This chapter has discussed the changed relationship between unions, political parties, and states in "developing" economies. These might, more accurately, be referred to as economies facing chronic fiscal crises. The chapter paid close attention to the NCL in India and the PWC in Pakistan as illustrations of new forms of political unionism. It demonstrated that durable alliances between organized labor and political parties are no longer possible. Labor law is increasingly used to deny, rather than ensure, that workers' rights are respected. Organized labor's strategic opportunities have changed. Workers in India and in Pakistan are promoting new forms of political unionism to promote social justice and economic democracy. Indian labor federations have gained greater independence from political parties, forged alliances with social movements that represent the large and growing informal sector, and included subcontracted workers in collective bargaining agreements. In addition, Pakistani unions have gained greater political power through inter-federation solidarity. Since economic adjustment, national federations in Pakistan have united. Some have formed a labor party. In both countries, unions are becoming internally more democratic and are using public advocacy campaigns to secure workers' rights.

This comparative political economy study showed that democratic labor institutions and strong labor organizations play a role not only important to broadening the benefits of economic development but also vital to consolidating democracy. Specific kinds of labor institutions affected economic and political outcomes in predictable and desirable ways.

NOTES

Introduction

1 W. Arthur Lewis, "Economic Development with Unlimited Supplies of Labour," The Manchester School of Economic and Social Studies, 22: 2, (May 1954), 155. Lewis was awarded the Nobel Prize in Economics 1979.


3 Here, I use the term "unions" in a broad sense, to refer to membership-based, employer-recognized organizations of workers as well as other kinds of workers' associations.


6 For more on the roots of Pakistan's unequal economic development patterns, see chapter two.

7 Whether the countries that are conventionally referred to as "developing" are developing, even in narrowly economic terms, is debatable. Thus, I avoid the phrase "developing countries." For further discussion on this see Oswaldo de Rivero, The Myth of Development: the Non-viable Economies of the 21st Century, (London: Zed, 2001).

8 In Pakistan, unions that have collective bargaining rights represent fewer than 2 percent of the non-agricultural labor force. Calculated from Government of Pakistan, Federal Bureau of Statistics, Labour Force Survey and Government of Pakistan, Ministry of Labour, Manpower, and Overseas Pakistanis, Pakistan Labour Gazette: A Journal of Labour Affairs. These are the most recent data in 2007. It is usual for South Asian labor publications to be published a few years after the year covered.

9 Chapter three discusses structural adjustment in detail.

10 Chapter two discusses economic policies before the IMF adjustment. Chapter four discusses labor trends, specifically the increasing vulnerability of workers that began before IMF adjustment.


12 The military cut short both of Benazir Bhutto's terms and the first of Nawaz Sharif's terms in office - through the authority vested in the President, under the Eighth Constitutional Amendment. Among the reasons given for the dismissals was corruption at the highest levels of government. During Sharif's second term, his government removed the Amendment from the Constitution. Sharif's second term ended with General Pervez Musharraf's martial law declaration on October 12, 1999.
In India, there was lengthy experimentation with more managerial autonomy in public sector enterprises before the IMF programs. In Pakistan, there was no experimentation with managerial autonomy in public sector enterprises.


Organized labor and democratic consolidation


9. According to Alavi, the Indian National Congress took control of the colonial state in the interest of the domestic bourgeoisie, explaining the Indian state's relatively constrained autonomy.

10. One of the strengths of Alavi's analysis is its explicit comparative framework.


12. Bakhtiar and his place in the Pakistani labor movement are discussed in greater detail below.


18. Cited in ibid.


21. Sec Bakhtiar and his place in the Pakistani labor movement are discussed in greater detail below.


31. The Indian National Trade Union Congress leader Jagiwan Ram claimed that 90 percent of the seats reserved for labor in the 1937 elections went to Congress. Shashi Rani Gurtu, ed., Jagiwan Ram on Labour Problems, (Delhi: Atma Ram and Sons, 1951), 14. In fact, 90 percent of the 20 seats that Congress contested were won by the Congress.

32. Indian Labour Gazette, (Srivilliputur, September 1946), 89.


34. B. N. Datar, "Ideology and Trade Unions—Indian Experience."
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38 For a detailed account of the strike, see Judith Brown, Gandhi’s Rise to Power: Indian Politics 1915-1922, (Cambridge: Cambridge University Press, 1972), 118-122.
39 The Self-Employed Women’s Association (SEWA) emerged from the Textile Labour Association. Ela Bhatt founded SEWA shortly after being expelled from the Textile Labour Association, where she served as Vice President. SEWA, discussed in chapter five, is one of today’s most significant trade unions in India.
43 Ibid., 14.
44 Ibid., 12-17.
46 For a study of the role of unionists in electoral politics in Orissa, see Prafulla Chandra Das, Trade Union and Politics in India: A Study of Orissa.
51 Kamal Muzumdar, a former ILO Director and a senior Indian trade union official with the Indian National Trade Union Congress, argues that the best thing that the Indian trade union centers could do for the labor movement is to disband. Kamal Muzumdar, interview with author, New Delhi, November 28, 1991.
54 Ibid., 4.

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56 Khurshid Alam, General Secretary of Bata Mazdoor League Pakistan, interview with author, Lahore, September 4, 1992. Alam has been involved in the trade union movement since 1940.
57 Gulzar Ahmad Chaudhary, General Secretary of All Pakistan Trade Union Federation, interview with author, Lahore, September 5, 1992.
64 Riffat Hussain, labor organizer, interview with author, Rawalpindi, September 12, 1992.
67 Note that this is not Khurshid Ahmed, General Secretary of All Pakistan Federation of Trade Unions and General Secretary of Water and Power Development Authority (WAPDA)’s State Hydro-Electric Union (SHEU).
69 Ali, “Trade Unions in Pakistan.”
71 Ibid.
72 Shaheed has documented the crucial role of workplace leaders and workers’ communities in the strike wave of 1963. See Shaheed, ‘The Organisation and Leadership of Industrial Labour in Pakistan (Karachi).’
74 Shaheed, “Union Leaders, Work Organization and Strikes,” 188.
75 Usman Baloch, former President of the Muttahida Muraqqa Federation, interview with author, Karachi, September 27, 1992.
76 Riffat Hussain interview with author, Rawalpindi, September 12, 1992.
83 Khurshid Ahmad, General Secretary of All Pakistan Federation of Trade Unions, interview with author, Lahore, 5 September 1992.
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89 The Industrial Relations Ordinance of 1969 repealed four pieces of labor law, two acts passed by the Constitutional Assembly, and two martial law ordinances. The annulled labor laws were the East Pakistan Trade Unions Act of 1956, the East Pakistan Trade Disputes Act of 1965, the West Pakistan Industrial Disputes Ordinance of 1968 and the West Pakistan Trade Unions Ordinance of 1968.
90 On record for their support are the APCOL (M. A. Khattab), the APFL (Rehmatullah Khan Durrani), the West Pakistan Textile Mills Employees Federation (Akhtar Hussain Kiyani), and the West Pakistan Textile Mills Mazdoor Union (Ghulam Hussian). "New Labour Policy Hailed," Dawn, July 8, 1969.
91 "Industrial Unrest," The Pakistan Times, 15 November 1969.
95 "40 Trade Unions Back Striking Workers," Dawn, 6 November 1969.
103 Ali, "Trade Unions in Pakistan", 103.
111 Left federations have been on record accusing the APFTU of opportunism and being too willing to enter into agreements with whichever government may be in power. When the APFTU remained in talks with government (which resulted in the 1992 announcement of a new minimum wage for unskilled workers) after all other federations walked out, other federations made the accusation. The APFTU and Kurshid Ahmed, General Secretary since 1972, also receive extensive coverage in the English-language press, while other federations and their leaders are rarely discussed by the press.
115 Article 21, Section 3 of Industrial Relations Ordinance of 1969.
117 Chapter four discusses the textile industry, the RMMS, the Bombay textile strike, and Datta Samant.

The state and economic development

3 Cited by Istaqbal Mehdi (former Pakistan Minister of Production), "State Intervention and Public Enterprises in the Market Place - Some Issues and Problems with Special Reference to Pakistan," manuscript, n.d., 4.
4 Mujtaba ul Haq first spoke of the “22 families” in a talk to the Applied Economics Research Centre of the University of Karachi in 1968.
8 Ibid., 47. There was in the 1950s and 1960s considerable academic work on the Indian “welfare state” in Indian universities and much official literature on the development of the Indian welfare state as well. See, for example, P. D. Gupta, Welfare State in India, (Agra: Agra University, 1955) and Government of India, Ministry of Information and Broadcasting, Road to Welfare State, (Delhi: Government of India, May 1957).
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15 Ibid., 308.


17 The politically significant issue of industrial "sickness" and its relationship to job protection and employment is discussed in chapter three.


20 Narayanan first articulated his "drain theory" in 1971, in a paper titled "Commer­ce of India." The theory is more fully worked out in Poverty and Unhappiness Rule in India, (London: S. Sonnenschein, 1901). Rajani Palme Dutt argued that Eng­land had de-industrialized India. See Dutt, The Problem of India, (New York: International Publishers, 1943) and India To-day, (London: V. Gollancz, 1940).


22 Specker, "De-Industrialization" in Nineteenth Century India, "333. David Morris sought to challenge the de-industrialization thesis, arguing that statistical evidence was inadequate, that a rise in domestic demand could have absorbed the growing imports, and that the import of mill yarn strengthened the position of the Indian weaver. See Morris, "Toward a Reinterpretation of Nineteenth Century Indian Economic History," Indian Economic and Social History Review, 5 (1968), 1.


24 Ibid., 505-7.


26 Nehru, Discovery of India, 524-36.

27 Ibid., 266.


31 Ibid., 308.

32 The speech was published as G. D. Birla, "Indian Prosperity: A Plea for Planning," and delivered at the annual session of the Federation of Indian Chamber of Commerce and Industry, 1934.
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52 Ibid., 10.

53 Ibid.


55 Industrial Policy Resolution, 3.


59 Ibid.


61 I use the term "Third World" as Jawaharlal Nehru, Abdul Nasser, Mohammad Sukarno, and Chou Enlai did at the Africa-Asia Unity Conference in Bandung, Indonesia in 1955. They referred to the Third World as that alliance of countries that could carve out a way between the inequalities of market dominated societies, specifically that of the United States, and the abuse of political liberties in dominant societies, specifically that of the Soviet Union.

62 Nayar, 249-52.

63 Ibid., 254, 261.


66 Ibid., 253-56.

67 Ibid., 262.

68 Life insurance had been nationalized in 1956.

69 Nayar, India's Mixed Economy, 273.

70 (O) stands for Organisation.

71 Ibid., 265.

72 Later to become Congress (I).

73 Nayar, India's Mixed Economy, 283-84.


75 Nayar, India's Mixed Economy, 332.

76 Mrs. Gandhi was found guilty of using government officials to erect and supply electricity to speaker stands in her constituency. Henry Hart, ed., Indira Gandhi's India: A Political System Reappraised, (Boulder, CO: Westview Press, 1976), 3.

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105 Ibid., 70.
107 Lewis, "Economic development with unlimited supplies of labour," 189.
108 Rahman, Growth Models and Pakistan, 72.
109 Ibid., 59.
111 Papanek, Pakistan's Development.
112 The phrase is the title of the concluding chapter of Papanek's book.
117 Huntington, Political Order in Changing Societies, 261.
119 Adams and Iqbal, Exports, Politics, and Economic Development.
122 Ibid., 47.
123 Ibid., 51–54.
124 "(A)llegedly under American pressure" reports Syed. Ibid., 54.

Organized labor and economic reform

3 India's 1981 loan from the IMF, the institution's largest to that date, included structural adjustment features, but was made for balance of payment purposes and preceded the establishment of the IMF's Structural Adjustment Facility.
In Pakistan, social spending in real terms and as a proportion of total government expenditure initially shrunk between 1988 and 1991. Between 1991 and 1995, even as the economy grew at 5.5 percent, an additional 18 million people were forced into poverty (Mahbub ul Haq, *Human Development in South Asia* 1897, [Karachi: Oxford University Press] 17. Haq reports an increase in the poverty rate over the period from 20 percent to 30 percent of the total population.) It is difficult to gauge the extent to which adjustment — distinct from other forces, such as the Gulf War and the associated decline in labor remittances — contributed to social and economic distress. For further discussion of the detrimental social impact of adjustment, see Walden Bello, with Sheza Cunningham and Bill Rau, *Dark Victory: The United States, Structural Adjustment, and Global Poverty*, (London: Pluto Press, 1994).


For details on the economic and political crises surrounding Mrs. Gandhi’s Emergency declaration, see chapter two.

A list of the points of the program appears in *Keesing’s Contemporary Archives*, 6–12 October 1975, 27673–70.

The populist thrust and electoral logic of Mrs. Gandhi’s economic policies after becoming Prime Minister in 1966 are discussed in greater detail in chapter two.

Mahua Shroff, "Liberalisation of the Economy: The Indian Experience," *South Asia*, 1, (1990), 5.


The US chose not to pursue this under the General Agreement on Tariffs and Trade (GATT) because, by GATT rules, countervailing duties on Indian imports would have required the US to show damage to US industries. Indian officials saw in this an attempt to punish India for its refusal to condemn the December 1979 Soviet intervention in Afghanistan.

The Bank explained that their decision to cancel the loan was reached because the Indian government had replaced the US firm C. F. Braun and Company with the Danish firm Haldor Topsoe, affiliated to Snam Progetti, as the consultants to the US$812 million project. Under the agreement, the World Bank maintained the right to approve the consultants.

The lending rate was raised from 9 percent to 10 percent, while the minimum reserve rate was raised from 34 percent to 35 percent.


Ibid.

67 Ramamurthy resigned in protest not against the government's labor policies but "Let the Workers Take Over," Business India, (January 13, 1992).
Reorganizing industry, disorganizing workers


4. See, for example, Sujata Gothoskar, “Managerial Strategies in the 1990s and the Case for Evolving New Union Strategies,” (Bombay: Workers' Solidarity Centre, 1991).

5. See, for example, Isher Judge Ahluwalia, “Trade Policy and Industrialisation in India,” (Bombay: Exim Bank of India, 1992), 6, 17.


7. The Provincial Directorates of Labour in Pakistan, which submit figures to the central government, do not distinguish between strikes and lockouts.

8. Satyendar Pansari, Minister of Labour, in answer to question number 852 in the Rajya Sabha on 7 December 1998.

9. Shabbir Khalil, Minister of Labour, answer to an unstarred question number 1812, in the Rajya Sabha on 18 December 2003.


11. Ibid.


17. Ibid., 4.

18. Ibid., 5.


20. Ibid., 7.


27. Lok Sabha unstarred Question No. 758, addressed by Shri Kashiram Rana, answered by Deputy Minister of Labour, Shri Paban Singh Ghatowar, April 22, 1992.


29. Zara, “Contract Labour,” 9. Dr. Zara's paper includes a lengthy list of labor laws which specify that work on contract is legally considered to be formal employment.

