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Introduction

This book is an attempt to develop an anthropology of industrial work in India, and an anthropological approach to a problem, the economic 'dualism' which is said to be characteristic of India and other industrializing countries.

Thus Robert MacNamara, President of the World Bank, said of the cities in developing countries:

> Economic dualism is widespread. Two sectors coexist side by side. One is the organized, modern, formal sector, characterized by capital-intensive technology, relatively high wages, large-scale operations, and corporate or governmental organization.
>
> The other is the unorganized, traditional, informal sector – economic units with the reverse characteristics: labour-intensive, small-scale operations, using traditional methods, and providing modest earnings to the individual or family owner.
>
> In the modern sector, wages are usually protected by labour legislation and trade union activity; in the informal sector, there is easier entry, but less job security and lower earnings.
>
> (MacNamara 1975:21)

This implies there are two classes of people very differently placed: a lucky minority working in the protected modern sector, and the majority outside it.

Certainly one's first impressions of a city like Bombay bear this out. There seems to be an obvious contrast between the modern sector of factories, offices and large business houses, and the labour-intensive unregulated small firms which offer a living but little security to many of the urban poor.

What are the real differences and relations between these two kinds of Indian workers? On the one hand, there are workers with permanent jobs in the so-called 'organized sector' factories which come under the Factories Act, laws on job security, social security, union recognition etc.; on the other, unorganized sector workers in small workshops not covered by the Factories Act, or working in

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larger firms but without the same legal and union protection, because they are regarded as temporary or casual or contract workers. What do these differences mean to the people concerned – how do they see their own social world and act in it? And why do these differences exist: is 'dualism', the coexistence of two separate economic sectors, a useful or a misleading concept for thinking about and explaining the very different situations in which these people find themselves?

The anthropology of industrial work

Here I use 'industry' to mean modern powered manufacturing industry: an arbitrary narrow definition, which is useful shorthand if one remembers that agriculture – by which most Indians live – is an industry like any other except that it needs more space and, like many industries, is usually organized in small family units. Modern powered industry, and conditions in towns where it is usually carried on, make obvious differences to people's lives; but one should not exaggerate these differences to the point of contrasting 'traditional' peasant society with a profoundly different urban-industrial society. This is a myth.

By (social) anthropology I mean the attempt to account for the varieties of human action and experience, starting from the axiom that men by nature are alike everywhere, but culture and circumstances make them different. To the extent that their actions can be explained at all, we must assume they act rationally, that is they act on beliefs about the facts of the situation (beliefs which may be true or false) to achieve ends or values which can be found out. Many beliefs are not private, but are worked out in society. They are organized into belief systems or ideologies, which combine judgments of fact and value, which have some logical consistency and which serve (usually implicitly) to explain the world and to justify actions.

The best method of explaining action is that of interpretive sociology: reconstructing the situation and motives of typical actors to give a picture of their world and the logic of their actions which is consistent with what they think and say, and which gives the best available causal explanation of what they are seen to do. But it is not enough to show how people act on the beliefs they have: especially in a fast-changing situation, we must also try to show how they come to hold and change these beliefs: for example, how their social position and interests may give them strong motives to work out a belief system which is logically closed, and which suppresses or explains away

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awkward facts. But we shall fall into the same trap ourselves if we reduce other people's world view deterministically, explain it away and exclude the possibility that their unfamiliar view of the facts may be right.

The attempt to develop an anthropology of industrial work, then, involves matching industrial workers' thinking to their actions and to their situation, especially those aspects of their situation which are rather arbitrarily labelled 'economic'. Because of the great size and complexity of the structures to be understood, this means combining the usual methods of social anthropology – living with small groups of people, entering into their thought and close observation of what they do – with a larger view of economic, technical and political developments: moving to and fro between different kinds of events – in the economy, in people's minds and elsewhere – which have to be studied on different scales, sometimes using the language and methods of other disciplines like economics.

There are of course several 'anthropological' studies of Indian industrial life already, some of them very good.[1] But even some excellent studies like Sheth's *Social framework of an Indian factory* have tended to avoid the problem of relating small-scale to large-scale events. Instead they have taken the wider situation as given and concentrated on the factory or neighbourhood as a more or less closed system of relations, like the 'little community' or 'face-to-face community' of many village studies.

> It is arguable that a functionalist and positivist bias had led rural anthropologists to look for closed and balanced systems of relations (sanctions and rewards etc.) and then to invent theories of 'social change' to cope with extraneous facts which could not be fitted into the model (as if there could be a sociology which is *not* a theory of social change). The shortcomings of this approach are less obvious (though not less real) when one is dealing with physically isolated rural communities. In cities there are only networks of relations, overlapping groups, conflicts not only of obligations but of ideals and ideas: a more open, dialectical approach (which would also explain the facts of rural life better) is the *only* way to make sense of urban society.
>
> (Holmström 1976:7)

This passage is from my book *South Indian factory workers*, to which this is a sequel. In that book I tried to develop an anthropology of industrial work which could take account of large-scale economic and

[1] In particular, Sheth 1968a, *Social framework of an Indian factory*; Kapadia and Pillai 1972, *Industrialization and rural society*; Lynch 1969, *The politics of untouchability*; Lambert 1963, *Workers, factories and social change*; Niehoff 1959, *Factory workers in India*; E.A. Ramaswamy 1977, *The worker and his union*; Saberwal 1976, *Mobile men*; A.R. Desai and Pillai 1972, *Profile of an Indian slum*.

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political forces, while approaching social reality simultaneously from the other side: the lives and problems of particular people observed and questioned in small groups, and the ideas and value-loaded categories they use to make sense of their experience. The point is to show not just the interactions between events on different scales, but between facts of different orders of reality: between people's thoughts, and the material conditions of their lives; between the human reality I have seen and experienced, and the level of analysis, explanation and generalization. This understanding of the interactions between circumstances, thought and action, if we can get it, should not only give better explanations of why things are as they are: it should also suggest the direction in which they are moving, the likely consequences of new initiatives, and some possibilities which are open to choice.

The background to this study

South Indian factory workers is a study of the careers and thinking of workers in four modern engineering factories in the industrial city of Bangalore. These factories – two in the private sector, two in the public sector – are not only in the 'organized sector' covered by the Factories Act and social security legislation, but have skilled, relatively well-paid workers, and strong unions which are able at least to maintain the real value of wages and to protect members against arbitrary dismissal. Though I had access to many kinds of information – statistical and historical studies of Bangalore's industry and population, my own close knowledge of the place from doctoral fieldwork in an urban village (Holmström 1969, 1971, 1972), interviews with managements and union officials and factual information in the files which managements keep on their work force – I spent most of my time making detailed case studies of 104 workers, whom I generally met in their homes, among their families and friends, in 1971.

Bangalore is an old city which experienced a remarkable industrial expansion after the Second World War; and although there are some very large factories dating from the nineteenth and early twentieth centuries, where the work force have little education and conditions are often poor, a large part of the city's population are employed in the newer organized sector factories, with modern capital-intensive technology, good conditions and strong unions. There are of course

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many more employed in small workshops which serve these big firms, and in shops and services and construction.

My interest was in how people get into the organized sector, what happens to them afterwards, what relations they have with people outside the organized sector, how they see their situation and whether they are right.

These 'organized sector' workers were always conscious of the difference between their own situation and that of the much larger number employed in unorganized sector workshops, or outside manufacturing industry. Sometimes they talked about this difference directly; more often it coloured what they said about their own careers and their relations with other kinds of people, including relatives. If I asked them about it, they would explain or perhaps justify the difference in various ways depending on their personal experience and background, and their moral beliefs and political ideologies. This mental map which most of them had, of society divided into a fortunate minority with permanent organized sector jobs and the rest, is on the whole a good and true reflection of the reality of Indian society as I see it.

> They tend to see factory work as a citadel of security and relative prosperity, which it is: it offers regular work and promotion and predictable rewards, as against the chaos and terrifying dangers of life outside. For everyone inside the citadel, there is a regiment outside trying to scale the walls . . . Once inside the citadel, a man can look round for alternatives, if he wants.
>
> (Holmström 1976:137)

The important thing is to get into the citadel – and to get in young, since with rising educational standards for recruitment the big firms take their pick of young men, and if you miss your chance around the age of twenty you may never get another. Once you are in you can look forward to semi-automatic slow promotion, or faster promotion if you are able to learn a skilled trade, or you can look for a better job in another factory; but never move forward without a secure job to fall back on. Very few do what many dream of doing, which is to move out and set up their own business.

Writing that book, I developed a theory which is deliberately oversimplified but which did seem to explain many things about contemporary Indian society, especially but not only in towns. The theory is that there are two kinds of people in India: those inside the citadel – people with permanent jobs in factories or offices or government service, or with enough property to give them the same

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security – and those outside. Almost everyone outside is trying to get in, if possible with the help of relatives or friends inside. Everyone inside is trying, first, to stay in; and secondly – a long way second – to improve his position. Security comes first. The citadel wall, the contrast between safety inside and cut-throat competition outside, is at the back of everyone's mind, or at least the minds of everyone inside and many who think they have a chance of getting in; and this explains much of their behaviour.

This study takes up problems raised in that book, especially about the relations between permanent organized sector workers and others. *South Indian factory workers* was written from the point of view of workers inside the citadel. Of course I knew many people working outside organized sector industry, then and in my previous fieldwork in Bangalore; but I saw that to make another case study of small groups of unorganized sector workers, to be compared point by point with the organized sector workers I knew, would not be practical, because these unorganized sector workers by definition do not come together in convenient large units like a factory, where I could make contact with them; any sample I could manage would be arbitrary, because organized sector factory workers all over India are fairly alike but the others certainly are not; and it would be an opportunity missed to develop an anthropology which could cope with large-scale economic structures without leaving out of account the lived experience of particular identifiable people.

Thus I decided to focus, not on the unorganized sector in itself, but on the boundary, the citadel wall, the relations between the two 'sectors'; and to study these relations systematically on several levels: the people's experience and thinking; their social origins, and the labour market for people of different origins; their relations with kin and other workers, inside and outside the organized sector; economic and technical links between large and small firms; the consequences of changing technologies; and the economic and political setting.

The 'unorganized sector' is a residual category, comprising everyone except permanent organized sector workers. There is of course another distinction within the unorganized sector, a boundary which is more shadowy but of the greatest importance: between workers in some kind of manufacturing employment, however insecure, and the vaster mass of small peasants and labourers in the country, or the urban sub-proletariat – casual construction workers, pavement-dwellers, the unemployed and underemployed and all

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those who live by petty services on the fringes of the industrial economy and often of the law.

To make the project more manageable I have concentrated mainly, not exclusively, on the boundary between the organized and unorganized sectors in manufacturing industry – on differences, conflicts and complementarities – without forgetting the abyss which separates even casual labourers in small workshops from the mass of the very poor.

I have also concentrated on industries which meet two conditions: strong and traceable links between large and small firms, or between the employment of labour on organized and unorganized sector terms; and some prospects for future growth in employment. Thus I paid more attention to the engineering and metal working, chemical, plastic, electrical and electronic industries than to traditional cottage industries, or to stagnant or declining industries like cotton textiles and jute.

Questions about the organized sector 'citadel'

This book deals with three kinds of questions:

1. Is it true that organized sector workers have secure employment and much better living conditions and chances than other workers? If so (and the answer is probably yes), is it sensible to think of organized sector workers as a privileged enclave or élite in a dual economy? How sharp is the boundary between the organized and unorganized sectors? Who shares the benefits of organized sector employment, and who is excluded?

2. If organized sector workers are generally better off, is that inevitable at this stage of industrialization? Or is it true that the *whole* organized sector – owners, managers, workers and unions – are privileged at the expense of the whole unorganized sector, so that the more labour-intensive unorganized sector is prevented from realizing its potential for employment and production; and that these unorganized workers, like peasants and others outside manufacturing industry, get the backwash of industrialization not the benefits? To put it another way: should we say organized sector workers are relatively well off *and* unorganized sector workers are badly off, or organized sector workers are well off *because* the others are badly off? And the same question again, about all industrial workers compared with the rest of Indian society.

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3. Do organized and unorganized sector workers think and act as if it were a dual economy: for example, do they think of themselves as two classes, living in separate social worlds, with distinct or even conflicting interests? Is the term 'working class', as it is often applied to both kinds of workers, any more than political and journalistic rhetoric? What do the different conditions of life and work, in the two sectors, mean for the rest of these people's lives and for their relations with others?

All these are aspects of one problem, the relations between organized and unorganized sector labour: seen from outside, 'objectively', as these relations appear to an observer with access to information about the economy, the labour market etc. (the first and second sets of questions); and seen from inside, from the points of view of the workers themselves, to the extent that their ideas can be found out by talking to them and observing what they do.

The fieldwork

The distinctive feature of this method of research is the attempt to relate first-hand observation and questioning (my own, and that of other research workers) systematically to research and discussion on the structure of the national economy; and so to develop an anthropology adequate to a complex industrial society. The broad question in the last section had to be broken down into more specific questions, about industrial workers' situation and their consciousness of it, which this combination of methods could answer: for example, questions about the original formation of an industrial work force in India, and how its character changed when small-scale industries emerged as a distinct 'unorganized sector' after the Second World War; about the technical and economic relations between large and small firms; or about organized sector workers' attitudes towards those employed in small workshops and towards agricultural labourers.

I hesitated to embark on such an ambitious project: but on a preliminary visit to India in September 1975, to discuss this and alternative plans, people whose judgment I respect told me that a study of this kind was needed and feasible; and it seemed to follow naturally from my earlier local studies in Bangalore. Especially in the fieldwork for *South Indian factory workers*, I had learned how to follow up chains of introductions and to talk to all kinds of industrial

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workers, generally in their homes. Though my training as a social anthropologist emphasized intensive local fieldwork, I saw that something more large-scale and interdisciplinary was needed, with the scope and sweep of the great monographs on caste, written when caste was the central problem in the anthropology of India.

I went back to India in August 1976 and spent thirteen months there, based at Jawaharlal Nehru University, New Delhi, but travelling about the country for fieldwork and shorter visits to industrial towns. My family lived in New Delhi until we went south in May 1977.

I decided to do relatively long pieces of fieldwork in Bombay and Bangalore, the cities I knew best, where I could use union and other contacts to get introductions to unorganized sector workers outside the unions, and then to follow up these chains of introductions from one person to another; to make shorter visits to other places to find written material and references; to visit research institutes, firms and government and union offices; and to get some idea of the realities of industrial life. This took me to Calcutta, Ahmedabad, Ludhiana, Poona, Kanpur, Faridabad, Ranchi, Hyderabad, Madras and Trivandrum. I had three spells of fieldwork in Bombay, which has been more extensively studied than any other industrial city in India, and where I collected published and unpublished material from institutions like the Tata Institute of Social Sciences, from trade associations and journalists.

At Bombay University Lalit Deshpande was engaged with T.S. Papola on a study of the Bombay labour market, commissioned by the World Bank (Deshpande 1979). Investigators took questionnaires to three samples of workers in the city: factory workers, workers in small establishments (in the 'unorganized sector') and casual workers. Nothing on this scale had been done before. When I arrived in India, Deshpande and Papola were working on their report to the World Bank; and with extraordinary generosity, they allowed me not only to photocopy their draft report, but also to use the completed questionnaire forms to tabulate information not used in their own study. I employed assistants to make tables, using simple handwritten cards, which made it possible to compare organized sector factory workers with workers in similar occupations (turner, unskilled labourer etc.) employed in small manufacturing establishments. These tables, as well as the tables in the main Bombay labour market study, are a valuable statistical check on some of my findings: they

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show, for example, that the difference between incomes for each consumption unit (or adult equivalent) in families of workers in the two samples is much less than the enormous difference in their individual earnings. This confirmed my opinion, based on other studies and my own impressions, that many unorganized sector workers live with better-paid relatives, and that organized sector workers' pay is spread thin among many dependants.

In Bombay I visited firms of different sizes, especially in the newer industries with prospects for expansion: automobile ancillaries, engineering and metal working, plastics, pharmaceuticals and fine chemicals and electronics. I asked managements about their work force and how it was recruited; and about links between their firms and others, getting addresses and introductions. Thus I was able to go up and down a chain of firms, for example from a firm which makes whole vehicles to medium-sized ancillaries with long-term contracts for parts; smaller engineering or plastic firms which take smaller orders, which have to change their product more often and which try to diversify their markets if they can; and very small firms with high mortality, dependent on irregular job orders, in the new multi-storied 'industrial estates' which – unlike the official industrial estates – are really industrial slums, where wages are below the legal minimum, working conditions are bad and workers are laid off if orders are short or if they join unions. I made similar studies of linkages in electronics and to some extent in the chemical and pharmaceutical industry. One link is always with the engineering industries and toolroom trades, which all factories need.

I had introductions to the leaders of several unions. They spoke to me at length, and very freely, about the situation of non-union workers in the unorganized sector, organized sector employees' attitudes towards these workers, and the industrial and political situation. I hoped to meet ordinary union members who could then introduce others – relatives, neighbours or acquaintances – working in the unorganized sector or looking for jobs; but until my last spell of fieldwork in Bombay I found this much harder than I expected. Union members introduced other factory workers, whom I visited in their homes whenever I could. Although many unorganized sector workers live with better-paid relatives, some of my contacts lived in areas where there were few unorganized sector workers and had little contact with them; or they introduced relatives or friends employed in small workshops, but the new contacts had no colleagues

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