

Limits of Bargaining

Limits of Bargaining examines the status of trade unions and collective bargaining in India, through the study of West Bengal, within an analytical framework that views capital–labour relations as an outcome of the interplay of the triad of market, technology and the state with its collective bargaining institutions. Through an in-depth study based on multi-disciplinary approach, it illustrates the embedded nature of capital–labour relations in the macroeconomic and institutional structures as well as in everyday interactions between the labour and the management, between unions and sometimes even outside actors. The book closely scrutinises economic data, uses interviews of employers and trade unions, survey of workers', along with analysis of labour data, bargaining agreements and court documents to show how bargaining remains endogenous to the interplay of the triad.

Achin Chakraborty is Professor of Economics and the Director of the Institute of Development Studies Kolkata (IDSK), specialising in welfare economics, development economics and political economy.

Subhanil Chowdhury is Assistant Professor of Economics at IDSK. His research focuses on issues related to labour and political economy and macroeconomic issues pertaining to India.

Supurna Banerjee is Assistant Professor in Political Science at IDSK. Her primary areas of interest are labour, work and gender.

Zaad Mahmood teaches at the Oxford Department of International Development and is also Assistant Professor in Political Science at Presidency University, Kolkata. His research focuses on political economy of reforms, public policy, labour and work, and elections in India.

Limits of Bargaining

*Capital, Labour and the State in
Contemporary India*

Achin Chakraborty
Subhanil Chowdhury
Supurna Banerjee
Zaad Mahmood



Cambridge University Press
978-1-108-49224-9 — Limits of Bargaining
Achin Chakraborty, Subhanil Chowdhury, Supurna Banerjee, Zaad Mahmood
Frontmatter
[More Information](#)

CAMBRIDGE UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, vic 3207, Australia
314 to 321, 3rd Floor, Plot No.3, Splendor Forum, Jasola District Centre, New Delhi 110025, India
79 Anson Road, #06-04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781108492249

© Achin Chakraborty, Subhanil Chowdhury, Supurna Banerjee and Zaad Mahmood 2019

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2019

Printed in India

A catalogue record for this publication is available from the British Library

ISBN 978-1-108-49224-9 HB

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

Contents



<i>List of Tables</i>	vii
<i>List of Figures</i>	ix
<i>Preface</i>	xi
1. Contextualising Trade Unions and Collective Bargaining	1
2. Collective Bargaining in India: An Overview	14
3. Everyday Processes of Collective Bargaining in West Bengal	26
4. Industrial Stagnation due to ‘Labour Militancy’? A Critical Look at the Macro Evidence	50
5. Trade Unions and Working-Class Politics in Contemporary West Bengal	75
6. The State and Collective Bargaining	104
7. Conclusion	129
<i>References</i>	132
<i>Index</i>	139

Tables



3.1	Major cause-wise distribution of failure of conciliation in WB	28
4.1	Share of PSUs in NVA, 1993–94 and 1999–2000 (in %)	60
4.2	NVA growth rate in the registered factory sector for India and WB (as %)	61
4.3	New jobs created in the manufacturing sector across states between 2004–05 and 2011–12 (in lakhs)	64
4.4	Distribution of ‘usually employed’ persons by category of employment	65
4.5	Distribution of workers by type of enterprises in WB (in %)	65
4.6	Percentage distribution of workers by size of employment in non-agricultural enterprises in WB (2011–12)	66
4.7	Proportion of workers employed in different enterprise types in the manufacturing sector in WB (2011–12)	69
4.8	Percentage distribution of workers by size of employment in manufacturing enterprises (2011–12)	69
4.9	Top 10 manufacturing sectors in terms of employment share and social security and job security coverage of workers in WB	70
4.10	Top 10 organised manufacturing industries in WB	71
5.1	Unionisation rates (in %) by type of enterprise	81
5.2	Difference between the wages of unionised and non-unionised workers (results of <i>t</i> -test)	83
5.3	Does the presence of trade unions increase wages for non-unionised workers? (results of <i>t</i> -test)	84

5.4	Regression results for wages (2011–12)	85
5.5	Quantile regression results for wages (2011–12)	87
5.6	Determinants of non-wage benefits for workers in WB (2011–12)	89
5.7	Distribution of workers by work status and union membership	91
5.8	Wage difference between unionised and non-unionised workers (<i>t</i> -tests)	91
5.9	Difference in non-wage benefits between unionised and non-unionised workers	92
5.10	Cause-wise disputes in India and WB	93
5.11	Reasons for not joining trade unions (frequency)	94
5.12	Did trade union play a role in last wage revision?	95
5.13	Trade unions are not fulfilling workers' demands	96
5.14	Probability of being a member of a trade union	98
5.15	Reasons for voting for the chosen party	100
5.16	Reasons for voting for the chosen party for unionised workers (in %)	100
6.1	Labour law amendments in WB	110
6.2	Shares of disputes according to the nature of conciliation	116
6.3	Allocation of resources and beneficiaries under the Build Your Own House Scheme	120

Figures



1.1	The triad	5
4.1	Share of industry and registered manufacturing in NVA at 2004–05 prices (in %)	52
4.2	Share of WB in NVA and total workers of India (in %)	52
4.3	Share of lockouts in man-days lost (in %)	54
4.4	Composition of WB’s NVA in the registered factory sector (as %)	59
4.5	Share of WB in India’s total NVA (in %)	60
4.6	Man-days lost due to strikes and lockouts in WB (in million)	62
4.7	Proportion of workers working in proprietary and partnership enterprises category in 2011–12	66
4.8	Social and job security of workers in enterprises having 20 or more workers	67
4.9	Employment in the organised sector in WB (in lakhs)	68
4.10	Cumulative distribution functions for male workers in the manufacturing sector, 2011–12 (India and WB)	71
4.11	Cumulative distribution functions for female workers in the manufacturing sector, 2011–12 (India and WB)	72
4.12	Cumulative distribution functions for workers in the manufacturing sector in WB, 2004–05 and 2011–12	73
5.1	Number of registered trade unions and their share in submitting returns	76

5.2	Yearly real wages in the organised industry	77
5.3	Share (in %) of contract workers in the total workforce	78
5.4	Real wages of various categories of workers	79
5.5	Workers reporting absence of trade union in the organised enterprises (having equal to or more than 20 workers) (in %)	79
5.6	Quantile regression estimates of unionisation (2011–12)	88
6.1	Implementation of labour laws: inspection under 11 major acts, 1998–2012	112
6.2	Percentage of firms inspected under Factories Act, 1948	113
6.3	Percentage of firms inspected under Factories Act in WB	113
6.4	Disaggregate data on disputes raised and brought forward	114
6.5	Disputes handled and disposed according to government	115
6.6	Shares of the methods of dispute resolution in WB	116
6.7	Cases pending and launched by state under IDA, 1947	117
6.8	Beneficiaries of medical facility and group insurance among beedi workers	120
6.9	Proportion of disputes disposed, unresolved and recommended for adjudication under IDA	122
6.10	Cases launched, disposed and pending under IDA, 1947, in WB	122
6.11	Cause-wise distribution of select cases under IDA, 1947, filed in the Calcutta High Court, 1996–2014	123
6.12	High Court judgment vis-à-vis tribunal decisions	124
6.13	High Court judgments breakdown according to winning party	125
6.14	Appellant-wise division of High Court judgments	125

Preface



The large-scale violence at the Manesar plant of Maruti Suzuki and at Honda Motorcycle and Scooter India a few years ago, and similar incidents reported elsewhere, are indicative of the fact that the role of labour institutions in India in resolving conflicts between the workers and the management and facilitating collective bargaining to reach an amicable settlement needs closer scrutiny. We are of the view that, while thinking about labour market reforms, the growing sense of injustice and discontentment among the industrial labour force needs to be faced with greater sensitivity and caution than what is prevalent in the overall climate of apathy towards the problems of the so-called privileged organised labour.

Given the fact that the vast majority of the working people in India is outside the net of any social protection and workers' rights, it is not difficult to understand the general apathy in the society towards the concerns of the organised workers. The literature on organised trade unions is often mired in the rhetoric of indignation of two extreme kinds—either at the plight of the workers who are losing their hard-earned rights or at the presumed privileges enjoyed by the so-called labour aristocracy. Going beyond the rhetoric, this book takes a hard-headed look at the collective bargaining institutions and the processes in the Indian state of West Bengal (WB) with an analytical approach that combines the macro aspects of the economy of a region with the micro observations on the processes from the field. Our humble claim is that even though the empirical material for the book is primarily drawn from the state of WB, we have tried to present enough analytical observations using secondary material so that the book would be found useful by anyone interested in issues of labour market, trade union organisations, collective bargaining institutions and the role of the state.

The book is the outcome of a collaborative research effort of a truly interdisciplinary kind. While Achin and Subhanil are formally trained in economics, Supurna and Zaad are trained in political science/sociology. This book would not have been written but for the help and cooperation that we received from a number of individuals and

institutions. We express our sincerest gratitude to the Indian Council of Social Science Research (ICSSR) for giving us a generous grant to pursue our research on trade unions and collective bargaining in urban WB. We would like to thank the participants at the workshop at the Institute of Development Studies Kolkata (IDSK, where three of us work) to formulate the research design. The comments and suggestions of K. S. Shyam Sundar, Ratna Sen, Anjan Chakrabarti and Kingshuk Sarkar helped us understand the issues pertaining to trade unions and collective bargaining in WB. We are also thankful to the participants at the ICSSR-organised mid-term appraisal seminar at the Giri Institute of Development Studies, Lucknow. In particular, the comments and suggestions of the late T. S. Papola, Surinder Kumar, Jeemol Unni, Arup Mitra and others helped us to think harder about the research agenda and the way forward. We also thank the anonymous expert who gave useful comments on our report submitted to ICSSR. We also express our sincere thanks to officers of the WB Labour Service for giving us important insights regarding issues pertaining to trade unions and labour in WB.

We express our heartfelt gratitude to the trade union leaders from various central and independent trade unions who gave their precious time to answer our rather lengthy questions. We also thank the workers who talked to us and responded to our survey. Without the cooperation of these trade union leaders and workers, it would not have been possible to complete the research. We also thank the management of factories who spoke to us. Particularly, we express our gratitude to Sanjay Kajaria, ex-President of Indian Jute Mill Association, who helped us in understanding the issues pertaining to the jute industry.

At IDSK, we had a dedicated team of researchers who worked for the project. We express our appreciation for the research assistance provided by Amit Sadhukhan, Soumyajit Chakraborty, Zico Dasgupta and Rahul Menon. Our colleagues at IDSK were always willing to listen to our problems and provide solutions. Particularly, Saswata Ghosh and Subrata Mukherjee helped us in preparing the questionnaire for the workers' survey. We are grateful to the late Professor Sabyasachi Bhattacharya, former President of IDSK, and Professor Amiya Kumar Bagchi, former Director and now Emeritus Professor of IDSK, for their intellectual support. We thank the team of Sigma for helping us conduct the survey. We thank the office and library staff of IDSK who efficiently managed the logistics related to the project.

Finally, we thank Anwesha Rana and the two anonymous reviewers of Cambridge University Press for very helpful comments and suggestions. Needless to say, we own up the entire responsibility of any shortcomings that remain in the book.

Achin Chakraborty
Subhanil Chowdhury
Supurna Banerjee
Zaad Mahmood