

Getting Dividend from Demography: Skills Policy and Labour Management in Contemporary Indian Industry

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ABSTRACT

The paper is a personal account of working with one of India's new generation vocational training and placement agencies implementing the government's skills policy after its revamping in 2009. As the writer struggles to search for decent jobs on behalf of trained candidates, she provides insights into the state of blue collar jobs and the troubled relationships between company 'HR' and 'IR' managers with their workforce. While the public programmes and policies referred to here are ostensibly about skill, the paper reveals them to have quite a different purpose for industry: they offer ways by which employers can not only secure the flow of casual workers but also tie them in, thereby stabilizing workforce in an era where the 'permanent worker' is no longer an acceptable or viable category. Presenting an unrelenting backdrop of moral ambiguity and dilemma, the paper highlights the disconnect between the declared intent of government 'skills' policy and the way in which it is actually realized, from the viewpoint of employer, student and vocational training provider.

PART 1: FIELD NOTES

April 2014: "Hello Ma'am" says the HR manager from Shriram Piston in Bhiwadi, Rajasthan. "Yes of course I remember, we met at the Gurgaon ITI, wasn't it? How are you?... For placement of ITI?... Hmmm, well actually we're having some IR problems at present... yes, some labour unrest. So we're not hiring.... Yes I'll get back to you when things are calmer".

I am disappointed. With its offer of Rs.7,800 gross salary, the company is a desirable employer with whom to place our boys. More than the salary is the term of appointment: in an effort to clean out contractors and take advantage of Rajasthan's liberal regulatory climate inside the Rajasthan border, the company is offering a highly unusual, three year fixed term contract to new ITI hires.

And we have to act fast, with eighty boys about to graduate from our training centre in Orissa. The boys' training is funded under the government's Aajeevika Scheme and, unless we place 75% of them, we won't be paid¹.

¹ The Aajeevika Scheme provides training fees (meant to cover recruitment, training, placement and tracking costs) at the rate of Rs.13,696 for 3 months of full time training. Food and accommodation, for residential courses, is separately paid at Rs.120 per day. The rates are fair but the payment terms are tough: only 25% is paid upfront, while 75% is only paid once the post-training placement target is met. Only if >75% of trained are placed, with four months' payslips to prove it, will reimbursement be made.

A few days later, the events at Shriram Piston are reported in the press.

Seventy nine workers were hospitalised and 26 arrested in a confrontation with the police at Shriram Piston and Ring Ltd's manufacturing facility in the Pathredi Industrial area of Alwar, Rajasthan. The incident occurred when approximately 200 policemen evicted about 1,200 workers who had occupied the plant since April 15.

Workers and management have sharply divergent accounts of the events preceding the weekend's violence. "The trouble began [in January] when the management victimised workers for trying to form a union. Our demand was rejected and workers were suspended," said Mahesh Kumar, a workers' representative. [Workers occupied the plant after which management agreed to reinstatement but didn't honour the agreement]. So workers went on a strike again on April 15 and occupied the plant. "On Saturday morning, the police and company bouncers attacked workers and beat us mercilessly," Kumar said.

Shriram Pistons has refuted Kumar's allegations. "The workers were on an illegal strike and sit-in. They were vacated by a court order after they did not respond to our appeals," said a company source (Aman Sethi, Smart Investor, 27th April 2014)

Perhaps it was the company's intrepidity, in banishing contractors and using fixed terms instead, which had cost them.

Other firms in the region are offering much less favourable employment terms for our new entrants. The HR Manager at the 4000-strong Honda Motorcycles plant in Tapukera down the road, is a whily character, giving almost nothing away about his workforce or its recruitment. Deferring us to contractors, he explains the plant is 'full' and needs only 'floating' labour. But it is important for him to hold up job progression as a kind of aspirational value, to be enjoyed in one's next life perhaps. First, work under the contractor, he advises, the procedure for which is an interview focused on behavior and 'etiquette' (a euphemism for compliance to rules and staying in line); then take a written test and have a chance to pass into company casual. Then another written test and after three years, you can become a trainee, and after another three years and a written test, you can become a company permanent.

Jaded by the double-edged role of forecasting workforce and watching his back, the HR manager was transferred two years earlier from the company's first plant in Manesar. The older plant witnessed violent clashes between workers, police and management throughout the 2000s, culminating in 2012 with a generous settlement to permanent workers at the cost of all casuals who had earlier joined the protest. Today, while their number slowly dwindles, permanents nonetheless assist management to keep casuals in check, their loyalty refreshed with periodic agreements.

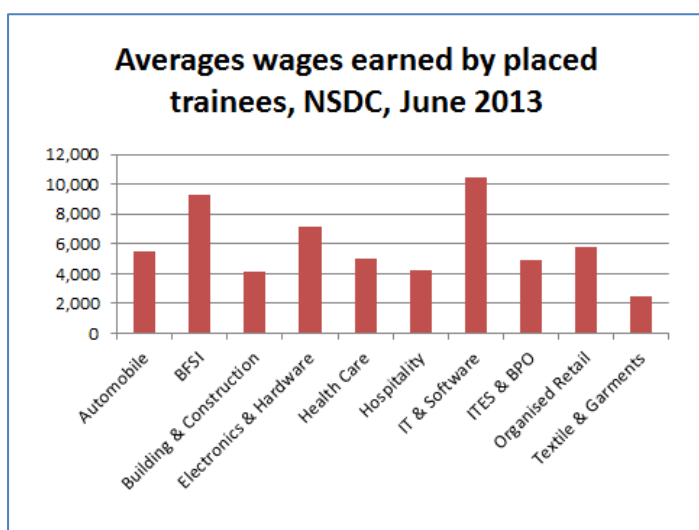
When the Tapukera plant came on line in 2010, it set out to ensure the company should not suffer this drama again. Shifting south meant sourcing workforce from villages, from outside the pool of wary and seasoned labour circulating around the Gurgaon-Manesar belt, and from migrant batches who could be counted on to keep to themselves. It meant use of

contract workers with impunity by taking advantage of Rajasthan's liberal regulatory climate. Above all, it meant the elimination of permanent worker as a category, and in its place, the proliferation of junior staff positions, those who don't work with their hands but get others to work.

As the hot summer wares on, we in the Placements Team are still unable to identify demand for our students on terms acceptable to us. By the compulsions of scale, our organisation had drifted away from identifying rural and small-town jobs in Orissa, towards MNCs in far-flung urban industrial areas. Our focus on large companies, whether plants or brands, we shared in common with most of the new skills providers funded by government. The government wants proof of the jobs which follow training, and only corporatized and formal entities can provide it. But having arrived here, we were finding ourselves trying to pitch for our graduates while adrift in a sea of churning labour.

There have been many doubting voices about the quality of jobs being promoted under the government's skill policy. At an NRLM² launch event in July 2013, the Deputy Chief Secretary, Chhattisgarh, spoke out: why all this focus on third rate jobs in the organized sector, he argued? What about local jobs? What about the informal sector? Yes, third rate in the formal sector. The very definition of formal was slipping before our eyes, from one which denoted 'permanent', to 'regular waged' to 'direct hired with statutory benefits' to 'contract hired with statutory benefits' to 'casual hired in any form at all as long as in a registered and large enterprise'!

A quick review of the jobs resulting from the NSDC³'s investments in skills providers showed a weighted average wage of Rs.5,888, close to the average national minimum wage, once we exclude those jobs created in IT and software. As the following graph shows, many jobs are worryingly close to Rs.4000 line.



Source: NSDC M&E Dept, July 2013

² The National Rural Livelihoods Mission, the largest set of centrally sponsored schemes funded by the Ministry of Rural Development.

³ National Skills Development Corporation, a PPP set up in 2010 to provide start-up and capex funding to new skills and training providers under the Ministry of Finance.

There were some skills providers who had made a bold attempt to focus on self-employment, the small-scale sector and life-long employability. But once beholden to government funding, they were in the target game and forced rapidly into mission drift towards large brands like the rest of us. Unable to meet their commitments, they then faced the ignominy of the NSDC's blacklist of non-performers. Meeting the Director, Operations of one such, at an NSDC event, I looked to him to speak some sense about the importance of ethics and quality standards in our placement strategy. But I was disappointed. "First we have to make sure we're here at all, Orlanda", he said. Thinking about good versus bad jobs is a luxury of those who can stay afloat.

By late July, still unable to shift our 'boys', we are desperate enough to go meet a contractor. At least he'll have a handle on demand, we surmise. 4P Logistics feeds several thousand workers into Japanese and other MNC automotive and electronics companies in Bawal's industrial area a little south of Tapukera off the highway to Jaipur. But wages are abysmal and joining formalities include signing a letter of resignation and an additional four blank forms (a criminal offence in India). 4P does not procure workers, it simply assists in their just-in-time allocation. With no ties linking contractor and worker, such third parties are poorly placed to address attrition which, astonishingly, climbs to above 50% monthly. But as one HR Manager explained, production is modularized enough to easily diagnose problems, reducing the need for skilled and long-serving workforce and the fees paid to contractors buys peace of mind that the line will be filled each day.

Before heading down again to the Haryana-Rajasthan border, we had tried to find jobs close to our new training centre in Greater Noida. In fact we'd chosen the location of Greater Noida because we felt that a higher standard of infrastructure, of state-based minimum wages, and the corporate ethos of the plants operating there, signified better jobs for our entrants. But we were wrong. The Uttar Pradesh government's strict interpretation of the Contract Labour Act has sealed one steam vent for casual workers only to open another: it is now standard to hire temps and apprenticeships en masse. The Korean giant LG, with its sparkling campus of 3000 workers making fridges, washing machines and ACs, has not added to its cadre of 700 permanent workers since 2009. Instead, casuals are hired on a daily basis for up to six months and punch in and out at the factory gate to clock up their wages. On the seventh of the following month, their thumb print delivers the cash they've earned, just like an ATM! No payslip, no letter of appointment, no transaction with HR or contractor, just a machine. I couldn't help but be impressed at the streamlining, something which had value to workers also, too squeezed for time to mess around with bank accounts and PF withdrawals. But it wasn't for us. As partners in the government's skill programme, we needed evidence of employment⁴.

Neighbouring Honda Cars, forerunner to the 600 acre integrated Tapukera plant, is refreshingly human by comparison. When we meet them, they highlight their objective of creating a good regional balance in their workforce, with a quotient from all over India. Unlike the Tapukera plant which uses fixed term contracts along with labour contractors, their 6,000-strong workforce is composed overwhelmingly of apprentices (an astonishing

⁴ The government verifies placements by collecting evidence in the form of payslips or bank statements showing transfers of salary to trainee account. 'Numbers placed' are also policed through random visits to employers whose cooperation must be secured – often at considerable effort - by the training provider.

1,200) and 6-month temps (4,000). I ask, flabbergasted, how they can justify running the whole plant on trainees and temps, and that too in a state which professes its commitment to the spirit of the law. The answer, I glean, lies in the bargain they have struck with the union.

The plant's in-house union focuses its energies mostly on keeping outsiders out. Acquiescing to the ceiling on bargainable jobs (today at 950, or 15% of the total), the union now seeks to corner as many of the short-term appointments as possible for its 'indigenous' communities, Gujjars and Jats. The company can secure the ratio of casuals it desires only by conceding recruitment powers to these caste-based lobbies.

And so ensues a game of cat-and-mouse. While the company tiptoes far and wide seeking to dilute the union's strength by recruiting from among other communities, it is duty bound to involve floor staff in the recruitment process. These technicians, explain the HR, are permanent workers and union members, bent on rumbling and sabotaging the company's efforts. "Madam, we'd like to recruit from you. Orissa workers are technically strong and peaceful", explained a beleaguered HR Manager. "But where to meet for interview process?" Come to our hostel, I suggest. "No, any location in Greater Noida is out of the question". I'll come incognito in my Maruti van, I persist hopefully. "They'll get wind and make trouble". Could we take a third place, somewhere in Delhi, I try, exasperated at how such an apparently mundane and procedural process needs be framed as a shady arms deal. But the HR Manager sees roadblocks everywhere. As far as Punjab, Himachal and central UP, he recounts, union-backed '*badmaash*' have succeeded in disrupting recruitment processes, somehow or other. Such is the sensitivity that the company has also had to simplify its recruitment test, from one which included a test of general knowledge, behavior and aptitude, to one limited to a cursory test of technical know-how. Slow and rigorous recruitment further stokes unrest when local candidates perform badly, they explain. Recruitment is now a 'grab and fly' kind of affair.

Honda Car's neighbours seem to have the same problem. Toyota's wholly owned parts supplier, Denso, is one of the world's invisible manufacturing giants, with 140,000 employees across the world and a turnover of US\$ 40 billion. The in-house union here uses similar tactics. "Yes please bring your workers, but at your own risk", is the message from HR as they outline possible resistance from local leaders. But at an apprenticeship package Rs.1400 lower than minimum wages, the jobs are not likely to compensate our trainees for an atmosphere of threat and animosity.

The state of affairs by which casuals are instituted *en masse* is not limited to India's north but is replicated in south and western India. Upshot Nissan provides 22,000 workers to 140 companies in the automotive components sector of Siriperembadur, outside Chennai. One of the largest clients is the Renault-Nissan plant which put 100,000 cars on Indian roads after only 2.5 years of operations. To the plant, the contractor provided 1,700 workers in 2013. Pune-based Yazaki, the Japanese global leader in wire harnessing⁵, is busy transforming its workforce from one dominated by 'bargainable' posts in its old Wagholi plant, to one made up exclusively of 1,800 casuals on six month contracts, in its new

⁵ Wire harnessing is one of the sector's few remaining labour intensive processes, involving the sorting, bundling, taping and capping of wires which make up the electrical nerve system of vehicles.

Ranjangaon plant further from the city. Expansion or 'growth' in this context, is inseparable from the renewal of workforce structure and the shift towards workers who are not yet detached from the farm nor the moral economy of home and petty commodity production. Honda Motorcycles had made the same move from Haryana to Rajasthan in NCR.

The casual worker system provides firms a way to observe worker behavior over long periods and carefully select only those who promise to be the best permanent recruits, with 'no IR activism' being the main qualification. It is also a hedge against capricious global markets and, above all, a mechanism of control. Temporary status makes raising a dispute difficult. But the costs of installing and maintaining the stream of temporary workers, of making them work, keeping them working at pace, of hiring and inducting ever churning batches of recruits, low on loyalty and high on awareness... such costs are inescapable and are probably rising. The faster the production targets, the more expensive the machines, the more must be invested in a system of surveillance and extraction to keep it all going.

Companies once able to tie workers in by permanent jobs, or by means of contractors running mini moral economies on the shop floor, must now broker the loyalty of workers in new ways. The pattern is becoming clear. Where possible, apprenticeships are used to fill the less skilled roles, with the added advantage that lower than minimum wages can be paid. But the heavy reporting requirements and quota restrictions on apprenticeships limit the scope in most states, with the exception perhaps of Uttar Pradesh, as our Greater Noida experience shows. Here, pocket unions and corrupt ITI inspectors appear to have combined to waive quota and regulatory requirements. As our experience with Samsung has shown, other than routine registration with the local Industrial Training Institute and a simple test at the close of contract, apprentices are nothing other than unskilled and casual operators.

The expansive corporate-esque campus of Samsung, assembling 2G and 3G phones and flat screen televisions, hires only apprentices and only those aged between 18 to 22 years. While the wage package might appear to get close to the minimum for unskilled, (Rs.6,800 in July 2014), there is no ESI nor PF and close to a third of the wage (Rs.2,100) is conditional on attendance. When the trainees fail to attend, they face not only a cut of their shift rate but a cut in wage which escalates rapidly with each consecutive day of absence. A break of three days costs a trainee close to Rs.2,000.

In spite of being trainees, they are integrated into narrow assembly line roles where they will stay for the duration (one year) and change shifts – along with operators – every two weeks to man the 24 hour schedule. They are placed in the simpler and less risky jobs towards the end of the 2G phone manufacturing and assembly process: first, 'main line' in which parts are assembled through fitting them together and each is checked ready for the second process, 'off-line kitting', in which teams of three workers put phone, battery, charger and headphones in the box, then scan the box and product to ensure they are matched. There is scant training content in the job, other than the five days' induction in which boys vaguely recalled they learned about "5S, safety, 3Ms (my job, my area, my machine), machine safety, fire safety", and the company's assembly mantra, 'no missing, no mixing'. There is no transferability across roles and departments for the year's duration. The twice daily meetings are held to announce changes in models, shifts and holidays, other

than which 'apprentices' work under a mass and modular system of surveillance (one leader for two lines, one sector leader for eleven lines and one shift leader for 34 lines).

Companies outside of Uttar Pradesh seem less able to scale-up their apprentices as casual workers. But a different form of trainee contract is emerging on a much wider scale, one which ties the worker not to learning on the shop floor and not only for a year (the drawback of an apprenticeship) but instead, to a diploma or a degree programme. These workers attend classes outside working hours and trudge through the syllabus of private or government universities offering distance education arrangements. The workers are hired through an educational agency which places them in the job and then 'facilitates' their education. Such arrangements promise a boon to employers with respect to workforce retention, since diplomas and degrees tie students in for a minimum of three years. They also permit employers to manage such workers as a legitimately bounded and separate group from their shop floor peers. The advantages are even more evident for the educational agency. Ever struggling with timely payment of fees, degree-giving institutes in provincial India are provided a way to guarantee student intake with fees docked at source from salary.

Pune's Yashaswi Institute offers diplomas in logistics, retail, pharmacy and food science, over four years part-time alongside a job. Jobs are paid at Rs.6,000 for first year, then an increase in Rs.500 per year for the next three years, a stipend which sits Rs.2500 below minimum wages. The institute also charges Rs.3000 per month 'education and administration' fees to the employer, to provide classes outside work and facilitate annual exams. So while the employer faces a similar cost-to-company for these trainees as for temporary workers, the student gets only Rs.5000 rather than Rs.7500 in hand.

Over the last two to three years, companies in Pune have taken rapidly to such arrangements in an effort to stem the attrition associated with casual workers. The education-certification link, it was hoped, would tie the youth in and keep them for several years without the risk of bargaining. But there are signs of strain. Two companies, Yazaki and Mahindra Hinoday (making magnets and shafts for auto engines) told us recently how attrition under such arrangements was worsening, which they believed to be the result of the low in-hand wages given to workers.

The early proliferation of these arrangements appears to have evolved independently of the government's skills architecture, driven by mutual back-scratching between industry and institute. But recently, such arrangements have been welcomed into the heart of policy in the new BJP administration. NETAP (National Employability Through Apprenticeship Program) is a public private partnership (PPP) of Teamlease Skills University, CII, and NSDC under the Ministry of HRD. Heralding a revamping of the apprenticeship act, NETAP (led by Teamlease, India's largest temping agency) will promote apprentices on a mass scale by keeping them on their rolls and managing all regulatory obligations for up to two years. Unlike the revised Apprenticeship Act, NETAP enforces minimum wages but only at the unskilled level. While NETAP offers 200 hours of life skills for free, young learners can apply as long as they are signed up with any course, whether offered by Teamlease University or others.

Unlike the PPPs created by NSDC start-up funding, NETAP has been waived into a unique, monopolistic position as the outsourcing agency to manage all apprenticeships. For employers, the paperwork associated with hiring apprentices promises to reduce, along with the training period, extended. The minimum wages promised may also go some way to help address inequity for temporary workers and the attrition problems faced by employers. But it is a crucial omission that the Program does nothing to address what happens on the shop floor. Entrants will function as unskilled operators, as they have to date in institutes like Yashashwi, while pursuing degrees focused on pen-and-paper skills and poorly applied theoretical knowledge which render them ill-equipped for the jobs they will now aspire to.

For employers, it may not be enough. They continue to search for other ways to build the loyalty and moral tie-in they need, to counter the volatility of a footloose casual workforce.

One such way is by reaching deeper into youth and schooling, sourcing graduates from educational institutions which engender the sense of duty and obligation wanting in mainstream schooling and ITIs. The Radha Soamy Satsang is one example. A religious cum vocational training institute, the Satsang has a hotline to vulnerable workers from rural areas. Honda and Tata Motors are among the key recruiters of their graduates. By leveraging the moral authority of the organization, these industries hope to recruit workers with a sense of loyalty and obligation... on the cheap. The movement holds congregations in rural areas across north India, where villagers attend as members of a kind of church. Vocational courses affiliated to IGNOU are offered to youth, after which they are recruited for work. Companies keep the fresh talents on trainee wages for two or three years, after which they get the chance to try to become 'company casuals'⁶.

The new trend, then, is away from contract workers, towards something more insidious: educational alliances are emerging as tools of control, a new way to segregate and tie in, which is no longer achieved by contractors nor temporary placements. This is very different from on-the-job or in-service training, where learning takes place in the plant to address skills bottlenecks identified by management and worker. Here instead, workers do routine unskilled jobs on shift and study conventional and theoretically-gear'd syllabi while off shift, packaged into arrangements in which the certificate appears as a compensation for the status and progression failure of the job.

Do the workers expect progression to result after getting the degree? And will a degree through distance learning, combined with a low-skilled operator job, be worth more than one completed by freshers at a university campus? Here, the register of value appears to be one of status rather than skill. Education and its status value are harnessed as compensation for job failure.

There is another way to tie workers in and stem attrition, especially effective with young women, those less exposed, less educated, who find themselves in new and alien environments. Shahi Exports, the cut-and-make apparel giant, with an annual turnover of \$700m and growing 20% a year, is owned by a single family. Founded in 1975, there are now

⁶ Faridabad Mazdoor Samachar, personal communication, Aug & Sept 2014.

48 units across India employing 90,000 workers (three quarters women). A third of Shahi's southern workforce of 60,000 in and around Bangalore, is composed of migrants from north, eastern and central India. Apparel companies often express how they can't fill their shopfloors without such workers, and that the local workforce is not only recalcitrant and attends poorly but is also increasingly far flung: by one HR manager's estimate, Rs.800 per worker must be spent every month just to bring them in by bus.

Young women migrants come through a variety of channels, increasingly through the semi-formal channels of the new government-funded skills providers. Unlike the automotive sector, the garment sector's workforce is flat, with no distinction between permanent and casual and starting wages - Rs.6,500 in Bangalore - sit close to the minimum wage line. There is no hesitation to offer regular jobs while progression is extremely limited. Women are preferred to men, because their relative vulnerability and concern for personal safety ensure that they're less likely to jump ship and are more easily controlled by tight hostel regimes. Wardens, droves of welfare officers and HR managers collaborate to ensure that girls are closely confined to hostel whenever they are not at work. At the same time, emergencies are dealt with, incidents are rapidly quelled, girls feel safe and swept up in a protective regime buttressed by the idiom of kinship. The regime's purpose, of course, is to smoothen the flow of workers and stem attrition, as well as to avoid incident or scandal, and to this end, coercive practices by employers are common (from physical confinement to restrictions on visitors, to verbal abuse and pressure at work, to refusal to settle dues to allow girls to leave etc.)

These 'hostelers' are vulnerable not only because they are poorly prepared for city and factory life as adult employees; they are also housed in hostels which are usually below the audit and inspection line, of global buyers and the local administration respectively. While it suits such buyers to keep the hostels 'off their books', hostels are presented as privately let apartments to the local administration (to avoid imposition of standards and tax) while in fact the girls are governed by rules originating with the employer. Staying sub-compliance is best achieved by avoiding common mess facilities and assisting self-catering arrangements, which also suits migrants unused to local cuisine. But this draws hostelers into dependence on 'black market' domestic fuel priced at close to double the commercial rate, while their outsider status and language handicap make them less able to negotiate in local markets. To guide and build the defenses of our trainees through the myriad risks of their new lives, our organisation provides a month's curriculum of 'life skills' training, after work every day, leaving in the trainees' hands a map, a list of grievance and emergency procedures and, in the offing, a 'passport' for rights at work.

The hostel system is double edged. On the one hand, there is clearly no way such relatively vulnerable young women could manage in Bangalore without such hostels. On the other, the commercial objectives behind the hostels are loud and clear. Plagued with attendance problems among local workforce (dominated by mid-life, married women)⁷, exporters hope to counter this with excellent attendance from the 'captive' migrants. While problems of attrition are to be expected, at least it's a different kind of problem, and crucially, the festival calendar of eastern and central Indians is different from that for southerners. In this

⁷ In a Chennai export factory where I did some work in 2010, the local and mostly female workforce attended work an average of 18 days in a month.

way, companies hope to marshal India's poorest heartlands into the core of their flexible workforce strategies.

I'm beginning to wonder where the good jobs are. We're training young people and yet we can secure them little more than minimum wages on short term contracts.

Are we harking after the wrong sectors? Are we too focused on manufacturing, long troubled and, perhaps, doomed by poor infrastructure and regulatory climate to compete on low wages? Could there be relief to be found in the new services?

Since 2012, our organization has tied up with Café Coffee Day to deliver bespoke training for café managers whose placement is assured by the company. Café Coffee Day (CCD) is India's answer to Starbucks and has been opening two new cafes a week for the last 15 years. The young women and men who come to our lab café in Bhubaneswar love the training. After four months they start a nine month internship where they doubtless ride high for some time in the glamorous haze of café life in the downtown quarters of Bangalore, Pune, Hyderabad and Calcutta. But the sheen wears fast when they find themselves doing 10-12 hours work a day on a trainee stipend of Rs.5,500, from which they must manage all their food (accommodation is provided free of charge but is of a poor standard). Unlike factories, workplace and hostel alike in CCD are relatively un-surveyed environments. To hedge attrition, then, other tactics must be used, which include the retention of original school certificates without which the young person would not be able to find an alternative job (another oft-flouted criminal offence in India). They also include the evolution of a workplace diploma programme, a three-year bachelors in hospitality which the company will subsidise and offer as long as the trainee stays in the job and defers the higher wages which should otherwise be due with experience. We are back to the education-industry tie-ins.

Perhaps CCD's brand dominance and scale permits it to beat wages down. We start to look elsewhere. The new boutique healthcare and wellness sector excites us because of the prospects of a remunerative career for such positions as carers and masseurs even with low schooling and low technical skills. We sign an MoU with a start up founded by IITians building a brand of boutique spas through carefully selected franchises. The trainees receive Rs.7,000 basic wage but the incentives (based on performance) can rapidly climb to Rs.2000, and individual tips to Rs.1000 per month. Our first batches are delighted with their new lives in Bangalore. The autonomy in the job is unusual and the envy of their CCD peers. But there is the lingering threat of seediness and sleaze which stretches the limits of our life skills curriculum. And I can't help but be struck by the much higher than average beauty quotient of the young Assamese men and women we have trained and placed.

In the same spirit of seeking alternatives to the relentless factory regime for less educated young women, in May 2014, we explore work opportunities for bedside attendants, caring for the elderly and long-term infirm in their homes. We have previously shied from the domestic sector, but here is an emerging corporate brand seeking to formalize and professionalise the role of high grade domestics, bringing its medical and hospital management expertise to bear. To launch its career, the brand has acquired a family

medical practice which places young women in the homes of dementia patients in Bangalore.

Halfway into our first meeting, it becomes clear that the brand is intolerant to any discussion on labour standards or protections for workers. For a start, they are expecting no wage increase to follow the acquisition in spite of being flush with capital. The contract for a bedside attendant is fixed: Rs.6,000 for a 12 hour shifts (no food provided) or Rs.10,000 for a 24 hour shift (with food). The latter is heavily recommended (clearly a key part of the new market offering) and comes with only two monthly offs and no annual leave. Migrant workers from simple backgrounds – gated in the household with scant opportunity to meet friends or even make phonecalls – are viewed as a solution to reduce the high attrition associated with the more flighty girls from the North-East which the practice had experienced. At each suggestion from our Placement Team to codify or raise the benefits due to the attendants, the brand representative replies, “That cannot be expected of our clients”, or “that will depend wholly on the discretion of our clients, we can’t impose such a condition on them...”.

The meeting ends in palely disguised mutual distrust, from us because of their disregard for worker welfare in the leap to corporate branding, and from them because we’d pushed them into a corner with questions on compliance to labour law and basic decency. The fledgling incorporated brand is poised to leverage its professionalism with clients, but as far as workforce is concerned, domestic opacity and informality is to remain the name of the game.

The debacle of the meeting gets me thinking about different kinds of capital and their respective relationship with workforce. The capital has its roots in Fortis Hospitals (the brand’s principal backer being the ex Fortis Group CEO). The Fortis Group is hugely successful but also known for its commercial opportunism and poor duty of care. Capital such as this, originating in the new services (private corporate health care is a major one), is relatively independent of poor people, both as customers and as workforce. The majority of workers are white collar nurses and technicians. The extraction of surplus, from diagnostic tests, doctor’s fees and beds, can be done independently of relationships with the poor. Industrial capital – depending as it does on poor people’s labour, custom and purchasing power – is not so interdependent. Questions of labour standards and ethics are routine and openly discussed in industry, not only because they are better codified in law but because industrial capital cannot shrink from the social contract, without dire consequences. I left the meeting yearning for the rough and tumble of my less urbane ‘IR’⁸ managers!

⁸ Industrial relations

PART 2: DISCUSSION & ANALYSIS

There is much which could be discussed around what these experiences reveal and suggest for the future. There are three things in particular which strike me. First, the government's weak engagement with industry from the outset of the new skills policy has meant that government and industry are functioning at cross purposes, while both support the outcome of a steady flow of cheap labour towards large capital. Second, the new policy and its offspring of skills providers have actually exposed India's resistance and aversion to skilling (as much as they have overcome it) and I try to comment on the roots of this aversion. Third, the failure of job quality to improve, while swelling numbers of youth are ferried into large firms, is likely to lead to an escalation of worker protests, beyond unions to casual workers and migrants, and beyond factories to small shops, malls and hospitals.

Cross Purposes and the Undeclared Common Interest

The government, declaring that its new policy is about skills, has installed incentives which discourage focus on skill and encourage focus on large numbers of low paid jobs on the periphery of corporatized industry and services. While this may serve other objectives of the government (such as keeping the youth busy so that demography should not create disaster even if dividend cannot be captured), there is scant focus on actually building skill. And yet it is important to frame the policy and programmes as a subsidy to student, rather than to industry and training provider.

On the other hand, industry does face skill bottlenecks, related to specific techniques and new technology. But industry has not been asked in any detail about these by government (it is public knowledge, for example, that the new National Occupational Standards were put together mostly by global consultants Earnst & Young and PWC)⁹. In the new skills policy, the government has geared consultation overwhelmingly towards its own creations, the private skills providers. While industry is consulted little on job roles or curriculum, the skills providers are left to 'generate jobs in industry' as if this was in their control.

While the government's main preoccupation is the numbers of idle and useless youth at large, industry - for its part - is how to install regimes of workforce control in response to the ever rising cost and sophistication of machinery and market uncertainty.

The argument for skill is of course to make youth employable and more productive, thereby increasing its value in the market. But my field notes show that there is little evidence – in the sectors discussed – that the skills policy has shifted the quality of jobs in terms of either skill levels or wages. As one of our alumnis explained in exasperation a year into his placement in Pune's Tata Auto Stampings & Assembly Ltd, "Madam, many boys leave because they're not using the skills they learned, because they get stuck in the job,... because they can't stomach the living conditions... and you people just keeps on sending and filling up the gap with new boys from Orissa. This way both of you (firm and skills provider) meet your targets but the issues never get resolved"¹⁰.

⁹ JP Rai, National Skills Development Authority

¹⁰ Rabi Narayan Sahoo, ex Tata ASAL, Pune Chakan, April 2013

The issues influencing job quality are of course much bigger than the composite effects of the government's policy. What can be said about the relationship between productivity and the terms and conditions offered to workers? In imagining a connection between the two we make risky assumptions. First, that the jobs for which training is given have the scope to be done more skillfully. Second, that technology is stable enough to make it possible to predict the skills which workers will need; productivity may be increasing but machines are at the centre of this story and skill contribution of workers often reduces as a result. Third, that the worker's higher productivity, whether by his attachment to new machinery or by his own motions, routines, exactitude... is rewarded in higher wages. Economic evidence¹¹ shows that periods of increased productivity are associated with decline in the wage share (the ratio of workers' compensation to GDP). This is a function not only of technological progress but of the declining value of the goods produced by high productive regimes (as demand is satisfied and competition ever higher), of expanded financial markets, of globalization and of decreasing bargaining power of workers. Wage share typically decreases during the upturns in business cycles and increases in the downturns: it is when capital is suffering that workers do *relatively* better.

The effects of high technology and expensive machinery, and the speed associated with these, create a growing need for securitization of capital and regimes of surveillance. But there are also higher and higher costs to maintaining these high-speed, high-productivity and high-tech regimes, so that profit levels are also pushed downwards. Indeed, the whole system can be conceived as one of the production and consumption of speed.... at what costs¹²?

Status Anxiety

In our era of globalization and capital bias, India's new 'skills' policy has bred new tie-ups between education and industry, not in the service of skilling but of shop floor control. The opportunity offered by the emergent combines of employer and institute – whether through apprenticeship or workplace-tied diplomas and degrees – bear little relation to apprenticeship, as it is understood in Germany or the UK. Neither does it relate to in-service or on-the-job training (OJT), focused as such arrangements are on skilling for the specificities of a shop floor. Instead, these alliances are a way by which casual and short term workers are increasingly retained, kept cooperative and aligned to company objectives.

In its engagement with educational institutes, capital can be seen to reach beyond the pool of already mobilised 'free' labour, to zones where workers are 'unfree' and engaged in tied economic relations. Just as it draws on the domestic sphere when work is put out to small and home-based units, so it draws on the moral authority and non-market hierarchies of educational establishments. Could it even be the continued prevalence of moral economic ties, of ideas of authority and status which eschew the values of capital and market, which makes India an increasingly attractive sourcing destination?

But how does it work for the students-cum-workers who sign up to these tie-ups between employer and institute? Why do they aspire to these academic certifications which hold out only vague hopes for progression?

¹¹ For example, the ILO's Global Wage Report, 2013

¹² Faridabad Mazdoor Samachar, various issues and personal communication, 2013-14

Part of the answer perhaps lies in India's cultural legacy of manual versus 'pen and paper' skill. While Europe's history of guilds shows how a system of enforced standards and certifications for manual skill was installed – alongside the emergence of 'pen and paper' standards for scholars – India's fledgling guilds of the nineteenth century never succeeded in enforcing license to operate nor protecting themselves from free riders. Their certifications remained weakly enforced, and barriers to entry, low¹³. This meant that the markers of status and distinction around manual skilled communities remained weak relative to those of 'pen and paper' skill, and also remained marginal, unable to push into the dominant economy.

Thus, even when India was at the height of its endeavor to become an industrial power in the 1960s and 1970s, the ITI syllabus put young men through a broad sweep of heavy technical theory only marginally lighter than for an engineering diploma. It did not skill them for particular job functions. Indeed, such are the standards of conceptual understanding, reading and writing requirements in the ITI exam that a system of rote learning is essential in order to ensure students get through the test¹⁴. In other words, the ITI certificate was about demonstrating conceptual and theoretical ability which showed one's potential to graduate from manual worker to the 'pen and paper' world of factory management.

The ITI system is now under threat. The new skills policy sees little value in its broad theoretical syllabus and it is criticized for lack of focus on competencies for particular job roles. But in spite of this recognition, the offerings of skill and workplace learning which are emerging to replace it, are equally geared to the aspiration of 'pen and paper' over manual skill.

Notwithstanding the efforts (be they superficial) of the NSDC and its Sector Skills Councils to 'remove the stigma' of vocational training and manual skill, students, industry and training providers (chipped off the old blocks of ITI and diplomas) converge, instead, in their acceptance of low grade and unskilled jobs on the one hand, and 'pen and paper' courses on the other. The register of value by which manual skill can be seriously assessed and respected is still not established in India. Instead, workers who once aspired to ITIs and permanent jobs now aspire to diplomas and degrees, to become junior staff in a world where permanent workers are obsolete, to own the smart gadgets and to enjoy the corporate privileges associated with white collar executives. Above all, they aspire to getting a 'pen and paper' certification which, whether or not it helps one to progress on the shop floor, will ensure one's place as a member of a status society, a caste not an outcaste.

People who know what skill is – production managers and skilled workers – are not fooled into thinking that skilling is what's going on here. As the Vice President, Operations, of Greater Noida's Oerlikon Graziano¹⁵, commented, "Everyone wants to go from ITI to

¹³ Thirtankar Roy, Roy (1999), *Traditional Industry in the Economy of Colonial India*. Cambridge, CUP.

¹⁴ The All India Trade Test of the National Council of Vocational Training, the tripartite body governing India's ITI system, had, until last year, to be taken in English even though almost all candidates would have studied in the vernacular. This, combined with esoteric and poorly applied theoretical content, have fuelled cheating and fraud to certify students unable to cope.

¹⁵ Interview, 13th May 2013

diploma, then to part time degree. But none of this builds skill". There's still a yawning gap between a technician in India and in Germany, he said, and it is this gap which needs to be addressed. "In India, everyone's in a race to get a white collar". Instead, he said, we need deepening of skill and this, employers will reward.

Protest Unorganised

The regime of contract labour, we have seen, is now past maturity. It has created a situation of churning labour which has no loyalty to company or contractor. While there has been increasing efforts by the central trade unions to bring such workers in to the fold of membership, recent events show that 'organized organizing', i.e. that which uses the mediation of unions, is becoming beside the point.

Contemporary reports of industrial relations reveal a world where shop floor resistance is no longer tagged to unions, no longer a matter of representative organization, and no longer framed as wage bargaining. Instead, it is about more subtle subversion and spontaneous outbreaks, about invisible solidarity and organization across workforce which can't be detected by managers. Unions have lost out from casualization. But the fading attraction of joining a union is matched by the increased attraction of other forms of non-mediated resistance.

The Faridabad Mazdoor Samachar reported in June 2014 how workers in Bajaj's flagship auto plant in Chakan Pune, were charge-sheeted with the following:- (i) laughing, singing and dancing on the line, (ii) changing your place on the line without authority, (iii) purposely disrupting the line and (iv) not following the orders of company officials. Significantly, the same workers were charge-sheeted with going against the tripartite agreement between management and union. One year earlier, a general strike Delhi-NCR's Okhla and Noida had been called with no knowledge of the central trade unions. Cars were set on fire, factories were vandalized and central TUs expressed helplessness. "They're giving general strike a bad name, we're not involved! Some 'lumpen' elements created this mess", said one union leader. In 2011, a year before its gruesome climax, the struggle of workers at the Manesar plant of Maruti Suzuki to install an independent union reached a new height, when permanent and contract workers joined together to halt work in a display of solidarity which was unforeseen and had no central organisers. Several other Manesar plants followed suit.

Unions are now recognized by vanguard activists and workforce alike as being irrelevant to the struggle. "They only reach 8% of the workers' movement", commented one activist. Instead, it is workers' own shared circumstances which will assure the continuity and spread of protest in forms far less predictable and more opaque to employers. First, workers are almost without exception 'free' and footloose operating at a high degree of allocative efficiency. Second, in spite of economic growth from globalization and liberalization, they remain condemned to reside in shanties on subsistence wages. Third, armed with increasing levels of 'pen and paper' rather than manual skill, they are increasingly aware and connected by phone and social media in transformative ways.

Epilogue: the Some Job - No Job Conundrum

Early August 2014: We've got thirty boys to place in the next two weeks in Delhi-NCR and I have no idea where we can put them. Workforce demand now is even less than it was earlier in the summer. Many employers are saying, 'Come back after Diwali' which is still nearly three months away, by which time a large backlog of trainees will have built up!

Under pressure from HQ, I call the contractor again, 4P Logistics. But it's a no go. "Bawal is in a period of industrial unrest", I report to two colleagues. "Today is a kind of general strike organized by unions so most companies are closed. Several companies, including Minda, TDK, Keihen and Musashi, have experienced industrial unrest..."

"There are some companies which are free of this and have limited demand, one of which is UFI Filters but they are offering only minimum wages of Rs.5500 plus Rs.700 attendance bonus. My sympathy in these circumstances is with the protesting workers and neither do I feel confident sending our boys into a situation where they could be victimized on account of being strike breakers and outsiders".

One colleague is sympathetic to my concerns. The other, with targets always in mind, is sanguine. "Some job is better than no job! Let us be open... Why can't we look at these options as stop gap until the market opens up?"