

New form of Trade Unionism: A Sociological Study on Alloy Steel Plant, Durgapur, West Bengal.

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This paper provides information regarding the strategy of trade unions which have been adopted in recent times for their survival and to maintain strong relationship with the management without hampering the industrial production process in ASP. Industrial relations, the relationship between labour and management, have undergone a drastic change in India after the introduction of New Economic Policy and with the announcement of New Industrial Policy in July 1991. ASP has also witnessed rapid changes in different sectors from government policy to workers mentality. After the introduction of NEP, Government control over industrial establishment has been reduced significantly and the policy of 'over protectionism' has been totally discontinued. On the one hand trade unions have lost their traditional power and on the other, employers are gaining partially their authoritative power. The use of 'Hire & Fire' rule has once again become a popular strategy to create enormous pressure over the workforce indirectly. In PSUs like ASP, trade unions, workers and management are now faced with the problem of survival. Some general trends can be established on the basis of the data collected from ASP, which can easily explain the nature of new situation of industrial relations. These are a) trade unions, workers and managers are more concern for maximum profit as well as survival of the company; b) trade unions and managers are trying to solve internal problems without hampering the production process; c) trade unions have changed their mode of protest and captivating defensive role. This paper attempts to discuss and analyse such issues with reference to the experience of ASP workers, trade union leaders and managers.

Key Words: Trade Union; Economic reforms; PSU; Hire and Fire; Industrial relations;

I. Introduction:

This article deals with the changing nature of Trade Unionism and industrial relations in public sector unit after economic reforms in India. It tries to analyse the intensive effect of liberalization, globalization, and privatization on Indian industries as well as on Industrial relations in a PSU. I have collected all relevant data from primary as well as secondary sources. Few management personnel of alloy steel plant and employees have expressed their positive attitude and provide me essential data. I have interviewed many executive and non executive personnel of alloy steel plant and other retired employees who took VRS. These employees share their experiences which have been used as source in this study also. Mainly I have used unstructured interview method to collect information from them. The main objective of this research is to find out changes in the activities of trade unions

in ASP who were basically very dominating in 80s and 90s due to the support of outside political parties. II.

Concept of Industrial relation:

Industrial relation is an ongoing socio-economic process. It is dynamic too because the relationship which exists between labour and management is always changing. Industrial relations change its structure through the process of conflict and co-operation. According to Arun Monappa (2006) 'industrial relations by itself means relationship that emerges out of day-to-day working and association of labour and management'. In the wider sense industrial relations include mutual adjustment between employer and employee on particular interest and goals, which depends upon economic, social psychological, political, historical, occupational and legal variables. Here economic, social and psychological satisfactions play an important role. It is observed that relationship is healthier only when both parties have enjoyed high level of satisfaction. In practice it is found that both parties always try to maximize their satisfaction and improve their income and power position, which creates some problems in mutual adjustment.

III. Effects of New Economic Policy over Trade Unionism and Industrial relations in India and West Bengal:

Bengal:

During 1991-96 an effort was made to tackle the problem of shortage of foreign exchange reserve and a new strategy was adopted to bring Indian economy into the mainstream of global economy. In 1991 New Economic Policy was introduced to take the smell of competition and for the realization of growth to Indian business. By creating more competitive situation this policy actually threatened the interest of the Indian worker and their unions. The employers were allowed to practice 'hire and fire' rule in this new era because liberalization has ensured the victory of 'market' over 'society'. Voluntary Retirement Scheme (VRS) and the exit policy were being indiscriminately adopted in the name of efficiency. Nearly 4.5 lakh workers in the organized sector have already lost their jobs till

2001. Apart from VRS many other early retirement schemes like VSS (Voluntary Separation Scheme) or CRS (compulsory retirement Scheme) have been adopted as a major cost cutting measure in the private sector. According to Economic Survey 2005-6, employment of male workers in organised public and private sectors of our economy has got reduced by 9.20 lacks in between 1991 and 2003. Contrarily however the proportion of female workers has increased by 11.87 lacks during the same period. Growing competitiveness of the market

economy due to liberalization and globalization exerts huge pressure on organization to improve their productivity and performance. Especially in South-Asian economies

productivity-related issues come into limelight.

With the introduction of new advanced technology the total internal structure of an industrial organization has taken a new shape. The new technology has not only made the 'old' workers redundant and obsolete, it has also created a new set of 'elite' workers whose attitudes are different from traditional worker in regard to relationship with trade union as well as with the management. Therefore the accepted role of unions as a power broker in the plant has been damaged partially in the post-liberalization period. It also weakens the bargaining power of trade unions.

Mechanization, reengineering and technological up-gradation is also the cause of loss of employment in the organized sector. Market reform has changed the concept of work. Today, market is very competitive and so that every industry tries to produce better quality goods to survive in this competitive market. That's why management now looks for high skilled labours on the one hand and casual and temporary workers on the other. Technology has made work fragmentation and sub-contracting an easy escape route to avoid high cost of production. Moreover, the casual, temporary and informal sector workers remain less enthusiastic to any organised activity. Employers therefore prefer them including women (and child) workers who remain docile to any protest activity.

Casualisation and subcontracting strategy have also influenced industrial relations in post-liberalized period. Trade Unions have revised their roll from power holder to weak bargainers, from strikers to consensus builders and from narrow trade union conscious builder to wider political organizers. Today trade unions are more defensive because of loss of power and they could not able to hold their old tactic and stratagems. They now practice gate meeting at lunch break, wear a black badge during work, try to involve people in their movement, call nationwide strike of all unions instead of limited protest action. The latest Supreme Court verdict on strike has farther limited the strength of this ultimate weapon. Thus, the proportion of strike in industrial disputes, as shown in the following tables, has declined rapidly as compared to that of lockouts in recent years. Even in West

Bengal where trade unions had a strong tradition of militant struggle, lockouts are increasing steadily and strikes are declining more rapidly.

It appears that liberalization has reduced unions' bargaining power substantially. Trade unions now take it for granted that in the present context they have to be more

accommodative as they hardly can use their traditional tactics. As a result, industrial relations today show a distinctly different path. For instance, in recent years the process of productive bargaining has been used in companies in India as an effective tool to bring about successful change in the workplace. Although productivity-linked wage system was introduced before liberalization it was sharpened after liberalization as a cost cutting measure. Again it was seen that wages and other benefits are now being determined by a system of bilateral negotiations where the third party has no role to play.

IV. Findings from Alloy Steel Plant:

In this late modern society which is characterized by absence of national boundaries, competitive market situation, absence of value, importance on consumerism, growing importance on profit etc. nothing is free from the influence of Liberalization, Privatization and Globalization.

LPG is related to five important aspects of society. These are

- i) Free flow of capital, goods and new generation advanced technology; ii) Creation of competitive world market; iii) Free movement of labour force across national boundaries; iv) Creation of virtual (plethora) human community or global village;
- v) Creation of separate homogeneous culture for the whole world.

Like all other Public and Private sector Units of India, profound effects of liberalization and new economic policy is also observed in Alloy Steel Plant (ASP) which may cause rapid changes in different sectors from policy to workers' mentality including work culture. After the introduction of NEP, Government control over industrial establishments has been reduced significantly and the policy of "over protectionism" has been totally disappeared.

If we look into the historical background of Alloy steel Plant then we can see that this steel plant was established for the welfare of the society. The main motto of this plant was employment generation with “no profit no gain”. But after the introduction of New Industrial

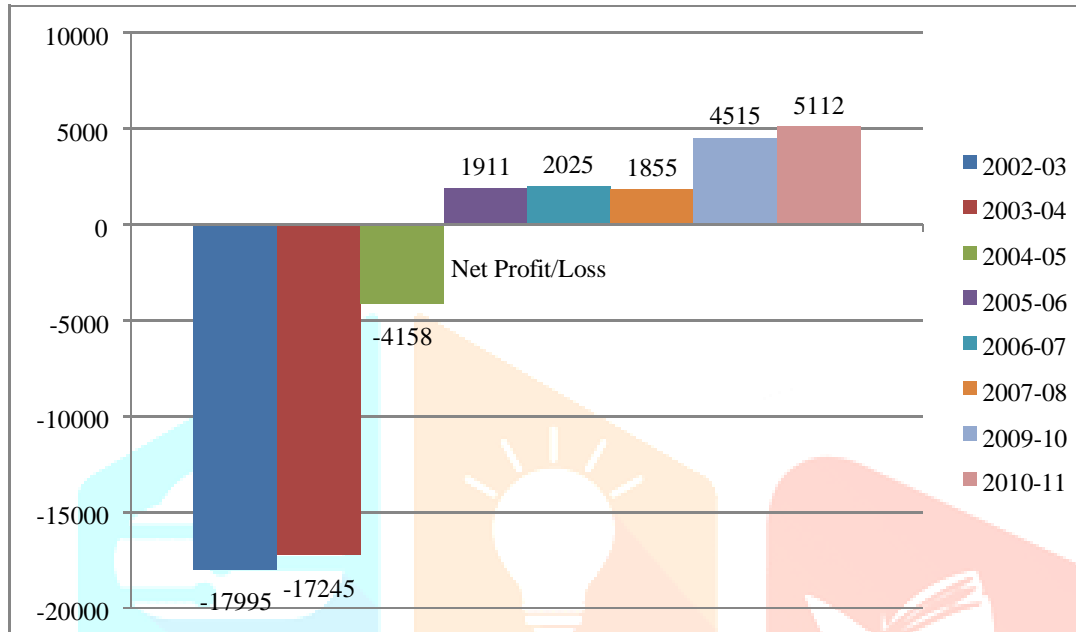
Policy, 1991 and with the effect of liberalization this situation has been changed drastically. Heavy power vested on the management to tackle the new situation give rise to separate kind of ‘hire and fire’ situation. They have used various types of cost cutting measures indiscriminately for the sustenance of the company in the competitive global market. Initially trade unions have protested a lot against those cost cutting measures but after a certain period they have realized that for the survival of the company in a competitive situation various types of cost cutting measures along with labour retrenchment policies are essential. In that kind of situation they demanded peaceful negotiation and economically lucrative schemes for voluntarily retired persons. In that way trade unions have tried to stay on with their power while on the other employers have partially gained their authoritative power. In Alloy Steel Plant it is clear that trade unions have lost their perennial power.

In this situation trade unions are acting not only as a mere bargaining agent and workers’ representative to protect the interest of the workers, but also act as a true negotiating agent which mediate between workers and management to protect the greater interest of the industry so as to enhance productivity & profitability of the unit. In ASP it is found that all the politically differentiated trade unions have forgotten their old rivalries and have involved themselves to workout serious problems which could have threatened the very existence of the company. Moreover, within their separate organizational forum they now try to minimize workers’ problem informally in a suitable manner to reduce any possibility of loss or damage to the production process. Modes of protests are also changing in this situation and the rate of strike has gone down rapidly. All these changes call for retrospection into our traditional notions and theories about the role of trade unions as well as employer-employee relations in a public sector undertaking where the workers were argued to be living within the ‘citadel’.

Total employment relations of ASP have been changed because more power given to management and the central concern for them is maximization of profit. Management knows that they have to tackle every adverse situation and produce more profit. General workers and trade union leaders are also aware of the fact and it is also known to them that without making much profit they can’t survive. Hence they are more concerned about Productivity and Profitability of the Organization. They have accepted Technological Upgradation as a means to increase productivity and limited welfare facilities in several areas such as electric, medical, LTC etc. temporarily.

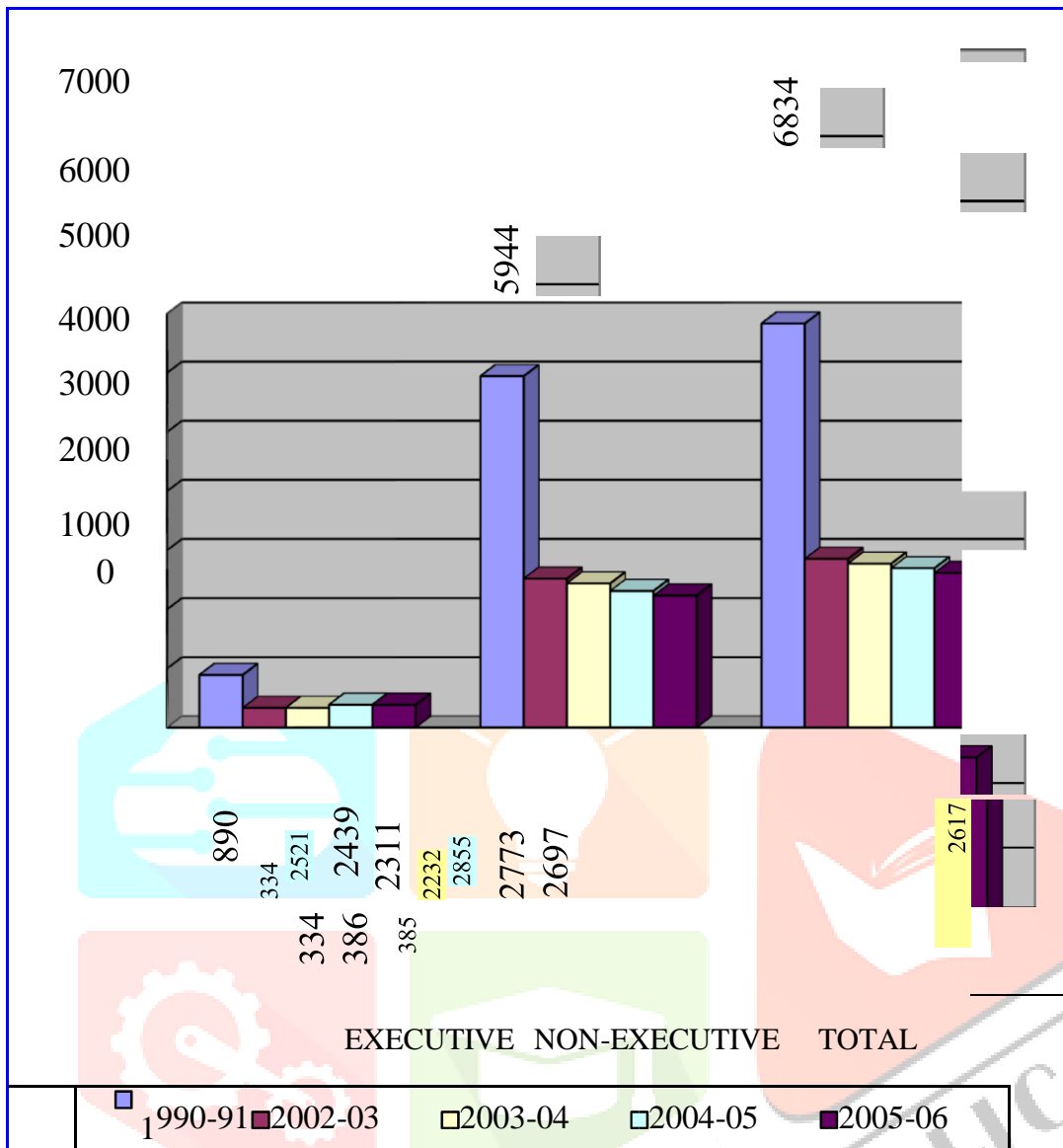
Casualisation of workforce is another major feature of postliberalized industrial work. In ASP some jobs are given to contractors as a cost cutting measure. But above all it is the true fact that after a long period ASP is able to make profit in 2005-06 (1911 lakhs).

Chart 1: ASP: Net Profit and Loss in Rupees during 2002 and 2011



So all the measures adopted as a result of liberalization and economic reforms were positive for ASP in terms of economic growth. It was able to motivate employees and created pressure on to trade union leaders to follow the rode of modernization. Modernization programs were accepted in ASP but it was not a smooth process, trade unions and employees continuously protested against technological upgradation and automation. But after a long protest movement they accepted modern method when they faced survival problems. And it is true that ASP has made a profit when it has limited manpower strength and made huge loss with maximum manpower. This is the result of new technology with adequate skilled manpower. Up to 31st May 2007 3423 employees have retired voluntarily.

Chart2 : Manpower Position in ASP



V. Conclusion:

The most remarkable features have been viewed in ASP is loss of bargaining power of trade unions because of heavy power exercised by the management, weak trade union leaders, maximization of casual staff, all-round political apathy and above all competitive situation. They have now accepted different forms of cost cutting measures and co-operating with management for greater benefit of the company. They avoid calling strike in Strategic Departments which may hamper production process. To survive in the competitive global market they insist workers to be committed to their work and they have changed their protesting strategy. They wouldn't like

to call strike frequently which may disrupt the whole production process. One of the remarkable changes that we have seen that Union leaders are trying to minimize their intra- union rivalries without making any distortion in their ideology for greater benefit of the company.

On the other hand managers are now regaining authoritative power and now they can independently decide about day-to- day work load without much concern about trade union leaders. Trade Union leaders hardly play any role in Special Committees because representative of the workers participate in decision making process with the management but ultimately management personnel decide in last instance. Today collective bargaining process is totally controlled by the management because Trade union leaders also have become

Punctual & Disciplined. Managers also place alternative 'Demands' before trade unions. Today everyone i.e. trade unions, management, and general workforces are trying to protect their industry and survive with it. In this crisis situation nobody will try to disturb production process, which may disrupt their very survival. It is known to everyone from trade union leaders to general employees that if they have to survive they have to work according to the need of the company. So they realize that they will have to suffer most if they do not work properly or go for strike regularly. This situation is aroused because government is no more interested to pay subsidies for mere welfare.

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