ORGANIZED LABOR AND DEMOCRATIC CONSOLIDATION

First of all, we must have the Government thoroughly with us, heart and soul. 1

G. V. Joshi

Political regimes – democratic or authoritarian – shape social organizations and mold the state itself. Political regimes also frame the relationships between those social organizations and the state – the administrative apparatus of government. Accordingly, most labor studies emphasize the impact of political regimes on the organization and representation of labor. Few labor studies show how labor organizations and labor institutions help to produce or reinforce political regimes. This book considers the influence both of organized labor on political regimes and of political regimes on organized labor. This chapter focuses on the former, the impact of organized labor on political regime formation.

Unions and workers themselves helped to shape political regimes as well as economic institutions, and the state itself. Everywhere, political regimes have structured labor institutions and labor organizations to suit their needs. At the same time, but less well acknowledged or understood, workers and unions have themselves influenced political and economic development. Even in the predominantly poor and rural economies of India and Pakistan, where labor’s bargaining power is low, workers and their associations helped to determine significant economic and political outcomes.

The history of union opposition to authoritarian governments of all kinds in the South Asian Subcontinent is as long as the history of union organization itself. Workers resisted colonial rule. They shirked the regimentation of factory work when the British established manufacturing shops. Workers gave employer associations in colonizing economies reason to fund study of the problems of absenteeism and backward-bending supply curves for labor (workers wanting fewer hours at higher wages) in the colonial world. 2 In South Asia, workers used the organization formed through factory work – including working class neighborhood associations – to close down industry and crowd colonial jails.

Unions also protest undemocratic decisions by elected governments. The most public displays of trade union support for democracy in India and Pakistan are on the streets in opposition to authoritarianism. Unions are supportive, sometimes vitally, to peace-activism, anti-communism, and promotion of international human rights. Nearly every major union in India and Pakistan opposed the decision of their governments to test nuclear weapons in May and June 1998. Unions complained specifically about the lack of public input into such a momentous decision.

In independent India, labor helped to ensure a tradition of regular elections to public office and helped to make elections more meaningful. Unions educated workers about politics and mobilized them to support pro-labor parties. Workers then used their unions to ensure that elected representatives enacted policies that would promote social welfare.

In Pakistan, workers and unions could not persuade elected representatives to adopt a constitution or prevent the 1958 military coup. But when Field Marshal Ayub Khan provoked organized labor with official celebrations of the first decade of military rule, workers and others protested and wrested from the military a commitment to hold national elections. Workers’ organizations build networks among individuals from differing ethnic, linguistic, national, and religious backgrounds. Workers’ organizations are essential to making economic life democratic.

Political regimes

Many think of India as a democratic polity and Pakistan as an authoritarian one. The characterization is correct but not complete. There are strong authoritarian institutions in the Indian polity and strong democratic institutions in the Pakistani polity. At any given moment, millions of Indians are under some form of military or paramilitary rule, a practice in existence since British government. In Pakistan, despite frequent and sometimes decade-long periods of military rule and suspension of civil and political rights, regular elections for municipal government have continued.

India’s coalition of dominant proprietary classes

A century of contest and representation through elections shaped social organizations and institutions. Regular elections for public office have been held in India since the late nineteenth century, decades before India’s Independence from British rule in 1947. The British Viceroy’s Legislative Council and the Provincial Legislatures, established by the 1861 Indian Councils Act, were partially elected. By 1884, some members of municipal committees were elected. The Government of India Act of 1919 brought elections for
limited self-government to the provincial level. These pre-Independence elections were conducted on a restricted franchise.

The Indian government has held regular elections for national and state (i.e., provincial) office, on the basis of a universal franchise, since 1950. Mrs. Gandhi declared an Emergency and suspended civil and political rights in June 1975. The Emergency was not lifted until February 1977, when her elder son Sanjay persuaded her to declare elections. But when she was defeated in the election intended to solidify her rule, she conceded to the voters. Thus even India's temporary break with electoral politics indicates the resilience of electoral politics in India.

Given the volume and depth of analysis on Indian political regimes, it is striking that scholarship, Marxist and non-Marxist, maintains a broadly similar view.1 Publicly contested elections among competitive political parties characterize India's political regime - the pattern of recruitment into positions of state management. But most analysts of India's political regime agree that the state - the administrative apparatus for governance, which among modern states typically focuses on revenue collection, law and order, and policing territorial borders - is the instrument of the alliance of three dominant classes: an urban industrial elite, or large-scale industrialists, a landed class, or rich farmers, and the managerial bureaucratic bourgeoisie, or senior civil servants. Numerous students of Indian politics have characterized the state as serving these three "dominant classes."

Harry Blair described the partly autonomous "government bureaucracy, the military and the intelligentsia" as the "third element in the political economy of managing the Indian system." The other two elements, according to Blair, are industrialists and large landholders.4 Pranab Bardhan's similar theory that three dominant proprietary actors capture the Indian state is better known.5 According to his class-based approach, state controls in the Indian economy have served principally to protect domestic capital from foreign competition, to secure state subsidies for wealthier farmers, and to secure rents and political patronage for the managerial bourgeoisie. The state is not distinct from society. Rather the state is a social alliance administered by one dominant class, the managerial bureaucratic bourgeoisie, in cooperation with other dominant classes. Bardhan uses this conceptualization of the Indian state to explain the evolution of the fiscal crisis, and its tenacity, in the contemporary Indian economy.

Pakistan's bureaucratic-military oligarchy

The Pakistani state has extended protection to two of these same three economically and politically dominant groups, namely large landholders and industrialists. As in India, in Pakistan, the bureaucracy - the managers of the state apparatus - has been characterized as relatively autonomous from other social classes. In Pakistan, however, the military is the basis for that autonomy. Pakistan has spent most of the nearly six decades since its creation under some form of martial or military rule. Electoral democracy in Pakistan got off to a shaky start. From 1947 until 1956, the Constituent Assembly, elected in undivided India with a highly restricted franchise, served as the national assembly. Pakistan's first independent Constitution was framed in 1956. Between the 1958 military coup and the 1988 death of President Zia ul-Haq, only two short episodes of elected, civilian political regimes emerged. The first episode occurred after Pakistan's first general election in December 1970. The military prevented the Bengali leader Mujibur Rahman from forming a government and attacked his supporters in East Pakistan. At the military's defeat in December 1971, the country broke up. Zulfiqar Ali Bhutto assumed control of an elected government in a truncated Pakistan. The second civilian political regime was that of Ghulam Ishaq Khan (1985-88). It was party-less - political parties were banned from the elections - and sponsored by the military. Military governments ruled Pakistan from 1958 until 1971, from 1977 until 1985, three times in the late 1980s and early 1990s, and from 1999 until 2002. Martial law has been in effect for more than 30 years of Pakistan's short history as a state.6

The Pakistani state is in the hands of bureaucratic and military elites. Pakistan was the illustrative case used by Hamza Alavi to advance the thesis that colonial powers left overdeveloped states in postcolonial societies.7 The overdeveloped state, embedded in peripheral capitalist development, promoted industrial development, despite the weakness of the indigenous bourgeoisie and to the detriment of "landowners and peasant producers." Peripheral capitalist development demanded it. To raise revenue and to control the native population, colonial rulers created the state. Thus, the strongest elements of the state in postcolonial societies are those designed for extracting resources and policing people. "Effective power within the state apparatus lay in the hands of a military bureaucratic oligarchy."8 The autonomy of the state in Alavi's analysis derives from the colonial state's service of foreign classes not from an alliance of domestic classes. Of course, the same could be said of India. Indeed, the British East India Company and British Crown ruled earlier, and thus longer, in most areas of what is now independent India than they did in what is now Pakistan. The Indian state should, according to Alavi, be more overdeveloped, more beholden to foreign than to domestic classes.9 Comparative analysis, however, allows us to see how much stronger the domestic business classes are in India and how different the basis of the autonomy of the Indian ruling classes is from that of the Pakistani ruling classes.10

Labor politics under colonial rule

Understanding colonial labor law and its purposes is vitally important to understanding the obstacles that organized labor in India and Pakistan face
today. At Independence, India and Pakistan retained all colonial labor law. Rather than framing entirely new law, as a revolutionary government might do, governments in India and Pakistan merely amended colonial labor law. The details of Indian colonial labor history are well enough documented but uniformly ignore the history of the areas that are now Pakistan and Bangladesh.

Coordinated action by workers preceded the formation of unions in colonial India. Even before the legalization recognizing and regulating trade unionism in 1926, labor action was geographically widespread and used widely varied methods. Labor actions were typically spontaneous, decided upon by workers at a particular residence or work site. When associations did emerge, they typically took the form of strike committees. They mobilized around particular grievances, and disbanded when demands were met or abandoned. Bashir Ahmed Bakhtiar, for an exemplary example, while working for a woolen mill in pre-Partition Punjab, mobilized his fellow workers to protest the stinginess of their employer at the wedding of the employer’s daughter. Bashir Ahmed Bakhtiar exerted a major influence in the pre-Partition and in the Pakistani trade union movements. He was the founder and the patron of the All Pakistan Federation of Trade Unions.

Early trade unions in colonial India formed as workers’ aid organizations. Philanthropists and social reformers established unions out of concern for inhuman working conditions. Mobilizing Bombay textile mill workers for humane working conditions in the 1880s, N. M. Lokhande organized one of British India’s earliest trade unions in 1890. Other early but also short-lived unions included the Amalgamated Society of Railway Servants of India and Burma established in 1897, the Printers’ Union established in Calcutta in 1903, and the Kamagar Hitvardhak Sabha (Workers Welfare Union) established in Bombay in 1909. More formal and permanent trade union bodies, notably the Madras Labour Union founded by B. P. Wadia in 1919, formed only after World War I, during a wave of labor militancy.

Much of the labor action at the beginning of the century was stimulated by political events. The Partition of Bengal in 1905 helped to arouse workers’ consciousness over the linkages between industrial and political action in Bengal, the region first colonized by Britain. The British government too saw a link between labor and political action. Holding that one strike in Calcutta during that period was dangerous and politically motivated, the government dismissed and arrested its organizers. This helped lead to the formation of the Bengal Press Workers Union, which publicized the interests of workers.

Before World War I, the British government in India regularly repressed labor organizations and met labor agitations with violence. In July 1908, the British tried the Congress leader Lokamanya (friend of the people) Bal Gangadhar Tilak for sedition on the basis of his writings in his periodical Kesari (Lion). His appearance before the Bombay High Court provoked what is widely considered to be India’s first political strike. Workers formed a large contingent of the mass protests that assembled to protest the trial. “During the days of the trial a 20,000 strong procession of workers moved around the city and invited factory workers to down tools.” Textile workers closed down mills. Police arrested strikers, who were tried, convicted, and given six-year prison terms for disobeying police orders. The commitment of workers to the 1908 Bombay strike persuaded V. I. Lenin to write “in India ... the proletariat has already developed conscious political mass struggle.” But Lenin’s assessment was premature.

Labor militancy in British India became politically allied only after the Russian Revolution in 1917 and after Indian nationalists launched the Non-Cooperation Movement in 1920. At the beginning of the century, Indian labor was militant but unorganized. Trade unions and organizers, as we shall see shortly, typically struggled to keep pace with workers’ movements. One of the earliest trade unions “engaged simultaneously in both economic and political struggle” was the Girni Kamgar Union (Mill Workers Union) (GKU) of textile workers in Bombay, led by Communist Party of India leader Shripad Amrit Dange and British Socialist Ben Bradley. In protest over a lockout affecting several thousand workers, the GKU staged a strike in April 1928, which lasted for six months. The action gained the support of workers in other industrial towns in India as well as funds from sympathizers in Britain and the Soviet Union.

The manner in which the GKU and Bombay Textile Labour Union (BTLU) attempted to channel workers’ demands represents two common forms of labor organization in colonial India. These were the earliest major unions in India’s most important industrial city. Their formation led to a number of significant pieces of labor legislation. The BTLU was formed in 1925 “on the enthuisiasm of the 1925 general strike in Bombay” by a group of labor welfare leaders, including N. M. Joshi and R. R. Bakhale, and “a handful of workers.” The GKU was a more radical organization, led by communists and propelled by the militant mood of workers during the April–September 1928 Bombay general strike. “Whereas the BTLU was primarily an outside initiative, the GKM [i.e., GKU] was formed by labourers themselves.” When the BTLU broke with the Joint Strike Committee to negotiate a settlement with the government’s Bombay Strike Inquiry Committee, workers returned to work. The GKU meanwhile “continued organisational work and struggle in the factories” and “organised a grievance committee in each mill to deal directly with the management.” GKU membership subsequently rose while BTLU membership fell. The GKU and the BTLU aptly characterize the two dominant strains of Indian labor unionism: one led by “outsiders,” who are more willing to settle disputes; the other led by workers themselves, who are often less compromising.

Muslims played a strong role in the Indian labor movement in the interwar years, especially in the areas that would become Pakistan.
as Aminuldin Sindhi, formed associations and joined socialist and Islamic ideals. Sindhi told a group of striking workers in Lahore in July 1920 that “Islam had owed its birth to the poorer classes and it would be reborn as the offspring of the Labour Party.” In 1922 a revolutionary group began functioning in Lahore under the leadership of Ghulam Hussain. Hussain published an Urdu-language newspaper Inqilab (Revolution) for the group. The office of Inqilab “became the center of socialist activity” in Lahore. M. S. Khan, General Secretary of the North Western Railway Workers Union, and Shamsuldin Hasan, Publicity Secretary of the Union, together with Hussain, were the leaders of the group. Between 1923 and 1925, a Marxist circle was also established in Karachi. The trials of suspected socialist “subversives” in Peshawar and Kanpur in 1924–25 and in Meerut in 1929–33 led to the imprisonment of several Muslim labor leaders and severely constrained the work of Muslim socialists.

Colonial labor legislation

As Zafar Shaheed has argued, colonial labor legislation “emerged in response to a complex and in some respects contradictory combination of pressures and needs.” The industrial relations system of colonial India gave workers a degree of legal recognition unusual for former colonies. But the government retained ultimate authority to prohibit labor organizations and strikes in key industries. The government also retained the authority to refer cases to industrial tribunals for mandatory arbitration. Thus, the state inserted itself between workers and industry and established itself in the central position in industrial relations.

The labor legislation inherited from the British, which forms the core of labor law in both India and Pakistan, may be seen as fulfilling two related functions. British officials were concerned that labor militancy not be harnessed to communist or other subversive movements. Widespread British ownership of industry, especially in Bengal, meant that workers easily regarded foreign rule and poor working conditions as conjoined. Colonial administrators, responding to the British business community, also worried that if labor exploitation in India were left unchecked, then Indian industries would successfully compete against British industries, particularly against the Lancashire and Manchester cotton mills. Missions to India, sponsored by British textile associations, surveyed and publicized the miserable conditions of textile laborers in and around Bombay. Manchester mill owners were the chief advocates of improving Indian working conditions through India’s Factories Act of 1934. The Factories Act of 1934 continues to be one of the three central pieces of legislation defining industrial relations in India and Pakistan today.

The two most significant pieces of colonial labor legislation were the Trade Union Act of 1926 and the Industrial Disputes Act of 1947. Before enactment of the Trade Union Act of 1926, labor organizations had no legal status. Labor organizing was regarded as an “illegal conspiracy.” B. F. Wadia, for example, was tried under the illegal conspiracy clause as he attempted to establish the Madras Labour Union in 1919. The Trade Union Act of 1926 permitted workers to associate, a right long denied.

The Industrial Disputes Act of 1947 established permanent administrative machinery for the settlement of labor disputes, laying down deadlines for specific stages of consultation and arbitration. Prior to the Act, the government would appoint tribunals to settle disputes between workers and employers. The Industrial Disputes Act of 1947 also prohibited strikes and lockouts when conciliation is pending and required that industrial disputes in public services be settled by compulsory arbitration. Like the Industrial Employment (Standing Orders), the Industrial Disputes Act of 1947 required employers to recognize and negotiate with trade unions. The Industrial Employment (Standing Orders) Act, passed in 1946, was the outcome of the Sixth Indian Labour Conference, held in 1944. The Act defined procedures for recruitment, termination, disciplinary action, and conditions for work and welfare. As the Standing Order requires employers and trade union representatives to exchange drafts of these procedures and conditions, the act compels workers to collective bargaining.

While the British Indian government refused Indians the right to organize, it encouraged the political representation of labor. Labor representatives served in Provincial Legislative Councils, although their role was merely advisory. Even before legally recognizing trade unions, the Government in India gave labor representation, in Provincial Legislatures and in the Central Legislative Assembly, although the British Viceroy made the nominations. The Government of India’s Reforms Act of 1919 authorized the Central and Provincial Governments to nominate labor representatives. One labor representative was nominated to the Central Legislative Assembly, three to the Bombay Assembly, two to the Bengal Assembly, and one each to the assemblies of Assam, Bihar, and Orissa. Madras, the North West Frontier, Punjab, and Sind were not provided the authority to appoint labor representatives. Thus, the territory that was to make up Pakistan, a generation later, had no labor representation. Incorporation of organized labor by the state and political parties preceded Independence and postcolonial politics in South Asia by a generation. Just as the seeds of a social democratic India were sown by British rule, so too the roots of authoritarianism in areas that were to become Pakistan were strengthened by British rule.

Labor unrest in British India was widespread from the start of World War I until 1920, reaching historic heights in 1919–20. World War I stimulated great demand from Indian industries, particularly textiles and significantly military ordinance. Factory extended working hours, operating around the clock, earning their owners larger profits. This led to strong worker demands for better working conditions. Workers grew particularly militant
at the close of World War I. The government accordingly framed a bill in 1920, modeled on the Canadian Industrial Disputes Investigation Act of 1907, with the aim of settling industrial disputes by an Industrial Disputes Board before strikes were declared. The bill was shelved because provincial governments opposed it. In the meantime, the government enacted or amended other acts directed at incorporating and regulating labor. In 1922, the government revived the Factories Act, passed the Workers’ Breach of Contract Act, and made changes to the Indian Penal Code to promote workplace discipline. In 1923, the government revived the Mines Act. After the widespread labor unrest, involving the GOK and BTLU, in 1928 and 1929, the government reexamined the Industrial Disputes bill and enacted it as the Trade Disputes Act of 1929. The Factory Act of 1934, which continues to be India and Pakistan’s code for labor administration, was framed in the wake of a wave of industrial action by factory workers.

In British India, the Government of India Act of 1935 laid down the rules for the Provincial Assembly election of 1937. In India, the act and its election rules remained in effect until the adoption of the 1950 Constitution. In Pakistan, the Act and the electoral rules laid down by the Act remained in effect until the adoption of Pakistan’s first Constitution in 1956. The Act allotted 48 seats to labor, 38 in the Provincial Assemblies and 10 in the Federal Assemblies. Provincial and Federal Assembly members were not elected as individuals, but as representatives of government-recognized trade unions. The Act required for certification as a recognized trade union that the union be in existence for at least two years, be registered for at least one year, have its membership rolls be inspected by the Registrar of Trade Unions, and have a minimum of 250 dues-paying members. The Indian National Congress captured nearly one quarter of a million members.

In 1937 provincial assembly elections, the Congress won 18 of the 38 seats. And in the 1946 elections it won 23 of the 39 Provincial Assembly seats.

The All India Trade Union Congress and political party unionism

Colonial labor legislation both enabled and constrained labor organizations in pre-Partition India. Indian labor activists created colonial India’s first national trade union body, the All India Trade Union Congress (AITUC), in 1920, largely in response to the formation of the International Labour Organization (ILO) in 1919.

The ILO’s tripartite structure, with its roles for government representatives, national associations of employers, and national associations of employees, encouraged the formation of national labor bodies in every country, even in colonies. Because the AITUC emerged in response to external opportunities, and not solely as an organized outgrowth of internal needs, even within the relatively well-developed Indian labor movement, some felt that the organization of an all India workers’ organization was premature. But the AITUC showed considerable skill in political organizing. Within ten years, it grew to nearly one quarter of a million members.

Although there were divisions, the AITUC was the principle trade union center in undivided India, from its formation in 1920 until the formation of the Indian National Congress’ Indian National Trade Union Congress (INTUC) in 1947 on the eve of Independence. There were two, relatively minor, factional splits from the AITUC. The first was in 1929 by less radical trade unionists who formed the National Trade Union Federation (NTUF), and in 1931 by more radical trade unionists who formed the Red Trade Union Congress (RTUC). Both factions, however, foundered and rejoined the AITUC. The Red Trade Union Congress rejoined the AITUC in 1935. The National Trade Union Federation rejoined in 1940.

In 1929 conflicts in the AITUC between rightists (chiefly Congressmen) and leftists (chiefly members of the Communist Party of India) reached such an impasse that the rightists formed a new body, the Trade Union Federation. Contemporary observers, even within the faction that departed, disagree about the causes of the 1929 split of the AITUC. G. Ramanujam, former President of the Congress-aligned INTUC, claims that “Indian communists, following, as usual, instructions from Moscow,” launched a campaign to undermine the trade union movement and thereby “forced a section to walk out of the AITUC and to form a new central organization.” However, B. N. Datar, Founder and Director of the Ambekar Institute of Labour Studies, an INTUC-affiliated research center, attributes the split to differences between communists and non-communists as to how important political goals were to trade union action. The split is indicative of a divide that continues to run through Indian and Pakistani trade unionism. Non-Marxist unionists tend to believe that labor can obtain justice in the workplace without a change in the economic order. Marxist unionists disagree. They tend to believe that union activities should be aimed at gaining the political power to change the economic order.

The Jharia session of the AITUC meeting in 1928 exposed much of the rising conflict between Congress and communist activists within the trade union movement. The session elected Jawaharlal Nehru as AITUC President for 1929. A few days later in Calcutta he was re-elected General Secretary of the Congress, despite a serious rift in the Congress over accepting the All Parties Report. About Jharia, he made the following observations:

There were differences in the organization about international affiliation and the extent to which Indian workers should participate in ILO activities; but the more serious differences were on domestic matters. One group led by N. M. Joshi did not want political considerations to interfere with workers struggle and expected industrial action to be taken with due care. The other group led by communist elements was opposed to both these prescriptions...
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I was inclined to favour the anti-Joshi line though Joshi and his colleagues were closer to me ... I learnt later in Calcutta that I was elected as the President of the AITUC in preference to an actual worker whom the Communists supported.35

At the next session of the AITUC, its tenth, in November 1929 at Nagpur, rightists in the union wanted to prohibit the membership of the communist lead Girni Kamgar Union. This may have caused the breach. By December 1929, the rightists in the AITUC set up their own union, the Trade Unions Federation, under the leadership of V. V. Giri.36 Significantly, the fact that the rightists preferred to leave the original, united federation foreshadowed what would become the most important attribute of Indian unionism, political party dependent, and thus, factionalized, trade unionism. Four decades later, in November 1969, Prime Minister Indira Gandhi's nomination of V.V. Giri to be President of India, against Sanjiv Reddy, the choice of the right wing of the Congress, would provide the occasion for the split of the Congress party. The control that the Communist Party of India exercised within the AITUC, even before it split into ideologically incompatible factions, constitutes the first movement toward a political party-affiliated labor regime in India. The AITUC's split in 1929 marked the beginning of the institutionalization of political party-dependent trade unionism in India.

Gandhian unionism

Mohandas Gandhi involved himself in many important labor actions in the 1910s and 1920s. Gandhi led popular movements against British colonial rule, as is well known, through his appeals to truth, non-violence, and the purity of intention. He believed that successful trade union action was marked not by labor's ability to force industrialists to accept labor's demand, but rather by labor's ability to persuade industrialists of their responsibility to their workers. Gandhi counseled workers that "there is only one royal road to remove their [industrialists] discontent: entering their lives and binding them with the silken thread of love." "Why should not the mill-owners feel happy paying a little more to the workers?" Gandhi wrote in one pamphlet for workers.37 Gandhi's involvement in the Ahmedabad textile industry — an involvement based on the principle of non-violent dispute resolution and the practice of restraint of labor militancy — had a powerful and lasting impact on the Indian trade union movement. Concerned about militancy of trade union action, trade unionists owing their allegiance to Gandhi remained outside of AITUC.38

Without planning it, Gandhi formed one of India's most important labor organizations, the Textile Labour Association.39 Shortly after his return to India from South Africa in 1915, Anusuyabehn Sarabhai, sister of Ahmedabad textile mill owner Ambalal Sarabhai, sent a request to Gandhi on behalf of textile mill workers in Ahmedabad. Workers had been agitating for higher wages. Anusuyabehn Sarabhai had been inspired by the philosophy of the Fabian Society while visiting England. She sided with the workers. In 1917, plague took the lives of many textile workers in Ahmedabad. Mill owners were forced to promise a plague bonus to keep workers from escaping the plague-ridden city and returning to their villages. The companies withdrew the bonus scheme as the plague subsided in 1918. Instead, owners granted workers a wage increase. The wage increase, however, did not even compensate for increases in the cost of living. At Anusuyabehn Sarabhai's request, Gandhi agreed to intervene, cautioning the workers that their best strategy was to refrain from strikes, violence, and ill thought about the mill owners. Gandhi asked workers to request respectfully a higher bonus. Gandhi requested the textile mill owners to submit the workers' grievance to arbitration, which the owners refused. When workers began to strike independently, Gandhi, with some prodding, backed a city-wide strike. He helped to establish the Textile Labour Association in February 1920. Miss Sarabhai became President of the Association. Gandhi supported the workers in their strike by declaring a fast to death unless workers' demands were met. The mill owners finally agreed to arbitration, which lead to a higher wage increase.

Gandhi preferred arbitration to trade union agitations and strikes. His trade union strategy was not motivated merely by his adherence to non-violence. According to Gandhi, the major task of workers with a grievance is to generate among management a sense of compassion in the workers' situation. The strategy finds its justification in Gandhi's theory of trusteeship. Gandhi argued that workers, who provide labor, and industrialists, who provide capital, are cooperatively engaged in production. Thereby, according to the theory of trusteeship, industrialists have a special duty to provide for the welfare of those who contribute their labor.

G. Ramanujan, a leading spokesperson for Gandhian labor philosophy and long-time President of the INTUC, has characterized Gandhian labor philosophy thus:

If capital employs labour, labour too employs capital. But the community employs both labour and capital. Therefore labour and capital are mutually employers and employees; are jointly the servants of the community, which is the ultimate employer. All employers and employees are therefore co-servants in the service of the society, or co-partners in the service of society.40

Workers’ welfare, even their survival, is dependent upon the good conscience of employers. Indeed, Gandhian trade unionism was explicitly modeled on the family. Industrialists were to treat workers as benevolently
as they would treat their own children; and workers were to treat industrialists as respectfully as they would treat their own parents. Until today, the Textile Labour Association is still "firmly based on the concept of healthy society of working class which is like a large family." The arrangement might be criticized as paternalistic.

Congress unionism

While the Indian National Congress did not sponsor a trade union until the eve of Independence, Congress had a profound impact on colonial-era trade unionism. In 1919, the Indian National Congress began passing resolutions on the need for better conditions of work and terms of service and the need for the party to organize workers. Following Gandhi’s struggle against the Ahmedabad mill owners, the Amritsar Session of the Congress in 1919 resolved to urge provincial Congress committees and Congress-affiliated associations to promote labor unions so as to secure better standards of living for workers and to give labor its “proper place in the body politic of India.” At the Amritsar Session, Congress also condemned the repression of workers at the hands of the British Government in India. Later, in 1921, the All India Congress Committee attempted to form a trade union federation with the appointment of C. R. Das, Lala Lajpat Rai, and others. The committee failed to gain the necessary support and decided instead to encourage the formation of a semi-autonomous body. At its Karachi Session in 1931, the Indian National Congress adopted an expansive resolution on labor. The Congress demanded a living wage for industrial workers, fewer working hours, safer working conditions, welfare for old and sick workers, protections for female and child laborers, and freedom of association and collective bargaining rights. In January 1934, with the lifting of the ban on the Congress as an unlawful organization, the Congress Working Committee passed a resolution enjoining Congress workers to be more diligent in organizing industrial labor. Later, in 1937, the Gandhi Sewak Sangh appointed a labor sub-committee to advance Gandhian labor philosophy. The sub-committee formed the Hindustan Mazdoor Sewak Sangh (HMSS) in 1938 “for the purpose of establishing just industrial relations, eradicating exploitation and of applying the principles of truth and non-violence in industrial as preached by Mahatma Gandhi in industrial relations.” The HMSS served principally as a training center for Congress workers who would later set out to organize industrial laborers. Unlike the All India Muslim League, which would also become a ruling political party at Independence, Congress established the institution of political party-based trade unionism.

Indian trade unionism

At the Partition of British India, the newly independent states of India and Pakistan adopted the entire legal code of British India, most notably the Government of India Act of 1935, but also all other law including all labor legislation. In 1947, the major labor laws were, in the order of their enactment, the Fatal Accidents Act of 1855, the Emigration Act of 1922, the Workmen’s Compensation Act of 1923, the Mines Act of 1923, the Trade Unions Act of 1926, the Factories Act of 1934, the Dock Labourers’ Act of 1934, the Payment of Wages Act of 1936, the Employers’ Liability Act of 1938, the Employment of Children Act of 1938, the Mines Maternity Benefit Act of 1941, the Industrial Statistics Act of 1942, the Industrial Employment Act of 1946, and the Industrial Disputes Act of 1947. Each is still in effect but has been amended, in most cases only lightly; new laws have been enacted or promulgated. But these are not as significant as the colonial labor laws adopted. Shortly after Independence, in 1948, the Indian Constituent Assembly passed additional labor laws, including the Minimum Wages Act and the Employees State Insurance Corporation Act. These laws remain central components of India’s public welfare-oriented employment and social security system.
The 1950 Indian Constitution committed the government to lofty objectives for the protection of the working classes. These objectives are enshrined in the Directive Principles of the State, that section of the Indian Constitution that defines the state's social goals. Three Directive Principles declare that:

The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work...

The State shall make provisions for securing just and humane conditions of work and for maternity relief.

The State shall endeavor to secure, by suitable legislation or economic organization or in any other way, to all workers, agricultural, industrial or otherwise, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities.

The 1950 Constitution, which superseded the Government of India Act of 1935, has no provision for labor seats in national and state elections. Trade union leaders, however, continued to contest and, increasingly, to win elections for Parliament and state (i.e., provincial) legislative assemblies.

Aspirant politicians also used workers and unions to persuade political parties to select them as candidates. Trade unions served as vehicles for successful organizers to become political leaders. Fifty-two parliamentary seats, nearly 10 percent of the Lok Sabha, the lower house of the Indian Parliament, are considered to be labor constituencies, where political parties vie for candidates among trade union leaders. One such trade unionist, V. V. Giri, rose to become Minister of Labour and eventually, in 1969, President of India.

Indian trade union centers

Trade union centers are the central figures of Indian trade unionism. Trade union centers are national organizations—composed of federations (i.e., an association of unions), employees of government departments (e.g., railways), and plant unions—that are affiliated to a political party. Some of these parties, such as the Communist Party of India (Marxist-Leninist), are quite small. Three are federations that have broken with the Congress-affiliated Indian National Trade Union Congress (INTUC).

Each of the ten officially recognized trade union centers represents labor in various government-labor consultative forums, such as the Indian Labour Conference, the industry-specific Special Tripartite Committees, and the International Labour Organization. Representation in these bodies is in proportion to the claimed (and rarely verified) membership numbers of the trade union centers. Each of India's ten major trade union centers, the political party to which it is affiliated, and the year of its establishment is listed in Table 1.1. Together these centers claim to represent nearly nine million workers.

There is a regular exchange of officials between some trade unions and political parties. This is more common for the trade union centers on the left—where the organization of the working classes is an important component of the party's political program—as with the AITUC affiliated to the Communist Party of India and the Centre for Indian Trade Unions (CITU) affiliated to the Communist Party of India (Marxist).

State patronage by Congress—the dominant political party—benefited the INTUC enormously. In May 1947, three months before the Partition of British India and the creation of the independent states of India and Pakistan the Indian National Congress established INTUC. INTUC claims that it, unlike all other Indian trade union centers, represents the interests of all Indian workers, rather than the narrow interests of a single party-affiliated trade union center. Most other trade unions make the same claim. The Congress's long dominance as the ruling political party of the country has let INTUC maintain this official stance without disguising its direct connection to Congress governments. The weekly newspaper of the Indian National Trade Union Congress, the Indian Worker, runs advertisements before elections, proclaiming that only the Congress can protect the working classes. The trade union center's closeness to government is explained by INTUC's importance as the most powerful representative of the Indian working classes. INTUC's posture as the trade union center representative of the entire working class is also underlined by its adherence to Gandhian labor philosophy. Yet, INTUC would not have become the country's largest trade union—now surpassed by the Bharatiya Janata Party's Bharatiya Mazdoor Sangh—without government patronage.

After Independence INTUC grew considerably. In the 1970s, however, it was increasingly challenged by the rival trade union centers, particularly the Bharatiya Mazdoor Sangh (BMS), the trade union center affiliated with the Hindu revivalist party, the Bharatiya Janata Party, and the centrist-socialist Hind Mazdoor Sabha (HMS). Indeed, the BMS claims that since the official verification of trade union membership in 1980 it has become the largest trade union center in India.

After the Indian Trade Union Congress formed in 1947, leaders of political parties rival to the Communist Party of India formed rival trade union centers. In August 1947, the AITUC split. M. N. Roy broke from the AITUC to form the Indian Federation of Labour (IFL). In 1948, two other politically affiliated national trade union organizations were formed, the Hindu Mazdoor Sabha (HMS) and the United Trade Union Congress (UTUC).
ORGANIZED LABOR AND DEMOCRATIC CONSOLIDATION

Table 1.1 India: trade union centers and political party affiliations

<table>
<thead>
<tr>
<th>Trade union center affiliation</th>
<th>Political party</th>
</tr>
</thead>
<tbody>
<tr>
<td>All India Trade Union Congress (AITUC) est. 1920</td>
<td>Communist Party of India</td>
</tr>
<tr>
<td>Trade Union Coordination Committee (TUCC) est. 1939 as Trade Union Cooperation Centre</td>
<td>All India Forward Bloc</td>
</tr>
<tr>
<td>Indian National Trade Union Congress (INTUC) est. 1947</td>
<td>Indian National Congress (I)</td>
</tr>
<tr>
<td>Hind Mazdoor Sabha (HMS) est. 1948</td>
<td>Janata Dal</td>
</tr>
<tr>
<td>United Trade Union Congress (UTUC) est. 1949</td>
<td>Communist Party of India (Marxist Leninist)</td>
</tr>
<tr>
<td>Bharatiya Mazdoor Sangh (BMS) est. 1955</td>
<td>Bharatiya Janata Party (Marxist Leninist)</td>
</tr>
<tr>
<td>United Trade Union Congress (Lenin Sarani) (UTUC(LS)) est. 1959</td>
<td>Communist Party of India (Marxist Leninist)</td>
</tr>
<tr>
<td>National Federation of Independent Trade Unions (NFITU) est. 1967</td>
<td>Naren Sen (independent former Congress, West Bengal)</td>
</tr>
<tr>
<td>National Labour Coordination Committee (NLCC) est. 1969</td>
<td>Indian National Congress (independent, West Bengal)</td>
</tr>
<tr>
<td>Centre of Indian Trade Union (CITU) est. 1970</td>
<td>Communist Party of India (Marxist)</td>
</tr>
<tr>
<td>National Labour Organization (NLO) est. 1972</td>
<td>(independent, Gujarat)</td>
</tr>
</tbody>
</table>


Notes: The NLO formed after the INTUC Ahmedabad Textile Labour Association split with the INTUC in debate over the INTUC's commitment to Gandhian objectives and methods.

Trade union power in India

Trade union power in India can be traced, in part, to the strength of its political incorporation. But this incorporation gave greater power to organized labor in the first quarter century of the country's history since Independence. Senior trade union officials in India speak of the decade ending with the declaration of Emergency in 1975 as the heyday of the Indian trade union movement. Unions in many manufacturing industries determined the organization of production on the shop floor. Some labor agreements provided unions with veto authority over the use of labor-saving machinery. Accounts are common from this period of new machinery lying unused, owing to workers' concern that new technology would be used to reduce employment and to concessions from management limiting introduction of such new technology. Union control was most evident in the banking and finance sector. Public sector bank tellers and accountants were able to prevent the introduction of computers for over two decades and to retain labor-intensive account books. Even in the 1990s, Indian bank officers' unions limited the induction of computers at rates of 1-3 percent per annum.

In this respect, Indian trade unionism during the height of its power was unusual. For trade unionism allowed workers to determine organization of work and production processes in many areas. This is in contrast to the historic compromise struck throughout most of the advanced capitalist world, which created a reformist trade union movement where workers exchanged demands over work organization and production processes for wage increases.

Such trade union power is now a historical memory in most industries. Trade unions are more concerned with slowing the rise of unemployment and preventing industrial closure than with controlling shop-floor organization. The weakening of Indian trade unionism since the Emergency of 1975-77 is reflected in industrial disputes statistics (See figure 1.2.)

E. A. Ramaswamy, an industrial relations expert, describes organized labor in India as facing a fundamental contradiction:

---

Figure 1.2: India: industrial disputes, workdays lost, and workers involved, 1947-2000

As we contemplate the future of trade unionism [in India], it is important to know that most unions [centers] lack the inherent strength to merit the power they have enjoyed. There are few labour movements anywhere in the world today which are so riddled with problems and so short of credibility, and yet so powerful. For all their apparent might, the fact is that our unions are in the midst of an unprecedented crisis.48

The Indian trade union movement is politically powerful and yet inherently weak. What is the basis of this apparent contradiction? Indian trade unions have attained significant political power, and the consequent ability to oppose government initiatives for public sector restructuring. From the height of the nationalist struggle in 1947, industrial disputes, under existing conditions an indicator of union power fell dramatically and remained low for the first decade of Independence. (See figure 1.2.) Industrial disputes rose gradually from the 1950s to their peak in 1973. Industrial disputes fell with the crushing of the May 1974 railway strike, the strike ban under the Emergency in June 1975, and again in July 1981, and with the government’s violent intervention in the 1984 dock workers’ strike. Of these, the Emergency had the most decisive effect in reducing work stoppages. Industrial disputes data suggest a deadline of union power.

The number of workdays lost in work stoppages suggests even more strongly the weakening of Indian trade union power. The number of “mandays” or workdays lost may be a more accurate reflection of worker unrest as it incorporates both the duration of industrial disputes as well as the number of workers involved in industrial disputes.

Lloyd Rudolph and Susanne Hoeber Rudolph argue that the 1967–74 period, when the left faction of the Congress was ascendant, was formative for organized labor in India. They point to the rapid rise of workdays lost due to industrial disputes in the 1961–75 period. They claim that:

freed from the profit and capital accumulation motives of private-sector capitalism, government firms [which rapidly expanded organized employment in the period] could choose to share with their employees rather than appropriate the financial benefits of monopoly, administered prices, and tax-financed subsidies.49

The implication is that labor indiscipline is tied to state patronage and rising public sector wages.

By 1967, the year Rudolph and Rudolph date the beginning of the ascendance of the socialist faction in Congress, however, workdays lost were already high. Indeed, the increase in workdays lost might be better traced to 1965–66 than to 1967–74. And between 1967 and 1975, workdays lost did not increase more rapidly than the long-term growth trend since Independence.

<table>
<thead>
<tr>
<th>Number of Union Affiliates</th>
<th>Number of Union Members</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Claimed</strong></td>
<td><strong>Verified</strong></td>
</tr>
<tr>
<td>INTUC</td>
<td>3,457</td>
</tr>
<tr>
<td>BMS</td>
<td>1,725</td>
</tr>
<tr>
<td>HMS</td>
<td>1,122</td>
</tr>
<tr>
<td>UTUC(LS)</td>
<td>154</td>
</tr>
<tr>
<td>CITU</td>
<td>194</td>
</tr>
<tr>
<td>AITUC</td>
<td>174</td>
</tr>
<tr>
<td>NLO</td>
<td>29</td>
</tr>
<tr>
<td>UTUC</td>
<td>97</td>
</tr>
<tr>
<td>TUC</td>
<td>39</td>
</tr>
<tr>
<td>NFITU</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,004</td>
</tr>
</tbody>
</table>

Source: Calculated from Question No. 711 of Dr. Sudhir Ray in Lok Sabha answered by Deputy Minister in the Ministry of Labour, Paban Singh Ghatower, November 27, 1992, as of December 31, 1980.

The timing of industrial disputes lends more support to a rather different hypothesis. Industrial unrest was not provoked by the public sector patronage but by a loss of purchasing power that followed India’s 1965–66 economic adjustments. Wages, including cost of living instruments, had not kept pace with the rising costs of living. Thus, the rise in workdays due to industrial disputes might be better correlated to declining purchasing power rather than to state patronage.

The chief weaknesses of the Indian trade union movement and cause of high incidence of industrial disputes is commonly said to be trade union multiplicity. Activists themselves complain that their numbers weaken trade unions. Trade union multiplicity does make solidarity more difficult. It is not uncommon for a dozen unions to operate within a single factory. Rudolph and Rudolph refer to the “loss of vigor that results” from “extensive elaborated ... replication” as involuted pluralism. Adapting Clifford Geertz’s concept of agricultural involution, they explain that excessive multiplicity has weakened the Indian trade union movement.50

The simultaneous observations of trade union multiplicity and trade union weakness do not in themselves make a convincing argument that these phenomena are causally related. Nor does it illuminate much to characterize Indian unions as weak. Indian unions are not particularly weak in comparative perspective. In what way are Indian unions weak? Their commitment to the non-political interests of their members may be weak but their ability to challenge the state is significant. The real constraint facing the official Indian trade union centers is not their plurality, but their dependent relationship to political party power. National
trade union centers are guided by the electoral needs of the political parties to which they are affiliated. This is the source of Indian trade union weakness and the greatest liability of the Indian trade union movement. 51

In 1971, the Labour Ministry suspended efforts at conducting bi-annual verification of trade union membership. Some major trade union centers opposed an accurate count. In 1980, the government managed to conduct a verification of trade union membership claims in the largest ten trade union centers. The largest official trade union centers were able to verify less than half of their claimed memberships and affiliated unions. On average (weighted by membership), unions could verify only 56 percent of their claimed membership.

An official verification of trade union center membership was conducted in 1980. The verification of trade union membership claims begun in 2000 has not been completed. Official figures collected in 2000 under the BJP government indicate that the BMS has more members than INTUC. Interestingly, the BMS’s own 1980 figure on numbers of unions affiliated to it was far more accurate than that of the INTUC.

In India, we do not find such a dramatic decline in industrial disputes in the early 1970s (See figure 1.2), as is evident in Pakistan (See figure 1.3). Rather, we find in India a steady rise in the number of workdays lost and number of workers involved in industrial disputes, until the early 1980s. The decline in industrial disputes in the early 1980s reflects the success of managerial strategies in the labor process, such as subcontracting, that have undermined organized industrial labor. Increasingly informal forms of employment will be discussed in chapter four.

The broad observation about Indian trade unionism is that the political incorporation of the labor movement in India began during the independence struggle through labor’s alliances with political parties. Indian labor’s role in the independence struggle secured a place for labor in economic development plans and for organized labor in Indian politics. We now turn our attention to organized labor’s influence in Pakistan’s politics. Unlike the Indian trade union movement, there are very few significant studies of the Pakistani trade union movement. 32

The Pakistani trade union movement

Organized labor in British India was not mobilized behind the creation of the state of Pakistan. After Independence, Pakistan’s political parties and governments attempted to control the labor movement and largely succeeded. Political parties within Pakistan, with the significant exception of the Pakistan Peoples Party under Zulfikar Ali Bhutto, have not evidenced interest in incorporating labor association within the party organization. Even under Bhutto, as chapter two discusses, the government viewed workers and unions with distrust and often sent police and paramilitary forces to meet striking workers.

![Figure 1.3 Pakistan: industrial disputes, workdays lost, and workers involved, 1947-2003](image-url)


Note: Figures for 1971 and earlier are for all Pakistan only; figures for 1972 and later are for Pakistan after the separation of East Pakistan. The most recent (2-3 years) industrial disputes statistics reported in the Pakistan Labour Gazette should be regarded as provisional. They are adjusted upwards in later issues of the Gazette, although the earlier figures are not reported as provisional.

Before Pakistan’s creation trade unionists were active in areas that were to become Pakistan; Muslim trade unionists were influential throughout British India; and, in areas that were to become Pakistan, despite organizing from a very small industrial base, the Pakistani labor movement developed significant social power soon after Independence. Within two decades, the labor movement was strong enough to successfully challenge authoritarian rule. The military government of Field Marshal Ayub Khan stepped down in March 1969 under pressure from a popular movement in which workers played a central role.

Pakistan’s labor laws and trade unions were once identical to India’s. The Pakistani government changed its colonial-era labor laws only after organized labor’s involvement in a successful movement to end martial law. In response to the threat of an unruly labor movement, the interim military government under General Yahya Khan promulgated an ordinance in 1969 that imposed the system of enterprise unionism on organized labor. Trade unions subsequently proliferated under the successor democratically elected, economically populist government of Zulfikar Ali Bhutto, but labor leaders
were imprisoned and workers were met with unprecedented levels of state violence in the factory.

General Zia ul-Haq repressed workers and trade unions for more than a decade. Trade union membership actually dropped 20 percent under the General's rule. Through each of these phases of authoritarian political rule, Pakistani military and civilian political regimes did not seek to incorporate organized labor, bureaucratically or politically. Instead, Pakistani authoritarianism sought to prohibit and limit labor organizing, to exclude organized labor from politics, and to decentralize labor organizationally. Nevertheless, organized labor in Pakistan shows a high degree of social power. This is in surprising contrast to India, where the official trade union centers have benefited from decades of state sanction and encouragement but are widely thought to have declining social power.

Organizing a labor movement, 1947–56

Industrialization had not progressed as far in areas that were to become Pakistan as it had in areas that were to become Independent India. In both West and East Pakistan, according to the most reliable estimates, there were only 75 trade unions at Independence, representing 58,150 workers in a population of more than 32 million people. The small size of the industrial labor force was an initial constraint to trade unionism in Pakistan. Further, Partition badly disrupted Pakistan’s industrial development, and the development of Pakistan’s trade union movement. Almost one third of Pakistan’s labor force at Independence was non-Muslim and migrated to India at Partition. Partition split unions as well. Pakistani unions could not maintain ties with the unions from which they were torn. Within weeks after Independence, even as Partition violence continued, India and Pakistan were at war over Kashmir.

Trade unionism, however, soon had a strong presence in basic industrial infrastructure. In the railways, shipping, hydroelectric power, post and telegraph, cement, and mining, workers organized unions. Growth in the movement after 1947 was strong, partly a reflection of the vigorous leadership mounted by such individuals as Bashir Ahmed Bakhtiar and Mirza Mohammad Ibrahim but also a consequence of Pakistan’s rapid industrial growth in the early years after Independence. In only four years, membership in Pakistan trade unions grew by over 650 percent. By 1951, 209 unions had organized a total of 393,137 workers.

In the years immediately following Independence, government initiatives for promoting social transformation in Pakistan were far less vigorous and consistent than in India. The government was much occupied with (failed) efforts to formulate a Constitution, to erect an administrative structure, to establish a military, and promote economic development. That the government frequently announced its intention to adopt a labor policy suggests that it was aware of the social demand for a government program for industrial labor.

While Pakistan had relatively few industrial laborers at Partition, Pakistani unionism did not suffer a lack of committed and experienced labor organizers. Mirza Mohammad Ibrahim, an AITUC member and leader of the North-West Railway Workers’ Union, one of the strongest unions in territory that was to become Pakistan, was one of the leaders of the early Pakistani trade union movement. In 1948, he founded Pakistan’s first trade union federation, the Pakistan Trade Union Federation (PTUF). Ibrahim’s PTUF affiliated to the Prague-based World Federation of Trade Unions. Other notable figures of the early trade union movement in Pakistan were Bashir Ahmed Bakhtiar, a Punjab-based labor organizer, who led the Lahore-based Pakistan Federation of Labour. M. A. Khatib was a Karachi-based activist. Ali Aftab was a leader of the Seamen’s Union in pre-Partition Calcutta and later a leader of the Pakistan Confederation of Labour. M. A. Khan, H. M. Bismal, Khawaja Mohammad Hussain, A. G. Sahradi, Pir Shamsuddin, and Kanees Fatma were also active. Ms. Kanees Fatma remains active today and is the leader of the leftist Karachi-based Pakistan Trade Union Federation.

As a result of rival international affiliations, by 1949 the Pakistan trade union movement was divided into four national federations, two in West Pakistan and two in East Pakistan. In West Pakistan, there were the Karachi-based Pakistan Federation of Labour (PFL) and the Lahore-based PTUF,

<table>
<thead>
<tr>
<th>Federation</th>
<th>Number of affiliated unions</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan Trade Union Federation</td>
<td>172</td>
<td>614,800</td>
</tr>
<tr>
<td>All Pakistan Federation of Trade Unions (est.</td>
<td>na</td>
<td>520,000</td>
</tr>
<tr>
<td>as All Pakistan Confederation of Labour,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>renamed in 1971)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Pakistan Trade Union Confederation</td>
<td>25</td>
<td>300,000</td>
</tr>
<tr>
<td>All Pakistan Federation of Labour</td>
<td>216</td>
<td>262,000</td>
</tr>
<tr>
<td>National Labour Federation of Pakistan</td>
<td>230</td>
<td>240,747</td>
</tr>
<tr>
<td>All Pakistan Trade Union Federation</td>
<td>185</td>
<td>195,600</td>
</tr>
<tr>
<td>Pakistan Banks Employees Federation</td>
<td>11</td>
<td>158,000</td>
</tr>
<tr>
<td>Pakistan National Federation of Trade Unions</td>
<td>215</td>
<td>152,300</td>
</tr>
<tr>
<td>Sind Workers Trade Union Council</td>
<td>25</td>
<td>19,060</td>
</tr>
<tr>
<td>Pakistan Central Federation of Trade Unions</td>
<td>45</td>
<td>10,345</td>
</tr>
<tr>
<td>Pakistan Mazdoor Ittehad Federation</td>
<td>60</td>
<td>9,478</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2,482,330</td>
</tr>
</tbody>
</table>

led by Mirza Mohammad Ibrahim. The PFL represented the unions that had been earlier associated with the "reformist" IFL (International Federation of Labor). The PTUF represented the unions that had been associated with the "radical" AITUC before Partition. In East Pakistan there were the Narayan Ganj-based All Pakistan Trade Union Federation and the Dacca-based East Pakistan Trade Union Federation. In 1950, Abdul Malik formed the All Pakistan Confederation of Labour (APCOL) by the amalgamation of the Labour Federation of West Pakistan and one of the East Pakistan federations.

Pakistan's labor leaders remember the period between 1950 and 1955 as one of militancy and protest. "Labor unrest had reached an unprecedented high," according to Zafar Shaheed, a close observer of labor organizing in Karachi. Particularly concerned about the rise of industrial unrest in East Pakistan, the Government of Pakistan adopted a two-pronged strategy, announcing domestically and internationally its intention to meet workers' demands for the right to organize while enacting legislation to control workers and trade unions.

Many senior Pakistani trade union leaders also remember 1952 as the year in which the bureaucracy and industrialists began to collude to repress the industrial working classes. In December 1952, the government promulgated the Pakistan Essential Services (Maintenance) Act. The Essential Services Act, still in effect today, gives the government wide discretion to restrict or ban trade unions and collective bargaining in any industries deemed by the government to be essential to the welfare of the nation. The Act makes absence from or stoppage of work, whether paid or unpaid, in such industries an imprisonable offense. No court has jurisdiction to entertain complaints about the application of the law. In 1952, the government applied the law to the transport, energy, communications, and educational sectors. From 1950 to 1955, the Government of Pakistan also required that at least half of the office bearers in any given union be workers at the workplace of the union. This limited both the number of professional trade unionists permitted to operate in the trade union movement and the time that trade union officers could devote to union work. The ban on the Communist Party of Pakistan in 1954 and the suppression of trade union organization associated with it further impeded the exercise of trade union rights.

The government announced Pakistan's first labor policy on 15 August 1955, a full eight years after the Partition of British India and the creation of Pakistan. Abdul Malik, a union leader from East Pakistan who had been made Minister for Labour, drafted and presented the policy. Earlier, in international fora, the government had agreed to expand its observance of workers' rights. In February and May 1952, the government ratified two of the most important International Labour Organization conventions, the Freedom of Association and Protection of the Right to Organise Convention of 1948 (no. 87) and the Right to Organize and Collective Bargaining Convention of 1949 (no. 98). Malik's professed aim was to raise workers' standard of living and condition of employment and to encourage responsible trade unionism and collective bargaining. The 1955 labor policy aspired to establish responsible industrial relations. Workers would be made more productive by being viewed as partners in industry rather than as ignorant servants of management. However, no substantial legislative measures followed the announcement of the 1955 labor policy. As a result, workers and labor analysts began to assume that all attempts at a national labor policy would be empty official posturing with no real intent to benefit workers. They were correct.

Pakistan's deeply cold war-entrenched alliances heavily influenced trade union development. The government joined the South East Asia Treaty Organization, an anti-Communist US-led military alliance, in 1954. Thereafter, US influence in Pakistani trade unionism increased considerably. The International Confederation of Free Trade Unions (ICFTU) established offices in Karachi and Lahore, extended financial and material assistance to the APCOL, and sent favored Pakistani trade unionists on tours to the United States to study US unionism.

On 7 October 1958, General Ayub Khan declared martial law in Pakistan and abrogated the two-year-old Constitution. A second labor policy, known as the Burki Labour Policy, was announced on 4 February 1959. Following the model of the first labor policy, announced in 1955, the chief aim of the Burki Labour Policy was to discourage labor agitation and encourage peaceful industrial relations. Indeed, at its announcement, it was referred to as the Abridged Edition of the First Labour Policy. The chief consequence of the 1959 labor policy was the promulgation of the Industrial Disputes Ordinance of 1959. The Industrial Disputes Ordinance (IDO) was designed to replace the system of compulsory adjudication through the institution of tripartite Industrial Courts with a system in which the government itself would decide labor disputes. Trade union repression under the first martial law regime, from 1958 to 1968, was relatively mild, compared to that under General Zia ul-Haq in the late 1970s and early 1980s.

The other significant development for labor in the early years of Ayub Khan's rule was that in 1962, the Pakistan Industrial Development Corporation began to sell factories that it had set up in the public sector to private owners. According to trade unionists, this movement of enterprises from public to private sector hands helped spur the development of the trade union movement.

In 1962, the APCOL split into five federations. Fifty-nine dissatisfied trade unionists left the federation in 1962 and formed the Pakistan National Federation of Trade Unions (PNFTU) under the leadership of Mohammad Sharif and Khurshid Ahmed. Soon thereafter, the PNFTU applied for affiliation with the ICFTU. The affiliation was granted in 1964. This gave the international trade union secretariat two affiliates in Pakistan. A third was added with the formation of the West Pakistan Federation of Trade Unions.
With the war with India in 1965, the Pakistan government used the Defence Act to control trade unions and weaken the trade union movement. At the same time, in the face of widespread public displeasure over the military government's failure in the 1965 war with India, Ayub Khan gave some wage and benefit concessions to workers. Thus the first social security law was introduced in 1965. Ayub Khan also introduced the Companies Profit (Workers' Participation) Act of 1968, designed to give workers a share in their units' profits. Additionally, gratuity allowances were increased.

In 1967, workers at the Karachi Port Trust declared a strike that would signal the beginning of a period of workers' actions that helped to bring down Ayub Khan's government. Karachi Port Trust workers were originally motivated to strike over an unmet wage demand, management's attempts to hinder union formation, and management's employment of workers from outside Karachi. The other major issue was the appointment of M. A. Khatib, then President of the West Pakistan Federation of Trade Unions, over Khurshid Ahmed, President of the PNFTU, to the joint management board of the Port Trust. The Governor of West Pakistan declared that hired thugs had entered the plant, thus justifying continued government repression.

The fall of Ayub and the new Labour Policy, 1969-70

In service of rapid industrial development, the government of Ayub Khan denied workers fundamental rights of association and representation. The denial of these rights together with the working classes' rapid loss of purchasing power caused major industrial unrest in Pakistan.

On January 30, 1969, the WPFTU, the PNFTU, and the WPWF formed a Joint Labour Council. In their founding meeting the Council called upon the government to restore the right to strike and "condemned the lathi-charge[s], tear-gassing, imposition of section 144 of Cr.P.C., and enforcement of curfew." Leaders such as Bashir Ahmed Bakhtiar, M. A. Khatib, Usman Baloch, and Mubarak Haider organized waves of strikes in Karachi, Lahore, and other industrial centers in 1969. On February 22, 1969, union leaders organized a major procession in Lahore attended by workers from the private and the public sector. Workers carried banners with such slogans as "We are not interested in any form of government but food," "Down with capitalism," and "Down with the Jagirdari [feudal] system." Water and Power Development Authority (WAPDA) employees in Islamabad, farmers in Multan, doctors and hospital employees in Lahore, and railway workers in Quetta demonstrated against the government. The major demand of workers at these rallies, was restoration of the right to form associations and the right to form trade unions. Workers' organizations took form, giving organizational expression to a rising tide of social movements opposed to the policies of Ayub Khan. The Democratic Action Committee, on February 14, organized a week-long general strike to begin on March 1. The government attempted to negotiate with representatives of organized labor. These negotiations had little chance of reducing industrial conflict because the labor movement demanded fundamental
rights – the right to form associations, the right to bargain, and the right to strike – which would have required the government to dismantle its only legal structure for the control of labor. On February 20, 1969, Labour Minister Malik Allahyar Khan convened a meeting of the West Pakistan Labour Advisory Board, the government’s West Pakistan-wide joint body of worker and employer representatives. Labor representatives at the meeting staged a protest over the government’s inaction on their earlier demands on the right to collective bargaining, to form associations, and to strike.82

In response to the repressive legislation and the arrest and victimization of trade union leaders, trade union organizations called a one-week general strike on March 17, 1969, in which industry and utilities were shut down nationwide.83 The movement against Ayub Khan was fought in streets and factories. In March 1969, the police shot demonstrators at the Colony Textile Mills in Multan.84 The press gave considerable support to the workers’ movement. An editorial from the Morning News reflected sympathetically on industrial workers:

Caught in a web of static wages, spiraling prices and shrinking opportunities, these salaried groups have over the years provided the filling for the economic sandwich. They dutifully paid their taxes. With resignation they met the demands of the extortioners in the market. They meekly took their places at the end of the queue. And when belts had to be tightened, it was also theirs that were taken in another notch. ... [T]he workers quite naturally have turned to [mass uprising] to ring changes in their own position.85

In March 1969, President Ayub Khan announced his resignation. He appointed an interim military government to govern the transition to civilian rule. The new martial law government, under General Yahya Khan, quickly sought to appease workers. In response to the challenges posed by the workers’ movement, within a month of taking over, the martial law administration of Yahya Khan announced a new labor policy.

Yahya Khan made Air Marshal Nur Khan, Deputy Martial Law Administrator, responsible for restructuring the administration of labor and education. Following three weeks of meetings with trade union leaders, Nur Khan invited labor leaders and industrialists for an open format tripartite labor conference in Karachi. The conference began on May 15, 1969. The product of the tripartite discussions was the Industrial Relations Ordinance of 1969. The Ordinance, announced by the Martial Law Administration in April 1969, superseded the Trade Union Act and the Industrial Disputes Act. It remains the most important piece of legislation on industrial relations in Pakistan. The policy conformed to the broad objectives.

The Industrial Relations Ordinance of 1969 (IRO) affects the structure of the trade union movement in Pakistan more than any other piece of legislation. Promulgated in November 1969, the Ordinance was the product of six months of deliberation between government and labor, after a broad popular movement, in which labor played an important role, successfully challenged the martial law government of General Ayub Khan. Organized labor forced the military government to negotiate with it, but the military government set the terms. The IRO gave industrial workers the fundamental rights which the labor movement had demanded since 1965: the right to form trade unions, the right to collective bargaining, and the right to strike.86 Labor was granted a higher minimum wage and assurances for better implementation of labor law (e.g., labor-selected rather than management-selected labor representation on Works Committees). The government, however, retained the authority to ban and to call off strikes. Workers in many “essential services” and public utility services remained prohibited from trade unions. Most importantly, the IRO instituted enterprise unionism in Pakistan. The IRO restricts effective trade unionism (i.e., those with collective bargaining authority) to factory-level unions.

The inspiration for the IRO was Noor Khan’s experience in Pakistan International Airlines (PIA). When he assumed control of the military-founded and -run airlines in 1959, standard procedure was to imprison workers who attempted to form a union. Nur Khan decided that PIA would run better if these workers were released from jail, brought back to PIA, and permitted to form a union, provided that the union could be insulated from professional trade unionists.87

Workers’ agitations continued and trade union leaders continued to complain of victimization by industrialists during the deliberations leading to the institution of the new labor policy. Wages in a number of industries were lowered as the proceedings of Industrial Courts entrusted to adjudicate labor disputes were suspended.88 While working on the new labor policy, Nur Khan expressed particular concern over Pakistan’s low productivity. A team of experts was constituted to develop a profit-sharing scheme by which workers would be induced to increase productivity in exchange for higher wages.

The new Labour Policy, drafted by the Labour and Social Welfare Division of the Government of Pakistan, was officially announced by Air Marshal Nur Khan on July 5, 1969 and promulgated, as the Industrial Relations Ordinance, on November 5, 1969.89 The major trade union federations of Pakistan welcomed the new policy.90

Industrial dispute statistics assist in understanding the impact of the IRO on Pakistani unionism. Workers and workdays lost in disputes climbed steadily until the 1958 military coup, after which they declined. (See figure 1.3.) Each began to rise again in the early 1960s, until slowed by the 1965 war.

The IRO instituted the Collective Bargaining Agent (CBA) system. The CBA system determines how trade unions are officially recognized and empowered to negotiate with management on the behalf of labor. The system requires
that trade unions gain one third of the workers of a single enterprise as members. If more than one union is so organized, then a secret ballot election is held across the enterprise to select the official CBA. CBA elections are held bi-annually. The government of Pakistan's use of workplace elections to control organized labor may appear paradoxical, in light of democratic India's lack of elected labor representation. The IRO requires that 75 percent of the officers of a registered trade union are able to declare the same employer. Thereby, the CBA system effectively places the responsibility for collective bargaining and worker representation with workers and at the factory level, not with politicians, lawyers, aspiring political party candidates, or other professionals, or at higher levels, as in India.

**Bhutto and continued labor unrest, 1969–72**

Despite the attempt to institute a more equitable industrial relations regime, strikes, industrial unrest, and the arrest of labor leaders continued in Pakistan. Over 40,000 cotton textile mill workers went on strike in October 1969 demanding a higher minimum wage. A strike was also called by the Security Papers Workers Union. The public sympathy for industrial workers was reflected in an editorial in *The Pakistan Times*:

> Within a fortnight of the promulgation of the new Industrial Relations Ordinance, disputes between labour and employers have erupted in several parts of West Pakistan, notably in Lahore and Karachi. … little has been done to protect the workers from victimisation during the period between the imposition of martial law and the promulgation of the new labour legislation. It seems that the dismissal of a large number of workers during this period has become one of the major grievances of labour. Another cause of unrest is obviously the employers' hesitation to enforce the minimum wage formula and their attempt to alter the conditions of work - as indicated by the latest strikes in Karachi.91

According to an editorial in the *Daily News*:

> The one main factor of the present unrest ... is the non-implementation of the new labour policy of the Government. There is a general complaint of mass retrenchment, creation of unrepresentative unions by the hirelings of the industrialists, and the non-implementation of the minimum wage increase.92

The unrest at Valika Textile Mills in Karachi provides an example of the character of the continued industrial unrest. A strike among the nearly 3,000 workers began on October 21, 1969 over the dismissal of four employees, including the union President94 and over the non-payment of wages. Usman Baloch, then President of the Muttahida Mazdoor Federation, led the strike. The Karachi Shipyards Workmen's Union supported the strike and threatened to close the shipyard.95 As a result, the government repeatedly expelled Kaneez Fatima, the President of the Karachi Shipyards Workmen's Union and General Secretary of the Pakistan Trade Union Federation, from the city in 1968 and in 1969.96 When the Pakistan Trade Union Federation had divided in 1966, one group fell under the leadership of Kaneez Fatima. The other fell under the leadership of Mirza Mohammad Ibrahim in Lahore.

The strike turned violent. Thirteen of the Valika Mills laborers were arrested and sentenced to various terms of rigorous imprisonment by the Summary Martial Court under Martial Law Regulation 21 for failing to disperse when so ordered by a Superintendent of Police while demonstrating in Karachi.97 The numbers of workers involved in disputes increased dramatically in 1972.

**Under Bhutto's authoritarian populism, 1972–77**

With its founding in November–December 1967, the Pakistan Peoples Party (PPP) attracted support from labor leaders, such as the Lahore-based leader Ziauddin Butt, a former assistant to Mirza Ibrahim, and the Multan-based leader Mahmud Babar.98 In 1971 the PPP formed a Peoples Labour Federation, led by Lokhman Mirza and Nazir Masieh.99 The PPP owed much to the working classes' organizers for its political success. Zulfikar Ali Bhutto acknowledged this support at his inaugural speech to the 19 November 1973 Pakistan Tripartite Labour Committee Conference in Rawalpindi:

> Our electoral success was made possible because the toiling masses, particularly peasants and labourers, co-operated with the Pakistan Peoples Party. We cannot forget their kindness.100

But he did forget. Although the Pakistan Peoples Party's Zulfikar Ali Bhutto came to power with the support of mass movements, the relationship between his government and these movements, including organized labor, was not untroubled. As was his strategy with other social movements, such as the student groups, Zulfikar Ali Bhutto chose neither to support any existing trade union federations nor to create a new body. Instead, he believed that workers should support the PPP directly, as party workers rather than as industrial workers.101 Bhutto's regime simultaneously encouraged the growing assertiveness of labor and violently repressed labor agitations.

Workers and workdays lost in industrial disputes declined dramatically under the Zulfikar Ali Bhutto government. From over two million workdays lost (in 779 industrial disputes) in the first year of Zulfikar Ali Bhutto's
government in 1972, workdays lost in industrial disputes in the final year of his rule fell to fewer than half a million involving fewer than 100,000 workers.

Within two months of assuming office, President Bhutto announced his New Deal for Labour. In January 1972, Bhutto had nationalized a number of industries and had arrested prominent industrialists on criminal charges. Announced on February 10, 1972, the new labor policy was proposed as the first step toward a pro-labor industrial regime. Workers were granted participation in management, the right to hire independent auditors to review company accounts and a 100 percent increase in their share of company profits, from 2.5 percent to 5 percent. The New Deal for labour established Junior Labour Courts for the speedy settlement of labor disputes.

The Industrial Relations Ordinance of 1969 was amended in 1976 so as to discourage the proliferation of trade unions. The IRO of 1969 specifies that in an establishment where two or more registered trade unions are in existence, no additional trade union may be registered unless it can collect signatures from 20 percent of the employees.

Another important feature of the labor regime under Bhutto was his promotion of overseas labor contracts. The PPP government made arrangements with a number of Middle Eastern oil-producing states to export both skilled and unskilled labor. In the 1970s, the remittances from these laborers became the single largest item on Pakistan's current account balance. As one appreciates from the name of the Ministry of Labour, Manpower, and Overseas Pakistanis, labor migration is a significant portion of Pakistan's labor force. The export of labor may also have had the effect of weakening the organizational strength of labor in Pakistan.

**Zia’s martial law regime, 1977–85**

General Zia outlawed strikes and demonstrations under martial law, from July 1977 to August 1985. Trade union activities in public and private hospitals, educational institutions and a number of public sector corporations were banned. Public sector undertakings in which trade union activities were banned include the Pakistan Security Printing Corporation, Pakistan Security Papers Limited, Pakistan Broadcasting Corporation, Pakistan Television Corporation and Pakistan International Airlines. While trade unions were permitted to exist in the nationalized banking system, they were prohibited from collective bargaining. From a union membership of over one million in 1977, membership declined to 869,000 by 1980.

In the first year of the government of Zia ul-Haq state violence against textile workers at the Colony Textile Mills in Ismailabad near Multan represented the position of the military government toward organized labor. Colony Textile Mills employs over 5,000 individuals, chiefly in cotton spinning and weaving. The workers had demanded a bonus which Moghiz e Sheik, the mill owner, refused. The Worker Union, a pocket union of the management, gave a strike notice which was intended to demonstrate to the workers that the union sided with them. Workers ensured that the strike was organized in January 1978. The Colony Textile Mills called in the police to disband the demonstration. Firing upon the striking workers, police killed 14 workers.

In 1978, Chief Martial Law Administrator General Zia ul-Haq appointed a Labour Commission to recommend to the government a new labor policy. The Commission submitted its report in 1979, but the government was unable to adopt the report because it did not grant restrained right to hire and fire that General Zia had promised to employers. The 1979 report also noted that a fundamental problem of Pakistani industrial development is that industrialists have never been able to reconcile themselves to working cooperatively with trade unions. General Zia appointed another Labour Commission which submitted its report in 1986. The government was unable to adopt either set of recommendations.

Repression at factories under Zia was high. The connivance of the police and political appointees prevented trade union recognition even in those enterprises where trade unionism was permitted. When the Service Shoe Employees Union, the pocket union of Service Shoe factory, for example, lost the CBA elections to Service Shoe Workman's Union in 1982, the management hired armed men to enter the plant and to intimidate members of the elected CBA, the Service Shoe Workers Union. The Zia government also sought to loosen labor regulations in export-oriented industries and in export processing zones. By notification in the *Pakistan Gazette* of October 10, 1982 (SRO 1003(1) 82 and SRO 1004(1) 82), the government of Pakistan exempted all factory owners operating in export processing zones (EPZs) from adherence to Pakistan labor law.

**Labor under Benazir Bhutto and Nawaz Sharif**

Benazir Bhutto remained in office, during her first tenure, for merely 20 months. In her address to the country on December 2, 1988, she announced that Pakistan's labor laws would be amended in accordance with its commitments to ILO conventions on guaranteeing freedom of association among workers. On May Day 1989, the government announced the lifting of trade union laws restricting the right of assembly and collective bargaining in public sector enterprises. But Benazir Bhutto's Pakistan People's Party failed to remove the restrictions against organized labor before it was dismissed by the President, allegedly under direction of the military.

The Minister for Labour in the PPP government finalized and planned to announce their new labor policy on August 14, 1990, to coincide with Pakistani National Day. Several days before the announcement, however, on August 6, the government was dismissed by a Presidential order.
Although little was revealed as to what the package would contain, it was expected that the new policy would be in line with the PPP manifesto aimed to enhance the workers' benefits, strengthen their position in relation to the management and bring the regulations more in conformity with the ILO Conventions and recommendations. Workers' shares in industry profits were expected to increase from 5 percent to 10 percent.

Since 1980, the government of Pakistan has been unable to formulate a labor policy, despite numerous promises by each of the several governments in power in Islamabad since 1980 that a new labor policy would be formulated and presented. The government of President Zia ul-Haq went so far as to convene two labor boards from prominent industrialists, management lawyers, and trade union federation heads which proposed new legislation. In each case, President Zia opted not to promote the proposed new policy and the policy report was made confidential. The government of Prime Minister Benazir Bhutto did develop a new labor policy, a major campaign promise, but failed to have it announced, much less implemented, before President Gulam Ishaq Khan dismissed her 18-month-old government. Each of the Nawaz Sharif governments made promises for a new labor policy but failed to deliver one.

In an apparent effort to frame a meaningful set of reforms to labor law, the government called for a meeting of the Pakistan Tripartite Standing Labour Committee in December 1992. Its last meeting had been in 1988. The chief agenda items of the 1992 meeting were trade union reform, establishment of a revised minimum wage, and simplification and rationalization of labor legislation. Members agreed to establish a Tripartite Wage Council, a National Tripartite Council on Safety and Health, a National Productivity Council, and a Commission of Experts for simplifying labor law. It was also agreed that contract labor would be brought within the purview of existing labor legislation. The government assured the labor representatives that, contrary to previous official pronouncements, the government would not exempt export processing zones from labor laws. A press statement was issued to this effect, although at the same time the government was informing prospective investors that labor laws were relaxed in export processing zones. Mrs. Bhutto's unplanned departure from office on 6 August 1990 may explain the failure of her first administration to produce a new labor policy - promised in the Pakistan Peoples Party's election manifesto. Her government lasted for fewer than two years. Mrs. Bhutto's second administration, like her first, was again cut short before it produced a new labor policy. The most notable initiatives in labor affairs under Mrs. Bhutto were lifting of the ban on union among railway employees, which the Minister for Labour and Manpower, Ghulam Akbar Lasi, announced in May 1995, establishment of a Child Rights desk in the new Ministry of Human Rights, and reinstatement of 25,000 federal and authority of provincial level government employees who had been dismissed by Nawaz Sharif in 1990.

**Labor under Pervez Musharraf, 1999–2007**

The Musharraf government, with two years to frame legislation and enact it by promulgation, significantly amended the Industrial Relations Ordinance. The Amendment created bilateral boards with specializations such as benefits and occupational health. General Musharraf offered charge of the Ministry for Local Government, Rural Development, Labour, Manpower, and Overseas Pakistanis (previously three separate ministries) to Omar Asghar Khan. Omar Asghar Khan was known in his own right as a teacher (at Punjab University), as a recognized scholar on politics and social change in Pakistan, and as a community builder (he founded and led the Sungi Development Foundation). He was also known as the son of Mohammad Asghar Khan. The retired Air Marshal headed the progressive Terikh-e-Istiaqal. Omar resigned from the government in December 2001 to establish the National Democratic Party to contest in the October 2002 election, and was found dead under suspicious circumstances in June 2002. Before Omar Asghar Khan resigned from the Musharraf cabinet, he framed and had the cabinet discuss and approve a new set of policies for large sections of the labor force. The new labor policy is broad and vague and much of it remains unimplemented. Omar Asghar Khan's successor in the Ministry of Labour, Manpower, and Overseas Pakistanis, Abdul Sattar Lalika, died of a heart attack in February 2004. Since 2002, the Musharraf government has used the finance bill to amend labor law and weaken internationally recognized workers' rights.

**Trade unionism in India and Pakistan before adjustment**

What distinguishes Pakistani trade unionism from Indian trade unionism is not that Pakistani trade unionism is apolitical. Unions in the territory that would become Pakistan were political party-allied before and for a generation after Independence. Nor does a lack of militancy distinguish Pakistani from Indian labor. Further, the Pakistani trade union movement has maintained a steady, critical posture toward the state. Even the giant APFTU — criticized by other federations as too cooperative with government — which relies on the union membership of the Water and Power Development Authority, is nevertheless no less opposed to government economic adjustment programs and privatization plans than other federations. What distinguishes Pakistani trade unionism from Indian trade unionism is that the politics of Pakistani federations are not defined by political party ideologies and rivalries. Ruth Berins Collier and David Collier argue that the timing of organized labor's incorporation by state or party has a critical effect on subsequent political development. The comparative history of state-labor relations in
India and Pakistan suggests that their hypothesis extends to South Asia. What Collier and Collier identify as party incorporation and state incorporation, I refer to instead as party incorporation and state control to emphasize that party incorporation typically seeks to mobilize workers whereas state control typically seeks to immobilize them.

The evolution of trade unionism in India and Pakistan can not be traced to differences in party-based and non-party-based political systems. Political parties have been an essential part of politics in Pakistan as well as India, though in differing ways. Pakistan itself was created at the insistence of a political party, the All India Muslim League. Political parties have been banned at various times in Pakistan. The Communist Party of Pakistan was banned in July 1954 upon the alleged discovery of an officers’ plot to overthrow the government in which the Communist Party of Pakistan was allegedly involved. True, the ban on the Communist Party of Pakistan since 1954 and round-up of its leadership beginning in June 1951 deprived Pakistani trade unionism of the most organized left political party. And General Zia ul-Haq did prohibit participation of political parties in the 1984 elections, even while aiding parties, such as the Jamaat-e-Islami, that had no proven electoral support. Despite these incursions by state agencies, political parties have been very much a part of Pakistan’s political development. As Ayesha Jalal argues, attributing “the frequency of military rule in Pakistan . . . to weakness in its political party system . . . [has] done more to obfuscate than to lay bare the complex dynamics which have served to make military rule the norm rather than the exception in Pakistan.” Political parties are weak - in many senses of the word. But that observation is less meaningful than the dynamics that contribute to political party weakness.

It is considerably more difficult to gauge the degree of trade union power in Pakistan; the government does not publish separate figures on the number disputes involving lockouts and those involving strikes. A trend is nevertheless clearly discernible in the figures on industrial disputes. Serial data on trade unions and trade union membership growth in India and Pakistan suggest strongly that the Industrial Relations Ordinance of 1969 had a powerful influence on the structure of trade unionism in Pakistan. It produced more unions, but unions with fewer members.

Before promulgation of the 1969 labor policy, Pakistani employers would often delay their part of the procedure for registering trade unions. It was common for trade union registration to drag on for years. Air Marshal Noor Khan’s labor policy made registration within 15 days mandatory. As a result, the number of trade unions almost doubled within a year (See figure 1.4.) As trade union membership grew steadily, the rapid multiplication of trade unions led to a rapid decline in trade union membership density. The Industrial Relations Ordinance of 1969, was amended by Prime Minister Zulfikar Ali Bhutto in 1976 to discourage further proliferation of trade unions.

Like the original IRO 1969, the effects of the 1976 amendment are clearly reflected in membership statistics. Statistics on industrial disputes (See figure 1.5) suggest that the fragmentation of organized labor in Pakistan through enterprise unionism helped to quell labor militancy. Note that the values in figure 1.5 are for West Pakistan only; values for 1972 and later are for Pakistan after the separation of East Pakistan. Industrial disputes statistics also evidence the considerable rise in labor protests over the industrial restructuring, including the privatization measures since 1989.

In India, neither the number of unions nor the membership density changed much in the late 1960s or early 1970s (See figure 1.6), as they did in Pakistan. There is wild statistical variation for total trade union members since 1980 in India, caused by self-reporting and irregular government verification, as was conducted in 1980, of trade union rolls. Union submissions are highly questionable. Statistics on trade union members are also compromised because only those unions that submit returns are included;
ORGANIZED LABOR AND DEMOCRATIC CONSOLIDATION

1.2
• Inde Union Members (10s of million)
• Pakistan Union Members (million)

Figure 1.5 India and Pakistan: union members, 1947-1993
Note: Data before 1972 are for West Pakistan only. The last two years of Pakistan Labour Gazette figures are adjusted later and should be considered provisional. Periodic changes to the definition of employment make it fruitless to trace over time union membership as a percentage of employment (union membership density). While data are available for later years, these data are derived in different ways than those for the years given here.

there is no attempt to estimate a trade union membership statistic based on known non-reporting by unions, especially by those unaffiliated to one of the major ten or eleven trade union centers. The proportion of unions submitting returns to existing unions differs greatly from year to year.

In India, the political power of organized labor derives from its participation in the movement against British colonial exploitation and a reputation for being able to protect employment once obtained. That image is now tarnished. In the white-collar sector of organized labor, which includes the two million public sector employees in financing, insurance, and real estate and community and social services, unionism now has a bad reputation. White-collar unionism especially has helped to mark Indian unionism in general with the opprobrium of protecting privilege. Relatively well rewarded professional workers, including doctors and hospital workers, airline pilots, bank personnel and teachers, are often found on strike in India in demand of higher wages or, quite often, in a moral defiance of a slight to a colleague. People also remember that some trade unions supported Mrs. Gandhi's Emergency While workers and trade union leaders who opposed Mrs. Gandhi's Emergency rule were arrested and

imprisoned or driven underground, INTUC and AITUC, affiliated to the Congress and the Communist Party of India, respectively, supported Mrs. Gandhi and cooperated with the dictatorial "Emergency" regime.

Fuzzy rules for trade union recognition are a crucial correlate to political party unionism. Unlike Pakistan, in India, there is no legal mechanism for trade union recognition, except in the states of Karnataka, Orissa, and West Bengal. Employers must bargain with all unions that possess a credible threat to disrupt production. Indian political parties are quite effective in mobilizing labor and providing such a threat. The mobilization of workers is the litmus test of a trade unionist's political skill. George Fernandes, for example, India's Defense Minister under the Bharatiya Janata Party, rose to General Secretary of the Janata Dal-affiliated Hind Mazdoor Sabha (Indian Workers Union) because he was able to mobilize railway workers in a national strike against Prime Minister Indira Gandhi in 1974. Fernandes established himself as a trade unionist-politician even though Mrs. Gandhi brutally crushed the strike, paramilitary forces killed workers, and workers' grievances were not addressed. What was important was that he could mobilize workers.

Figure 1.6 India and Pakistan: members per union, 1947-1993
Note: Data before 1972 are for West Pakistan only. The last two years of Pakistan Labour Gazette figures are adjusted later and should be considered provisional. Periodic changes to the definition of employment make it fruitless to trace over time union membership as a percentage of employment (union membership density). While data are available for later years, these data are derived in different ways than those for the years given here.
Political party unionism refers to the influence of political party-affiliated unions within the union movement. Political party unionism does not necessarily entail union influence over economic policy or even the welfare of workers. While political party unionism can effectively veto government privatization decisions, it is not able to prevent private sector management from illegally shutting down factories, declaring lockouts, or relocating to areas where workers are not unionized. Keeping a factory in the public sector, which political party-based unionism can achieve, does not guarantee workers employment, good working conditions, adequate pay, or even payment for their work.

Indeed, political party-based unionism can prevent workers from exercising influence over government policy and has often exacted a high cost from workers. The 1982-83 Bombay textile strike is a clear example. The strike is the world’s largest as measured in workdays lost. Hundreds of thousands of mill workers took up the strike because they wanted an amendment to the Bombay Industrial Relations Act — a colonial legacy — so that the Indian National Congress-affiliated union, the Rashtriya Mills Mazdoor Sangh (National Mill Workers Union) would no longer be the sole collective bargaining agent for all textile workers. The strike resulted in the loss of an estimated one hundred thousand jobs and sharp decline in labor conditions and in terms of employment throughout the industry. It is officially still in force, although the strike leader, Datta Samant, was murdered, allegedly at the request of the Rashtriya Mills Mazdoor Sangh, which continues to be the sole collective bargaining agent for workers in the Maharashtra and Gujarat textile industry. This legally mandated exclusive representation is still strongly opposed by many workers. Not all Indian workers have embraced political party unionism.

Some social institutions form in reaction to, rather than mirror, the political regimes that attempt to harness or to control them. The government of Pakistan’s efforts to de-politicize labor by limiting professional or “outside” leadership, over time, has strengthened organized labor as a social movement in Pakistan. Political regimes lay down deep institutional roots, especially in the formative periods of postcolonial economic change. But these institutions are not replicas of the political regimes that attempt to mold them. Rather — as the absence of workplace elections in India and their presence in much of Pakistan’s industry imperfectly suggests — social institutions are often formed in reaction to and thus reverse in form the mechanisms used by governments.

The role of labor in fashioning different development strategies is the focus of the next chapter. The chapters that follow move to contemporary events. Chapter three describes the Indian and Pakistani governments’ attempts to implement structural adjustment, especially privatization, and assesses the response of Indian and Pakistani labor to the associated industrial restructuring and to increasingly informal terms of employment.

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[The enclosed material] is enough to show to you that various suggestions that have been made ... will have to be analysed and ultimately I consider it is the duty of every true nationalist, to whichever party or community he may belong, to make it his business and examine the situation and bring about a pact between the Mussalmans and the Hindus.

Mohammad Ali Jinnah

I have carefully looked through the various materials to which you have drawn attention in your letter and its enclosures and I find nothing in them which refers or touches the economic demands of the masses or affects the all-important question of poverty and unemployment. ... The peasantry, industrial workers, artisans and petty shop-keepers form the vast majority of the population and they are not improved in any way by your demands. Their interests should be paramount.

Jawaharlal Nehru

This chapter compares the evolution of Indian and Pakistani development strategies and economic ideologies. India and Pakistan developed modern industrializing economies of roughly similar structure and with broadly similar degrees of state intervention. Each economy is predominantly agricultural but hosts a relatively large (20-25 percent of the total labor force) industrial labor force. Each contains a large public sector, or did before implementation of the International Monetary Fund (IMF) structural adjustment measures. Each economy has a large labor force distributed in similar sizes across industrial sectors. These broadly similar economic structures, however, were developed under markedly different political regimes and economic ideologies. India has maintained a record of regular elections unbroken since Independence and a social democratic economic philosophy. The military and the bureaucracy have ruled Pakistan for most of its existence.