(Supervisor)

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Abbreviations

AIBEA: All India Bank Employee Association

AIRBEA: All India Reserve Bank Employees' Association

AITUC: All India Trade Union Congress

ATMs: Automated Teller Machines

BEFI: Bank Employee Federation of India

BJP: Bhartiya Janta Party

BMS: Bhartiya Mazdoor Sangh

BPE: Business per Employee

BPOs: Business Process Outsourcing

CITU: Center for Indian Trade Union

CPI (M):   Communist Party of India (Marxist)

CPI: Communist Party of India

FBS: Fourth Bipartite Settlement

GPS: Global Positioning System

HMS: Hind Mazdoor Sabha

IBA: Indian Banks Association

INBEF: Indian National Bank Employee Federation

INTUC: Indian National Trade Union Congress

NCBE: National Confederation of Bank Employees

NEP: New Economic Policy

NOBW: National Organisation for Bank Workers

RBI: Reserve Bank of India

RSS: Rashtriya Swyamsevak Sangh

SAP: Structural Adjustment Programme

SBI: State Bank of India

SC: Scheduled Caste

ST: Scheduled Tribes

TU: Trade Union

UFUB: United Forum for Banking Union

VRS: Voluntary Retirement Scheme

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1

Introduction

Technological change in work place routines and labour conditions has been one of the striking features of economic liberalisation — an era marked by the 'triumph' of the market.[1] In contrast to the earlier phase of Taylorism[2] and Fordism[3] in which manufacturing and the services were characterised by relatively inflexible factory modes of production[4], economic liberalisation, beginning from the 1980s, helped initiate a vast set of changes in work conditions. Besides registering a rise in the number of casual or temporary workers, the average working time had also increased.[5] In fact, many routines of office work itself have been so transformed by technologies that the notion of an individual and personalised cube has given way, in several instances, to a new sense of work place such as the home, assortment of locations within the office, trains, planes and airports.[6] In a several ways, therefore, the idea of work itself has spilled over from office to home or other spaces.[7] With

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[1] Amit Bhaduri and Deepak Nayyar, *The Intelligent Person Guide To Liberalisation*, New Delhi, Penguin Books, 1995.

[2] Taylorism also known as scientific management came into existence during late 19th and early 20th century. Its basic principal is to analyse and synthesises workflow, with the objective of improving labour productivity. Taylorism has been seen by various scholars as the division of labour to its extreme, with consequent de-skilling of the workers and dehumanisation of the workplace.

[3] Fordism is named after Henry Ford. The idea of Fordism was to combine mass production with mass consumption to produce sustained economic growth and widespread material advancement. It is characterised by mass production. This system is based on standardisation- standardised components, standardised manufacturing process, and a standard product. It also given a variety of public policies, institutions, and governance mechanism intended to mitigate the failures of the market, and to reform modern industrial arrangements and practices.

[4] Michel Aglietta, *A Theory of capitalist Regulation: the US Experience*, London, Verso, 2000 (1979), pp. 111-47.

[5] See, Pierto Basso, *Modern Times, Ancient Hours: Working Lives in the Twenty-first century*, London, Verso, 2003. and Brigid van warooy & Shun Wilson, 'Convincing the toilers? Dilemmas of long working hours in Australia', *Work, employment and Society*, 20 (2), 2006.

[6] Alan Felstead, Nick Jewson, and Sally Walters, 'The shifting locations of work: new statistical evidence on the space and places of employment', *Work, employment and society*, 19 (2), 2005.

[7] Jeff Hyman, Dora Scholarios, and Chris Baldry, 'Getting on or getting by? Employee flexibility and coping strategies for home and work', *Work, employment and society*, 19 (4), 2005.

advancement of technology, moreover, employers have the means to now monitor e-mails, phone conversations and work compliance. A whole set of tracking devices have also come into being such as video surveillance, Global Positioning System (GPS) tracking of company cars and even the use of infrared badges to determine an employee's location at a given point of time.[8] According to Jeremy Rifkin, we are entering a new phase in the idea of work and human labour. He suggests that sophisticated computers, robotics, telecommunication, and other information age technology will and are fast replacing human beings in virtually every sector and industry. He argues that these changes may in fact herald the end of work, as we have known it, with near-workerless factories.[9]

Thus, with such far reaching transformations being introduced both in the realm of the workers condition of labour and the relations of work that it was but inevitable that Trade Union functioning was bound to be affected. Understanding the role and possibilities for Trade Union activities and actions in such a rapidly evolving technological and economic regime has received some scholarly attention. This dissertation will attempt to add to such research by exploring some aspects of the dynamic between Trade Union organizations and technological change in India.

According to Allan Flanders, the essential purpose of the Trade Union (TU) is to enable 'participation in job regulation', though this does not necessarily make it incompatible with wider social pursuits such as involvement in shaping larger policy challenges in income, production and profit.[10] Robert Hoxie, on the other hand, argues that unionism is fundamentally aimed at responding to the deep and basic difference of interests between employees and employers, though it does not, according to him, follow from this that unions will seek to overthrow the capitalist system.[11] Contrary to Hoxie, A. Lozovsky, a Marxist,

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[8] Frederick s. Lane, *The naked Employee: how technology is compromising workplace privacy*, New York, American Management Association, 2003.

[9] Jeremy Rifkin, *The End of Work: The Decline of the Global Labour Force and the Dawn of the Post-Market Era*, New York, G.P. Putnam's Sons, 1995.

[10] Allan Flanders, 'What are Trade Unions for?', in W.E.J.McCarthy (ed.), *Trade Unions: Selected Reading*, London, Penguin Education, 1972.

[11] Robert F.Hoxie, 'The Economic programme of trade Union', in W.E.J.McCarthy (ed.), *Trade Unions: Selected Reading*, London, Penguin Education, 1972.

believes that TUs should be seen as organising centres for working-class training and 'schools of socialism', where the fight to eliminate wage-competition prepares the proletariat for the real struggle against capitalism.[12]

However, in the context of liberalisation with rapidly evolving technological and economic change, innovation in production process has not surprisingly become a site for a bitter struggle between capitalists and TUs. As Marek Korczynski and Neil Ritson in their recent study on several industries point out, there has been a rising tendency for employers to push for derecognising unions. In particular, they have identified the oil and chemical industries as being indicative of this trend. They present data that shows that major oil and chemical firms have, on the one hand, derognised unions for key internal staff, but on the other hand, have enforced a centralised bargaining framework for their on-site contractors engaged in the out-sourced repair, maintenance and construction work. In effect, for external workers, the management viewed TUs as acceptable, while for internal workers unions were treated as barriers to their objectives. In other words, not only were workers split into categories but they were also given differential access to TU bargaining.[13] Similarly, Sarath Davala argues that in the liberal regime union power is sought to be continually restricted through various strategies that have been adopted by multinationals, in particular; such as reducing the permanent workforce, organising bulk of their production through ancillary units or by employing casual, contract or other forms of unprotected labour.[14] Along similar lines, Andy Danford, Mike Richardson and Martin Upchurch argue that the adoption of new management strategies and flexible working practices in the manufacturing industry has caused a fragmentation of the traditional collective base of the TUs.[15]

Henk Thomas while discussing globalisation and third world trade Unions argues that in most of the third world a number of factors have prevented TUs from expanding in ways

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[12] A.Lozovsky, 'The Role of the Trade Unions in the general Class Struggle of the Proletariat', in W.E.J.McCarthy (ed.), *Trade Unions: Selected Reading*, London, Penguin Education, 1972.

[13] Marek Korczynski and Neil Ritson, 'Derecognising Unions and Centralising Bargaining: Analysing Dualism in the Oil and Chemical', *Work Employment Society*, 14(419), 2000.

[14] Sarath Davala, 'New Economic Policy and Trade Union Response', *EPW*, 29 (8), 1994.

[15] Andy Danford, Mike Richardson and Martin Upchurch, 'Trade Union strategy and renewal: the restructuring of work and work relations in the UK aerospace industry', *Work, employment and society*, 16(2), 2002

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similar to those in industrialised countries. First, these traditional sectors have remained of modest importance in economies with large rural base. Second, in a number of countries structural adjustments have destroyed public-sector employment. Third, trade union organisation has been either severely attenuated or even forbidden in many countries.[16] These changes have led some commentators to argue that, in order to survive, manufacturing unions must reject oppositional stances and instead offer support for meeting the company objectives and instead support work reforms and partnership relations with management at the workplace level.[17]

Disagreeing with the above, other scholars believe that in the context created by economic liberalisation, despite the weakening of the TUs, the latter still have a substantial role to play. More so, as Andy Danford, Mike Richardson, and Martin Upchurch argue, the complexity at the local workplace will keep unions relevant even though there may be failures at the national level.[18] Tage Bild at al, on the other hand, argue that with changing work relations and contexts it is not that labour commitment to the TUs have waned but there now exists a commitment to the union that is simultaneous with a very strong connection to the firm. The worker, in their opinion, must now be seen as being different with values that are highly individualized and consumer driven rather than favouring non-material needs and interests and strongly supportive of the public welfare system. Secondly, they argue that labourer sense of solidarity has also changed; that is, it has not disappeared, it has become more oriented towards narrow relations in the workplace and at the local society level. In conclusion, they contend that the unions have a future if they can articulate and negotiate the interests of such aspirations. A future for the TUs, therefore, that will depend on how the union leadership sensitively listens to what new labour thinks and wants.[19] Along a similar line of reasoning in which the TUs are asked to change, Raymond F.Scannell suggests that the reorganisation of the workplace is not to be stopped, rather, TUs can contribute to shaping

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[16] Henk Thomas, *Globalisation and Third World Trade Union: The challenge of Rapid Economic change*, London, Zed Books, 1995.

[17] J.Bacon and D. McCabe, 'Individualism and Collectivism and the Changing Role of Trade Unions', in P. Ackers, C. Smith and P.smith (ed.) *The New Workplace and Trade Unionism*, London, Routledge, pp. 41-76.

[18] Andy Danford, Mike Richardson and Martin Upchurch, 'Trade Union strategy and renewal: the restructuring of work and work relations in the UK aerospace industry', *Work, employment and society*, 16(2), 2002.

[19] Tage Bild at al, 'Do Trade Unions have Future? The Case of Denmark', *Acta Sociologica*, 41(3), 1998.

and controlling the direction of change. The TU, therefore, must be a conscious and effective participant in making the choices shaping the 'brave new' workplace. Consequently, for Scannell, a program of education and consciousness raising amongst the TU leadership is required to prepare them to play a decisive role in determining the future of the works place and labour relations.[20]

From the above, it appears that there exists a considerable scholarship that does not entirely subscribe to the narrative of TU decline, following economic liberalisation. Rather, for these scholars the TU should become active participants in shaping new work routines, adapting workers to technological change and lastly moving from a position of opposition to capitalism to one instead of connecting the worker to the firm. However, such reasoning, despite its optimism about the role of the TUs in the changed economic and technological settings, fails to explain the nature of tensions that persists between the worker and management or between labour and capital. At heart, is the inability of such studies to insightfully grasp the varied aspects of the TU response and understanding of the role of technological change. In other words, the TUs, as reflecting one of the most organised political consciousness of the worker, has not been studied for its particular deliberations on technological change. In India, in particular, few studies, if at all, have explored or documented the role of the TUs in their debates, responses and strategies over the challenge of technological change. E. A. Ramaswamy argues, workers in India welcomed technological advancement, in spite of the fact that it increased work-loads. He believes that workers linked machine operation with prestige, that is to say operating or working with latest machine considered to be a prestige job. It was believed that wage could be earned only so long as technology was good enough to enable profitable operation. Ramaswamy also argues that, on the issue of technology, TUs have given free hand to employer. Workers, according to Ramaswamy are not involved in technological choices. They did not consider that they [workers] had any legitimate role in technological matters. He believes, workers this indifference can only be overcome through proper education on technological choice in industry.[21]

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[20] Raymond F.Scannell, 'Adversary Participation in the Brave New Workplace: Technological Change and the Bakery, Confectionery, and Tobacco Workers' Union', in Glennadler and Doris Suarez (ed.), *Union Voices: labour's Responses to Crisis,* New York, State University of York press, 1993.

[21] E.A.Ramaswamy, 'What Education Do Workers Need?', EPW, 18 (9), 1983, pp. M4–M11.

J.E.Mortimer, argues that TUs, on the question of technological change, have centrally been concerned with the maintenance of full employment, as it might directly affect the welfare of their membership. Amongst the working class the memory of unemployment and the fear of unemployment are handed down from one generation to another and therefore shapes workers' attitude towards change. A worker is not likely to be impressed by the advantages of industrial development if the immediate consequence to him is redundancy in his existing job followed by prolonged unemployment. So the attitude of the unions towards technological change rests first and foremost on a demand for full employment. For TUs change must take place within a context of full employment. Thus, Mortimer points out, full employment is the first requirement for the full co-operation of workers in any situation of radical or rapid technological change. The second is that the workers should share in the benefits of industrial progress and their right to share should be recognised by all concerned, including government and employers. The pursuit of technical progress, hence, for Mortimer, can be tempered by TUs using a combination of pressures exerted through collective bargaining and politically influencing economic policies.[22]

Loet Leydesdorpf and Sjerp Zeldenrust, on the other hand, argue that TU policy with regard to technical and technological change is subject to a number of constraints and dilemmas. They believe that the TUs were more successful when challenging issues of less far-reaching technological content. The TUs lacks of information and access to higher level managerial strategic decision-making, in particular, have greatly limited their space for manoeuvre. They suggest that if TUs want to influence the direction of technological change, it is necessary for them to advance strategic demands that transcend practical contingencies and instead strive to grapple with larger processes.[23] Gregor Gall in a study of press workers adds another twist by arguing that the balance of workplace forces and management control are not technological but socially constructed and often determined in a complex and contradictory way. Thus, there are continually both spaces and opportunities for workers' collective resistance to the imperatives of capital. As a result the conditions for re-building

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[22] J.E.Mortimer, *Trade Unions and technological Change*, London, Oxford University press, 1970.

[23] Loet Leydesdorft and Sjerp Zeldenrust, 'Technological change and trade unions', *Research Policy*, 13 (3), 1984, pp. 153–164.

union power can also arise in the circumstances of technological and organisational change.[24] In effect, Gall views change as a possibility for TUs to exercise agency in achieving their goals rather than merely collapsing to the assaults of capital.

Most Indian TUs are marked by a unique specificity, with most of them being affiliated to a political party. Put differently, every political party has its labour wing. Each TU, therefore, has policies shaped by larger political calculations. Rivalry between unions, in effect, may often reflect differences over larger political questions than one exclusively involving labour disputes. Such rivalries can nevertheless, as argued by Ralph C. James, force unions to forcefully take up challenges for improving wages and working conditions in order to support the political objectives of their parent parties. Maintaining rank-and –file following may, however, also require TUs to sometimes function autonomously from their parent party.[25]

Surender Mohan, on the other hand, sees the political affiliation of Indian TUs as a problem and argues that the former's control over the latter often causes splits in the workers movements. He further argues that these political parties in thus interfering in labour activities, on the one hand, weaken the bargaining capacity of the working class and, on the other, encourage anti-democratic practices[26]. Sarath Davala, with similar views, also believes that Indian TU are overwhelmed in their own petty rivalries and therefore often fail to see several common issue that affect the working class in general. He further argues that the present trade union leadership, particularly that of the central organisations, has become stagnant and has failed to adapt itself to the changing environment. The growth of independent enterprise unionism during the last decade is essentially a reflection of this failure. Secondly, TU organisations with their excessive reliance on protests and agitations have failed to professionalise their style of functioning. They have neglected training and research which, Davala argues, are the most important weapons for struggle in the modern context.[27]

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[24] Gregor Gall, 'Resisting the Rise of Non-Unionism: the case of the Press Workers in the Newspaper Industry', *Capital & Class*, 64, spring, 1998.

[25] Ralph C.James, 'Trade-Union Democracy: Indian Textile', *Political Research Quarterly*, 11 (563), 1958.

[26] Surrender Mohan, 'The Facade of Trade Union Unity', *Labour file*, www.labourfile.org, accessed on 5-4-09 at 22:20 IST

[27] Sarath Davala, 'New Economic Policy and Trade Union Response', *EPW*, 29 (8), 1994, p- 406.

From the above brief survey of studies that have engaged with the many sided relationships between TUs and technological change in the work place, two broad trends seem to emerge. First, technological change cannot be simply read as a technical or logistical challenge for TUs. Rather, within the very pace and structure of the change introduced by economic liberalisation lie several new possibilities and challenges for TU functioning and labour organisation. As some of the studies have argued, technological change can be linked to the processes that further weaken the bargaining power of TUs or provide contexts for new types of resistances. Secondly, these studies are also making a case for rethinking the very idea of the TU or the nature of labour rights in a context of rapidly changing technologies in the work place. Consequently, some of the studies have even suggested that workers would be entering a different phase in their ability to bargain by looking for new relationships with the management and trying to adapt to change rather than simply resisting it. In several ways, therefore, there is a call for a re-evaluation of the role and strategy for the TUs and their leadership.

This dissertation will attempt to explore some aspects of the Indian TU experience with technological change and their response to the latter in the period of economic liberalisation. The effort will be aimed at addressing two objectives: first, to add to the very limited literature on the subject. Secondly, to suggest, in the instances that I have examined, that the Indian TUs tended to treat technological change as a technical or a problem of logistics rather than linking them to larger political projects. In effect, the Indian TUs often found themselves being ambiguous, defensive or contradictory on the subject of technological change and were invariably outmanoeuvred by management.

In the first chapter, I will explore the debate on the 'Braverman' thesis, which was spelled out in the classic *Labour and Monopoly Capital,* published in 1974. I will supplement this discussion by reviewing the critique of Braverman by Michel Burawoy in his equally famous work titled the *Politics of Production,* published in 1985. The aim of the chapter will be to provide context to the debate over the relationships between capital, labour and technology. In chapter two, I will discuss the plans and opinions on the challenge of technological change of some of the most important and significant central TUs in India; notably, the All India Trade Union Congress (AITUC) and Indian National Trade Union

Congress (INTUC). In chapter three, I will analyse the TU debate in India in the banking sector over the challenge of technological change.

2

Labour Process and Technology

I. Technology as political Tool

Karl Marx in *Capital* Vol. I (1887) defines machine as a 'mechanism that, after being set in motion, performs with its tools the same operations as the workers formerly did with similar tools.'[1] Subsequently he argues that it was the conversion of human tool into a machine that spearheaded the industrial revolution. The development of machinery in this form is a historical development. As Nasir Taybji argues, prior to machine, handicrafts were dependent on human users for both their sources of movement and for guidance in their action. But machinery is independent of any human energy sources and of human directing agency; that is to say it has autonomy to perform. Tyabji further argues that this development introduced inequalities into the social order that would otherwise not exist. As a result, the owner of machine has more power than one who does not; therefore power relation grows out of the structure of the tool or machine[2]. The machine undermined the basis on which manufacturing workers had resisted the encroachments of capital: 'in manufacture the organisation of the social labour process is purely subjective: it is a combination of specialised workers. Large-scale industry, on the other hand, possesses in the machine system an entirely objective organisation of production, which confronts the workers as pre-existing material condition of production.'[3]

Development of machinery is not merely a technical matter of simplification of labour or of machinery replacing human power. But machinery helped capitalist to cheapened labour power by increasing surplus labour. As under manufacture, the division of labour had already created a wealth of jobs requiring neither particular skill nor particular strength; and in any case it is clear that these attributes are not naturally the exclusive preserves of adult males. This allowed the capitalist to employ women and children, who were not only available at relatively lower wage but also

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[1] Karl Marx, *Capital: A Critical Analysis of Capitalist Production*, Moscow, Progress Publishers, 1887, p.353.

[2] Nasir Tyabji, 'Technology and Dialectics', *EPW*, 32 (13), 1997, p.651.

[3] David Mackenzie, 'Marx and the Machine', *Technology and Culture*, 25(3), 1984, p. 487.

more vulnerable owing to their weaker tendency to resist.[4] Thus machinery provides immense power to capitalist to strengthen its class position as through machine they are able to undermine the position of skilled labour, able to draw new sector in labour market and thus labourer lives under continuous threat of unemployment. Consequently the machine 'is able to break all resistance' to lengthening of the working day[5] because work can be paced by the machine and its intensity can be increased. Prior to machine, workers had command over the tool and workers used this as a source of countervailing power. But application of machinery in production process is a direct threat on their existence. Donald Mackenzie sees this new form of struggle as a struggle between worker and machine, thus class struggle within capitalism has taken a new shape. Workers, on the one hand, as a form of resistance, attacked machine, capitalists, on the other hand, counter its resistance by promoting the invention and employment of machinery to undermine workers' power[6].

It is not only the machine or tools but at times capitalist also designs technology in such a way that it helps them create and maintain desired social relation. Two studies worth mention here which exemplify the political use of technology. In his analysis of the automation of machine tools, David Noble identifies contingency in that development. There were two ways to automate- record-playback and numerical control-and it is far from clear that only numerical control was a priori viable. He also identifies a problem of valorisation: the capacity of skilled machinists to control the pace of production, or indeed to disrupt it completely. He suggests that the choice of numerical control reflected its perceived superiority as a solution to this problem of valorisation. As one engineer, central to the development of both systems puts it: 'look, with record-playback, the control of the machine remains with the machinist- control of feeds, speeds, number of cuts, output; with numerical control there is a shift of control to management. Management is no longer dependent upon the operator and can thus optimise the use of their machines. With numerical control, control over the process is placed firmly in the hands of management- and why shouldn't we have it.'[7]

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[4] Ibid, p. 487.

[5] Ibid, p.487.

[6] ibid, p.488.

[7] Ibid, p. 502. Quoted from David F. Noble, 'Social Choice in Machine Design: The Case of Automatically Controlled Machine Tools, and a Challenge for Labour', *Politics and Society*, 8

Langdon Winner's analysis of design of Moses bridge also exemplifies such use of technology. This bridge was designed by Robert Moses, on the highway of New York. He designed bridge over parkways, New York, with nine feet of clearance at the curb, which is extraordinary low. He designed it in such a manner so that 'automobile-owning whites of 'upper' and 'comfortable middle' classes, as he called them, would be free to use the parkways for recreation and commuting. Poor people and blacks, who normally used public transit, were kept off the roads because the twelve foot tall buses could not get through the overpass. One consequences was to limit access to racial minorities and low-income groups to Jones Beach, Moses' widely acclaimed Public Park'[8]

II. Politics of Labour Process

Conceptualising the role and politics of Labour process in capitalist production has generated considerable interest ever since the industrial revolution in England. It begins with perhaps, Karl Marx who offers us an insightful discussion on labour and the labour process. In feudal production, labour is seen as a slave; so his/her whole body is property of the master, whereas in capitalist production labour is seen as a commodity: - commodity which has to be consumed. This commodity comprises of worker's labour power i.e. capacity to work. According to Marx, this consumption of commodity exhibits two characteristics – 'First, the labourer works under the control of the capitalist to whom his/her labour belongs. And second, the product that comes out of his/her labour is the property of the capitalist and not that of the labourer, its immediate producer'[9].

Carchedi (1987) argues that capitalist production is made up of three stages: purchase of means of production and labour power, production of product, and sale of product. While producing product, labour force has to produce more value than the value of their labour power.[10] In capitalist production, Marx pointed out that capitalist

(313), 1978, p.337.

[8] Quoted from Langdon Winner, 'Do artifacts have politics?', in Donald MacKenzie and Judy Wajcman (ed.) *The Social Shaping of Technology*, Milton Kenyes, Philadelphia, OUP, 1994, p.26

[9] Karl Marx, *Capital: A Critical Analysis of Capitalist Production* Vol-I, Moscow, Progress Publishers, 1887, p.180.

[10] Guglielmo Carchedi, *class Analysis and social research*, Oxford, Basil Blackwell Ltd, 1987, P.170.

has only one aim, that is, to produce 'not only a use-value, but a commodity also; not only use value, but value; not only value, but at the same time surplus value.'[11] Surplus value is calculated as difference between the value created by labour power and the value of labour power itself. Marx, while discussing surplus value, coined two terms- 'necessary labour' and 'surplus labour'. He defines necessary labour time as labour time that is necessary for its existence and surplus labour time as labour time, which extends beyond necessary labour time. Subsequently, Marx argues, capitalist always wants to extend surplus labour time and shorten necessary labour time, using various means. And in that, technology plays an important role. By using technology not only absolute surplus value but also relative surplus value can be increased. Absolute surplus refers to the actual surplus labour which can be increased by lengthening the working day. For instance, if a worker produces the equivalent of his wage in 5 hours, then lengthening his working day from 10 to 12 hrs without any increase in wages will increase the surplus labour from 5 to 7 hrs a day, or by 40 percent. This way of increasing surplus value is called increasing absolute surplus value.[12] Relative surplus refers to an increase in surplus labour in comparison to necessary labour. For example, if in a working day of 10 hours, 4 hours are needed to create the amount of necessary value of labour. If this necessary labour can be cut from 4hrs to 2 hrs, then surplus labour is increased from 6 to 8 hrs, and exactly the same result is achieved as if the working day had been lengthened from 10 to 12 hrs. This is called increasing relative surplus value.[13] This can be done by the employment of new machinery, more rational methods of works, a more advanced division of labour, a better way of organising labour.

Marx sees three phases in the development of the capitalist labour process: simple cooperation, manufacture and machinofacture. Table 1a below summarises this analysis-

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[11]ibid, p.181.

[12] Ernest Mandel, *Marxist Economic Theory Volume- 1*, New Delhi, Aakar Books, 2008, p,135.

[13] Ibid, p.137.

The Development of the Capitalist Labour Process

	Simple Co-operation	Manufacture	Modern Industry or Machinofacture
Technology	No machine-based work. Traditional handicraft production	Not machine-based, but the erosion and fracturing of traditional handicrafts.	Machine- based
Division of Labour	No systematic division of labour within the workshop	Detailed division of labour	Detailed division of labour related to a machine process.
Mode of control	Formal subordination	Formal subordination	Formal plus real subordination
Dominant mode of extracting Surplus value	Absolute surplus value	Absolute surplus value	Relative surplus value
Working Class Division	Skill hierarchies plus barriers between crafts	Skill hierarchies plus barriers between crafts	Mechanisation breaks down skill divisions and produces a mass of unskilled labour.

(Source: Craig R. Littler and Graeme Salaman, 'Bravermania and Beyond: Recent theories of the Labour Process', *Sociology*, 16 (251), 1982, p.254.)

It is clear from table (1a) that introduction of machinery introduces three important components in labour process, that is to say, in mode of control: formal subordination is combined with real subordination, extraction of surplus value moves to relative surplus value, and introduction of mechanisation produces a mass of unskilled labour.

Machinery on the one hand helps capitalist to increase relative surplus value, on the other it introduces hierarchal structure of agents whose task is not that of producing use value but that of forcing other agents to produce use value. Marx termed these labourers as non-labourers within the production process. So here, it seems that there are two kinds of labour, one which produces use value and the other non-labour which does not produce any use value but by controlling labourers, makes labourer to produce surplus value. This non-labourer is an important key in understanding the labour process, in an era when there is a "shift away from

manufacturing to service in terms of both supply and demand"[14]. As Carchedi believes that for Marx, non-labourers are 'those agents of production who are necessary not in order to transform use values (both material and mental) but in order to force other agents to transform use value, i.e. to extract surplus labour and thus surplus value from the labourers[15]. Braverman also discussed in his classic work "*Labour and monopoly capital*", about the emergence of managerial class, whose basic job is to do mental work and surveillance. These managerial staff were organised for the sole purpose of securing obedience to labour process rules as change in labour process is often outcome of class struggle in the production[16].

It can be argued, thus, that the basic purpose of reorganising production process is to get more and more surplus. And in order to increase surplus value, capitalist always want to control production process and re-enforces it through introduction of continuous changes in production process, through surveillance, and consequently by continuous subjugation of labourer. Production process, therefore, is not only a process of extraction of surplus value or separation of conception and execution as Braverman believes, but it is also a process of making one's class position stronger in production relations as in every labour process, whether it is Fordism, Taylorism or Lean production, there is a move to control labour and make it obedient. In order to make them obedient or control their labour power, capitalist in the labour process creates a new group of labour whose only work is to keep an eye on labour and make them work and obey the rules of labour process. In achieving this desired social relation and control over production, technology acts as a subordinate to capital as automation help capitalists "to attack those stages of the productive cycle which have the most space for workers to hold down their own pace of work, those sites with the greatest 'porosity of labour'- be it clerical office, paint, trim & assembly shops, or stock rooms. It is this selectivity which defines the threat posed to working

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[14] Miguel Martinez Lucio, 'Introduction: Employment Relation in a Changing Society', in Luis Enrique Alonso and Miguel Martinez Lucio (ed.), *Employment Relation in a Changing Society: Assessing the Post- Fordist Paradigm*, New York, Palgrave Macmillan, 2006, p.5.

[15] Guglielmo Carchedi, *class Analysis and social research*, Oxford, Basil Blackwell Ltd, 1987, P.173.

[16] Michel Aglietta, *A Theory of Capitalist Regulation: The US Experience*, New York, Verso, 2000, p.115.

class collective power by restructuring."[17]

So labour process can be defined as power relation in production process, in which there is constant struggle between capitalist and workers, and this struggle is for the control over production process and making one's class position stronger. There is a continuous attempt from both the sides to get hold on the production process. In this struggle, management represents the capitalist class and trade union or workers union represents the working class.

III. The Braverman Thesis

After Marx, it was Braverman who offered one of the first discussions on the labour process in capitalist production in his work *Labour and Monopoly Capital* (1974). According to Braverman, capital monopolizes the knowledge of production and controls the methods and procedure of work. Individual workers lose control of their crafts and control over the work process. Science acts as subordinate of capital and becomes an instrument of its domination, while the disintegration of the labour process dissolves the all-round skills of the worker. Craftsmanship is destroyed, and the worker becomes a part of the machine. The cost of labour is cheapened by lowering the general level of skill necessary in a given labour process, and productivity is increased by decreasing unproductive non-labour in the production process. As argued by Braverman, the capitalist reorganisation of work achieves its most developed form with Taylorism as an "absolute necessity for adequate management the dictation to the worker of precise manner in which work is to be performed."[18]

According to Braverman, the key element in the planned progress of technology is the gradual way in which control is completely taken away from the worker. It is either built into the machine or it has a source which is external both to machine and to the workshop- perhaps best symbolized by the pre-coded magnetic tape in the physically separate computer facility. The consequences for the labour

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[17] Les Levidow and Bob Young, 'Introduction', in Les Levidow and Bob Young (ed.), *Science Technology and the Labour Process*, London, CSE Books,1981, p-2.

[18] Harry Braverman, *Labour and monopoly Capital: The Degradation of Work in the Twentieth Century*, New York, Monthly Review Press, 1974, p.220.

force are self evident: more and more, the skilled worker become a mere 'liaison man between machine and operating management'[19]

Braverman believed that, separation of the conception and the execution of the work process is an essential part of the capitalist mode of production. As a result of that a growing number of technical and office workers are required to plan and control activities at the point of production. Every step carried out on the shop floor is duplicated on paper in the office. However, this 'shadow production' as Braverman describes it, has itself become a mass labour process and is as much subject to the principle of routinisation and division of labour as is the sphere of direct production. The new production process becomes the domain of few scientific and technical workers and even here, the effects of rationalisation are beginning to be felt as a growing number of technicians perform routine tasks which require very little special training or skill. At the same time, the concentration of planning and control in the hands of a few has reduced the mass of office workers to manual workers whose mental function are routine and whose labour process are determined by the speed and skill with which they can be performed. An obvious consequence of the separation of conception and execution is that the labour process is now divided between separate site and separate bodies of worker. The physical processes of production are now carried out more or less blindly, not only by the workers who perform them, but often by the lower ranks of supervisory employees as well. The production units operate like a hand, watched, corrected, and controlled by a distant brain.[20]

According to Michael Burawoy, 'Braverman documents the movements of capital into service industries transforming domestic work, for examples, into an arena of capitalist relation. The proliferation of such service industries is, of course, subject to the same process of the separation of conception and execution.'[21] He substantiates his argument by showing that, with a vast growth in banking, and the rise of independent audits creates a job for clerical work. So labour is displaced from industrial production and goes into clerical work. The proliferation of clerical work led to the application of scientific management techniques and the standardization of clerical operations thereby opening the way for the mechanization of office work and

[19] ibid, p.90.

[20] ibid, pp.124-125.

[21] Michael Burawoy, 'Towards a Marxist theory of the Labour Process: Braverman and beyond', *Politics Society*, 8(247), 1978, pp. 248-249.

the introduction of computers. As Braverman points out, in the early stages of automatic data processing craft skills made an abortive appearance in that all the skills were learned by each worker. This ended, however, when the skills were subdivided and pay levels frozen into a hierarchy. Many jobs in these fields can now be filled by people with no skills or literacy beyond a sixth-grade level.

Braverman shows that, in the case of clerical works, four aspects of their class situation are singled out. First, the rapid growth in numbers: in 1870 this occupational group comprised less than one percent of all gainful workers, a figure that had risen to 18 percent by 1970. Second, the sexual composition of the clerical labour force changed rapidly during this century- from being over 75 percent male to being over 75 percent female. Third, the relative pay of clerks has over the same period declined from a situation where the average clerical wage was twice that of a manual worker to a situation in 1971 where it was lower than that in every classification of blue-collar work. Fourth, nowhere is the dehumanisation of work in the twentieth century more apparent than in the work situation and duties of a clerk: from a position requiring initiative and skill and providing independence and freedom he or she has moved to one 'like that of the cannery, the meat packing line, the car assembly conveyer, with workers organised in much the same way'[22]. Furthermore, scientific management principles have been applied to great effect in the office, especially as office mechanisation and then computerisation have progressed. These latter have contributed enormously to the breakdown of the qualitative distinction between mental and manual labour.

So Braverman shows that capital penetrates and fragments the labour process, separating engineering, design, and record keeping, from production- creating the detail worker where there once was a craftsman. The subdivision of the labour process vastly increases the need for management to coordinate these now separate processes and to garner for itself knowledge of production in order to control the labour process and the work force.

Braverman through his analysis, added one more Colum to the development of labour process and he sees this addition in another phase of capitalist development that is monopoly capitalism:

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[22] Harry Braverman, Labour *and monopoly Capital: The Degradation of Work in the Twentieth Century*, New York, Monthly Review Press, 1974, p.301.

Table (1b)

The Phase of Monopoly capitalism in terms of the labour process according to Braverman

Technology	Automation
Division of Labour	Detailed division of labour based on Taylorism and related to automatic machinery
Mode of Control	Formal plus real subordination only occurs now. It did not occur under Machinofacture
Dominant mode of Extracting surplus value	Relative Surplus value (but Braverman does not seriously discuss this aspect)
Working class Division	Mass of Unskilled labour, including large groups of unskilled clerical and service labour, but de-collectivisation of workers has occurred.

(Source: Craig R. Littler and Graeme Salaman, 'Bravermania and Beyond: Recent theories of the Labour Process', *Sociology*, 16 (251), 1982, p.255.)

Michal Burawoy in *Politics of production* (1985) argues that the capitalist production process is a combination of inseparable economic, political, and ideological elements, and he offers the concept of factory regime to capture this unity. While specific regimes are influenced by the labour process and market forces, their generic form is determined by the relation between factory and state.

For Burawoy the separation of conception and execution does not necessarily mean a monopoly of knowledge of the labour process or that the new rulings could be enforced. He believes that Braverman was unable to uncover the essence of the capitalist labour process, instead he assimilated, the separation of conception and execution to the fundamental structure of capitalist control. Burawoy seems to have disagreement on Braverman's, 'causes of change in the labour process of Taylorism, of the separation of conception and execution, and of the scientific- technical revolution'. According to Burawoy, Braverman makes certain assumptions about the consciousness of managers and capitalists and continues to ignore resistance and struggle. As for him,

'Lower level management, in daily contact with the worker, might oppose the

introduction of Taylorism in an attempt to prevent conflict, while middle levels of management might be responsible for instigating such change with a view to cheapening the cost of labour power. The highest level might be concerned only with profits and efficiency and express little interest in how these are realised. Thus any change in the labour process will therefore emerge as the result not only of competition among firms, not only of struggle between capital and labour, but also of struggle among the different agents of capital. [23]

Burawoy has criticized Braverman's thesis on three grounds. First, capitalist control for Braverman, according to Burawoy, is to reduce the uncertainty in the realisation of labour power. Therefore, capitalist introduces the management who can control the labour and use it labour power as much as they can. In other words, this management was introduced 'to reduce or eliminate the uncertainty in the expenditure of labour while at the same time ensuring the production of profit'.[24] He further questions, why this control is necessary? And according to him there is antagonistic relation between labour and capital or, in other words, there are opposed interests that make this control necessary. One can ask here how in this antagonistic relation, capitalist is able to control labour process? Put it differently, one can assume that in antagonistic relation there must be resistance, specifically from workers. In spite of that how can capitalist control the labour process? Burawoy believes this can only be explained through looking into interests of both the classes. He argues, 'in terms of exchange value, the relation between capital and labour may be zero-sum, in terms of use value, relation between capital and labour is non-zero-sum'. That is, capital has been able to extend concessions to labour without jeopardising its own position.[25] Further 'to say that the worker has an interests in the rapid growth of capital is only to say that the more rapidly the worker increases the wealth of others, the richer will be the crumbs that fall to him, the greater is the number of workers that can be employed and called into existence, the more can the mass of slaves dependent on capital be increased.'[26] It is

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[23] Michael Burawoy, *The Politics of Production: Factory Regimes under Capitalism and Socialism*, London, Verso, 1985, p. 46.

[24] Michael Burawoy, 'Towards a Marxist theory of the labour process: Braverman and Beyond, *Politics Society*, 8 (247), 1978, p.255.

[25] Ibid, p.255

[26] Ibid, p.57.

not in exchange-value terms that workers understand their interest and act in the world but in terms of the actual commodities they can purchase with their wage. Through the dispensation of concessions, increases in standard of living, and so on, associated with an advanced capitalist economy, the interests of capital and labour are concretely coordinated.

According to him, to understand the nature of control 'we must begin to develop a theory of interests. We must investigate the condition under which the interests of labour and capital actually become antagonistic.' As he believe that without explaining the cause of opposed interests of capital and labour leads to serious misunderstanding over the nature of capitalist control because it provides an excuse to ignore the ideological terrain where interests are organised. So according to him we can only get this answer by attempting to get at the specificity of capitalist control from the perspective of a non-capitalist mode of production that is, feudalism.

Burawoy differentiates in capitalist and non-capitalist mode of production on five points. First, in feudal mode of production necessary and surplus labour are separated in both time and space, whereas in capitalist mode there is no separation either in time or in space between necessary and surplus labour time. Second, serfs are in immediate possession of the means of their subsistence as they engage in production, in capitalist mode of production labourers are never in possession of the means of subsistence during the production process. Third in feudal production, serfs possess and set in motion the instruments of production independent of lord, in capitalist production workers cannot set the means of production into motion by themselves. They are subordinated to, and largely controlled by the labour process. Fourth, in feudal production labour process is organised during the time of production as lord actually organise the labour process, particularly on his own land, through the specification of labour services in the manorial courts. In capitalist production, the tasks they have to accomplish are not specified as they are under feudalism. Rather than political struggle in the manorial courts, we found in capitalist production, 'economic' struggles over the control of work. Fifth, serfs find themselves working for the lord because ultimately they can be compelled to carry out customary services, in capitalist production workers are compelled to go to work not so much through the threat or activation of extra-economic mechanisms but through the very need for

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survival[27]. The essence of his argument is that in feudal production, surplus is transparent and well specified, the lord always knows when he has obtained it. Whereas in capitalist production capitalist is not sure whether he has indeed recovered a surplus because there is absence of a separation, either temporal or spatial, and between necessary and surplus labour time.

Therefore Burawoy argues that by 'adopting a standpoint within capitalism Braverman is unable to uncover the essence of capitalist labour process'[28].For Burawoy the essence of capitalism lies in simultaneously obscuring and securing surplus.

Burawoy also criticised Braverman for his theoretical framework, that is to say, Braverman's approach of only taking into consideration the idea of 'class in itself'. As by taking this approach, Burawoy argues, Braverman neglected subjective components of work. Braverman sees taylorism as basis for separation of conception and execution and hence development of monopoly capitalism. For Burawoy, Braverman's objective approach leads him to this conclusion. He further argues that Braverman fails to see the crucial aspect of domination under advanced capitalism, that is to say the appearance of ideology in the guise of science. Burawoy believes that taylorism was introduced as an ideological attack on the nascent trade-union movement.[29] This is also most evident with the fact that taylorism was most strongly accepted in those nations faced with a political crisis. 'During the early post-war years it became an important plank in the ideology of national syndicalists and fascists in Italy, 'revolutionary conservatives' and 'conservative socialists' in Germany, the new leadership in the Soviet Union as well as the Industrial Workers of the World and Socialist Parties in the United States.[30] So he argues that the advancement of mechanisation and capital intensive industrial development is an attempt to undercut the union's strength by reducing labour requirements. Therefore scientific-technological revolution hinges on struggle between two classes.

As it is evident from the above discussion that technology led labour process is basically an ideological move by capitalist to weaken workers class position in

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[27] Michael Burawoy, *The Politics of Production: Factory Regimes under Capitalism and Socialism*, London, Verso, 1985, pp, 30-31.

[28] Ibid, p.35.

[29] Ibid, p. 43.

[30] Ibid, p. 43,

production relation and at the same time strengthening its own class position. So it is apt to look into how in each kind of labour process, that is to say, from Taylorism to Fordism, and to Lean product, this struggle still continues.

III.a Taylorism

Taylorism grew out of the systematic management movement in the USA in the 1880-90. It is generally associated with technological revolution inaugurated by the introduction of assembly line production. Taylorism has been seen by different scholars in three categories, one group, like Braverman, believe that scientific management like taylorism is basically a move to separate the conception and execution, and this is done to take control over labour process.

Second group, like Michel Aglietta, believe that "this is the period in which the capitalist mode of production has systematically brought into being systems of productive forces able to link absolute and relative surplus-value closely together."[31] Aglietta argues that by "transferring the qualitative characteristics of labour to the machine, mechanisation reduces labour to a cycle of repetitive movements that is characterized solely by its duration, the output norm. This is the foundation of the homogenization of labour in production."[32] In Taylorism, labour process' each step is set into the machine, in which a series of tools is set in motion by a mechanical source of energy, the motor. So he defines "the term taylorism as the sum total of those relations of production internal to the labour process that tend to accelerate the completion of the mechanical cycle of movements on the job and to fill the gaps in the working day."[33] These relations are expressed in general principles of work organisation that reduce the workers' degree of autonomy and place them under a permanent surveillance and control in the fulfilment of capitalist's output norm. Detailed time and motion analysis of jobs, provided information that enabled capitalist to remove specialists or skilled labour from the labour process. This information was the basis for a great simplification of jobs. Each production worker was given a simpler cycle to perform. The inauguration of patterns of this kind led to

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[31] Michel Aglietta, *A Theory of Capitalist Regulation: The US Experience*, New York: Verso, 2000, p.113.

[32] ibid, p.113.

[33] ibid, p.114.

the conception of new methods of production and new types of machine- tools. Such changes modified both the work performances to be accomplished with the means of labour and the specification of the articles to be manufactured or assembled.[34]

Third group, like Craig R. Littler, see Taylorism as bureaucratisation of the structure of control. He analyses Taylorism in terms of three general categories: the division of labour, the structure of control over task performance, and the implicit employment relationship. The systematic analysis of work was in order to develop a 'science of work'. According to Littler, Taylorism is based on following principles: 1. A general principal of maximum fragmentation i.e. one labourer should limit to one task as far as possible. 2. The divorce of planning and doing. 3. The divorce of direct and indirect labour. 4. Minimisation of skill requirements and job-learning time. 4. Reduction of material handling to minimum. For him "Taylorism represents a form of organisation devoid of any notion of career-structure for the majority, unlike other forms of organisational model available at the turn of the century, such as the railways and post office. Therefore taylorism can be defined as the bureaucratization of the structure of control, but not the employment relationship."[35]

III.b Fordism

Fordist mode of production was introduced by Henry Ford. It is a stage that supersedes Taylorism.[36] It is generally associated with the technological revolution inaugurated by the introduction of assembly line. According to Amin[37] and Alonso[38] Fordism can be analysed on four different levels: - Firstly, as Amin sees Fordism is an industrial paradigm that involves mass production based on moving assembly-line techniques operated with semi-skilled labour, that is, a mass worker. Mass production is the main source of its dynamism.

Secondly, Fordism as a regime of accumulation. "Regime of accumulation

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[34] ibid, pp.115.

[35] R. Craig Littler, 'Understanding Taylorism', *The British journal of Sociology*, 29(2), 1978, p.199.

[36] Michel Aglietta, *The Theory of Capitalist Regulation. London*. New York: Verso, 2000 p.116.

[37] A. AMIN, *Post-Fordism: A reader*, London, Oxford/U.K, Blackwell Publishers, 1994.

[38] Luis Enrique Alonso, 'Fordism and the Genesis of the post-Fordist Society: Assessing the Post-Fordist Paradigm', in Luis Enrique Alonso and Miguel Martinez Lucio (eds.), *Employment Relation in a Changing Society: Assessing the Post- Fordist Paradigm*, New York: Palgrave Macmillan, 2006,

refers to a systematic and long-term allocation of the product in such a way as to ensure a certain ad equation between transformations of conditions of consumption."[39] It describes how social labour is allocated over a period of time and how products are distributed between different departments of production over the same period. Lipiets argues that a regime of accumulation may be primarily of two kinds- extensive and intensive, depending on "whether capital accumulation is a means to expand the scale of production (with constant norms of production) or to further the capitalist reorganisation of labour (the real subordination of labour to capital) by increasing productivity or the coefficient of capital."[40] He believes that capitalist world between first industrial revolution to first world war, was basically extensive in nature, and its primary focus was to extend reproduction of means of production. From the Second World War, the dominant regime has been intensive and centred upon the growth of mass consumption.

Fordism begun at the time of First World War (1914-1918) to meet wartime needs[41]. So it developed as stable mode of macroeconomic growth. It involves a virtuous circle of growth based on mass production, rising incomes linked to productivity, rising productivity based on economies of scale, increased mass demand due to rising wages, increased profits based on full utilisation of productive capacity and increased investment in improved mass production equipment and techniques. This production process has great economic consequence- 'work productivity increased, output mushroomed, and costs fell, partly because poorly qualified, low-cost workers could be used as the skills needed for production were reduced.'[42]

Thirdly, as a mode of regulation, Fordism seems to be linked with the Taylorist concepts and involves the separation of ownership from control in large corporations with a distinctive multi-divisional, decentralised organization subject to central controls. Thus, it is a mode of social and economic regulation that can also involve monopoly pricing, union recognition and collective bargaining, wages connected to productivity growth and retail price inflation with monetary emission and credit policies orientated to securing effective aggregate demand.

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[39] Alain Lipiets, *Mirages, and Miracles: The crises of Global Fordism*, London. New York: Verso, 1987, p.32.

[40] Ibid, p.33.

[41] Ibid. p.18.

[42] ibid, p.19.

Fourthly, Fordism can be seen as a general pattern of social organization. In this context it involves the consumption of standardised, mass commodities in nuclear family households and provision of collective, standardised goods and services by the bureaucratic state. It also manages the conflicts between capital and labour over both the individual and social wage.

However, scholars like Simon Clarke believed that "there was nothing particularly original about the technological principles introduced by Ford- they had already been systematically expounded by Marx in his discussion of 'machinery and modern industry' in volume one of *Capital*, and simply marked the culmination of the real subordination of the labour process to capital"[43]. Clarke also argued that the "heart of Fordist revolution lay not so much the technological changes introduced by Ford, but the revolution in the social organisation of production with which the technological changes were inextricably associated."[44]

Michel Aglietta argues that 'Fordism denotes a series of major transformations in the labour process closely linked to those changes in the conditions of existence of the wage-earning class that give rise to the formulation of a social consumption norm and tend to institutionalise the economic class struggle in the form of collective bargaining."[45] The era of Fordism was marked by the introduction of Keynesian economic and social policies and the creation of the welfare state, in which a class comprises between capital and workers was attained.[46]Consequently the institutionalisation of collective bargaining reduced TUs to economism.

Fordism deepened Taylorism in the labour process by the application of two complementary principles- 1. The integration of different segment of the labour process by a system of conveyors and handling devices ensuring the movement of the materials to be transformed and their arrival at the appropriate machine tools. 2. This principal, which was complimentary to the integration of segments of the labour process, was the fixing of workers to jobs whose positions were rigorously

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[43] S Clarke, 'New utopias for old: Fordist dreams and post-fordist fantasies', *Capital & Class*, 42 winter, 1990, p.138.

[44] ibid, p.138.

[45] Michel Aglietta, *The Theory of Capitalist Regulation, London*, New York: Verso, 2000, P.116.

[46] Max Koch, *Roads to post-Fordism*, London, Ashagat Publishing Ltd, 2006, p.30

determined by the configuration of the machine system. The individual worker thus lost all control over his work rhythm. In this mode of organisation workers are unable to up any individual resistance to the imposition of the output norm, since job autonomy has been totally abolished. It thus became possible to simplify tasks yet further by fragmenting cycles of motion into mere repetition of a few elementary movements.

III.c Lean production

In Fordist model of production, giant firms engage in mass production, using single purpose machinery and high levels of stocks. These firms attempt to impose a separation of mental and manual labour, have an extensive corporate bureaucracy, keep a hands off relationship with their suppliers, and offer standardised products on a 'take it or leave it' basis to consumer. John Tomaney has argued that "the mass production was concerned with the production of standardised commodities for stable mass markets. It is in the disintegration of these mass markets that the crisis of mass production is located. The new market segmentation and volatility places a new imperative on enterprise to move towards more 'flexible' system of production which can cope with rapidly changing demands. This means that whereas work under the mass production paradigm was characterised by an intense division of labour, the separation of the conception and execution, the substitution of unskilled labour for skilled labour and special purpose for universal machine; the quest for specialisation prompts a more flexible organisation based on collaboration between designers and reskilled craft workers to make a wide variety of goods with general purpose machine."[47]

So lean or Flexible production is basically a decentralisation of production but control remains centralised. Tony Smith has discussed three perspectives on lean production-first perspective believes that decentralised production went through two fold restructuring- 'on the one hand, they are automating facilities wherever possible, replacing single-purpose machinery with general purpose computer. And where automation is not yet practical they are shifting production to low wage region of

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[47] J Tomaney, 'the reality of workplace flexibility', *Capital & Class*, 40 spring, 1990, pp. 30-31.

globe.'[48] Second perspective believes that 'decentralised worker-run firms can best respond to sudden shifts in consumer demand, input price, and available technologies. New forms of craft production are arising in which small-to-medium batch production by skilled workers replaces the mass production of standardised goods by a deskilled work force'.[49] Third perspective believes that, it is Japan where alternative to Fordism arose because of 'series of historical contingencies the leading firms in post-war Japan never completely embodied the Fordist paradigm. 'They were forced to evolve a new model of manufacturing, whose elements include shorter product run, just-in-time delivery systems, new management/labour relation, minimal corporate bureaucracy, close relationship with suppliers, and greater attention to shifts in consumer demand.'[50]

Tony Smith argues that defenders of lean production insist that lean production is characterised by fundamental reconciliation of interests between capital and labour because in new way of labour relations mutual interests are emphasised. Management shares information about the business. Labour shares responsibility for making it succeed. This assumption is based on a number of arguments:

- Flexible production technologies are introduced by capital in order to obtain productivity advances. Incremental changes arising from 'learning by doing' in the long run provide greater productivity advances than the search for radically new process technologies. This requires a work force that is attentive to the production process, one in which the intelligence of the workers is mobilised. The split between doing and thinking must be overcome, so that the workers have the power to make suggestion and implement changes in a process of continuous improvement.

- Quality problems are best diagnosed and corrected immediately on the line by the workers themselves, rather than left to a specialised group after the production process has been completed.

- If the intelligence of the workers is to be mobilised, if the worker is to be developed with a variety of distinct skills, and if worker vigilance and curiosity are to be sustained, then the worker cannot be treated as an isolated

[48] Tony Smith, 'Flexible production and the Capital/wage labour Relation in manufacturing', *Capital & Class*, 53 summer, 1994, p. 40.

[49] ibid, p.40.

individual. The best way to attain these goals is to have workers participate in teams in which a variety of different tasks rotate.

Above assumptions seem to suggest that in Lean production antagonistic relation of capital and labour will vanish, capitalism no longer exploit working class to get surplus value. But if we look into the core of lean production, we find that 'the whole point of Lean production is to produce more with less, i.e. to increase economic output per unit of labour power purchased. And this is by definition equivalent to an increase in the rate of exploitation.'[51] Although in this labour process workers are given certain freedom like team participation, to give suggestion on production process but this freedom has much to do with enhancing productivity from the workforce. But when it comes to surplus, workers have no right to determine democratically how the surplus extracted from the workforce is to be allocated.

There are other implications of this labour process which are otherwise absent in Fordism, like the search for maximise output with a minimum of labour costs increases workers' stress. 'Flexible production systems making use of teams and rotations significantly reduce work rules, job classification, and the importance of the seniority systems. This leaves management free to change work standard or job assignment at will.'[52] In Lean production extra workers are generally not hired as absentee replacements. As a result if worker is absent his or her team members suffer additional stress. This creates a great amount of peer pressure to not to miss work, even when a worker is ill. As a consequence of that average working hour is becoming longer and longer, spillover of work to home as a result of that distinction between work time and personal time is diminishing[53].

Lean productions not only intensify the labour process but also change the geography of labour process. As Kim Moody argues 'production systems were increasingly broken up through subcontracting and outsourcing, some of it overseas.'[54] Workers now found part of production located in different geographical

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[50] ibid, p.40.

[51] ibid, p.52. Rate of exploitation refers to ratio of surplus value to the value of labour power. That is to say higher the rate of surplus, higher the rate of exploitation.

[52] ibid, p.54.

[53] Alan Felstead, Nick Jewson, and Sally Walters, 'The shifting location of work: New Statistical evidence on the spaces and places of employment', *Work, employment and society* 19(2), 2005, p.415.

[54] Kim Moody, Workers *in a Lean World*, London. New York: Verso, 1997, p.11

location. Moody sees this development as job loss at one location of production and as a weakening of 'national bargaining' because it comes under pressure from lower-cost units. This shift took place in the context of an increase in international economic integration that further changed the rules under which unions bargained for their members.

IV. Conclusion

Critical study of different labour processes by different scholars seems to have suggested that with the development of capitalism the nature of labour process has also changed. This change can be primarily linked with reorganisation of two things: firstly, reorganisation of production and hence securing more surplus with less investment and secondly, reorganisation of labour so that its class position is weakened.

Scholars have also equated different labour processes with the regime of accumulation. Regime of accumulation changes as the capitalist development requires i.e. labour process is seen as means of extracting surplus value, on which capitalist development took place. As we know in every production process there is social production of labour that changes the nature of labour. The nature of labour in Taylorism is quite different than Fordism or in lean production. So it is necessary to analyse how in every labour process, labour process is modified and changed or created or destroyed. As we have seen that Taylorism was introduced to undermine workers strength and cut union strength by reducing labour requirement. Similarly in Fordism, there was a move to regulate union work that transform work demand and union confined itself to economic demand. In lean production, workers position is transformed in two ways, firstly, the concept of union itself has changed, as this production process is characterised by outsourcing and subcontracting of job and sometime this outsourcing is done globally so workers are competing with workers from different part of world. This change hampers the national bargaining system. Secondly lean production is so mean and so subjugative that workers in this production literally work like a machine, they work much more than their stipulated time. At the same time workers in this production compete with each other as their wage is linked to their production. As a result workers have lost their solidarity and some time they do act like an obedient agent of capital.

In sum, one can argue that with every successive change in labour process capitalist class' position gets stronger and at the same time workers' class position is weakened. With every change in labour process workers are left with lesser space to struggle and weaker solidarity. This change in respective class positions is inherent in and made possible through the introduction of technology over which capitalist enjoys a monopolistic control. Thus weakening of workers' relative political position can be argued as a primary motive behind technological change and subsequent reorganisation of labour process.

3

Technology and Indian Trade Unions

I. Introduction

This chapter explores the fraught tensions between technological choice and Indian Trade Unions (TU) in Independent India. As it is now widely accepted, the adoption of labour saving technologies has grave consequences for TU organisation and for the political mobilization of workers. Thus, the workers often finds themselves pitted against the 'efficiency' of technology and the capitalist's seemingly inexhaustible ability to constantly revolutionise the means and methods for production.[1]

This chapter, by focusing on a few important debates within the Indian TUs in the decades following Independence in 1947, will highlight the contradictory and ambivalent approaches of the organized workers in their response to technological change. The TU leadership, as I will point out, remained steadfastly committed to treating and understanding technological change as essentially a technical challenge that might involve certain economic consequences. Put differently, the dominant voice within the TUs was that technology was not inherently a political artifact, rather it was debated and linked to issues of national technological self reliance and only tangentially to the challenge of unemployment. In effect, I argue, the TUs consciously restricted their debates on technological change by not connecting such concerns to their wider and more thoughtful discussions on the nature of capitalism in general and Indian politics in particular.

In the next section, I will briefly introduce the political trajectory of three major TUs in India: namely, a) All India Trade Union Congress (AITUC) and b) Indian National Trade Union Congress (INTUC) and the c) Bhartiya Mazdoor Sangh (BMS). Through this discussion, I intend to explore how the Indian TUs have tended to articulate their demands and politics through various frameworks of nationalism. Inevitably, as I will point out, the TU leadership's tendency to embrace strong ideas on nationalism and their pursuit of economic self reliant growth ended

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[1] Loet Leydesdorff and Peter Van den Besselaar, 'Squeezed between Capital and Technology: On the participation of labour in the Knowledge Society', *Acta Sociologica*, 30 (339), 1987, p. 4.

up closing debates on technology, labour management and control.

II. Nationalism's and the Indian TU Movement

TUs, in India, emerged not only as a response to their exploitation by industry but also as a reaction to British imperialism.[2] The first all India body of workers was formed in 1920, under the aegis of the All India Trade Union Congress and till independence it remained the main political organ for representing the interests of the working class in the sub-continent. Its influence in the freedom struggle can be gauged by the fact that most of the national leadership, with the exception of Gandhi, was invariably a member of the AITUC This importance given to labour politicization and mobilization through TUs perhaps explains why following Independence in 1947, all major political parties in India invariably formed a labour organisation of their own; for example- All India Trade union congress (AITUC) got affiliated to the Communist Party of India; the Indian National Trade Union Congress (INTUC) was formed as the labour wing of the Indian National Congress. Like wise, Center for Indian Trade Union (CITU) is termed as the labour front of the Communist Party of India (Marxist), and Bhartiya Mazdoor Sangh (BMS) is with the RSS and BJP. Amongst them, Hind Mazdoor Sabha (HMS), at one time the trade union front of the Indian socialists, remains now as the only politically unaffiliated labour organisation.

From the period of its inception, the AITUC was dominated by leaders who claimed that they were inspired by Marxist ideals. In its programme and policy documents the AITUC, in fact, categorically declares its commitment to socialism and advocating a Marxist analysis for understanding capitalism[3]. In the immediate aftermath of independence, the Government of India adopted the five year planning model as offering a strategy map for achieving development and economic growth outcomes. The AITUC leadership, however, was quick to challenge such models and believed that mere planning would not help all sections in India. Accordingly, it argued that 'mere planning' could not succeed until certain pre-conditions were established. At the 1954 session (Calcutta) of AITUC, S.A, Dange (1899- 1991), one of its most prominent

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[2] Gopal Ghosh, *Indian Trade Union Movement- Volume I*, Kolkata, Peoples History publication, 1961, p. 58.

[3] K.L.Mahendra, *A Short History of the AITUC: in the changing political scenario*, New Delhi, AITUC Publication, 2005, p.31.

leaders, stated that 'No attempt of planning will succeed... unless the hold of British monopoly capital and their trade is broken and the hold of Indian monopoly capitalists brought under democratic control.'[4]

If one is to treat Dange's claim as representative of the dominant position in the AITUC's position, then it appears that the 'hold' of British or foreign monopoly capital was to be the most feared by Indian labour. The quest to democratize Indian monopoly capital, on the other while stated to also be a simultaneously sought goal, appeared to be, in actual fact, secondary to the struggle against British capital. At the operational level, hence, this often translated into strategic support for Indian capital, in the latter's presumed struggle against British monopoly capital. This possibly explains an earlier tactical line of 1952 that had been advanced by the AITUC, which stated that 'while fighting for the worker's demands, we must learn to combine the demands of the worker with the demands of the employer [Indian] in such cases and defend our national interests against foreign monopoly capital.'[5] Thus, the AITUC pursued a discriminatory political intervention in which workers in Indian owned industries were not encouraged to push their wage claims or strive for better working conditions, in the interests of what they considered to be the requirement for weakening foreign monopoly capital. This led to the adoption of what was termed as the 'two-pillar policy' by AITUC at their Ernakuluam conference in 1957. Through the slogan they intended to stress that national economic development was an urgent task for all the TUs. At the same time, for good measure, they did not fail to also emphasise that this development could not be allowed to take place at the cost of the working people.

The central tactical line, nevertheless, remained committed to directing the working class to being supportive of Indian owned industry and business., It was to underline that national development was to be a joint effort of the working class and Indian capital, that Dange's, exhorted, in the Ernakuluam conference, that 'unless we participate in the solution of this problem as an organised force, the working class and the people will not advance on the road to socialism.'[6] The 'problem' clearly being a reference to national development and 'participation in the solution' suggesting a tactical partnership of sorts between the TU and Indian capital. The

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[4] *Report & Resolutions- 24th Session (Calcutta)*, New Delhi, AITUC Publication, 1954, pp. 47-48.

[5] S.A. Dange, 'Task Before the trade union Functionary', *Trade Union Record (TUR)* - Monthly organ of AITUC, August 1952, p.103.

[6] S.A.Dange, *General Report at Ernakulam*, New Delhi, AITUC Publication, 1958, p.9

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leadership of the AITUC, thus, had been convinced of the urgency of turning organized labour into strong votaries of nationalism.

Consequently, the B.T. Ranadive period (1948-50), witnessed an increasing emphasis towards directing the TUs to challenge imperialism rather than training their ire against Indian capital. Supporting the Indian bourgeoisie against foreign capital, therefore, became a significant element to the politicization of the TUs. At Madurai in 1953, the CPI emphatically declared that:

.... The working class must come out for the protection of national industries against the competition of the imperialism.[7]

In 1954, the AITUC session (Calcutta), in fact, rejected a 'leftist amendment', demanding immediate nationalisation of key and heavy industries as well as bank, insurance, transport and plantations.[8] In the succeeding years, AITUC even admitted the impossibility of immediate nationalization, though they continued to advocate the expansion of the public sector. Strangely as well, Dange pointed out in 1957 that 'I do not think anybody here will have the illusion that the state sector means socialism. State sector today in India means state capitalism.'[9]

Having thus evolved a relatively softer approach toward the 'needs' of Indian capital, the Indian TUs also began to subsume other aspects of labour management and control to the pursuit of self-reliant national economic growth. In 1957, for example, the Indian labour conference in its discussions on the issue of rationalization, dominantly framed it in terms of its importance for the needs of the country. AITUC, furthermore, suggested that before any rationalisation was allowed, the employer wanting to do so had to be compelled to produce a 'certificate of national necessity' and needed to satisfy three condition: (a) no retrenchment, (b) equitable sharing of gains between employer and employee and (c) proper assessment of work-load.[10]

Two year later, S.A. Dange stated that the AITUC's position on the particular question of the introduction of automatic looms in the textile industry was that "we are not opposed to mechanisation as such" and added that they were needed to boost exports. He, in fact, finally concluded such an understanding by arguing that the automatic looms "should be installed in

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[7] Harold Crouch, *Trade Union and Politics in India*, Bombay, Manakatlan, 1966, p.178.

[8] *Report & Resolutions-24th Session (Calcutta)*, New Delhi, AITUC Publication, 1954, p.22

[9] S.A.Dange, Trade Union Record- A Monthly organ of AITUC, 5 November, 1957, p.5.

[10] S.A.Dange, *General Report at Ernakulam*, New Delhi, AITUC Publication, 1958, p.38

new mills, preferably in the public sector."[11] Consequently, one sees a fairly complicated and almost at times contradictory set of assessments and responses to technology. The AITUC, on the one hand, viewed and debated technology as being critically linked to its overall understanding of nationalism and economic growth. Secondly, technology change had to weigh against the TUs and Indian capital's ability to challenge British imperialism. And only after securing the overall political imperative of strengthening the national economy could anxiety be then directed at the issue of labour displacement or capitalist control of the labour process. In other words, technology choices and capitalist production were not held to be obviously linked; rather both were treated as independent variables.

The second largest TU to emerge in independent India was that of the Indian National Trade Union Congress (INTUC).[12] The INTUC, in fact, went a step further than the AITUC by claiming that it differed from the then existing TU federations in that it placed greater emphasis on taking a 'national' rather than simply a sectional approach to labour problems. Towards which, the INTUC maintained that it tried to see things from the point of view of the nation rather than simply from the point of view of the working class. In part, the INTUC traced such views to what it considered to be its Gandhian influences, but more substantially because it was conceptualized as the labour arm of the then Jawaharlal Nehru led Congress party.[13] Jawaharlal Nehru, in fact, sought to further rub this point by repeatedly conveying to the INTUC members that "workers are citizens first and workers afterwards".[14] Other important Congress leaders such as Gulzarilal Nanda, in speeches at INTUC meetings, often emphasized the absolute necessity of workers devoting themselves to increasing national production if poverty is to be overcome

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[11] S.A.Dange, *Crisis and workers*, New Delhi, AITUC Publication, 1959, pp. 55-56.

[12] INTUC was formed because of political difference with AITUC, section of people in AITUC believe that the workers in India are only a section of the people and not a class apart. The culture and their tradition form part of the common heritage of the people of India. They believe India need an indigenous movement having its roots in the Indian soil, not foreign ideology. With this political difference, a conference was called on 3 may 1947 at constitution club-New Delhi, which was attended by all top leadership of Indian National Congress, like Nehru, Sardar Patel, G.L.Nanda, Khandubhai Desai, G.Ramanujam etc. it was decided in this conference to form New trade union and hence Indian National trade Union Congress was formed. See, Anonymous, *Achievements and Challenges- Fifty Years of INTUC*, New Delhi, INTUC, 1997.

[13] Harold Crouch, *Trade Union and Politics in India*, Bombay, Manakatlan, 1966, p.114

[14] *INTUC- Annual Report*, New Delhi, INTUC, 1955, p.1.

rather than adopting a posture of constant confrontation.[15]

Though one of the objectives that INTUC had set for itself to achieve was to 'place industry under national ownership and control.'[16] However, it seems in many of its actions, INTUC was not in any hurry in getting nationalisation of industry implemented. Its General Secretary, Khandhubhai Desai, in 1949, made this clear, "Let me, however, warn you friends that nationalisation cannot be brought about merely by resolutions in a twinkling of the eye... any undue haste in this direction would only retard the future progress or strengthen the hands of the reactionaries."[17] Two years later, however, when Desai was replaced by the former Congress socialist, Hariharnath Shastri, the INTUC advanced sharper criticisms of the First Five Year Plan on agriculture and what it considered to be the absence of heavy investment in industry. INTUC now argued that the absence of public investment left the field open to private investment. Thus, the result would be "....to foist private enterprise on the country for the future. The planners seem to believe that private enterprise under state control and discipline can be made to serve the interests of the country and its people." On various other occasions, since then, INTUC had often called for the nationalisation of all natural resources, mines and mining industries, banking and insurance sector (which was later nationalised), food-grains trade, mis-managed textile industries and of various other particular industries and establishments.[18]

While nationalisation was posed as the democratic contrast to private control of industry, the INTUC was soon also beginning to see the limits of such a debate towards addressing the actual conditions for labour relations vis-à-vis capital on the ground. Khandubhai Desai, in fact, on the issue of management in the public sector, said: "they were twenty years behind the private sector."[19] Thereby implying that the public sector might not inherently offer a better deal for the

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[15] Harold Crouch, *Trade Union and Politics in India*, Bombay, Manakatlan, 1966, p.114.

[16] Constitution, in INTUC- Annual report, New Delhi, INTUC, 1951, Appendix B4, Quoted from Harold Crouch, *Trade Union and Politics in India*, Bombay, Manakatlan, 1966, p.116.

[17] *General Secretary's report-INTUC*, New Delhi, INTUC, 1949, Quoted from Harold Crouch, *Trade Union and Politics in India*, Bombay, Manakatlan, 1966, p.116.

[18] Harold Crouch, *Trade Union and Politics in India*, Bombay, Manakatlan, 1966, p.114.

[19] *Brief Review- INTUC, Fifteenth Session*, New Delhi, INTUC, 1964, p.7.

labour force. Such was the INTUC's growing suspicion of the public sector that by 1964, its President, Kashinath Pandey, observed "with due respect to their [Socialists in INTUC] faith in nationalisation, which I also share to a great extent, I cannot refrain myself from saying that I feel my legs shivering when I stand to support nationalisation because I am immediately reminded of the miserable plight of workers and inefficient management of undertakings in the public sector."[20]

The Second Plan placed a new type of emphasis on industry, that were lacking during the First Plan. During the Second Plan period unemployment continued to rise which led INTUC to adopt the slogan; "full employment through greater emphasis on small-scale village and cottage industries."[21] By changing their emphasis on the reduction of unemployment rather than the increase of production, the Gandhians in the INTUC suddenly found themselves open to the charge that they are putting "sectional" interests ahead of "national" interest. To such a charge a possible Gandhians reply would be what S.R. Vasavada said in 1961, "Approach to planning should not be in terms of quantitative production alone and the machine and foreign exchange required for the same; the center of planning should be the man and not the machine... the approach to planning must be with a view to also build up men of character.[22]

In effect, the Gandhian elements within the INTUC were suggesting that automation and rationalisation could bring workers in conflict with the way that national interests were then being defined. At first, in 1951, INTUC was hesitant on the issue, "In the present economic state of the country rationalisation can be justified only to the extent it can be done without creating unemployment and that too with a view to cheapen the products for the consumers and enable the workers to reach a living wage standard."[23] And on the question of the introduction of automatic machinery INTUC protested on seemingly Luddite grounds that, "...operatives attending to such machinery are liable to suffer severe nervous strain, and ultimately nervous break-down, as a result of the extreme monotony and very high speed of the machine. A strong representation was made to the government of India to put a ban on manufacture, import and

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[20] *INTUC Fifteenth Session*, Presidential Address, New Delhi, INTUC, 1964, p.9.

[21] Anonymous, *Labour Policy in Third Five year Plan*, New Delhi, INTUC, 1960, p.10.

[22] *Annual Report-INTUC*, New Delhi, INTUC, 1961, pp.22 and 24.

[23] *Annual Report- INTUC*, New Delhi, INTUC, 1951, p.13.

installation of such machines."[24]

Sarosh Kuruvilla et al., in a recent article, argue that Trade Union strategies in India in the immediate aftermath of independence were substantially shaped by an inward-looking import substitution based pattern for industrialisation. Consequently, a slew of seemingly labour friendly policies were initiated by the government, such as The Factories Act of 1948, which laid out several labour sensitive standards for safety, health and working conditions. The 1948 Factory Act even included mandated child care facilities for large industries. There was also a strong focus on dispute prevention. However, strike or lockouts had to be withdrawn if conciliation or mediation was initiated by one of the parties. Laws, on paper, at least appeared to be extremely protective of workers. For example, the Industrial Disputes Act (1948) required that the employers needed prior permission from government for any layoffs (layoffs were for a temporary period only and employees were paid a portion of their wags during a layoff), or for retrenching workers (permanent layoffs) or even to close industries. Such permission on many occasions were denied by the government, as TUs could prevail over the political parties.[25]

Though formed in 1950, the Bhartiya Mazdoor Sangh, for long, remained an insignificant force within the working class movement in terms of its membership and influence. With the rise, however, of right-wing Hindutva politics in the 1980s, the ranks of the BMS began to swell.[26] The BMS trade union philosophy drew upon the ideas advanced by the Rashtriya Swyamsevak Sangh (RSS). In principle, the RSS was opposed to political unionism and termed most TU actions as sheer economism. The BMS not only drew from such a formulation but went on to also articulate a notion of worker's interests within a narrow nationalist framework.[27]

The BMS argued that its origins lay in a national culture and not in an international workers movement. It, furthermore, rejected both the idea of capitalism and socialism; the former because of it's over emphasis on the importance of production and the latter because of

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[24] *Annual Report- INTUC*, New Delhi, INTUC, 1955, p.28.

[25] Sarosh Kuruvilla et al, 'Trade union growth and decline in Asia', *British Journal of Industrial of industrial relation*, 40 (3), 2002, p.444.

[26] Anonymous, 'Rise of the BMS', *EPW*, 32 (3), 1997, p.66.

[27] Kiran Saxena, 'The Hindu Trade Union Movement in India: The Bhartiya Mazdoor Sangh', South *Asia*, 33(7), 1993, p.687.

its emphasis on distribution.[28] In the words of the BMS, "Marxists and socialists of every variety conduct their trade unions as instrument of intensifying class conflict with the ultimate goal of establishment of socialism. However, BMS is a votary of integration and nationalism and it, therefore, rejects the class conflict theory." Following is a long quote which clarifies what a nationalist framework through an amicable resolution of "all" industrial issues within "a joint industrial family" suggests:

> Translating BMS ideology into concrete labour issues, the BMS urges the rapid industrialisation of India and adoption of a technology suited to the country. It opposes the nationalisation of industries and advocate liberalisation. It supports participation of workers in industrial management, and aims at inculcating strong discipline and a spirit of nationalism among workers in order to achieve the BMS concept of nationalism. The BMS looks at industrial relations as family relation among the different constituents of industrial structure, and recommends that industrial councils comprising elected representatives of workers, managerial and technical cadres, and industrialists be constituted on national and state level. These councils would be the final authority subject to the approval of parliament or state assemblies. The entire labour force, the managerial and technical skill, and the capital within the industry would be at the disposal of the councils for their own deployment, and for making and implementing certain decisions such as on production and employment targets, levels of technology, wage policy, import-export, and so on. They also would look into the welfare of workers, ensuring job security against retrenchment, and undertake other activities as a joint industrial family.[29]

As mentioned above, the BMS drew its inspiration from the RSS and consequently, in its pursuit for a national culture rather than worker emancipation or justice, the BMS sided with the Bhartiya Janata Party on the Babri Masjid issue.[30] The construction of the Ram temple was treated as an important objective for the BMS, so much so that it placed the issue on its agenda for the ninth conference stating that, "Ayodhya is the birth place of Sri Rama...most of the Indians adores him as the incarnation of GOD." The BMS, in fact, went on to appeal to all its

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[28] Ibid, p.689.

[29] Ibid, p.689.

[30] Babri Masjid was built by Mugual Emperor Babar in 1528. Some believed that masjid was built over a piece of land believed to be birth place of lord Rama. Hindutava organisation like RSS/BJP lodged movement to built Ram Temple at same place. on 6 December, 1992 the mosque was destroyed by Hindu organisation.

cadres throughout the country to take up the task of temple construction work as a national endeavor and to participate in the cause. To ensure the participation of workers in *kar seva* in Ayodhya in 1990, the venue and dates of the BMS conference were even changed from Kanavati, Ahmedabad (October 1990) to Vadodara in Gujarat (February 1991). The organizers felt themselves bound to make this change because, "this agitation for the construction of the Ram temple at Ayodhya...reached its highest pitch at the end of the month...it would not have been possible to hold the conference as scheduled."[31]

Interestingly, the spectacular rise of the BMS between the 80s and 90s, with its strong commitment to a version of cultural nationalism, was also the period which witnessed large scale retrenchment of workers, closure of sick industrial units, and changes in the industrial sector in the wake of the government's zealous attempts to implement the World Bank's structural adjustment programmes in India.[32] In several ways, as well, many commentators on labour in India consider the 1990s as a watershed year of sorts. The enunciation of the New Industrial Policy of 1991, organized through the rubric of the World Bank's Structural Progrmme, as pointed out, was intended to change the very contours of the labour regime in India.

Some of these new industrial organisation strategies involved many sharp ruptures from the earlier independent era labour regime. Some of them being: to reduce the permanent workforce and organise bulk of their production through ancillary units or by employing casual, contract or other forms of unprotected labour. This not only cut down the fixed costs for industrial capitalists but also gave them the much needed flexibility and control over the production process; to shift production facilities to relatively 'backward areas' , where labour was both cheap and not unionised; and to bypass trade unions by signing agreements with individual workers.[33] In part, as I argue below, this decisive shift in the labour regime, in the course of India implementing a New Economic Policy (NEP) in the post 1990s, was greatly administered by a changed technological context for labour management, control and production.

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[31] Ibid, p.690.

[32] Anonymous, 'Rise of BMS', *EPW*, 32(3), 1997, p.66.

[33] Sarath Davala, 'New Economic Policy and Trade Union Response', *EPW*, 29(8), 1994, p.406.

III. New Economic Policy and its Technological Order

As the policies for the NEP began to be implemented there witnessed, not unexpectedly, a phenomenal growth in what is widely referred to as the unorganised sector.[34] Within the organised sector, on the other hand, a large section of workers were turned into either contract or casual daily labourers. One of the main advantages for the employers in the unorganized sector, as it is now pointed out, was the relative insulation from labour laws or legal regulations. That is, the bargaining power of labour was greatly diminished.

However, as I argue, it was not only in the realm of hiring laws and legal rules that the NEP began to mark a change. Rather, several 'new technologies' were also crucially deployed to further transform the nature of labour management and control. Firstly, a rapid change in production technologies in the period made a host of traditional skills redundant and also drove up the rate of designed obsolescence. Employers, thus, in order to avoid the costs of retraining and re-deployment preferred to simply phase out or fire such redundant workers. These technologies in fact transformed many aspects of work routines and skill sets with a stronger managerial and supervisory role placed atop a slew of unskilled casual/contract workers.[35] In effect, the proportion of permanent unionised category of workers shrank considerably. Secondly, new technologies were moved towards trying to secure management greater control over the labour process. For instance, an automated process plant could be run by just a few officers and supervisors, with the assistance of casual workers. So, even if the unionized category of workers adopted strike actions, production losses could be contained and thereby severely eroding union power.[36]

As discussed in the previous chapter, technology not only gives immense power to the capitalist in the form of generating surpluses but it also results in certain desired social relationships. In other words, the application of technology in the production process is intended

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[34] Some current figures suggest that 93 % of India's total work force now falls in the unorganized category. See, Dr.Sabu Thomas, 'Are Trade Unions dying', *Business Line-Internet Edition*, 26 June, 2000. Accessed on 9-2-09 at 18:06 IST.

[35] See Ranabir Samadar, 'Primitive Accumulation and Some aspects of Work and Life in India', *EPW*, May 2nd, XLIV (18), 2009, pp.33-42.

[36] E.A.Ramaswamy, *Workers Consciousness and Trade Union Response*, Delhi, Oxford University Press, 1988, p.5.

to strengthen the class position of the capitalist vis-à-vis the worker. Thus, one can argue that the working class is placed in an unequal position in the production process and the capitalist. Prior to automation, the worker had relatively greater control of the production process in terms of the ownership of his/her tools, working speed, time, hours of leisure, and social relation and so on and so forth.[37] Thus, some have argued that automation has more often than not contributed to the loss of the workers skill, control in the production process and adds to their alienation. Technological change, therefore, is crucially linked to working class politics.[38]

Given such a context, TUs can, theoretically, becomes important sites for the debate and contest over the politics of technological choice.[39] Marx had earlier pointed out that the prime aim of the trade union was to work as a school of solidarity amongst the working class, imparting training on the role of working class in moving towards socialist goals, and most fundamentally, building class consciousness within the working class of all sorts. In short, we can say that trade union is a school which imparts 'class training' to the workers.[40] On a microscopic level, the section below explores the claim by Harold Crouch that the Indian TUs are a stark example of a case where they are intended to serve as 'palliatives' rather than 'curing the malady'.[41] Put differently, TUs can also chose to present themselves as technical interventions, through economic unionism rather than as political institutions

> Their [union's] purely economic objectives conflict with the capitalist's desire to minimise costs of production. While any connection between trade unionism and socialist politics is a potential threat to his existence... where unions are willing to confine their objectives within comparatively innocuous limits, far sighted managements have little reason to resist, and much reason to welcome, union involvement in job regulation.[42]

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[37] Karl Marx, *Capital: A Critical Analysis of Capitalist Production*, Moscow, Progress Publishers, 1887, pp. 351-475.

[38] Evan Willis, *Technology and the Labour Process*, Sydney, London, Allen & Unwin, 1988, p.10.

[39] E.A.Ramaswamy, 'Trade Union for What?', *EPW*, 11(47), 1976, p.1817.

[40] Parvin, J. Patel, 'Trade Union Participation and Development of Class-Consciousness', *EPW*, 29(36), 1994, p. 2369.

[41] Harold Crouch, *Trade Union and Politics in India*, Bombay, manaktalas, 1966, p.155.

[42] E.A.Ramaswamy, 'The Indian management Dilemma: Economic vs. Political Unions', *Asian Survey*, 23(8), 1983, pp.976-977.

Economic unionism essentially revolves around negotiating worker's economic interests; institutionalised in the form of 'collective bargaining,' it provide space for both- trade union and the capitalist to negotiate their interests. So the question we have to ask is what purpose do unions pursue in collective bargaining? The conventional answer is that they defend and, if possible, improve their members' terms and condition of employment. They are out to raise wages to shorten hours and to make working conditions safer, healthier and better in many other respects. Collective bargaining is also a rule making process. The rule it makes can be seen in the contents of collective agreement. In other words, one of the principal purposes of Tu's in collective bargaining is regulation or control. They are interested in regulating wages as well as in raising them; and in regulating a wide range of other issues related to their members' job and working life. E. A. Ramaswamy (1983) argues that the interests of the state, too, lie distinctly in economic unionism. Governments have to govern and trade unions have to protest, and this basic divergence of purpose creates a relationship of potential conflict between the two.[43] This is how Indian representative at the 1955 International Labour Conference presented their policy on labour relation in the following words,

> In an economy where development is planned to achieve a definite target under regulation of the state it would obviously be impracticable to leave the vital field of labour-management relations entirely to chance.... We have come to the conclusion that, though every encouragement should be given to collective bargaining and voluntary settlement of disputes, the state should be prepared to intervene whenever the voluntary machine fails to work. We believe that the best way of resolving labour-management differences which are not solved by mutual negotiations is not a trial of strength by strikes and lockouts but by an award of an impartial body. Besides during the plan period, our country cannot afford loss of production consequent on labour-management disputes which cannot be solved by other methods.[44]

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[43] Ibid, p.977.

[44] Quoted from Oscar A. Ornati, 'Problems of Indian Trade Unionism', *Annals of the American Academy of Political and Social Science,* 310, 1957, p. 153.

IV.Technology and the Trade Unions

In previous chapters, I discussed how technology could be deployed in the production process to undermine labour's position vi-a-vis the capitalist. Technological change, in other words, can turn workers redundant. Both skilled and unskilled workers can face similar pressures be, wherein:

> Clerical workers may be apprehensive about the consequences of employment from the
> introduction of computers; draughtsman may express fears about new techniques for the
> preparation and reproduction of drawing; scientists or technician may feel that their
> employment has been so highly specialized that their skill will be of little value to other
> employers.[45]

Such concerns can be reflected in two major approaches: first, is the 'effect of technological change on employment and the second is the effect on living standards.'[46] As far as Indian TUs are concerned, the AITUC in their education series titled *Trade Union and New Technology* stated,

> Already there is a vast and growing number of unemployed- nearly 30 million job seekers
> on the registers of the employment exchange, and an estimated four times that number
> who are not registered. Of the registered job-seekers, half are educated (above
> matriculation); some are engineers, doctors and technician. The human resources of the
> developing countries like India are already grossly under-utilised.[47]

The AITUC further argues that in a developing country like India, with all the features and problems indicated above, any strategy of development had to inter-relate the goals of employment creation, technological choice and self-reliance. Failing which, the simple and indiscriminate introduction of high-technology, especially imported technology (through the MNC's and collaboration agreements) could turn into a disaster, rather than a boon.[48] Given the analysis, AITUC, therefore, argued that:

> The Trade unions have to take a cautious and guarded approach in the matter of
> technologies. There can be no objection to computerisation of scientific research, data
> processing, complex control systems and the like. On the basis of concrete studies of the

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[45] J.E.Mortimer, *Trade unions and technological Change*, London, Oxford University Press, 1971, p.1

[46] Ibid. P.1.

[47] AITUC education Series-5, *'New Technology and Trade Unions'*, New Delhi, AITUC Publication, P.45.

[48] Ibid, p.46.

impact of new technology, sector by sector, our trade unions have to decide their attitude and course of action. But firm resistance must be put up against induction of foreign technologies which:

- are likely to result in loss of existing jobs and large scale displacement of labour without possibility of absorption in alternative jobs;

- are already available within the country or can be developed by our own scientists and experts, appropriate to our requirements; and

- Are harmful to the interests of indigenous R&D; and can lead to ruin of small scale or domestic industries.

Thus, every proposed technological innovation could potentially have an impact on jobs, such as displacement of 'surplus staff' and yet the former cannot be resisted as a principle.[49] The AITUC, in one of its considered positions on the subject, therefore, argued that as the 'development of modern technologies' are an 'irreversible process of history, it cannot be opposed absolutely'. Rather, the 'real danger arises from the misuse of modern technology under the capitalist system for the narrow interests of profiteering by monopoly groups.'[50] AITUC also claimed that technology would have several types of social impacts in a country like India, where job redundancies by machines were fought by reactionary slogans such as 'jobs for locals', 'no jobs for outsiders ', 'no reservation for SC and ST, especially in promotion', etc.[51]

INTUC appears to have a similarly mixed approach to technology. On the one hand, it believes that to increase employment it is necessary to encourage labour-intensive methods, on the other, it argues that the country would remain backward if it did not reap the benefits of technological advances. And like the AITUC it maintains that, 'there could be neither a blanket approval nor a blanket ban on all schemes of automation. These would have to be highly selective and in harmony with the larger interests of the nation. However, unless there were compelling circumstances, automation should be discouraged.'[52]

For TUs, it appears that technology can be treated as a good, if it is in use for activities other than profit making. This seeming ambiguousness, in part, can be understood by the way

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[49] Ibid, p.47.

[50] K.L.Mahendra, *A Short History of the AITUC: In the changing political scenario,* New Delhi, AITUC Publication, 2005, P.58.

[51] Ibid, p. 55.

[52] G.Ramanujam, *Indian Labour Movement,* New Delhi, Sterling Publishers Private Limited, 1986, p.186.

TUs have supported industrial development in India. India after Independence adopted import substitution policy for industrial development, and for that the government invested in heavy industry and some of the key primary sectors and other sectors were left open for private firms. Prabhat Patnaik argues that in a regime with heavy all round protection and import control the government was to spearhead investment in crucial high-risk sectors while making finance available to the private sector to take advantage of opportunities opened up as a consequence of its own investment and its protectionist policy.[53] The logic of this framework implied that public investment could not be financed by a heavy reliance on the taxation of property incomes, since that would have destroyed private incentives and hence undermined the very basis of the 'mixed economy'. As a result he argued, the new private foreign capital which entered particularly during the Second (1956-61) and Third Plan years (1961-66) went into technologically intensive areas and produced mainly for the domestic market which was cordoned off by high protective barriers. As a repercussion of that Indian businessmen who never bothered much about developing indigenous technology or financing indigenous research, foreign technology became essential for cashing in on the growing and protected domestic market. And there was the incidental advantage that a project with foreign collaboration which made arrangements for meeting its foreign exchange requirements could easily jump the queue for import licenses. Such collaborations did little to promote indigenous research; on the contrary many of them explicitly prohibited indigenous research so that technological dependence and technological parasitism got perpetuated.[54]

Ironically, such an Industrial Policy though attempting to give thrust to the quest for technological self reliance, in reality led to sorts of technologically dependence. Trade Unions, on the other hand, even though not completely supportive of such moves never decisively questioned or challenged the above. While the post-eighties industrial restructuring was taking place in the backdrop of such an ambiguous understanding of technology, the TUs were unable to launch any major successful workers movement.[55] Shankar Guha Niyogi, a Trade Union Leader, believed that much of the TUs inability to display initiative on such matters lay in their unquestioning attitude to production. It is aimless production with the help of technology; he

[53] Prabhat patnaik, 'Industrial development in India since independence', *Social scientist*, 7 (11), 1979, p. 6.

[54] Ibid, pp. 8-9.

[55] Sarath Davala, 'New Economic Policy and Trade Union Response', *EPW*, 29(8), 1994, p.406.

argued, that had weakened the workers movement.[56] Thus, the issue of technology created a dilemma for Indian TUs; they could not decide what should be their priority, whether it should be technology based industrial development or labour intensive industrial development. A dilemma that Ramaswammy explains thus:,

> From labour point of view, resistance to automation has been complicated by certain extenuating circumstances. ... it is hard for labour to think of automation in entirely negative terms. The experience of union leader is that even as they battle to stop the entry of new machines, workers are vying with each other for the privilege of operating them. Individual workers look forward to better technology even though the collectivity may face the risk of redundancy. Moreover, the employer's failure to update technology may not necessarily be in the interests of labour. Enterprise which have turned unprofitable and downed their shutters have usually been characterised by persistent failure to modernise. When faced with the daunting prospect of closure, trade unions themselves have been forced to demand the induction of new technology. The choices before labour appear severely limited: they have to either accept automation and the resulting redundancy or face the possible decline of the enterprise in the long run."[57]

While Ramaswammy, perhaps, offers an interesting suggestion as to why workers might not be able to oppose technological change in an absolute manner, one could nevertheless pose the question differently: why do worker receive technology in such a manner? Given the situation where technology application is seems to be unsympathetic towards the workers. Here Marx's notion of treating the TU as a school of the working class becomes important. Instead of transforming the TU into a site for challenging capital, they have instead emphasized upon economism, which has led them to not question the political nature of technology. Thus, the TUs that we have studied have concerned mostly with grappling with economic or nationalist challenges; that is a mix of concerns relating to unemployment or technological self reliance.

In 1991, India adopted the New Economic Policy which brought forth far-reaching changes in the TUs movement. It not only changed workers condition but it also changed the contexts for debates within the TUs. As Kuruvilla et al. note:

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[56] 'Comrade Niyogi se Trade Union Andolan par do Baatcheet', Interview with Shankar Guha Niyogi-a Trade Union Leader, taken from National Labour Institute's digital archive(http://www.indialabourarchives.org)

[57] E.A.Ramaswamy, *Workers Consciousness and trade Union Response*, New Delhi, Oxford University Press, 1988, p.6.

Economic liberalization in 1990 brought about a sea change in industrial relations practices. On the one hand, employers, faced with increased competition, have become more aggressive in their labour relations. In several key industries and firms, union membership has declined as employers have reduced manpower through voluntary retirements, as well as increasing subcontracting. On the other hand, there is an increased schism between the unions and their traditional allies, the political parties. The former opposed economic liberalisation while the latter (all parties) supported it. Most importantly, individual state governments are attempting to change labour laws at the state level in order to make it more attractive to foreign investors, resulting in a new employer-business coalition.[58]

V.Conclusion

From the above discussion, it appears that the Indian TUs were generally ambiguous on the issue of technological change. The idea of technology, on the whole, in fact, appeared to be a subject that lay outside the debate on capitalism or as an element of a wider socio-political network. While, on the one hand, the TUs did sense that technological change could be crucial to enabling the capitalist to dominate the worker, they, nevertheless, preferred to cling to the view that it was to be debated within the frameworks of national self reliance or as a challenge for realising development outcomes.

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[58] Ibid, p.444.

4

Banking-Technologies and the Trade Union Debate

I. Introduction

This chapter will discuss how the banking sector unions responded to the introduction of new types of banking-technologies in the early 1990s in India. In this period, the banking establishment/management sought to move from the manual maintenance of records and customer transactions to one involving computerised operations. These changes, to a great extent, could be considered as being dramatic for many segments of the bank employees. The introduction of computers did not only mean a change in the methods of banking but crucially involved a substantial shift, especially for the employees, in their skill requirements. An obvious consequence of which was the inevitable problem of worker obsolescence and the challenge of retraining.

While the unionization of the railways and textiles in India was initiated in the 1920s, unions in the banking sector were started only in late 1940s. Like other sector unions, in the period, in the initial phase there were no rival trade unions within the banking sector, till the late 1980s. The banking sector unions are characterised by the fact that most of its membership is educated and, therefore presumed, that they can be vigilant and easily comprehend dangers to their interests. Consequently, as an educated workforce, the banking sector trade unions were amongst the first to debate the nature, extant, and process of technological change in work place routines in India.

II. Retrenchment and Job Eating Machines

After independence in 1947, the Reserve Bank of India (RBI) was nationalised in 1949 with the understanding that the central banking institutions of the country would

serve social and economic objectives. In 1955, the Imperial Bank was also nationalised and renamed as State Bank of India (SBI) in order to extend banking facilities on a large scale, specifically in the rural and semi-urban areas and for various other public purposes. Subsequently, in July 1969, fourteen big banks were brought under the umbrella of the public sector. The process of nationalisation of banks, in fact, continued till April 1980, when six more banks were brought under public sector.[1] On the other hand, the processes of the formation of banking unions were accelerated after the 1940s. According to a report in the *Hindustan Standard*, in 1940, the banking employees were at the receiving end of fairly harsh working conditions:

> There is no time limit of the working hours in the banks. The poor clerks have to attend office at 10 A.M. and they do not know when they will be able to leave the office because they are not allowed to leave the office until and unless the day's accounts i.e., the cash balance are found correct. In some of the banks, the transactions go on even up to 4 or 5 P.M. so that the day's accounts cannot be taken up early during the day and so that closing of the accounts go on up to 10 P.M. and sometimes even up to 12 midnight until the cash balance is found correct. These clerks are, therefore, compelled to work for 12 to 14 hours per day. On the other hand, these overworked clerks are very poorly paid.[2]

This was but the beginning of a long list of complaints by the bank workers in pre-independence India. In many banks, allegedly, if the employees did not voluntarily report for duty, *goonda* elements would be sent by the manager to the residence of the employee and the latter would then be physically dragged to the branch and compelled to complete the unfinished job. In European banks, *dhoties* and *jibbas* were not allowed. Wearing a tie was a must. Hire and fire without any chargesheet or enquiry was routine.

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[1] Biswa N. Bhattacharya and B.K.Ghose, 'Marketing of banking Service in the 90s: Problems and perspectives', *EPW*, 24(8), 1989, p. M-27.

[2] Hindustan Standard, 11 Feb 1940. Taken from Com. P.S.Sundaresan, *A Trade Union Odyssey: The History of All India bank employee' Association*, Bangalore, Karnataka Pardesh Bank Employee' Association, 1996.

In some banks, employees would not be allowed to serve for more than 8 to 10 years. New recruits would replace them so that senior employees cadre would not grow. There were no rules for any kind of promotion. Household chores of the managers were often forced on to the staff of the bank. Leave for the marriage of an employee, for example, was more often than not refused or with a written note by the manager stating that as the *Barat* and wedding would be usually taking place in the late evening and night, no leave hence was required.[3]

It was in this background that the All India Bank Employee Association (AIBEA) was founded on 20th April 1946 in Calcutta. In the foundation conference, the organising Secretary Jyoti Ghosh, described the importance of banking union in the following words:

> Bank employees' services to the public and their contribution to the
> advances of the country are immense. To redress our legitimate grievances
> and to get proper facilities for a decent living as human beings, we shall
> endeavour our best to make the cause common. All the employees of the
> railway, post offices, mercantile firms and factories are uniting themselves
> under the banner of their own associations. It is, therefore high time for us
> to fall in line with them and muster strong for furtherance of our own
> cause. Unless we are united, nothing material can be achieved and nothing
> concrete can be done.[4]

From its foundation day, till today, the AIBEA has remained a strong and important banking union; even though there have been a number of other banking unions have emerged after independence. Like other trade unions, each banking union is affiliated with one or the other political party. To cite a couple of examples; Bank Employee Federation of India (BEFI) is affiliated with the CPI (M), Indian National Bank Employee Federation (INBEF) is affiliated with the Congress (I), and National

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[3] Com. P.S.Sundaresan, *A Trade Union Odyssey: The History of All India bank employee' Association*, Bangalore, Karnataka Pardesh Bank Employee' Association, 1996, pp-6-7.

[4] ibid, p.23

Organisation for Bank Workers (NOBW) is affiliated with the BJP and the AIBEA is affiliated with the CPI. However, the National Confederation of Bank Employees (NCBE) considers itself an independent union of the State Bank of India employee. Till 1977, AIBEA was the sole representative of the bank workers in all Bipartite Settlements and other negotiation with the management. From 1977 onwards, NCBE was allowed to join the negotiation table along with the AIBEA and in 1994, BEFI and other unions joined the unions' side in this exercise. Finally, in 1999, a forum was formed which included the representatives from all the unions mentioned above. It is interesting to note here that it was over issues of technological change that rival trade unions came together to form the United Forum for Banking Union (UFUB), as a chief arbitrating body to represent bank workers in all the negotiations.

From early 1950 till mid 1960s. The AIBEA grew rapidly as the sole representative for the bank employees. After 1966, the first technological challenges, as it were began to surface, with noises from the Reserve Bank of India (RBI) about the need to computerise and mechanise various aspects of the banking service in order to ensure 'quick service', 'increase productivity' and 'overall efficiency'. The AIBEA, although opposed to the 'uncontrolled and unregulated' introduction of new technological innovations, agreed to limited mechanization. The AIEBEA, however, registered caution by noting that 'in a growing economy like India and in a fast developing industry like banking controlled mechanisation and modern technology is must, but the trade union should have strict vigilance and bilateral agreements in the field so that at no times the bankers will be allowed to run amuck creating dangers of retrenchment by introducing job eating machines.'[5]

Clearly, the AIBEA was caught in dilemma of sorts. On one hand, there was the challenge of coping with the changing requirements of banking, which required responding to new types and scales of service efficiencies; on the other, however, was the need to secure the interests of its workers who faced the prospect of being rendered

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[5]ibid, p.262.

redundant. However, at the heart of the rhetoric for caution of the AIBEA was the belief in banking as a national project that had to primarily respond to the social and economic requirements of nation building. Consequently, the AIBEA had to negotiate with a slew of administrative and organisational complexities that followed from the Indian government's Nationalisation agendas.

III. Nationalisation and Banking Transformations

The Nationalisation of banks, not surprisingly, transformed many aspects of the latter's functioning character. Earlier banks essentially catered to the privileged classes but following Nationalisation they were now sought to be re-oriented towards serving the mass of the rural poor and the underprivileged. For a start, considerable changes in the recruitment policy of the banks were carried out. Recruitment was now to be placed on a more systematic basis, with merit assessed through aptitude tests conducted by an external agency in an impartial manner.[6] In time, banks also became credit delivery agencies for many governmental schemes and programme; as a result, the overall volume of banking sector activities grew tremendously and the industry became a far more complex and complicated instrument.

Given the vast changes in scale and scope following Nationalisation, management in the banking increasingly, it appears, tended to lean towards more pronounced technological fixes to handle efficiency questions. One consequently sees that in the Second Bipartite Settlement in 1970[7], sections within the banking management began to

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[6] G.R.Deekshit, 'An Uneasy Look at Bank Nationalisation', Paper presented at the national seminar on 'Revitalisation of Indian Banking under Threat of Privatisation', organised by the All India bank Employees Association in Bombay, 4 April, 1991.

[7] Prior to first Bipartite Settlement in 1966, all the bank dispute and wage negotiation settled through tribunal appointed by Govt. of India. But in 12th conference of AIBEA at Calcutta-1962, Union adopted a resolution that instead of Tribunal there should be bilateral agreement between Bankers and Union. As Union believe that this tribunal did not act according to constitutional principle of equality and social justice, therefore they would never ensure social justice to the working class. So subsequently in 1966 bipartite settlement comes into existence where bankers and union negotiate with each other. Taken from

press for what was termed by them as a larger role for 'mechanisation'. These moves by the bank managers were roundly resisted by the AIBEA, who opposed the very concept for any further extension of mechanisation than what has been already agreed in the First Bipartite Settlement of 1966. While the resistance to mechanisation by the AIBEA was strong enough to ensure that there was only a brief mention of it during the Third Bipartite Settlement of 1979, the climate had all but completely changed by the time of the Fourth Bipartite Settlement (FBS) of 1983-84. In several ways, the FBS can be termed as some sort of a defining moment in Indian banking history as far as mechanisation was concerned. During the course of the negotiations in the FBS, the banking management insisted that a closure be reached over the challenge of mechanisation and computerization by being decisively settled as an issue. In part, the argument was that the banking unions, which had been resisting any change for over seventeen years, had to show clarity over the question of the vast changes that were taking place in the banking sector. Thus, for the management the negotiations could not be simply reduced to that of demands over wage revisions.

The unions, however, in aiming to contain the discussion to that of a debate over wages and to generate support for its demands called for a strike that went on for almost a month.[8] In the course of time, the government intervened ostensibly to break the deadlock and asked both the parties to settle the issue through negotiations. After several rounds of talks, finally, both the parties agreed to concede ground. While the banking management agreed for a wage revision, the banking unions agreed for 'limited mechanisation'. Later, by way of an explanation for endorsing the settlement, the National Campaign Committee of the AIBEA claimed that,

> while uncontrolled introduction of computers and machines will pose a
> danger to the working class, if at the same time a controlled, restricted
> agreement is possible with the Trade Union as a party, it will then be good

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Com. P.S.Sundaresan, *A Trade Union Odyssey: The History of All India bank employee' Association*, Bangalore, Karnataka Pardesh Bank Employee' Association, 1996, p.249.

[8] Com. P.S.Sundaresan, *A Trade Union Odyssey: The History of All India bank employee' Association*, Bangalore, Karnataka Pardesh Bank Employee' Association, 1996, p.396.

for the industry, as a whole for while the needs of the industry are being taken care of, the interest of the workers stands totally protected against retrenchment and other problem.[9]

In other words, the banking unions had come around to the position that workers rights could be secured despite rapid technological change. The belief now was that the union's intervention could ensure that a carefully calibrated and controlled rate of mechanisation or computerization could be prevented from causing job losses. Consequently, it was now argued that certain jobs could indeed be entrusted to the machines; such as reconciliation of inter-branch entries, central accounts, transactions pertaining to credit and traveler cheque, foreign exchange transactions, credit information data, merchant banking, salary, and pay roll. [10]

The unions, however, wished to maintain a close watch on the process so that jobs could be protected. The final settlement, nevertheless, had several elements that could be termed as being self-contradictory. On the one hand, there were to be quantitative restrictions on the number of computers being deployed by the banks; with limits on the number of mainframe computers and even on the number of accounting machines, which might be used in rural branches. On the other hand, however, the very same banks were allowed to use 'such number of mini-computers as are warranted by their needs and exigencies.'[11]The 1983 FBS agreement, in fact, also provided an opening for individual banks to make their own computerisation agreements, with many foreign banks immediately taking advantage of this 'openness' to negotiate agreements which could give them a free hand to introduce new technology. This despite the so called cautious and restrictive approach of the AIBEA and NCBE.[12]

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[9] Ibid, pp.396-397.

[10] Com. N. Sampath, *The Journey so Far: Compendium on Wages & Service Conditions of Bank Employee*, Madras, Tamilnadu Bank employees' Federation, 1997, p. 28.

[11] Sujata Gothoskar, 'Computerisation and women's employment in India' in Swasti Mitter and Sheila Rowbotham (ed.), *Women Encounter Technology*, London, Routledge, 1995, p.154.

[12] Ibid, p.154

In March 1987, the AIBEA and NCBE signed a new settlement with the Indian Bank Association (IBA). This settlement proved to be much similar in approach and concerns to that of the 1983 agreement. Although it allowed for an extension of new technologies in both the operations — computer and equipment use — the concern still was largely on ways of restricting and controlling the use of computers to protect existing staff and preserve the prospects for future vacancies. Taking advantage of the 'openness' in the clause of the agreements of 1983 and 1987, however, the SBI management signed another agreement on computerisation with the All India Staff Federation (a constituent of the NCBE). According to this agreement, now, each bank was allowed to have one fully computerised branch in any of the metropolitan centres of the country. Interestingly, some of the AIBEA's own affiliates agreed to the installation of automatic teller machines and fax machines, which was, in actual fact, beyond the purview of the industry level accord. Meanwhile the BEFI, another union of the bank employees, launched a campaign against the agreement on mechanisation and computerisation in the computer Settlement of 1983. Unlike the AIBEA, which was by now taking a rather flexible view, the BEFI was comprehensively against the computerisation and mechanisation process in banks. Its chief argument hinged on the claim that since India was a labour surplus country the mechanisation of the banks needed to wait. The main tenet of this argument was that computerisation and mechanization, whether used selectively or widely, would always be labour displacing. The BEFI, therefore, felt that it was necessary to preserve the Indian banking sector as a labour absorbing industry rather than orienting it as a capital-intensive industry.[13] By the late 1980s, the BEFI even sought to be recognized by the IBA (Indian Banking Association) in order to allowed to participate in the Bipartite Settlement negotiations. The IBA, however, categorically made it clear unless BEFI gave a written assurance that it would honour all previous Bipartite Settlement, including one on mechanisation and computerization, it would not be invited to any bilateral meeting.[14]

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[13] Interview with Com. Malkutia, BEFI leader, dated 24-2-2009, New Delhi.

[14] Com. P.S.Sundaresan, *A Trade Union Odyssey: The History of All India bank employee' Association*, Bangalore, Karnataka Pardesh Bank Employee' Association, 1996, p. 217

It is quite evident that by the late 1980s and early 1990s, the bank unions could not sustain a unified position against mechnisation and computerization. By signing a slew of settlements with the bank managements on the issue of computerization, the unions found themselves committed to several contradictory, conflicting and irreversible positions. The AIBEA seemed to have found tied in knots. Its dilemma was twofold: it could not agree to the complete mechanisation process as it would have eaten away workers jobs but, at the same time if they resisted they would render the industry and the employees in an impractical and near unworkable banking situation. Caught in such a cleft, the AIBEA sought to advocate what they termed as a 'cautious' approach: that is, initially, reject all mechanisation proposals brought forth by the management and link the dismissal with wage demands. This strategy based on setting up a set of tradeoffs, in fact, is evident in the pattern of negotiations that were followed in FBS. Consequently, when the long strike had to be ended with a concession on the technology front being all but inevitably the unions could walk away with a relatively successful wage deal. On the surface, however, it appeared that both the banking management and the unions appeared to have conceded ground on a mutually beneficial basis.

The All India Reserve Bank Employees' Association (AIRBEA) had not signed the same agreements as AIBEA, but, at the same time, it also had not taken up any struggle against automation. However, when the BEFI, which like AIRBEA is associated with the CPI (M), launched a struggle against the Hong Kong Bank (Calcutta branch) in 1985, the CPI (M) led Government of West Bengal sent in the police to end the blockade. Later on in 1987, when bank employees brought clearing operations in Calcutta to a complete halt, BEFI withdrew the struggle on a written 'request' by the Chief Minister, Jyoti Basu who assured the Union that the government would take into account the interests of the working class as a whole. The Bengal *puja* season was approaching and the argument was that the workers as a whole would be hard put if their salaries were not cleared.[15] Clearly, the BEFI, the AIRBEA and the CPI (M) despite their consistency in terms of their political affiliation remained inconsistent in their response to the question of banking technology.

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[15] D. N., 'Alliance in Bank Computerisation', *EPW*, 25(4), 1990, p. 2.

Similarly, the AIBEAs' approach was also caught in several contradictory positions as far as mechanisation in the banking sector was concerned. On the one hand, they believed that mechanisation would eliminate jobs (securing the worker's job is the foremost priority of any union), while, on the other hand, they also had to accept that controlled mechanization, though under the watchful eye of the union, was good for the banking industry and hence good for workers. Consequently, the initial demand for a blanket rejection of any compuerisation or mechnisation gave way to a new demand to prevent any kind of retrenchment from the adoption of banking technologies. However, in the course of evolving such a position, the AIBEA neither pursued the mechanisation debate as a political one nor was it able to treat the changing nature of the banking industry and the bankers' demand for computerisation within the broader trajectory of capitalism. That is, the capitalist will incessantly try to increase the circulation of capital hence it will leave no stone unturned to push its demand for automation so that more work could be done with less number of workers.[16] By the early 1980s, it appears that the banking management seemed to have grasped the changed dynamics of the industry and therefore started confidently and stridently arguing in favour of mechanisation and also

... started involving themselves in disintermediation activities like merchant banking. This period saw a variety of new innovative instruments in the capital market. There was a large market preference of convertible and non-convertible bonds and public sector bonds. Several banks set up merchant banking divisions, directly or through subsidiaries. Banks have also started mutual funds, leasing, housing finance and discounting house, etc. This was mainly due to phenomenal growth in the capital market.[17]

Through the course of the 1980s, the banking sector, in fact, was rapidly expanding its services beyond its traditional limits. The resultant pulls and pressures, given the sheer

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[16] Paul L.Robertson and Lee J.Alston, 'Technological Choice and the organisation of Work in Capitalist Firms', *The Economic History Rivew*, 45(2), 1992, p.347.

[17] Biswa N. Bhattacharya and B.K.Ghose, 'Marketing of banking Service in the 90s: Problems and perspectives', *EPW*, 24(8), 1989, p. M-28.

change in the scale and scope of the banking sector operations, in fact, soon played out simultaneously at two levels. On the first level, the need for technology became crucial for not only enabling new types of efficiencies but also for generating different levels of profits. At the heart of which, as the Reserve Bank of India (RBI) began to acknowledge, lay the challenge of reducing the time for money circulation in profit taking, so that the costs could be reduced.[18] Thus, reducing these circulations costs was seen as being linked to increase the proportion of the surplus, which in turn could then be set free for reinvestment again. The second level related to the multiple tensions that got built up between the increase in the amount and nature of work, the number of staff required and the drastic change in the quality of banking service. Consequently, these tensions caused even the bank employees to reconsider their positions in the changed environment. The absence of simultaneous recruitments in proportion to the retiring personnel caused the employees to be overburdened. This in turn caused the employees themselves to begin voicing demands for mechanisation and computerisation. As one bank employee and unionist put it, 'as a unionist I would oppose computerisation, but as an employee I would welcome it. That is my dilemma.'[19]

Clearly, the bank unions seemed to have been caught in a double pincer like movement. On the one hand, the nature of the industry had changed with a new emphasis on technology. On the other hand, the bank employees also found themselves outmaneuvered as the new banking services required them to embrace computerization.

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[18] *Use of Technology in the financial sector: Significance of concerted efforts*, speech delivered by Dr. Y.V. Reddy, Governor, Reserve Bank of India at the Banking Technology Awards Function, 2006 at the Institute for Development and Research in Banking Technology, Hyderabad on September 2, 2006, (taken from www.rbi.org. Accessed on 24.3.09 at 22:05 IST)

[19] Interview with S.C.Negi, Union Leader in nationalised Bank, Dated 14-3-2009, New Delhi

IV.The Banking Sector in the Era of Liberalisation

In the previous chapter, it was pointed out that in the early 1990s the Government of India, at the behest of World Bank, initiated processes for what was termed as 'reform'. Under the rubric of reform, government functioning was subjected to the Structural Adjustment Programme (SAP). SAPs in actual operation essentially involved a systematic sector level reduction in government's capacity, leading to the downsizing of its staff. For the Indian Banking Sector, reform processes were initiated by the Government of India in July 1991 with the appointment of a single member committee — M. Narshiman, former RBI Governor. The Narshiman Committee, in its report submitted to the Government of India recommended, along the lines of the SAP, that the government needed to disinvest in the banking by reducing the governments' control over bank management and by downsizing. The subtext of the report also suggested that the strength of the banking unions needed to be also diminished.[20]

Following the implementation of the liberalisation agenda and the reform process, the entire banking landscape in India was, in little over a decade, dramatically transformed. Some of the changes were made visible with the proliferation of ATMs, telephone banking, online banking, mobile banking, credit and debit cards and home banking. At the heart of these changes, however, was the expansion of consumer credit, with housing loans and car loans as the main drivers.[21]

In the light of the ferocious pace at which modernisation and technological transformations were altering the very context for banking in India, the General Council of the AIBEA met at Shimla to take stock.[22] Subsequently, the Central Committee of the

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[20] Anonymous, *Voluntary Retirement & Sabbatical Scheme for Public Sector Banks*, Taken from, http://www.banknetindia.com/banking/vrs.htm accessed on 23-2-09

[21] T T Ram Mohan, 'Banking Reforms in India: Charting a Unique Course', *EPW*, March 31, 2007, p.1109.

[22] Com. P.S.Sundaresan, *A Trade Union Odyssey: The History of All India bank employee' Association*, Bangalore, Karnataka Pardesh Bank Employee' Association, 1996, p. 435.

AIBEA met in February 1993 at Chandigarh. At the Chandigarh meeting, the AIBEA resolved to review its existing Settlements, especially with regard to automation in the banks. The attempt was aimed at providing a comprehensive approach to changes that were happening in the banking industry — from housekeeping to customer service. These concerns soon spurred a settlement on computerization between UBUF and IBA on 29th October 1993. Below is a summary of the agreement:

1. No computerisation in any rural or semi-urban branch.

2. Urban and metro branches with a daily compliment of 750 vouchers, calculated on the average of twelve calendar months, can be put on computerisation together with 1 to 1.5% of other branches, subject to a maximum of 15 and 5 for banks with branches of more than 500 and less than 500 respectively.

3. Administrative office can also have automation.

4. All the previous settlement on computerisation stand abrogated.

5. Displacements, if any, have to be kept at the barest minimum. Displaced employee, if any, shall have to be absorbed at the same station.

6. The "Special Allowance" for computer operation and data entry operator have been fixed at Rs.410/- and Rs. 285/- respectively with 90% thereof ranking for PF and superannuation benefits.[23]

As is evident from the above, while the bank unions tended to be strong and clear over the question of wages, their position on banking technologies were often times ambiguous, if not hesitant. In great measure, the complications over the adoption of technologies such as computerization and automation followed from the union's sustained inability to treat technology as a political artifact. While the unions linked banking technologies to questions of retrenchment and obsolescence, in hindsight, it appears that they were unable to grasp the entire range of transformations that were taking place in the banking sector. For one, the circulation of capital had acquired an

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[23] Com. N. Sampath, The Journey so Far: Compendium on Wages & Service Conditions of Bank Employee, Madras, Tamilnadu Bank employees' Federation, 1997, p.29.

altogether different rhythm in the era of liberalization, leading to a push for an entirely new range of technologies. Secondly, manual banking had increasingly become obsolete in the new context and therefore harder and harder to defend and sustain. Thus, the unions soon found themselves on the wrong side of the technological divide. The banking unions, therefore, found themselves not only incapable of resisting or redirecting the nature of technological change but, critically as well for them, unable to prevent the inevitable downsizing in the banking sector.

In November 1999, the Government of India introduced a Voluntary Retirement Scheme (VRS) for the employees in all nationalised bank. This scheme was launched to balance the business with labour cost. As according to Finance Ministry on the basis of Business per Employee (BPE) of Rs. 100 lakhs, there were 59,338 excess employee in 12 nationalised banks, while based on a BPE of Rs. 125 lakhs the number shot up to 1, 77,405. Therefore, to assist bank in their efforts to optimize use of human resourse and achieve a balanced age and skills profile in tune with their business strategies, Finance ministry launched this scheme. According to the scheme, all permanent employees with 15 years of service or 40 years of age were eligible to avail this scheme involving an ex-gratia amounting to 60 days salary. Employees, who were eligible for the VRS, but did not want to avail the scheme, were also given the option to go on a sabbatical for five years.[24] The emphasis was to use the VRS to reduce the staff strength of the nationlaised banks by giving them the opportunity to avail a golden handshake, as it were. Interestingly enough, a substantial number of employee opted for the VRS scheme; in part, as alleged by the unions, the VRS package was substantial enough to convince workers to accept them.[25] A similar strategy seemed to have been also been adopted by the management to encourage the use of computers. Accordingly, a special allowance for the computer operator and the data entry operator was initiated. As a result, bank workers in semi-urban area also started demanding computerisation in their branch. Such, in fact,

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[24] Nivedita Dutta, labour in the Banking Sector: Banking on Contradiction, Taken from http://www.labourfile.org/ArticleMore.aspx?id=287 accessed on 23-2-09 at 22:16 IST

[25] Interview with Anil Kumar Sinha, BEFI leader, dated 17-3-09, New Delhi.

was the enthusiasm amongst the bank workers for the allowance that in one instance in a cooperative bank in *Banaras* (Uttar Pradesh), bank employees started demanding a computer allowance even though that branch was not computerized.[26]

The depth of the changes in the banking sector that followed in the post 1990s liberalization era, in fact can be more meaningfully understood by looking at the experiences of the State Bank of India (SBI). In the first thrust of the reforms, SBI and other nationalised banks were compelled to engage with a new wave of competitors, who entered into commercial banking sector. SBI under the chairmanship of Dipankar Baku, not unexpectedly, then initiated a process for responding to the new competitive environment by hiring in 1994 the consulting group McKinsey & Co. to help it restructure the bank. McKinsey advised the SBI to pursue a massive reorientation exercise, involving, in the main, a shift to a new corporate culture that focused more on profitability and the bottom line than on social and political objectives. SBI was also urged to step up its international trade operations, such as foreign exchange trading, as well as corporate finance, export credit, and international banking'.[27]

In 1995, the bank set up a new subsidiary — SBI Commercial and International Bank Ltd. — to back its corporate and international banking services. It also extended its network into new international markets such as Russia, China, and South Africa. Back home, the SBI even started addressing the technology gap that existed between it and its foreign-backed competitors. SBI responded by launching an ambitious technology drive, rolling out its own ATM network, then teaming up with GE Capital to issue its own credit card. In the early 2000s, the bank began cross-linking its banking network with its ATM network and Internet and telephone access, rolling out 'anytime, anywhere'

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[26] Interview with Anil Kumar Sinha, BEFI leader, Dated 17-3-2009, New Delhi

[27]http://www.fundinguniverse.com/company-histories/State-Bank-of-India-Company-History.html, accessed on 12-3-09 at 21.37 IST.

banking access. By 2002, the bank had succeeded in networking its 3,000 most profitable branches.[28]

The implementation of these new banking-technologies soon helped the bank achieve strong profit gains. SBI also adopted new human resources and retirement policies, helping trim its payroll by some 20,000, almost entirely through voluntary retirement. Outsourcing of jobs was another phenomenon that banking union was resisting in the post liberalisation era. However, in the Eighth Bipartite Settlement of 2nd June 2005, the unions agreed to outsource banking jobs. According to Clause 31(h) of the 2005 Settlement, banks could now outsource jobs and the activities, though only in respect to specialised ones where in-house capability was not available.[29] The management, however, treated the qualified acceptance as a sort of blank cheque with not only outsourcing new product and schemes of the bank but even on instance regular jobs as well.[30] Presently banks are witnessing outsourcing in the following areas:

1. Security services of ATM, branches, office and cash remittance,

2. Cleaning of ATMs, branches and office,

3. Carrying of clearing cheques from branches to service center and vice versa cash remittance, dispatch department jobs,

4. Collection of clearing cheques from branches- processing and taking to clearing houses and vice- versa,

5. Currency chest functioning and cash remittance to and fro branches,

6. Filling of cash to ATM,

7. Data entry, data processing, data compiling etc,

8. Opening of bank's accounts and collection of data about customers and collection of deposits against receipt and payment of cash against cheques,

9. Identification of borrowers, collection of loan applications, processing of loan application, verification of primary information about borrowers, documentation relating

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[28]http://www.fundinguniverse.com/company-histories/State-Bank-of-India-Company-History.html, accessed on 12-3-09 at 21:37 IST.

[29] Bank flag- A Journal of AIBEA, Kolkata, May 2007, p.12

[30] Ibid, p.12.

to loan and delivery of small loan cheques or sanction letters to borrowers and post sanctioned monitoring,

10. Recovery of loans, and

11. Marketing of bank's various products, credit cards, debit cards, housing loan, personal loan etc.[31]

Not unexpectedly, the outsourcing of regular jobs in the banking industry has led to a reduction in permanent staff numbers and has adversely affected the bargaining power of the unions, besides posing a threat to job security. In a personal interview, secretary of Delhi state bank employee association observed, 'because of outsourcing, the number of outsourced workers has been increasing and employers - employee relation is under process of change. The numbers of unorganised workers at present comprise merely about 38% of the workforce engaged in bank jobs' and he feared that if this trend was not checked, a day may come when there will be no permanent employees. The other significant consequence of outsourcing, the union leader felt, was the erosion in the collective bargaining ability of the bank employees.[32]

In fact, outsourcing should more meaningfully be understood as being integral to the larger logic of the computerization of banking services. Following the expansion in banking functions and networking abilities, banking now operates in an entirely new environment. While only core-banking solutions are retained within the bank through its permanent employees, a large number of other functions have been sourced out to BPOs and virtual branches such as ATMs, Internet Banking, mobile banking, kiosks etc. Added to which are specialised agencies that take over marketing and delivery functions. Such outsourced operations are now manned by few persons, who provide deskilled inputs and run on a 24 x 7 basis, which helps in cutting labour costs and so increases profit.[33] Thus,

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[31] Rajen Nagar, *Outsourcing of Jobs, A Greater Menace*, New Age Weekly- Organ of Communist Party of India, New Delhi, February 8-14,2009.

[32] Interview with Com. *Ramanand*- Secretary, Delhi State Bank Employee Association, dated 10-3-09, New Delhi.

[33] Rajen Nagar, *Outsourcing of Jobs, A Greater Menace*, New Age Weekly- Organ of Communist Party of India, New Delhi, February 8-14,2009.

the direction of the new banking technologies that are being adopted, suggest a shift to, on the one hand, an increase in the number of computer trained personnel, while, on the other, with outsourcing, a number of deskilled contractual workers key in a limited set of functions. In effect, the result from a shift to manual to computerized banking in a neo-liberal environment has been nothing short of dramatic for the banking unions; a) job losses amongst permanent staff has increased; b) an increase in workloads; c) pressure for flexibility; d) changes in job contents; e) increase in insecurity in the workplace; f) changes in information and control; g) changes in the autonomy of employees and i) loss of union power.[34] Put differently, for the unions there has been an increase in the proportion of 'non-bargainable' staff (that is, worker without right to unionise) as compared to the 'bargainable' staff.

V. Technology and the Politics of Saving Labour Time

At a popular level, it has been suggested that the new banking technologies were developed to lessen the repetitive and alienating nature of the manual banking operations. Furthermore, it was held, that as the bank worker experienced a lesser strain on his/her functioning because of the new technologies the customer simultaneously benefited from efficiencies. However, such a claim need not be taken as a given. There is, in fact a growing realization of work stresses caused by computers and the strain from 'flexible' working hours. According to an employee working in the cash department of the Citibank,

> Before computerisation we used to do 30-40 cash entries per day;
> now we have to do more than 100. There is a greater pressure of work

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[34] B.V.Vijaya Lakshmi, Night duty for women: Protection or Exploitation, *Bank Flag- Monthly organ of AIBEA*, August 2005.

more work and more responsibility. The speed has increased enormously.[35]

Again, according to a Corporation Bank (a nationalised bank) Employee,

> After computerisation our work load increased almost 10 times, earlier in our service branch we used to clear approximately 800 to 1000 cheques/DDs but now, we clear almost 3000 to 4000 cheques/DDs in a day. Workload is so much that mistakes are bound to happen. When we used to cleared it manually, we used to check each and every thing that required to clear the cheque but after computerisation, most of the information feeded in a computer software. We do not have to think too much, we just have to bang on key board. However, in this process, and with amount of workload, some time we do clear fake cheques or DD. My increment for one year has been stopped because I cleared a fake DD. But management will not understand that with so much of pressure this kind of mistake bound to happen.[36]

Along a similar vein of reasoning, the union leader and nationalised bank employee noted that earlier banks had a limited number of account holders but after liberalization, in order to generate more surpluses, banks have adopted the policy of 'no limitation' on number of account holders. Such decisions have increasingly translated into more intense and higher working hours for the existing bank staff, more so recruitment has all but stopped.[37]

Under the rubric of technological up-gradation, the banking management, in fact, from the mid 1990s onwards, consistently sought to push for increasing the number of working hours at many levels for the banking staff. As stated above, the individual

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[15] Taken from, Sujata Gothoskar, 'Computerisation and women's employment in India' in Swasti Mitter and Sheila Rowbotham (ed.), *Women Encounter Technology*, London, Routledge, 1995, p.155.

[16] Interview with *Briendra Kumar*, Corporation Bank Employee, dated 15-3-2009, New Delhi.

[17] Interview with S.C.Negi, union leader in a nationalised bank, dated 15-4-2009, New Delhi.

workload also increased because the management sought 'operational flexibility' in order to respond to dynamic market conditions, rapidly emerging technological innovations, and fluctuations in the flow of work in competing banks.[38] Towards grappling with such an environment, the management divided the workforce into two categories: the core and periphery. The 'core' workers referred to multi-skilled workers who could be deployed for any job that was asked of them. These core workers could be treated as permanent full time workers, who were relatively secured with worker benefits. The 'periphery' workers, on the other hand, comprised the single-skilled workers, who may be employed either on a part-time or contractual basis.[39] The plan, in such a set up, meant that the number of core workers would be kept as low as possible but with relatively better security and benefits. These multi-skilled workers, moreover, were expected to trouble shoot for the organisation on several fronts.[40]

For the peripheral workers, on the other hand, there was a limited demand on their skills. Such work, in a sense was a deskilled activity that could be repetitive, boring and unimaginative. It often involved the delivery of volumes and quantity of work rather than qualitative interventions. One such example of deskilling being the transformation of routine transactions with the introduction of computers. Through a soft ware package the workers now did not require any mental effort or concentration with most functions now being pre-programmed and reduced to a simple set of tasks. In other words, a decisive shift in the nature of work itself was being effected through the introduction of computerization.

The informal skills, learned on the job, that characterised earlier employees in the bank, has given way to the 'professional and technical jobs' with 'formal theoretical

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[38] T T Ram Mohan, 'Banking Reforms in India: Charting a Unique Course', *EPW*, March 31, 2007, p.1119.

[39] Sujata Gothoskar, 'Computerisation and women's employment in India' in Swasti Mitter and Sheila Rowbotham (ed.), *Women Encounter Technology*, London, Routledge, 1995, p.154.

[40] M. Ozaki, et al, *Technological Change and Labour Relations*, Geneva, ILO, 1992, p.149.

knowledge' becoming more important for permanent employees in the banking sector."[41] In India as elsewhere, categories such as junior clerks and tellers have been turned redundant in the overall workforce as Automated Teller Machines (ATMs) multiply.[42] An employee working at the bill-discounting department in Citibank, Bombay, sums up this shift:

> Earlier, when a bill was brought to us, we made manual entries. The customer would present the bill. We had to scrutinise it, and then send it to the liability department for their approval. In the liability department, each client had one big card which showed his or her status. After approval, it was sent back to us for processing. That is:
>
> 1. calculate the interest using a calculating machine;
> 2. make debit/credit tickets;
> 3. balance the amount; and
> 4. send the tickets to the journal keeper, who would balance all the amounts.
>
> Each department had a journal keeper. Now, we still have to scrutinise a bill. Then we key it into the programme - the bill programme. The computer shows the credit limit automatically. The ticket is then given to the officer, who takes it to the Credit Approval Committee. There are no manual interest calculations, no manual tickets, and no journal-keeper.[43]

According to one Bank employee, Computerisation has made tasks easier rather than interesting. In terms of productivity and efficiency, workers skills have increased many

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[41] Diane-Gabrielle Tremblay, 'Computerization, Human Resources Management and Redirection of Women's Skills' in Eriksson *et al.* (eds), *Women, Work and Computerization*, Amsterdam, Holland, 1991, p. 42.

[42] A.Rajan, *Information Technology in the Finance Sector: An International* Perspective, Technology and Employment Programme, ILO, Geneva, 1990, p.37.

[43] Sujata Gothoskar, 'Computerisation and women's employment in India' in Swasti Mitter and Sheila Rowbotham (ed.), *Women Encounter Technology*, London, Routledge, 1995, p.155.

times but computerisation has taken away team work as many jobs have been restructured. For example, in bill discounting, work that was previously done by a team is now done individually by workers on their own machines. The employee commented, 'Earlier, there was greater interaction between employees. Team work was good work. We learnt more about the work. Now there is no time to look around, help or seek help from colleagues. You just sit there and bang at the keyboard.'[44]

It seems that bank employees have mixed feelings about computerisation. While it relieved some work pressures and strains of particular types, it has made work even more alienating. It has increased efficiency but decreased the feeling of team work and sharing. Work might be less difficult, but it also becomes less diverse. Computerisation is supposed to increase customer interaction, but many employees experienced a reduction, and all complained of an increased work tempo. The work is getting monotonous and boring for worker.[45]

Control over the workforce provides the basis for controlling production processes, output levels, and scheduling. Over the years, bankers' position become stronger as on the one hand technology is replacing workers, on the other, outsourcing is used to reduce the number of permanent workers. Clearly, bank management is moving towards trying to achieve de-unionisation and a union free environment. Even in bipartite settlement negotiations, the IBA categorically stated that they were even willing to give some money provided the unions conceded more rights to the management, on the issue of mobility of workers, freedom to hire and fire, freedom on technology, and freedom to abolish special allowances and reduce emoluments, etc.[46] As will be evident from the table below, the number of workers in the bargainable categories are being drastically reduced.

[44] Interview with Awdesh Kumar Chowdhary, Corporation Bank officer, Dated 26-3-09, New Delhi.

[45] Sujata Gothoskar, 'Computerisation and women's employment in India' in Swasti Mitter and Sheila Rowbotham (ed.), *Women Encounter Technology*, London, Routledge, 1995, p.160.

[46] *General Secretary Report*, AIBEA-26th Conference (2008), New Delhi, p.127.

Table (4a)

Bank Employee with respect to Nationalised Banks' Business

Year(as on 31ˢᵗ March)	No. of Branches	Total Business of deposits and advances (Rs. In Crores)	Total Staff	Business Quantum per Employee (Rs. In Crores)	Gross Profit (Rs. In Crores)
2001	46,323	12,74,451	7,97,331	1.60	13,802
2002	46,384	14,48,740	7,57,020	1.92	21,677
2003	46,708	16,27,557	7,57,251	2.15	29,717
2004	47,094	18,62,496	7,52,627	2.47	39,290
2005	47,794	22,76,334	7,48,711	3.06	39,052
2006	48,660	27,28,609	7,34,090	3.60	39143

(Source: AIBEA, 26ᵗʰ Conference (2008) - New Delhi, General Secretary's Report)

The table (a) reveals the following trends:

1. Number of branches have increased by 15%

2. Total Business has gone up by 114%

3. Business Quantum per employee has gone up by 125%

4. Gross profit have gone up by 180%

5. But the total number of staff has been reduced by 10%

It is not only that the numbers of employees are decreasing but what is weakening the workers is the rise in the number of computer programmers, who are treated as part of the non-bargainable category. Secondly, most of the new recruitment for the core permanent staff are done in the 'officer' category, though often these new employees do the same work as the bargainable employees. In industries where the union has refused to cooperate with computerisation, the management recruits 'officers' to do the work of data

entry operators etc'.[47] As already stated, banking technologies have been deployed in significant ways; computers enables the management to collect and analyse information about product performance, market trends, customers, sales, finance, and about employee. Using such information, the banking management is then enabled to control a significant aspect of the production process. Consequently, as the following quote reveals, the worker is increasingly disciplined:

> Every minute of your time is being recorded. How many words did you key in?
> How much time was required for posting debits and credits, for bill discounting?
> However, we cannot access information that is not in our jurisdiction. If one tries
> it, it is invalid; but the fact that you tried will be recorded in the computer. If one
> looks at it dispassionately, one would have an eerie feeling.[48]

VI. Conclusion

This chapter documented and explored some of the Bank TUs approaches towards the question of mechanisation within the banking sector. In the previous chapter, we had pointed out that all the major Indian TUs had failed to arrive at a comprehensive understanding of technological change in industrial complexes and its effect on work processes. Bank unions, however, were amongst the first to react to the issue of technology and unionisation. Though the Bank TUs realised, as early as 1960s, that computerization and technological change would radically transform the day-to-day work routine, they chose to adopt a defensive posture. In effect, the TUs ended up either conceding substantial ground to the banking management or putting up an inadequate opposition to the mechanization process. Gradually, as we have pointed out, in each Bipartite Settlement Union the TUs found themselves being repeatedly out maneuvered over the question of computerization and mechanization.

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[47] Sujata Gothoskar, 'Computerisation and women's employment in India' in Swasti Mitter and Sheila Rowbotham (ed.), *Women Encounter Technology*, London, Routledge, 1995, p.155.
[48] Ibid, p.154.

In part, we have sought to explain the TUs postures as arising from their continued embrace of the belief that technology was a politically neutral artifact. Secondly, they failed to politically connect the transformations between coumperisation and the larger logic of financial capital's evolving initiatives for reconfiguring the circuits of capital flows and timing. In effect, having linked computerization merely to the limited question of job redundancy and work loss, the TUs found themselves being ambiguous on the question of technological change. Thus, the TUs adopted a limited two-way approach: first, they initially accepted 'limited mechanisation', believing that it would be good for the Banks and hence for labour as well. Once limited mechanisation was accepted, the bank employees soon found themselves outmanoeuvred, as the new banking; services required them to embrace comprehensive computerization. In time even the banking employees themselves start demanding mechanisation.

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Conclusion

From the discussion, as outlined in the previous chapters, the Indian Trade Unions (TUs) in independent India adopted a nationalistic approach. Secondly, such an approach tended to orient the TUs towards being ambiguous on the issue of technological change. Thus, the links between technology and capitalism were not sought to be pursued in earnest by the TUs nor as an element of a wider socio-political network. While AITUC believed that technology change had to enable Indian Capital to challenge British imperialism; the INTUC found itself split between the Ghandhian and the Socialists approach on the question of the nationalisation of Industry. In effect, TUs in India found themselves viewing and treating technological choice and capitalist production as two distinct domains for action.

With TUs hence themselves seeing technology as instruments for the larger goal of achieving development, they chose not to understand technological choices as possessing political implications. For the TUs, therefore, technology remained essentially problem solving. The issues of labour displacement or capitalist control of the labour process was consequently sidelined. In other words, technology led national development became the main rubric under which labour chose to formulate its responses. In the banking sector, as we have shown, the TUs tended to treat technology as a neutral artifact. In effect, in many instances the Indian TUs often found themselves being ambiguous, defensive or contradictory on the subject of technological change and were invariably outmanoeuvred by management.

To summarise our discussion, we can identify the following trends: firstly, Indian TUs strong affiliation to political parties tended to encourage them to position themselves as pursuing larger national development goals. In certain situations therefore the TUs calculated beyond labour issues. We have also seen in the early period of independence that TUs accorded priority to national capitalist led (in some case Indian capitalist) development. For example, the AITUC viewed imperialism as the major threat for the Indian working class, while it pursued a relatively far more supportive in defending the Indian bourgeoisie. On the other hand, for INTUC, workers were Indian first and labour later; so they were required to support national development programme. We can also argue that the TUs in India with their

own nationalistic approach reduced themselves to economism and they allowed local and immediate interests to override long-term class interests.

Secondly, we argue that the TUs did not link technological choice to capitalist development; for them technology was treated as a purely instrumental assessment regarding its impact on employment. The Indian TUs, therefore, on several occasions, advocated for indigenous technology as they believed it would create employment for local people. Though these positions compel the TUs to question the entry of new private foreign capital during the Second (1956-61) and Third Plan years (1961-66) into technologically intensive areas. Foreign technology become important for cashing in on the growing and protected domestic market. Such collaborations did little to promote indigenous research; on the contrary many of them explicitly prohibited indigenous research so that technological dependence and technological parasitism got perpetuated. Similarly in the Banking sector, these TUs failed to connect the transformations between coumperisation and the larger logic of financial capital's evolving initiatives for reconfiguring the circuits of capital flows and timing. Rather, they initially accepted 'limited mechanisation', believing that it would be good for the Banks and hence for labour as well. Once limited mechanisation was accepted, the bank employees soon found themselves outmanoeuvred, as the new banking services required them to embrace comprehensive computerization. In time even the banking employees themselves started demanding mechanisation.

Thirdly, we can argue that the TU leadership in early independent India often found themselves trapped in a situation where they had to choose between employment for the workers or national development for the newly independent country. For the TUs, both seemed important and so they thought it fit to adopt a middle path; that is to say, they accepted technology led national development with a note of caution that it should not create unemployment. Because of this they emphasized upon indigenous technology but as we have seen India's early plans were not intended to generate indigenous technology. We have seen that India's banking sector in early 1980s transformed the banking sector. It is evident that finance capital and quest for technology came side by side. And the banking sector accepted technological change with some economic benefits for the banking worker. Clearly, Bipartite Settlement on mechanisation in 1983 was given upper hand to management. Riding on this settlement, management completely transformed banking sector and finally in 1991 when India adopted NEP, it completely transformed the relation between TUs and industry. We

have seen that industrial democracy weakened as the Indian capitalist started undermining the TUs in various settlements. Technological change, in a sense, when not viewed as a political logic nor as linked to capitalism and the labour process tended to weaken the Indian TU movement.

Annexure-1

A Note on the Sources

Archival sources on Indian TUs, for long, remained largely unorganised and scattered. The initiative of the National Labour Institute in Noida (Uttar Pradesh)), since 2001, has, however, opened up fresh possibilities for studying labour history. The NLI has acquired a useful and substantial collection on the subject of labour in India. A considerable number of documents of the All India Trade Union Congress (AITUC), in particular, and a few other trade unions can be accessed there. Its digital archive on labour issues also provides access to an excellent collection. I have also used the P.C. Joshi Archive at Jawaharlal Nehru University's Library. The P. C. Joshi Archive also offers an excellent collection on the labour movement in India. For Indian National Trade union Congress (INTUC) I have used its central office library (Shramik kendera) in New Delhi. For the banking sector, however, there is as yet no specific archive or collection. I relied on the All India Bank Employee Association (AIBEA) publications. These publications of the AIBEA, I have sought to supplement with interviews.

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