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Lesson Plan Assignment

Topic: Industry and Labour

# Topic: Industry and Labour

Under 'Industry and Labour' we will discuss following sub topics:

1. Industry: Definition, Industrial Revolution, origin and development of Industry in India, Classification of Industries, Importance of Industry
2. Labour : Meaning, Labour Process Theory, Labour Laws in India, Labour Union, Social Problems related to labour in India, International Labour Organization (ILO)

# Industry and Labour: Introduction

- In the era of globalization Industrial institutions greatly affects the social structure and relationships of society.
- Today, Industry and labour are important parts of economy of any society. Indian government is regulating industrial policy, industrial laws, manufacturing, financing and issues related to labour.

# Industry and Industrial Society: Definition

- Industry: Definition

“**Industry**” is the work and processes involved in collecting raw materials, and making them into products in factories.

- An **industrial society** is a society driven by the use of technology to enable mass production, supporting a large population with a high capacity for division of labour.

# Industrial Revolution

- The Industrial Revolution, took place from the 18th to 19th centuries in Europe.
- The industrial revolution promoted the development and popularization of mechanized means of production as a replacement for hand production.

# Origin and Development of Industry in India

- Industrial revolution in India started during British rule. Modernization of India's textile industry took place during the early 19th century.
- The first **manufacturing** industry was set up in India during the British rule.
- The first textile mill in the country was established at Fort Gloster near Calcutta in 1818. In 1854, the first **cotton-textile mill** was established in Bombay, immediately after the first railway line was constructed between Bombay and Thane. The first **jute mill** was set up in Calcutta in 1855.

# Importance of Industry in Indian Society

- A country with strong industrial sector have shown more economic growth, had **improved national income** and promoted living standard of people. There is a rise in income, and so rate of savings, rate of investment and rate of spending also rises automatically.
- Industrialization has played an important role in improving the **economic conditions** of various countries.
- Industrialization causes the income of people to rise, and **improves their standard of living**. This is an important event for the rapid growth of a country.

# Classification of Industries in India

Industries in India can be Classified on the following basis:

I. On the Basis of Strength of Labour

II. On the Basis of Raw-Material and Finished Goods:

III. On the basis of Ownership:

IV. On the Basis of Source of Raw Material:

V. Miscellaneous Categories



# Classification of Industries

## I. On the Basis of Strength of Labour

### **1. Large Scale Industry:**

Industries which employ a large number of labourers in each unit are called large-scale industries. Example: Cotton or jute textile industries.

### **2. Medium Scale Industries:**

The industries which employ neither very large nor very small number of labourers are put in the category of medium scale industries. Example: Radio and television industries.

### **3. Small Scale Industries:**

Industries which are owned and run by individuals and which employ a small number of labourers are called small scale industries.

# Classification of Industries

## II. On the Basis of Raw-Material and Finished Goods:

### **1. Heavy Industries:**

Industries which use heavy and bulky raw-materials and produce products of the same category are called heavy industries. Iron and steel industry presents a good example of heavy industries.

### **2. Light Industries:**

The light industries use light raw-materials and produce light finished products. Electric fans, sewing machines are light industries.

# Classification of Industries

## III. On the basis of Ownership:

1. Private Sector Industries: Industries owned by individuals or firms.
2. Public Sector Industries: Industries owned by the state and its agencies .
3. Joint Sector Industries: Industries owned jointly by the private firms and the state or its agencies.
4. Co-operative Sector Industries: Industries owned and run co-operatively by a group of people who are generally producers of raw materials of the given industry such as a sugar mill owned and run by farmers are called co-operative sector industries.

# Classification of Industries

## IV. On the Basis of Source of Raw Material:

1. **Agro Based Industries:** Agro based industries are those industries which obtain raw-material from agriculture. Cotton textile, jute textile, sugar and vegetable oil are representative industries of agro-based group of industries
2. **Mineral Based Industries:** The industries that receive raw materials primarily from minerals such as iron and steel, aluminum and cement industries fall in this category.
3. **Pastoral-Based Industries:** These industries depend upon animals for their raw material. Hides, skins, bones, horns, shoes, dairy, etc. are some of the pastoral-based industries.
4. **Forest Based Industries:** Paper card-board, lac, rayon, resin, tanning of leather, leave-utensils, basket industries are included in this type of industries.

# Classification of Industries

## V. Miscellaneous Categories

1. **Basic Industries:** Industries on which depend many other industries for their manufacturing processes are called basic industries. Example: Iron and steel industry.
2. **Capital-Intensive Industries:** Industries requiring huge investments are called capital-intensive industries. Example: Iron and steel, cement and aluminium industries.
3. **Labour-Intensive Industries:** Industries which require huge labour force for running them are called labour-intensive industries. In these industries, labour is more important than capital. Example: Shoe-making and bidi-manufacturing industries.

# Classification of Industries

4. Village Industries: Village industries are located in villages and primarily cater to the needs of the rural people. Example: oil extraction, grain grinding and agricultural implements.

5. Cottage Industries: Industries which artisans set up in their own houses, work with wood, cane, brass, stone, etc. are called cottage industries. Example: Handloom, khadi and leather industry.

6. Consumer Goods Industries: Consumer industries convert raw materials or primary products into commodities directly used by the people. Example: Textiles, bakeries, sugar, etc.

# Labour : Meaning

- Workers sell their labour to the capitalist for a certain amount of money.
- In 2011, India had about 487 million workers compared to China's 355 million and United States' 154 million.
- Labour in India refers to employment in the economy of India. In 2012, there were around 487 million workers in India, the second largest after China.
- Of these over 94 percent work in unincorporated and unorganized industry.

# Labor Process Theory

- **Harry Braverman** wrote 'Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century'. His book analyzes capitalist productive relations.
- Braverman argued that capitalist owners and managers were incessantly driven to deskill the labor force to lower production costs and ensure higher productivity. Deskilled labour is cheap and above all easy to control due to the workers lack of direct engagement in the production process.
- In turn work becomes intellectually or emotionally unfulfilling; the lack of capitalist reliance on human skill reduces the need of employers to reward workers in anything but a minimal economic way.



# Labour Laws in India

**Indian labour law** refers to laws regulating labour in India. Traditionally, Indian governments at federal and state level have sought to ensure a high degree of protection for workers.

# Labour Laws in India

- **Law related to Equality before the law and Discrimination law**

Article 14 states everyone should be equal before the law, article 15 specifically says the state should not discriminate against citizens, and article 16 extends a right of "**equality of opportunity**" for employment or appointment under the state. Article 23 **prohibits all trafficking and forced labour**, while article 24 **prohibits child labour** under 14 years old in a factory, mine or "any other hazardous employment".

Example : Caste Disabilities Removal Act 1850

# Labour Laws in India

- **Law related to Gender discrimination**

Article 39(d) of the Constitution provides that **men and women should receive equal pay for equal work**. In the Equal Remuneration Act 1976 implemented this principle in legislation.

The **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013** that seeks to protect and provides a mechanism for women to report incidents of sexual harassment at their place of work.

- **Law related to Migrant workers**

Interstate Migrant Workmen Act 1979

- **Law related to Vulnerable groups**

Bonded Labour System (Abolition) Act 1976, abolishes bonded labour, but estimates suggest that between 2 million and 5 million workers still remain in debt bondage in India.

# Labour Laws in India

- **Law related to Worker's Health and safety**

The Workmen's Compensation Act 1923 requires that compensation is paid if workers are injured in the course of employment for injuries, or benefits to dependants. The rates are low.

# Labour Laws in India

- **Law related to Wage regulation**

The Payment of Wages Act 1936 requires that employees receive wages, on time, and without any unauthorised deductions. Section 6 requires that people are paid in money rather than in kind. The law also provides the tax withholdings the employer must deduct and pay to the central or state government before distributing the wages.

# Labour Laws in India

- **Law related to Pensions in India and Social insurance**

The Employees' Provident Fund and Miscellaneous Provisions Act 1952 created the Employees' Provident Fund Organisation of India. This functions as a pension fund for old age security for the organised workforce sector. For those workers, it creates Provident Fund to which employees and employers contribute equally, and the minimum contributions are 10-12 per cent of wages. On retirement, employees may draw their pension.

# Labour Laws in India

- **Law related to Child workers in India**

Child labour in India is prohibited by the Constitution, article 24, in factories, mines and hazardous employment, and that under article 21 the state should provide free and compulsory education up to a child is aged 14. However, in practice, the laws are absolutely not enforced.

# Labour Union

- A labour union is an organization of workers who have banded together to achieve common goals in key areas such as wages, hours, and other working conditions. The trade union, through its leadership, bargains with the employer on behalf of union members (rank and file members) and negotiates labour contracts with employers.



# Labour Union

- Following are some of the national-level CTUOs as recognised by the Ministry of Labour, Government of India. The list is for the reference year 2002 whose verification was completed in 2008. The political affiliation of the union federation is mentioned in brackets.
- AICCCTU - All India Central Council of Trade Unions (Communist Party of India (Marxist-Leninist) Liberation)
- AITUC - All India Trade Union Congress (Communist Party of India)
- AIUTUC - All India United Trade Union Centre (Socialist Unity Centre of India (Communist))
- BMS - Bharatiya Mazdoor Sangh (Rashtriya Swayamsevak Sangh, wing of Bharatiya Janata Party)

# Social Problems related to labour in India

## 1. Slavery

- It is the practice of utilizing forced labour to produce goods and services, has occurred since antiquity throughout the world as a means of low-cost production.
- International law has declared slavery illegal.

# Social Problems related to labour in India

## 2. Bonded labour

- It is a person's pledge of labour or services as security for the repayment for a debt or other obligation, where there is no hope of actually repaying the debt.
- The services required to repay the debt may be undefined, and the services' duration may be undefined.
- Debt bondage can be passed on from generation to generation.
- Currently, debt bondage is the most common method of enslavement with an estimated 8.1 million people bonded to labour illegally as cited by the International Labour Organization in 2005.
- Debt bondage has been described by the United Nations as a form of "modern day slavery" and the Supplementary Convention on the Abolition of Slavery seeks to abolish the practice.

# Social Problems related to labour in India

## 3. Child labour

- It refers to the employment of children in any work that deprives children of their childhood, interferes with their ability to attend regular school, and that is mentally, physically, socially or morally dangerous and harmful.
- This practice is considered exploitative by many international organisations.
- Legislation across the world prohibit child labour.

# International Labour Organization

- **The International Labour Organization (ILO)** is a United Nations agency dealing with labour problems, particularly international labour standards, social protection, and work opportunities for all.