

Unit I

Industrial Sociology

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Industrial Sociology is concerned with industry as a social system including those factors i.e. technical, economic and political which affect the structure, the functions and the change in that system.

Industrial Industrial Sociology is the particular branch of sociology in which the organisation structure, function and implicit social relationship industrial and economic system are studied.

Importance Of Industrial Sociology

(1) Social and Labour Welfare

Most of the other problems are related to labour problems since the labour class occupies an important status in an industrial society. Therefore, Social welfare & labour welfare are connected to each other both these requires a sound knowledge of IS.

(2) Sound Economic Planning

The Indian govt. has launched 5 years plan to bring about planned development of industries and solve many problems like illiteracy, over population, low level of wages, low productivity of agriculture, absence of trade personnel, black money, corruption etc all these problems are studied by Industrial Sociology.

(3) Employer - Employee relationship

Industrial peace and progress depend upon harmonious relationship b/w the employers and employees this requires suitable attention to several factors such as working condition, wages rate etc. all these falls within the scope of industrial sociology whose help is therefore necessary for the betterment of employer - employee relationship.

(4) Solution to the problem of industrial society

Industrialisation has led to the differentiation change in the status and role and stratification all this has resulted into several problems like housing, education health, sanitation, problems of recruitment etc. These industrial problems require a sound knowledge of industrial sociology.

(5) Scientific division of labour.

In India division of labour has been traditionally based upon caste system but it is appearing to be a problem in economic progress but now the division of labour is according to one's ability and industrial sociology extends help in there process.

(6) Use of Scientific Methods

The use of scientific methods in industrial sociology helps to find out cause effect relationship in a particular area. Industrial society requires such a scientific knowledge for understanding the future of every progressive nature rest upon its industries. The industrial progress is not possible without the knowledge of industrial sociology.

(7) Scope of Industrial Sociology.

→ In the words of Amitai Etzioni - "The scope of industrial sociology includes the study of those economic organizations which have the primary aim of producing goods and services, exchanging them or organizing and manipulating monetary processes."

→ It is suggested that industrial sociology deals with all types of work organization.

→ Burns has classified the subject matter of industrial sociology as follows.

- Bureaucracy
- Study of functions
- Study of functional groups
- Analysis of industrial relationships.

→ Most of the writers on industrial sociology have covered the following aspects.

- Work groups.
- Structure of industrial bureaucracy.
- Organisation of trade unions and union management relationship.

Nature of IS

Social relations in industry

↓
Internal relations.

↓
External relations.

Formal Informal Mixed

Internal Relationship

It's the interpersonal relation among individuals connected directly with the industry and are confined to a single factory or concern is known as internal relation.

External Relation

A particular industrial unit has besides internal relations, relations with other industrial units, government, suppliers and various social agencies for example:

→ From governmental agencies and industry may seek industrial license, financial assistance etc.

→ The industry also has some relation with educational institutions and polytechnics from these they may be recruiting workers and executive trainees.

→ Generally in industrial areas there are organisations which provide cover against illegal and anti-social activities.

→ The industries have to maintain relationship with such

organisation also.

Formal Relation

which are established due to the position in a industry b/w individuals for ex- Management and employees.
It excludes personal relationships.

Informal Relations

Relationship among people in an organisation are called informal relationships

Mixed Relationships

which are neither formal or nor informal. For ex-
The labourers while lifting the super heavy load they sync collectively to put in there best effort.

Industrial Sociology

(1) Scope of IS is not much or narrow than general sociology

(2) It studies only one aspect of human society and limited no. of relations.

General Sociology

(1) Scope of sociology is much wider than industrial sociology

(2) In Sociology we study all aspects of society and all kinds of social relation.

Industrial Sociology

(1) It study problems concerning human relation in industry from sociological point of view.

(2) The scope is wider

(3) In IS sociology is more about communities and larger group of persons

Industrial Psychology

(1) It is a branch of psychology which studies human behaviour in industrial firms from psychological point of view.

(2) The scope is narrow and less.

(3) It examines more of the working of human mind and more about individual or small group.

(4) It might be perceive as a support necessary to sustain families and societies.

(v) It helps the individual to function independently in personal relationships.

Industrial Sociology

Anthropology

(1) It is the study of govt. relationship in industry.

(ii) It is the study of human origins societies and cultures.

(2) It covers both formal and informal relation within an industrial organisation and it also its relations with external forces like suppliers, customers, govt. agencies etc.

(ii) It considers cultural dynamics, grade of status, ethnic relations, cross cultural relations etc.

Industrial Sociology

Economics

(i) The subject matter of IS revolves around society and social relations.

(ii) The subject matter of economics is economic in nature.

along

(3) The approach of IS towards industrial problems and relations is social.

(2) The approach of economics towards industrial problems and relations is purely economic.

is also

(3) IS is the study of social relationship in industry.

(2) It is the study of men's activities devoted for obtaining the material means for the satisfaction of wants.

for the

Industrial Sociology

- (1) It is devoted to the study of aspects of social relations in industry
- (2) It expressly stresses the interrelationship b/w sets of institutions including govt.

Political Science

- (1) It restricted itself mainly to the study of power as embodied in formal organisation
- (2) It tends to turn attention toward the processes within the govt.

Industrial Sociology

- (1) Sociologists are more interested in the recent past
- (2) The focus was to seek to establish causal relationship.
- (3) It is more likely to drop abstracts from concrete reality categorized and generalised.

History

- (1) Historians almost as a rule study the past.
- (2) Historians were interested to establish how things actually happened.
- (3) History studies concrete detail.

Stages of development of Industrial Sociology① Politically specialised Speculative Phase

- This phase was initiated by French socialists
- Charles Fourier dealt with the question of making industrial work more pleasant by a change in the distribution ~~of workers~~ of labour after a period of 2 hrs and by good and clean working conditions
- In 1815 Frederic Le Play published 5 volumes on "Les Ouvriers Européens" he described the social organisation of work in industry as a school of social harmony
- One of Le Play's pupil Emile Choyson said that good ~~relative~~ industrial relation have as much economic significance as the condition of ~~tools~~ ^{tools} and ~~rewards~~ ^{rewards}

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machinery in industries

→ **Theorist** emphasized that economic upgradability, technical backwardness and bad human relation can ruin the industry.

(2) Social, Historical & Political Phase

→ This phase was introduced by English socialist.

→ In the early stage of development of this phase, Robert Owen introduced 10 hrs working day into industry in 1800 abolished child labour and commenced an enquiry into social relations in industry.

In 1900 the social historians and sociologists like Beatrice & Sydney Webb published their enquires into the problem of industrial democracy

(3) Empirical Phase

→ This phase was initiated by introduced by German sociologist.

→ The chief initiators of this revolutionary way of thinking about the sociology of industry met for the first time in the society for social politics created in 1872 by Gustav Schmoller, Adolf Wagner and other notable representatives of historical school.

→ This society devoted most of its energy to the investigation of working conditions in the industry.

→ In a speech to the political science society of Berlin in 1881 Gustave Schmoeller developed the following normative concept of social order in industry centred

entirely on blue collar workers.

• Industry should be a matter of public concern and as such should be seen as public or semi-public organization in order to become a legitimate part of broader society.

• There should be a guarantee of good and legitimate organization of social life in a new business.

• An industrial business should maintain a committee of workers as an equal partner of the management.

elments
of party
vision
offices

Hawthorne Experiments

(A) Study Conduct

- The Hawthorne plant of general electric company Chicago was manufacturing telephone system bell.
- It employed 30k employees.
- This was the most progressive company with pension and sickness benefit to the workers but there was great deal of dissatisfaction among workers and productivity was not up to the mark.

(B) Team

To investigate the real causes behind this phenomenon a team was constituted by Elton Mayo (psychologist), White head (Sociologist), William B. Dickson (Company manager) and Dickson (Company representative).

(C) Objective

It sets out to study the relationship b/w productivity and physical working condition. The research conducted in 5 phases.

- Illumination Experiments (1924-27)
- Relay Assembly Test Room Experiments (1927-28)
- Mass Interviewing Programme (1928-30)
- Bank Wiring Observation Room Experiment (1931-32)
- Personnel Counselling.

→ Illumination Experiment

3 departments were selected for the conduction of this experiment. In the 1st department inspection of small parts were done. In the second department the relay were assembled. In the 3rd department winding of coil was done. The purpose of this experiment used to assess the effect of lighting on employees output. Two groups were selected from among the employees. One group placed in the room where lighting remained constant. The other group was placed where lighting varied.

periodically.

Observation

→ At increase illumination

The productivity in the second group showed an improvement but strangely output of first group also went up.

→ Decrease illumination

An output of second group also went up.

Result

They found that there was some other factors were operating which increase productivity. There is no relationship b/w lighting and productivity.

→ Relay Assembly Test Room Experiment

The purpose of conducting these step tests was to find out the effects of changes in working hours and other working conditions on productivity.

→ Relay assembly was chosen as the task because it is simple, highly repetitive, needs not machinery and helps to measure accuracy while measuring productivity.

→ The test group consisted of 5 girls who had been at the job since years and hence their production was constant. There was no scope of their production improving with more practice.

→ The girls were put in a special test room for 5 years. During test a no. of working conditions were changed to study their possible effects on output.

→ During the first stage of the study no change was made. The girls could work at their rate. Compulsory to them without hurrying or trying to work as fast as they could.

→ During the second stage of the study a change was introduced. They were paid according to the output of 5 relay assemblies in the test group instead of being paid in accordance to the production of their original departments much larger group.

Result

The result imply that productivity increases basically because a change in the girls attitude toward their work group.

Development of IS

- The term sociology was coined by Auguste Comte around 1835, he attempted to analyse all aspects of cultural, political & economic life & to identify the principles of society at each stage of human social development.
- Sociology comes from Latin word "socius" which means companion & the suffix "logy" means the study of.
- An important stimulus to sociology thought came from the work of Karl Marx who emphasise the economic basis of organisation of society & its division into classes & role in the class struggle, the main agent of social progress.
- The founders of modern sociology were Emile Durkheim & Max Weber.
- Weber's generalisation about social organisation & the relation of belief system, including religion to the social action were widely acclaimed.
- Theoretical ideas in sociology in 20th century moved in 3 directions.
 - (i) Conflict Theory
 - (ii) Structural Functional Theory
 - (iii) Symbolic Interaction Theory.

(1) Conflict Theory

It draws focus heavily on the work of Karl Marx and emphasises the role of conflict in explaining social change.

(2) Structural Functional Theory

It was developed by Talcott Parsons & advanced by Robert Merton. This theory is considered conservative in orientation.

(3) Symbolic Interaction Theory

It was initiated by George Herbert Mead & focuses on subjective perception or other symbolic processes of communication.

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Age of Revolution

Sociology is also called the child of age of revolution. This is because it was born in 19th century in western Europe after the revolutionary changes in preceding three centuries which changed the way people live. Three revolutions have marked the way for emergence of sociology.

(1) Enlightenment or Scientific Revolution

During the late 17th and 18th century the nature religion and the divine acts of god were occupied the central position. For religion to become the defining feature of human vision it was necessary to displace nature, religion and the divine acts of god from the central position they often had in earlier ways of understanding the world. This means that ~~Christian~~ enlightenment was made possible by an internal help to develop attitudes of mind that we refer today as secular, scientific and humanistic.

Refer to as enlightenment these new philosophies establish the human being at the centre of universe and rational thought as central feature of human being.

Only persons who could think and reason to be considered as fully human.

(2) French Revolution

The French revolution announced the arrival of political sovereignty at the level of individuals as well as nation states.

The declaration of human rights asserted the equality of all citizens and questioned the legitimacy of privileges inherited by birth.

Before this revolution the peasants were the bound laborers and they have to pay numerous taxes to the lords and church. But after this these taxes were withdrawn.

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Every individual has the equal right before law. The ideas of French revolution - liberty, equality, and fraternity became the watch words of modern state.

(3) Industrial Revolution

This revolution has two major aspects:

- Systematic Application of Science and Technology through industrial production, particularly invention of new machine.
- Industrial revolution evolve new ways of organising labour and market on a large scale.

→ New machines for ex- Spinning Jenny for textile industry, and steam engine for harnessing power gave rise to factory system. Modern large scale industry became a worldwide phenomenon.

→ Scientific development in industrial society led by this.

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→ Capitalist society was marked by the process of alienation operating at several levels.

- Modern Capitalist society is one where humans are more alienated from nature than ever before.
- Human beings are alienated from each other as individuals. Previously collective form of social organisation and its relationship get more & more market mediated.
- The large mass of working people is alienated from the fruits of its labour, because workers do not own the products they produce.

→ Moreover workers have no control over the work process itself unlike in the days when skilled craftsmen controlled their own labour. Today the control vis-a-vis of factory workers is lost: day is dictated by the management.

→ At the general level, the mode of production

Karl Marx

- He was from Germany but spent most of his years in exile in London, Britain.
- Marx had studied philosophy but he was not a philosopher.
- He was a social thinker who advocates an end to oppression and exploitation.
- Karl Marx argued that human society had progressed through different stages:

- Primitive Communism
- Slavery
- Feudalism
- Capitalism

→ Capitalism was the latest phase of human advancement but Karl Marx believed that it would give the way to socialism.

26 August, 2019

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- Moreover workers have no control over the work process itself unlike in the days where skilled craftsmen control their own labour. Today the content of factory workers working day is decided by the management.
- At the general level the mode of production defines an entire way of life characteristic of an era and marks conception of the economy was based on the notion of mode of production.
- The base of mode of production are the productive forces such as land, labour, technology and sources of energy such as coal, petroleum and so on.
- Production relations are refers to all of the economic relationships and forms of labour organizations which are involved in production.
- Marx placed great emphasis on economic structure and processes because he believed that they form the foundations of every social system throughout human history. He argued that if we understand how the economy works and how it has been changing in the past we can learn how to change society in the future.

Theory of Class struggle (With Karl Marx).

- For Marx the most important method of classifying people into social groups was with the reference to the production process rather than religion, language, nationality or similar identity.
- For example the capitalist mode of production creates the working class which is a new urban property less group created by destruction of feudal agricultural system.
- Small peasants were thrown off their lands and deprived of earlier sources of livelihood.
- They then came to the cities looking for the ways to survive and the pressure of the law and police forced them to work in the newly built factories.
- Thus a large new social group was created consisting of property less people, who were forced to work for their living.

- As the mode of production i.e. the production technology and social relations of production changes conflict developed between different classes which result in struggle.
- As society evolves from primitive to modern through different phases each era characterised by particular type of conflict between the oppressor and oppressed classes.
- In capitalism the capitalists own all the means of production on the other hand the working class loses all the means of production that it own in the past.
- Thus in the capitalist system workers had no choice but to sell their labour for wages in order to survive because they had nothing else.

Emile Durkheim

- He considered as the founder of modern sociology.
- He became the first professor of Sociology in 1913 in Paris.
- He considered society as a social fact which exists as a moral community over and above the individual.
- These ties exert pressure on individuals to conform to the norms and expectation of the group.
- Durkheim suggested that by observing behavioural pattern it was possible to identify the norms, codes and social solidarity.
- Durkheim's vision of sociology is defined by two features:
 - (i) Sociology is different from other sciences, that means society concerns itself with the level of collective life where social phenomena can emerge.
 - (ii) Sociology like most of natural sciences was to be an empirical discipline for ex - suicide case.
 - (iii) Social facts are external to the individual but constrain their behaviour. Institutions like law, education and religion constitute social facts.

Division of Labour

- Durkheim demonstrated his method of analysis to explain evolution of society from primitive to modern.
- He argued that while a primitive society was organized according to the mechanical solidarity modern society based on organic solidarity.
- Mechanical solidarity based on similarity of its individual members, it is found in the societies with small

population. It involves a collection of different self sufficient group, with each person within a group engaged in similar activities or functions. They have ~~negative~~ laws means any deviation from community norm lead to harsh punishment.

→ Organic solidarity based on heterogeneity of its members. It is found in societies with large population. It involves a collection of dependent groups or institution where each group depends on other groups or units. Organic solidarity based societies have restitutive laws means to repair and correct the wrong ~~to~~ that is done by criminal

Max Weber

- He was one of the leading German social thinker.
- He focused on developing & interpretive sociology of social action and of power and domination.
- Another major concern was rationalisation in modern society and relationship of various religions of the world with this process.

Interpretive Society

- It aimed to discover the objective that laws of the nature governs the physical world.
- For Max Weber social action included all human behaviour that was meaningful.
- Sociology was thus a systematic form of empathetic understanding i.e. an understanding based not on feeling for.
- The social world is founded on objective human meaning, values, feelings, ideals and so on.

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Bureaucracy

- It is a model of organization which is based on separation of public from domestic world.
- This means that behaviour in public domain is regulated by rules & regulation.
- As a public institution, bureaucracy restricts the power of official in regard to their responsibilities & does not

provide absolute power to them.

A bureaucratic organisation has following characteristics.

- (i) Division of Work
- It leads to specialization of work.

- (ii) Hierarchy of Position

Each lower position is under the control of higher one. There is unity of command.

- (iii) Rules & Regulation

It is laid down by the management and senior officials.

- (iv) Impersonal Conduct

There is no room for emotions and sentiments in the organisation. The decisions are guided by rules and regulations.

- (v) Staffing

The professionals are employed by a contractual relationship b/w employee & employer.

- (vi) Technical Competence

The bureaucrats are neither elected or inherited but they are appointed through selection and the basis of selection is technical competence.

- (vii) Official Records

The decisions and activities of organisation are formally recorded and preserved safely for future reference.

Unit - 2

Development of Industry

Industrialization is the process of social and economic change whereby a society is transformed from pre-industrial society into an industrial one.

Stages in the Evolution & Development of Industry

- (1) Primitive stage 1st stage
- (2) Agrarian economy stage represent pre-machine age.
- (3) Handicrafts stage pre-machine age.
- (4) Guild System.
- (5) Putting out or Domestic system.
- (6) The Feudal system / manorial system.
- (7) The Factory System.
- (8) The Industrial Revolution.

Primitive Stage

Characteristics of this stage are as follows:

- At this stage the families were self sufficient as needs were limited.
- Man devoted their time to the activities like hunting, fishing, and making of weapons & women engaged in cooking, bringing up children and domestication of animals.
- Division of labour restricted only to the family level.
- There was no question of exchange of goods because every family was able to satisfy the needs.
- Domestication of animals has started so as people started keeping animals rather than killing them.
- Animals were treated as a form of wealth which could be exchanged for other products required by the family. This gave birth to barter economy.
- Barter economy means direct exchange of one commodity for another commodity. This economy has developed because there was an increase in the human want and inability of a family to produce all the things required by it.

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for ex- If a farmer had plenty of food grains but not cloth exchanged a part of his food grains with the weaver who had surplus cloth and needed food grains.

→ The main difficulty with this system was that the exchange was restricted only to the goods in which some families were surplus and other families were deficient.

Agrarian Economy Stage

→ As the name suggests agriculture became the primary source of maintenance, this means sowing of seeds and rearing cattle on the land was the main work.

→ In this stage families were not self sufficient more over some families concentrated on occupation rather than agriculture.

→ This led to the exchange of goods for the goods to satisfy these needs of various families and the establishment of village economy. So families also started using hired labour.

→ Trading system also came into existence in this traders purchase the surplus products of different families and sold them to those requiring these products.

→ The invention of plough mark the beginning of agrarian societies 6000 years back.

→ Cultivation of land to plough increase the productivity of land to the use of animals and bringing to surface the nutrients of soil.

→ It also leads to the evolution of different social classes i.e. those who own the land and those who work on others land.

→ Agricultural societies provide the basis for establishment of economic institutions. Trade become more elaborate for the and money is the medium of exchange.

→ It also demands the maintenance of records of transaction, taxation, govt. rules & regulations.

→ The agricultural society supports the emergence of art & cultural artifacts due to surplus food.

Production as people tend to divert their attention to other recreational activities.

(3) Handicrafts stage

- The artisans bring in the village produce the products for the local population and get in exchange various things from customers.
- There was hardly any machinery.
- The craftsmen use simple hand tools and manual skills for producing the goods.
- There was no division of labour at this stage.

30 August, 2019

(4) Guild system

- A guild is an organisation of people who do the same job or have the same interest.
- Two types of Guilds were initiated namely merchant guild and craft guild.
- A merchant guild is an association of merchants engaged in the trade in a particular locality.
- Purpose of the merchant guild was to enforce equality of opportunity for the members of guild to protect their interests & avoid competition among the members and also to regulate the conduct of its members by prohibiting unfair practices.
- A Craft guild regulated entry to the craft prescribed standards of workmanship and regulated the conduct of the members.
- The guild system began to decline by the end of 15th century due to the narrow attitude of the guilds and the increasing rivalry among their members.

(5) Feudal System / Manorial System

- In this stage, it was believed that the land belongs to the king who got it from god.
- He gave it that to the nobels and could also take that back at any time. It was the duty

of feudal law to remain loyal to the king. During the 9th - 14th century the mounted knights were the most important element in making war, as it was very expensive to maintain a series of knight's talents. Tenants-in-chief were granted in large holdings of land in return for providing the king with soldiers. A grant of land called fief or fief, hence the term of feudalism.

Three elementary characteristics of feudalism were lord, vassals and fief.

A lord was a noble who owned land, a vassal was a person who was granted permission of possession of land by the lord and the land was known as fief. In exchange for fief vassal would provide military service to the lord.

- Feudalism gave rise to hierarchy of ranks.
- The cultivators served their feudal lords in several ways.
- Class distinction became well established.
- The priest worship the king and nobels fight wars over & over, rendered manual services to other slaves.
- Feudal system gave birth to capitalism which gave greater importance to machine than men.
- The employer-employee relationship was that of master-slave type. Only death of the master terminated their relationship.

(6) Domestic / Putting Out System

- At this stage the intermediary b/w the producer & consumer of good came to play an important role.
- The entrepreneur gave out work to the artisans who worked in their homes.
- The artisans still own the means of production.
- The entrepreneur came at regular intervals, collected the goods and paid for them to the artisans.
- The artisans faced difficulty when the scale of production increased and there was a need for new tools of production.

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<ul style="list-style-type: none"> → The entrepreneur started providing raw materials and tools to the artisans who produced goods and receive wages on daily basis that is why this stage is called putting out system. → During the beginning of 18th Century the entrepreneurs followed the practice of employing the artisans and getting work from them at their own premises. → The entrepreneur procured raw materials and equipments assigned work to the artisans inspected the quality of products and found a market for his products. → In other word he was the owner and manager of the production system. 	<p style="text-align: center;">in the most efficient way.</p> <p style="text-align: center;">2 September 2019</p> <p>Characteristic feature of Factory System.</p>
<p>(7) Factory System</p> <ul style="list-style-type: none"> → Gradual rise in the population pushed up the demand for industrial goods. → The quality of work produced by workers in their homes was also uneven. Further more it was difficult to train workers to conform to the uniform standards of production. The merchant had to spend too much time travelling to the individual homes to provide materials and to collect the finished product. → A system which gathers a no. of workers under one roof provided them with tools and materials supervised and trained them and paid cash wages were certainly more efficient so the factory system arose. → This was the new way of organizing labour. → The factory became more dependent of natural resources when James Watt succeeded in applying steam power to produce circular motion. Steam power was a necessary characteristic of factory system. → The factory system could not have been possible without accumulation of wealth specifically in the form of Capital in the hands of entrepreneurs. → With this initiative he was able to combine the 4 M's - Men, Money, Material & Machine 	<p>(1) Mechanisation.</p> <p>The efficiency of factories has increased because of new innovation & development in science and technology.</p> <p>(2) Automation</p> <p>In many advanced countries like US & UK automation has been introduced in production system by automation we mean installation of one set of machines to run another set of machines for ex- There is automation in all refineries, chemical-industrial units & food processing unit.</p> <p>(3) Management Information System (MIS)</p> <p>Introduction of MIS with the help of electronic computers is another highlight of modern machine age. Computer have vast memories. They help in taking managerial decisions at proper time.</p> <p>(4) Specialization</p> <p>There is greater specialization & division of labour in modern factories so that workers concentrated on limited operation.</p> <p>(5) Standardization.</p> <p>It brings about uniformity of quality & size and facilitates large scale productions. For ex- nowadays racing organizations whether production or services based are trying to get themselves standardized as per international standards called ISO certifications.</p> <p>(6) Growth of Industrial Area</p> <p>Concentration of industries in certain regions of the country has given rise to the concept of growing industrial areas which offers special advantage</p>

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to the industrial units in regard to raw material, power, transportation etc.	→ Industrialization can occur in a climate of political stability only.	rate
(7) Expansion of International trade Mass production, standardization and improved means of transport and communication have increased the volume of international trade.	Pre-Industrial Society emphasis on	Industrial society emphasis on
(8) Research & Development Big enterprises have established separate department for research and development for inventing new products & ideas.	(i) Community and joint families (ii) Rural & Village life (iii) Tradition & religion (iv) Landed interests.	(i) Individual & immediate family (ii) Urban life (iii) Reason & Science (iv) Business & industrial interests
(9) Competition There is cut-throat competition among product producers of the goods in all capitalist economies.		of 3 rd party
Causes of Industrialization		officers
→ The availability of basic raw material is important it has to be available locally or has to be imported. For ex - Japan has emerged as leading manufacturer of steel, automobile, and heavy machinery in world but it does not have reserves of iron ore, oil, or other basic raw material and imports them.	By yourself and here write more detail	dispute to
→ Capital should be available for investment Capital formation can take place if there is surplus after providing for consumption.	• Impact of industrialization on Marriage: (i) Social contract marriage is a social contract (ii) Higher age of marriage. (iii) Practice of Non-marriage marrying. (iv) Practice of Love marriage. (v) Increase in Divorce rate.	along
→ Industrialisation requires a committed labour force. Commitment implies the acceptance of values of industrial society and their expression in the behaviour. As industrial technology is constantly changing the labour force must be flexible in terms of its skills, or craft.	3 September 2019	is the situation
→ There should be market for products produced by the industries.	Impact of Industrialization on Family	for the months
	(1) Role of family (2) Breaking up of Joint family (break up) (3) Nuclear families (4) Status of women (5) Disintegration of family (6) Change in family goals.	LIV

Impact of Industrialization on Caste System

- (1) Disintegration of Caste System.
- (2) Reduction in influence of Brahmins.
- (3) Division of labour based on specialisation.
- (4) Loosening hold of untouchability.
- (5) Elimination of Inter-Caste marriage.
- (6) Abolition of system of Caste based function.

Impact of Industrialization on Religion

- (1) Decline of Superstition
- (2) Development of religious tolerance
- (3) Secular States

Impact of Industrialization on Morals

- (1) Rational Outlook
- (2) Materialistic Outlook
- (3) Individualism
- (4) Increase in rates of crime.
- (5) Loosening of social contract.

Reasons for the Decline of Guild

- There was no proper definition of the right and trade area of any guild.
- The rise of the merchant or middlemen played a role. Guild didn't accept the new scientific and technological invention such as water power, coal and steam to the new machines. Discouraged even a wild market for raw materials and finished goods. For ex - Opening of America.
- Religious factor also contributed its share to the decline of the guild. The rise of protestant

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Religion stressed individualism whereas the traditional society was based on sense of cooperation. The rise of factory system which ultimately replaced the guild system.

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Problems of Industrialization in India

- P = Poverty, Population, Pollution
 R = Rivalry, b/w industry
 O = Objectives from agriculturists for acquiring their land for industries
 B = Brain drain to the foreign country
 L = Low infrastructure constraint
 E = Energy Crisis
 M = Management policies and outlook

Consequences of Industrialisation on Work Place

- Industrialization works on a different pattern of relationship with machine, fellow workers and supervision.
- The pace of machine differs from pre-industrial base dispute to of man and his tools.
- Man's making over his tools is replaced by need to respond to the machine.
- factory is not only a place of work but also a community along Informal relation development b/w workers as a result of close constant interaction.
- The structure of industrial organization is hierarchical. The source of authority is knowledge skills and training,

Consequences of Industrialisation on Economy

- Most of the working population becomes involved in economic activity which is aimed at earning profit. Workers leave agricultural occupation in favour of manufacturing and providing services.
- Commercialisation takes place, it implies mobility of resource especially of labour and capital.

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- Industrialization takes place, it implies in the basis of raising income level of the people.
- A consumer society is created. A variety of products and services become available, the desire for increase consumption motivates men to work and earn.
- It is necessary for building up strong export system.
- It helps agricultural growth in country.
- It is necessary to ensure national security.
- It ensures security against foreign dominance and dependence.
- The market principle of demand and supply becomes the major mechanism regulating the allocation of resources.
- labour becomes mobile both geographically and in terms of skilled and occupation.

Consequences of Industrialization on Society

- In an industrial society the superstitions and blind faith have no place.
- People expect and demand rational explanation of every phenomena.
- The freedom of caught and individualism are the corner stones of industrial society.
- The new pattern of social stratification has been established.
- The ancient institution of marriage and family also changed.

Write the brief history of Industrialization in India.

Industrialization activity in Medieval Period

The medieval industrial age could be divided into following industrial system,

- (i) Feudal System
- (ii) Guild System
- (iii) Domestic System.

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Industry During Mughal Period

- In the name of Akbar & Jahangir industry was given greater importance during the reign of those rulers. India was famous world over for its industrial products. At this time Spices, cloth and indigo were to be exported to Europe from India.
- A no. of industrial centres has sprung up at this time from goods used to be exported to several countries.
- After the Mughal, there began a gradual decline and deterioration of traditional Indian industry. The chief reason for this decline was the industrial revolution in the west. As the result of revolution, the pattern and nature of Industrial production in England underwent such a change that the demand for the Indian goods completely dried up. There was a no. of reasons for this radical change.
- Firstly, industry in England was becoming highly mechanised. This there was competition b/w machine made foreign goods and hand made Indian goods. The result was that there was steep decline in the demand for Indian products which in turn led to the closure of many manufacturing units along the coast.

Industrial Development During Plas.

20 Sept, 2019

Unit 3 Industrial Policy Resolution

Industrial Policy is a statement which defines the role of the government in industrial development. The place of public & private sector in industrialisation of the country, the relative role of large & small industries, the role of foreign capital etc.

Objectives of Industrial Policy

→ Rapid Industrial development

The industrial policy of government of India is aimed at increasing the tempo of industrial development. It seeks to create a favourable investment climate for investment in industry.

→ Prevention of Concentration of Economic Power

The industrial policy seeks to provide a framework of rules, regulations and reservation of spheres of activity for the public and private sectors. This is aimed at reducing the monopolistic tendencies and preventing concentration of economic power in the hands of few big industrial houses.

→ Balanced industrial Structure

The industrial policy is designed to correct the prevailing industrial structure. Before independence India had some fairly developed consumer goods industries but Capital goods sector was not developed at all and basic & heavy industries were largely absent. The industrial policy seeks to bring a balance in industrial structure.

→ Balanced Regional Growth

Industrial policy also aims at correcting regional imbalances in industrial development. It is the purpose of industrial policy to work out programs and policies which lead to the

industrial development of backward areas and thus correct regional distortions in the pattern of industrial growth.

→ Protection and Promotion of Small Industries
From 1956-1991 the govt encouraged the small industries by reserving few items for the exclusive production by the small units. The govt also arranged for cheaper finance, institutional support and marketing assistance to the small scale industries.

Industrial Policy Resolution of 1948

The Industrial Policy Resolution of April 1948 classify industries into 4 categories which are as follows

- (i) Defence & Strategic Industries were to be the exclusive monopoly of the govt.
- (ii) In the case of basic & key industry all new units were to be set up by the govt. While the old unit were to continue to be run by the private entrepreneurs.
- (iii) Some industries were to remain in private ownership but subject to overall regulation and control by the govt.

Rest of the industries were to remain with private sector where the govt were to exercise only along an overall general control.

Industrial Policy Resolution 1948 laid down the foundation of mixed economy where there in the public sector & private sector co-exists and works in their areas.

Industrial Policy Resolution of 1956

Classification of Industries

The industrial policy of 1956 announced the classification of industries into 3 categories

(i) Schedule A Industry

This category included 17 industries. The future development of these industries was to be the exclusive responsibility of the

govt. The list included arms & ammunitions, aircraft building, air transport, ship building, mineral oils, heavy electricals etc. These industries form the exclusive domain of public sector.

(2) Schedule B industries

There were 12 industries placed in schedule B which were to be progressively state-owned. In regard to the development of these industries the state was generally to take initiative. In setting up new undertakings, however, the private sector was also expected to supplement the efforts of the state in this category of industries. Some included in this schedule were machine tools, aluminium, fertilizers, antibiotics, other essential drugs, road and sea transport etc.

The schedule B industries thus dependent for their development on the public as well as private sector.

(3) Schedule C industries

All the remaining industries fell in the schedule C, the future development of which was left to the initiative of private sector. The state was to provide necessary assistance to the private sector for the development of industries.

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Other features of Industrial Policy, 1956

- (i) No - Water Tight Compartment:
The allocation of industries into different categories does not mean that they are placed in water tight compartment. The govt. was given the freedom to undertake any type of industrial activity. For ex - The responsibility of schedule A industries was given to the govt. But private enterprises may allow to produce some of the items included in schedule A. So this means even the public sector may also depend upon the private sector for some of its requirement.

(ii) Role of Small Scale Sector

In order to achieve the growth of small scale sector the resolution laid down list of 128 items reserve for exclusive production in small scale sector and this list could be expanded by the govt.

(iii) Balanced Regional Development:

The resolution recognized the need for balanced regional development. It emphasized the provision of industrial facilities like power & transport especially to those areas which lagged behind in the matter of employment & industrial development.

(iv) Management of Public Enterprises

→ The policy resolution stressed the need for management of state enterprises strictly along business line.
→ The managers of public enterprises must also show efficiency & flexibility. The two attributes of sound business management.

(v) Development of Personnel

The resolution 1956 provided for development of managerial and technological personnel for the rapid industrialization of the country. Facilities for their training were provided at various levels.

(vi) Industrial Peace

The policy recommended provisions of good working conditions to the workers joint consultation and association of labour with management as steps to achieve industrial harmony.

Industrial Policy Statement, 1977

- The Janta Govt. came to power at the centre in 1977.
- It was strongly biased against larger scale industries.
- Aim of the policy was to advocate the growth of small scale and cottage industries as a remedy to the various problems of unemployment and regional inequalities in industrial development.
- The main features of this policy were as follows.
- Emphasis on cottage & small scale industries.
- The main thrust of 1977 industrial policy was on effective promotion of cottage & small scale industry that were dispersed over several areas and small towns. The key idea of the policy was whatever can be produced by small scale & cottage sector must only be produced by them.

Development of Appropriate Technology

The 1977 policy emphasises the need for developing industrial technology because it makes more use of abundant labour resources without compromising efficiency in production. This would ensure better employment & better use of country's domestic resources.

Industrial Policy Resolution, 1980

With the fall of Janta Govt. & return of Congress to the power a new resolution was issued on 23 July 1980. The features of this policy were

- Optimum Utilization of installed capacity
- Maximising production & productivity and

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- Employment generation.
- Correcting regional imbalances.
- Emphasis on cottage & small scale industries.
- Promotion of export oriented industries.

Industrial Licensing Policy

The industrial policy lays down the overall objective of industrial development while industrial licensing policy provides for the instruments to regulate and guide the programme of industrialisation to achieve these objectives.

- The main aim of industrial licensing policy was to regulate the development of industry in accordance with the plans of overall economic development.
- To control monopolistic tendencies and prevent concentration of economic power in few hands.
- To protect small scale sector from the competition by large scale industries.
- To ensure optimum utilization scarce capital as well as limited foreign exchange resources.
- To encourage the development of industries in the industrially backward areas.
- To achieve and promote balanced regional growth.

Flaws in the Licensing Policy

- 24 Sept 2019
- In the report submitted in 1967 Dr. R.V. Hazari made some serious disclosures about the functioning of industrial licensing system.
 - The committee found that some leading industrial houses made large no. of applications for grant of licenses for the same product and for a wide variety of products through multiple companies working under their control.
 - In many cases new companies were treated only for the purpose of making applications for the licenses.
 - In this way they cornered most of the licenses and effectively block the entry of other existing and potential entrepreneurs.
 - These malpractices had serious adverse consequences for the industrial development of the country.

Dutt Committee Report

- The govt. of India appointed the industrial licensing policy inquiry committee under the chairmanship of Mr. Subimal Dutt in July 1961.
- The Dutt Committee submitted its report in July 1962.
- It revealed the following major flaws in the working of licensing system.

Growth of large industrial houses

Large industrial houses are defined as those business concerns which may be separate legal entities but are under common controlling authority and function in close coordination with each other as a part of common organization under overall guidance direction and control of closely knit group of persons.

Grant of multiple licenses

The committee pointed out that system of licensing was misused, the same industrial houses were given multiple licenses for the production of one or wide variety of goods. This was against the objective of preventing monopolies and concentration of economic power.

These findings of Dutt Committee show that industrial licensing system failed to achieve the objectives of planned industrial development and to prevent concentration of economic power.

New Industrial Licensing Policy, 1970

In the light of recommendation of the Dutt Committee, the govt. of India announced a new industrial licensing policy in February 1970. The main features of the policy were:

(1) Core Sector Industries

As recommended by Dutt Committee the Govt. made a list of core industries consisting of basic key and strategic

industries included in this core sector were the industries like fertilizers, pesticides, iron & steel etc. These industries which fell in the core sector but have been reserved for the public sector could continue to be developed only by the public sector. But in those core sector industries which are not reserved for public sector large industrial houses and foreign companies would be allowed to participate.

(2) Heavy Investment Sector

Industries requiring investment of ₹ 5 crore & above were categorized as heavy investment sector. In addition to the core sector, the large industrial houses were expected to participate in this heavy investment sector except for those industries in this sector that were reserved for public sector.

The large industrial houses were now allowed to invest only in core & heavy investment sectors & leave the rest of the industries free for new entrepreneurs.

The reforms in the industrial licensing policy since 1970 were:

→ Increase in the exemption limit for licensing. The exemption limit for industry from licensing was raised from time to time.

Delicensing of Industries

Since 1970, many industries were brought out of licensing that is no license was required either for setting up new units or for expansion of existing units.

Broadbanding Facility

In case of many industries concept of broadbanding was adopted for the grant of license. Broadbanding means that a license is granted for the broadband of the product that is two or more categories of similar products. This instead of a separate license for motor cars, trucks etc. A license is

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~~Exhibit 1956, 1991~~

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granted for 4 wheeler which would include cars, jeep, vans, etc.

→ Facility for Expansion to achieve minimum economic capacity with rapid change in industrial technology and deployment of latest equipment many industry units found that licensed capacity was far short of economic capacity that would make optimum use of new technology and reduced cost of production.

30/9/19 New Industrial Policy, 1991

Objectives

- To liberate the industry from regulatory device such as license & control
- To increase the competition of industries for the benefit of common public
- To enhance support to small scale industry
- To provide more industries for industrialisation of backward areas
- To ensure rapid industrial development in a competition environment
- To ensure running of public enterprise on business lines & thus cutting their losses

Provision

① Abolition of Industrial Licensing

The policy of 1991 provides for compulsory licensing for only 6 industries these are (i) distillation industry, (ii) Tobacco industries, (iii) Electronic & Defence Industries, (iv) Industrial explosive industries, (v) Chemicals industry, (vi) Dairy & pharmaceuticals.

(2) Diversification of Industries for Public Sector

→ Reduced reservation for public sector Out of 17 industries reserved for public sector under 1956 policy, the new industrial policy reserves 9 industries and thus limited the scope of public sector to only 8 industries. Now the exclusive area of public sector remains confined to only 4 industrial sectors which are (a) Defence production, (b) Atomic Energy, (c) Railways, (d) Minerals.

(3) Efforts to Revive loss Making Enterprises

Those public enterprises which are chronically sick are subject to BIFR (Board of Industrial & Financial Reconstruction) for their revival.

(4) Disinvestment in Selected public sector industrial units.

As a major to raise larger resources & introduce private participation in public sector unit. The govt. would sell a part of its shareholding of these industries to general public & workers. Greater autonomy to public enterprises.

The thrust would be on performance improvement of public enterprises through greater autonomy.

(5) Liberalised Policy Towards Foreign Capital & Technology

→ Relaxation in upper limit of foreign investment Under 1991 policy the maximum limit of foreign equity participation was raised to 51% in capital intensive & high technology industry.

→ Automatic Permission for foreign technology agreements

The foreign technology for which permission would be automatically granted provided the agreements involve a lumpsum payment of upto £ 1 crore and royalty upto 5% on domestic

Rate, about 8% on export.

(4) Changes in the MRTP Act

Under Monopolies and Restrictive Trade Practices act, 1969 all big companies and large business houses were required to obtain clearance from MRTP commission for setting up any new industrial unit but policy of 1991 say abolish those provisions of MRTP act. No prior approval or clearance from MRTP is now required for setting up industrial units.

(5) Greater Support to Small Scale Industries

The new industrial policy seeks to provide greater govt support to small scale industries so that they may grow rapidly under the environment of economic liberalization & technological upgradation.

(6) Other provisions

It also announced the setting up of a fund called National Renewal Fund to provide social security to the workers and provide relief to those workers who have been rendered unemployed due to technological changes.

Impact of Industrialisation on Economy

(1) Professional Management

Management has an entirely different provision than of entrepreneurship. Professional managers are formally trained in the disciplines.

(2) Rise and Disinvestment of public sector

Due to 1991 policy various public enterprises have been disinvested in the recent years.

(3) Foreign Investment

Growing interest investment of foreign private investors including MNC's in Indian industries is another development.

(4) Technological Advancement

There has been a transformation of organized industries in India also the industrial employment with higher skill content and white collar employment in the services has emerged.

Oct 2019 Impact of Industrialisation on Industrial Labour

(i) Status of the worker has improved

He enjoys a major of Social Security.

(ii) Stabilization of Work force - A worker today is far more stable in the taste & outlook than his predecessor.

(iii) Healthy Work Environment - In terms of space, light, drinking water, etc. Workers now enjoy much better working environment.

(iv) Composition of Work force - The ratio of white collar job has increased in the industries. Women workers tend to be the skilled & semi-skilled were in the modern industries.

(v) Higher Level of Aspirations : At the level of education & self consciousness has been increases among the workers. They are keen about improvement in standard of their life.

(vi) Growth of Trade Unionism - Industrial labour is better organized to protect & promote the economic and social interest of the workers.

Factors that Push Peoples from Rural Areas to Urban Areas

- Increasing pressure of population on the land lead to non availability of employment opportunities in agriculture.
- Increasing no. of landless agricultural labourers.
- Ill treatment by high cost people.
- Exploitation by money lenders.

suggestion to deal with evil consequences of Industrialization

- (1) Town planning
- (2) Housing
- (3) Promotion of Rural Industries
- (4) Healthy Environment
- (5) Improvement in the factories
- (6) Enforcement of Labour laws
- (7) Decentralization

Navratna Companies of India

(8) Navratna status is offered to public sector enterprise which gives a company enhanced financial & operational autonomy & empowers it to invest upto ₹ 1000 crore or 15% of their net worth on a single project without seeking govt. approval.

As of 1-12-2008 the group of Navratna Companies include

- (1) BEEL - Bharat Electronics Limited
- (2) BHEL - Bharat Heavy Electrical Limited
- (3) BPCL - Bharat Petroleum Corporation Limited
- (4) CIL - Coal India Limited
- (5) HAL - Hindustan Aeronautics Limited
- (6) Hpcl
- (7) IOC L
- (8) MTNL
- (9) NACL

Trade Unions

It is an organization of workers formed to promote, protect, and improve through collective action the social, economic and political interests of its members.

Objectives

- To improve the economic lot of employees by securing for them better wages.
- To secure social welfare of the employees
- To secure better working conditions for the workers
- To secure organizational stability, growth and leadership.
- To secure bonus for the employees from the profit of the concern.
- To resist schemes of the management which reduce employment, for ex. rationalisation and automation.

Functions

Test
Electivity
of Trade
Union
Election

Trade union performs two type of functions i.e.

- ① Militant function.
- ② Fraternal functions.

Militant function

The aim is to ensure adequate wage, secure better conditions of work and employment get a better treatment from employers etc. When unions failed to accomplish these aims by the method of collective bargaining and negotiations, they adopt an agitational approach and put up a fight with the management in the form of strike, boycott etc. Hence these functions are known as militant or fighting functions.

Fraternal function

Another set of activities performed by trade unions aims at providing health to its member in the time of need and improving their efficiency. Trade unions try to foster a spirit of cooperation and promote friendly relations among their members. They extend financial help to health to their members when the latter are suffering from illness or meet with an accident.

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They also arranged for legal assistance to its members. They undertake many welfare measure for their members for ex- school for education of children, library, reading rooms etc. These functions are called fraternal functions depend on the availability of funds which the union raise from donation from outsiders and subscription from members.

4th Classification function of Trade Union.

(1) Intramural Activities

These consist of those functions of the union which lead to the betterment of employment conditions such as ensuring adequate wages and salaries etc. for which the methods adopted may be collective bargaining etc.

(2) Extramural Activities

These activities help the employees to maintain and improve their efficiency or productivity for ex- promote friendly relation diffuse education among members.

(3) Political Activities

Modern trade unions also take up political activities to achieve their objectives.

Importance of Trade Unions

- Ensure a fair and social justice to the workers
- Making the workers conscious of their rights and duties
- Protecting workers from unfair labour practices of the management
- Two way communication with the management
- Maintenance of discipline at the place of work.
- Participating in the development of pregnancy as of national development for ex- family planning, national integration etc.

Criticism of Trade Union By Employers

- Trade unions have been subjected to severe criticism particularly by the employers. Some of the charges leveled against them are as under.
- Trade Unions do not welcome nationalisation and improved methods of production.
- They create artificial scarcity of labour by demanding that union personnel should be employed.
- Lack of education makes the workers narrow minded and prevents them for taking long term decisions.
- When labour union strike on some grounds irreducible losses occur to the producers, community and officers of the nation.

Why do Workers Join Unions?

→ Greater Bargaining Power

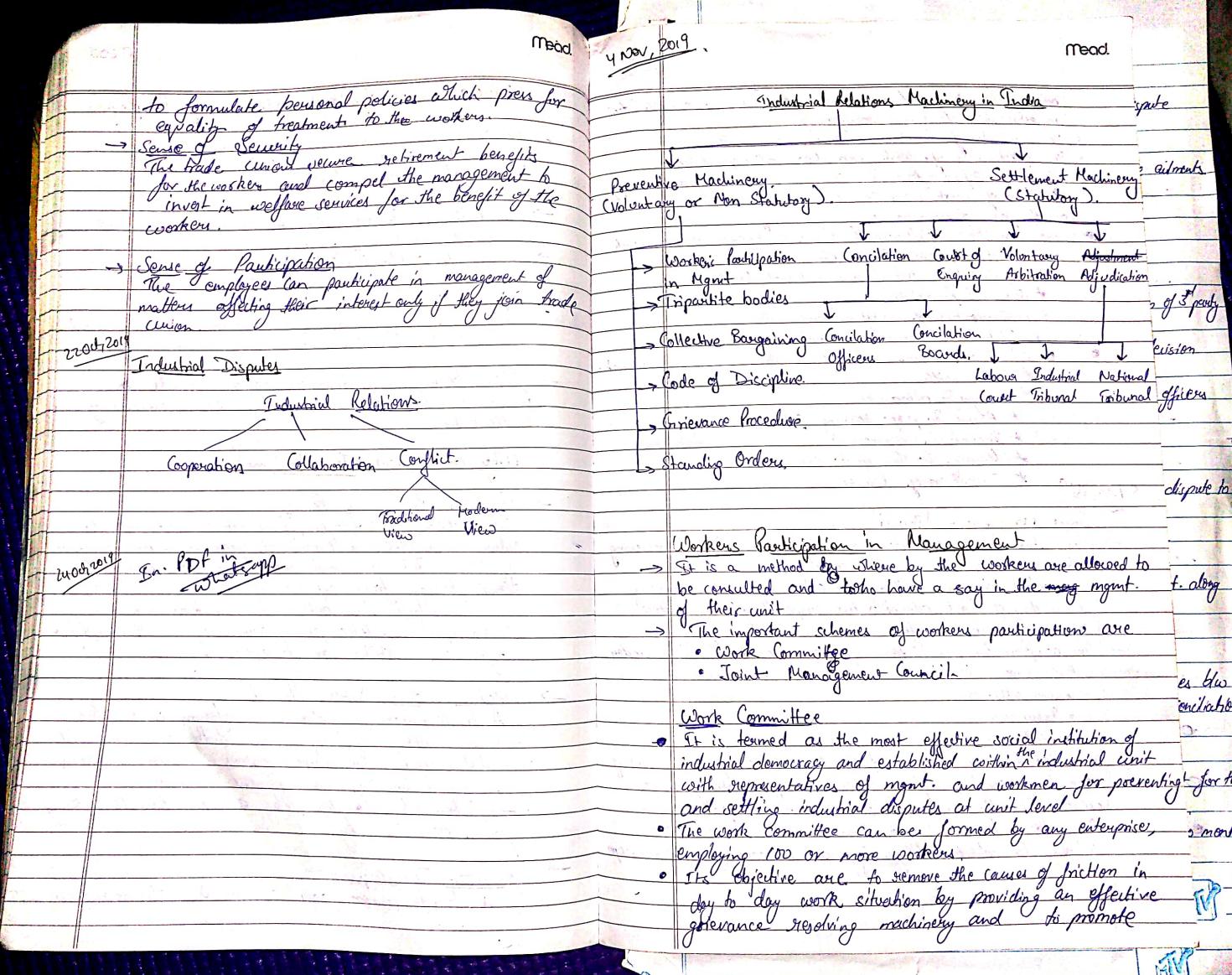
The individual employee, if is not satisfied with the salary and other conditions of employment he can leave the job. But it is not practicable to continuously change design from one job after another when he is dismissed. The better way for him to join a union which can take proper action against the employer maybe by a strike or lockout etc.

→ Make their Voices Heard

A trade union provides such a forum where the feelings, ideas and opinions of the workers could be discussed. The collective voices of the workers is heard by the management and given due consideration while taking policy decision by the management.

→ Maintain Discipline

A trade union can control the management



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- measures securing good relationship and serve as a useful tool in establishing Bargaining relationship.
- The total no. of members shall not exceed 20.
 - The effectiveness of work committee will depend upon adequate support from the unions, proper appreciation of function of work committee and more responsive attitude on the part of management.
 - Work committee will normally deal with following of work such as ventilation, temperature, etc.
 - * Adjustment of festival and national holidays.
 - * Sanga & promotion
 - * Administration of welfare and funds
 - * Safety & accident prevention
 - * List of the items which the work committees will not normally deal with
 - * wages & allowances
 - * Bonus & profit sharing scheme
 - * Incentive schemes
 - * Housing & Transport services
 - * Duration of leaves.

5 Nov, 2019

Joint Management Council

- The establishment of joint management council is towards achieving the objective of labour mgmt. co-operation.
- The council will give the right to obtain information regarding the working of direct administrative responsibility for matters concerning workers' welfare.
- The accepted functions of joint mgmt. council can be summed up under three broad heads:
 - Consultation
 - Information
 - Administration.
- It would be endeavours of the council to improve the working and living conditions of employees there productivity and to create in the employee a live sense of participation.
- All matters for ex- wages, bonus etc. which are the subjects for collective bargaining are excluded from their scope.

Trade Unions

Collective Bargaining

- It is the term used to describe a situation in which essential conditions of employment are determined by Bargaining process undertaken by representatives of group of workers on one hand and of one or more employers on the other.
- Collective bargaining not only includes negotiation, administration and enforcement of written contracts b/w the employees and the employers but also include the process of resolving labour-management conflicts.
- Labour legislation and the machinery for its implementation prepare a framework acc. to which industrial establishment should operate.

Tripartite Bodies

- A large no. of tripartite bodies have been set up by the govt. officers to provide consultation on various labour related issues.
- Among these bodies few are (i) ILC - Indian Labour Conference.
 - (i) SLC - Standing Labour Committee
 - (ii) Committee on Conventions
 - (iii) Industrial Committee.
 - (iv) Other bodies of Tripartite.
- The objectives of ILC is to promote uniformity in labour legislation and to discuss all matters of All India importance as b/w employers and employees.
- The main function of ILC is to advise the Govt. of India on any matter refer to it for advice taking into account suggestions need by the provisional govt. the states and representatives of organization of workers.
- The ILC has a strength of 44 members including 22 from the govt. and 11 representatives each of Employers and workers.
- The SLC has 24 members including 12 from the govt. and 6 each from among employers and workers.

Committee on Conventions

- It was a 3 men tripartite committee set up in 1954. Its objective was
- To examine the ILO conventions and recommendations which have not so far been accepted by India.

ILO - Indian Labour Organisation

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- To make suggestion with regard to speedy implementation of ILO standard.

iv. Industrial Committee

- The 8th session of TLC decided to set up industrial committee.
- Its main objective is to discuss various specific problems special to the industries covered by them and submit their report to the conference which would coordinate their activities.
- Industrial Committees provide a forum for discussion of proposals for legislation and other matters connected with labour policy and administration before they are finally brought up before legislature.
- The first industrial committee was constituted in 1947.
- These committees are bipartite bodies in which the no. of workers' representatives is equal to the no. of employers' representatives.
- The committees that were setup immediately after independence were for plantation, cotton textiles, jute, cement, iron & steel etc.

Bipartite Machinery

- They comprised of two important constituents i.e. work committee and joint mgmt. council.
- These are purely consultative and ~~are~~ not the negotiating bodies.

Reasons for the failure of Bipartite Machinery

- There is lack of follow-up measure on the part of the govt. for implementation of various schemes announced by it.
- Trade unions in India ~~are~~ are not very strong and responsible.
- Joint ~~body~~ enlargement lack a positive response to the idea of workers' participation.
- More emphasis has been given to participation at higher levels.

Code of Discipline

- The 15th tripartite TLC in July 1957 appointed a sub committee to draft a code of discipline.

- The committee evolved a code which came into force on 1 June 1958.
- Code of discipline is a set of self-imposed mutually agreed voluntary principles of discipline and good relations b/w the mgmt. and the workers in India.
- The broad principles of code are:
- There should be no lockouts or strikes without notice.
 - The employers will not increase workload without prior agreement with the workers.
 - Awards & agreements should be speedily implemented.
 - Any agreement which disturbs cordial relations should be avoided.
- The code of discipline applies to applies to both public & private sectors of economy.
- It consists of 3 sets of Code:
- The first part applies to both mgmt. & union. It makes officers of obligation upon them to settle all disputes and differences by mutual negotiation conciliation and voluntary arbitration and to establish grievance procedure.
 - The second part consists of obligations to be observed by the mgmt.
 - It lays down that mgmt. should not raise the work load unless agreed.
 - The union must observe the code and must have a membership of atleast 15% of the workers.
- The third set of principles consist of obligation of unions.
- It lays down that unions should not engage in physical acts in demonstrations.
 - There will be no union activity during the working hours unless permitted by law or agreement.
 - The code symbolises the policy of the govt. to build up an industrial democracy ~~on~~ on voluntary basis.

Standing Order (Industrial Employment) Act 1946

for 6 months

Industrial Employment (Standing Orders) Act, 1946.

(1) Introduction

A bill providing for framing of standing orders containing the conditions of employment in all industrial establishments employing 100 or more workers was introduced by Central Govt. in the legislative assembly on 8th April, 1946.

(2) Objective of the Act

It is to have uniform standing order providing for matters in the schedule to the act.

(3) Scope of the Act

The act extends to whole of India.

(4) Matters to be defined to the Act.

- Shift working
- Attendance and late coming.
- Classification of workmen for ex-whether permanent, temporary etc.
- Requirement to enter premises by certain gates
- Termination of employment

(5) Addition of 8 matters by Central Govt. to frame Standing Order

- Service record.
- Confirmation.
- Age of retirement
- Transfer
- Medical Aid
- Medical Examination
- Secrecy
- Exclusive Service.

(6) Procedure for Certification of Standing Orders

Within 6 months from the date on which the industrial employment act becomes applicable to an industrial establishment, the employer should

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submit 5 copies of standing orders proposed by him to the dispute certified officer who maybe a labour commissioner or regional labour commissioner or some other officer appointed by the govt.

On receipt of the draft the certifying officer shall forward a copy thereof to the trade union and to the elected representative of the workmen with a notice inviting their objections if any.

The certifying officer shall decide whether or not any modification or addition to the draft submitted by the employer is necessary to render the draft certifiable under the act.

For this purpose he shall ensure that

- The draft is in conformity with model standing order issued by the govt.
- The draft provides for every matter set out in the schedule

• The draft is reasonable and fair.

The draft is then certify by the certifying officer or without or without modification and shall send within 7 days authenticated copies to the employer and to the trade union or representatives of workmen.

(7) Modification of Standing Orders

Modification in certified standing order, if sent before the expiry of 6 months from the date of their coming into force can be made on the agreement b/w employer and his workmen.

(8) Posting of Standing Order

The copy of text of the standing order as finally certified under this act should be posted by employer in English and in the language understood by the majority of his workmen on special boards.

(9) Misconduct in Standing Order

Every act of indiscipline is called a misconduct. Three acts which are most commonly mentioned as misconduct in standing order act of 1946 are as follows.

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In

MO Rest and
the other place

15 Nov 2019

Unit 5

- Disobedience.
- Sleeping while on duty
- Smoking within the factory except in the places where smoking is permitted.
- Giving babies or taking babies
- Habitual late attendance
- Refusal to accept an order or other communication.

(10) Forms of Punishment

- Warning
- Fine
- Withholding of increment or demotion.
- Suspension.
- Dismissal

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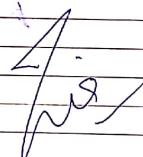
(3) Free Market

In economics a free market is a system in which prices for the goods and services are determined by the open market and by consumers. In a free market the laws and forces of demand and supply are free from any intervention by the govt. or by other authority.

It is the best way of communication of the needs of the society. It gained popularity in 1990's. It motivates through economic returns and reduced the regulations on large industry.

Although there is ~~no~~ no one set of variables that define a free market. There is a generally accepted set of measures that help determine just how ~~free~~ free a market the economy can be.

These variables can be divided into trade policy, govt. intervention, monetary policy, banking & finance, wages and prices, capital & foreign investment flows.



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(2) Industrial Dispute Settlement Machinery

→ This machinery has been provided under the industrial dispute act, 1947.

→ It provides a legislative way of settling the disputes.
→ The nature of this machinery is curative as it aims at curing the ailments.

This machinery comprises of :

- (i) Conciliation
- (ii) Voluntary Arbitration
- (iii) Count of Enquiry
- (iv) Adjudication.

Conciliation

- It is a method of resolving the Industrial conflict with the help of 3rd party.
- It is the form of mediation.
- The conciliator simply assists them in their negotiations & decision making. The scope of this function is provided under law.
- The conciliation can be utilised by either appointing conciliation officer and by constituting board of conciliation.

Conciliation Officer

- The job of conciliation officer is to persuade both the parties to dispute to come to a fair settlement.
- The conciliation officer is appointed by the appropriate govt.
- It has been given the powers of civil court.
- He is required to submit his report to the appropriate govt. along with a copy of settlement arrived in relation to dispute.

Board of Conciliation

- In case, conciliation officer fails to resolve the differences the parties, the govt. has the power to appoint a board of conciliation.
- The board is an Ad hoc body & tripartite body.
- It consists of chairman & two or four other members.
- It is the duty of the body to do all things as it thinks fit for the purpose of inducing the parties to come to a fair settlement.
- The board must submit its report to the govt. within two months of the date on which dispute was referred to it.

Court of Enquiry

In case of failure of conciliation, the govt. can appoint a court of enquiry to settle a dispute.

- The court is expected to submit its report within 6 months.
- It is basically fact finding machinery.
- It aims at enquiring into & recording the causes of industrial dispute.

Voluntary Arbitration

- Voluntary arbitration means to get the dispute settled through an impartial independent person chosen by the parties involved mutually & voluntarily.
- The parties must enter into a written agreement called arbitration agreement to refer a dispute to an arbitrator.
- It is based on the notion of self-govt. in industrial relations.
- It ~~cannot~~ ~~not~~ promotes a healthy attitude and a developed outlook.
- It assist in strengthening the trade union movement & contributed for building up sound industrial relations.
- It became popular method when Gandhiji had applied it successfully in textile industry in Ahmedabad.
- The process of arbitration save time & money of both the parties.

Adjudication

- It consists of settling dispute through intervention by 3rd party appointed by the govt.
- The law provides the adjudication to be conducted by labour court, industrial tribunal or national tribunal.
- There are 2 situations when it is obligatory for the govt. to make a reference to adjudication.
 - When both the parties to a dispute apply in prescribed manner either jointly or separately for a reference.
 - When the dispute related to the public utility service & notice of strike or lockout acc. to the law has been given.

Labour Court

- A labour court consists of one member only who is normally a sitting or ex-judge of the high court.
- The issues referred to the labour court include.
 - The legality of an order passed by an employer under standing order.
 - The application & implementation of an standing order.
 - Illegality of any strike or lockout.
 - Dismissal of an employee and grant of relief to them.

Industrial Tribunal

- It is also an one member body.
- It has wider jurisdiction than the labour court.
- The industrial tribunal may be referred to the following issue.
 - Wages including the period or mode of payment.
 - Hours of work & rest intervals.
 - Bonus & provident fund.
 - Leave with the wages & holidays.
 - Rules of discipline.

National Tribunal

- The central govt. may constitute a national tribunal for adjudication of dispute if the industrial dispute involve questions of national importance or the industrial dispute is of such a nature that undertakings established in more than one state are likely to be affected by such a dispute.
- The central govt. may appoint two assessors to advise them & to assist the national tribunal.



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Models of Industrialization

Collectivist Model

Collectivist culture emphasize the needs & goals of the group as a whole over the needs and desire of each individual. In such cultures relationship with other members of the group and the interconnectedness that the people play a central role in each other's identity. Collectivist cultures such as those of China, Korea and Japan emphasize family & workgroup goals above individual needs or desires.

Collectivism & individualism deeply pervade cultures. People simply take their culture's stance for granted. A collectivist is someone who let others decide for him who allows others to direct the course of his life and perhaps seeks comfort in not having to be independent.

Principles of Collectivism

- Social rules focus on promoting selflessness and putting the community needs ahead of individual needs.
- Working as a group and supporting others is essential.
- People are encouraged to do what's best for the society.
- Families and communities have a central role.
- Working individually and output depends on individual ability while working collectively and output depends on ability of society.

Advantages of Collectivism

- Sense of community and unity.
- Respectfulness, teamwork and cooperation.
- Collectivists are extremely supportive.

(2) Multiculturalism

- Everyone feels value as everyone's work is seen as equally important.
- Limited liability.
- Social progress and stability.
- Equal opportunity to all.

Disadvantage of Collectivism

- One person can bring down many others.
- Ideas are less free flowing.
- Lack of motivation.
- It requires members to participate for success. Human nature is to claim territory or objects as their own.
- Loss of trust b/w the individuals will bring down any collectivist society.

Anarchist Model

Pierre Joseph Proudhon (1809–1865)

Opposed centralization of power, reliance on the state, cooperative and self-help.

He developed rules and system to prevent centralization of power in the organizations. He criticized the belief in individual ownership. He proposed the ways of overcoming contradictions of capitalism as well as bureaucracy. He had the saying that there is no need of revolution and attractive forms of employment will automatically draw support for ex-
The Kibbutz of Israel.

Around 2000, 2.5% of population of Israel lived in Kibbutz but produced 33% of its agricultural products and 6.3% of its manufactured products. They set up farms and later small industries. The former PM like Golda Meir and David Ben Gurion lived in Kibbutz. All income of Kibbutz kibbutz goes to a common pool. Personal allowances are given. All major decisions made through meetings and democratic processes and they emphasize more on equality. Children were reared collectively and the rotation of work was there.

Decline of Kibbutz

- Unwise borrowing in 1970s leading to huge debts.
- Many children chose to leave the place for various reasons.

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with religious groups

- Tended to be secular got into political conflicts led to the decline of the place

Return of Kibbutz

- Renew cultural energy
- More flexible work assignments
- from each according to the preference and need given the job
- Greater hiring of labour from outside the place
- Children now raised primarily by the family
- Greater disparity in personal allowances