Contingent workers: Women in two industries in Mumbai

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This chapter explores the question to what extent industrial restructuring is a gendered process using the concept of flexibility strategies. We begin with a general picture of women as workers: the employer's perspectives for their induction into employment, the nature of the workplace and women's position in the task and skill hierarchy. Three dimensions of security are distinguished to categorise the women workers. We then focus on the nature of flexibility strategies and how women are experiencing them at their workplace. Here we will elaborate on the three dimensions of flexibility strategies, namely organisational structure flexibilities, production process flexibilities and labour market flexibilities operate and how each of these is being implemented in the two industries. Firms in both industries were using flexibility strategies in different ways corresponding with their resources, sizes and capabilities. Did the new post Fordist flexibility strategies find a resonance in the two industries? Theorisation around flexibilisation and flexible strategies has suggested that there is a skill enhancing process, a division of the labour force into 'core' and 'periphery' workers and a feminisation of the workforce. We explore whether these processes have occurred in the two industries and how women view the transformations in their workplaces.

**A WOMAN'S PLACE**

In chapter four, we introduced the women in our sample and some descriptions of their households, neighbourhoods, and the city. We explored the perspectives, persuasions, reluctance and aspirations of household members and the women for joining the labour market in the context of their household conditions. The demand side offers insights from the employer's perspective on the induction of women
workers in the labour market. Along with employment comes designation or the allocation of a particular task in the production process of an industry. What sort of positions were women given in the multiple task and skill hierarchy at the workplace? A profile of women as workers and a general biography is complemented with a categorisation of workers according to employment, income and union security.

**Myths and Facts**

There is no official data on sex wise break up of the number of men and women workers or the nature of their work in either of the industry. Employers gave an off the cuff estimate of 10 per cent women to the total number of workers. In our sample of firms, the ratio of women workers to total number of workers was much higher. In the diamond processing and jewellery industry, it was 17.5 per cent and in the plastics processing industry it was as high as 36.2 per cent.

Why do employers hire women, place them in certain jobs, under what conditions and why do women opt for them? Both the employers and the women gave a variety of reasons; some of them echoed each other’s rationales but in a different timbre and pitch. ‘New, young women workers are good to have because they are not cocky, honest and not demanding. It’s true that you have to spend time to train them, but here the tasks are fairly easy so they can learn quickly. A mix of men and women, old and new workers is a good balance.’ Some employers agreed with this statement; others added a few of their own reasons. An important criterion was youth or what employers called ‘fresh workers’. The majority or 81 per cent of them were below the age of 30 years with a fairly large number or 27 per cent below 20 years. In the diamond processing and jewellery industry, youth was also associated with keen eyesight and stamina. In spite of its existence for more than forty years, the diamond processing industry mainly has young workers with only a few or 4 per cent in their prime age of 30-40, only one above 40 and none at all in the elderly category.

Employers were quick to justify their preference for unmarried women, ‘Unmarried women have no family responsibilities so they are less inclined to be absent or to leave work.’ There were others who thought otherwise. ‘These unmarried girls are getting into trouble with the young men around. So you have to be stricter with them.'
Sometimes there are fights between the men or the brothers of the girl and some fellows. Some girls run away with much older men. If you employ young girls then you have to be prepared for these hassles. ‘Married women do not get into these scraps; they just do their work and go home. But they ask for days off and are reluctant to do overtime. I don’t go by their marital status but look at how adjusting they are.’ However, for most employers the preference was for unmarried women because they could keep flexible working hours. Absenteeism was discouraged in most firms as the workers had specific jobs and there was always the expectation for more orders. In case of quick delivery or large orders, workers were expected to work overtime. Ninety per cent of firms had overtime on a regular or seasonal basis and 56 per cent of women workers had to compulsorily do overtime. They could arrive at an internal arrangement with other workers but the stipulated number of workers had to stay behind to complete assignments.

Women workers laughed when we told them about this preference of their employers. They said, ‘Young women may come here as unmarried but they get married in a few years. Not many leave their jobs. You tell me which women except the rich ones have no housework to do? All of us do something or the other. Of course as a married person and as a mother, you have more work and if there is no support from the other family members, it is very difficult. I asked my niece to come from the village for a year when my child was born. Once you have made up your mind to work outside the house, you have to do everything including overtime.’

The issue of marriage and women was a contentious one for both the employers and women. Married women were expected to take leave, wriggle out of overtime and leave work for domestic responsibilities. But the reality shows otherwise. The difference between married and unmarried women in terms of not doing overtime was minimal. Thirty-five per cent of married women on the average were doing up to two hours of overtime. The majority of married women had extended families with other female members looking after their children. About 30 per cent of married women have been working for more than five years and quite a number of them have worked in the same unit for more than 10 years. Employment was in fact a prerequisite for marriage in many cases (as mentioned in chapter four). Both the married and unmarried women wished to help their families as well as experience some feeling of autonomy and newer forms of social contacts
apart from close kin. The working culture in the city aided these aspirations. Married and unmarried women both were doing what was expected of them at the workplace, but there was no doubt that married women had greater responsibility and more work at home.

These women workers were mainly Maharashtrian, Hindu from non-Brahmin castes, living in the working class colonies of Jogeshwari, Borivili, Malad, Dharavi and Dahisar. Many of them, especially in diamond processing industry were daughters of the textile workers. Their family members or neighbours had helped them access their jobs. Both their household conditions and access to jobs were important to the nature of their employment. It was usually women who came from better off households, who could afford the education, training fees/deposit or a non-waged period to access semi skilled or skilled jobs. Sixty four per cent of women from better off households were in semi skilled jobs in large units and 28 per cent in skilled jobs.

Employers contended, ‘In our sort of production, we need workers to take on simple, light tasks and women are ideally suited for them because they are physically weaker, more patient, honest but less educated.’ The employers’ notion of the low level of literacy amongst women does not reflect the Census data and also does not fit the data given by women workers. The literacy level reflected in our sample was close to the 2001 Census indicating 20 per cent illiteracy amongst women in Mumbai Suburb. In our sample only 12 per cent were illiterate and 43 per cent had gone up to the 5th standard, and the rest had attempted the Secondary School Certificate (SSC). Some had procured the certificate and a few had gone on to college. In the export zone, employers were using the Standard X or the school certificate as a criterion for the selection procedure.

Women said that formal education in the case of labour intensive skills was not necessary. Ninety two per cent of the workers reported that their training took place in-house. The training period and payment for training differed in both industries. In plastic processing firms most of the workers were trained in less than 15 days and both illiterate and literate workers were put on the same tasks and in the unskilled category. In diamond firms the maximum number or 59 per cent of workers were trained for three to six months, 82 per cent of trainees had to pay some deposit ‘for breakage and cost of learning’ which would be returned only after one year to ensure that the trainee did not leave after the training period. In both industries, older workers trained new comers.
The trainee was assigned to the worker who recommended him/her. The trainee felt responsible to not 'put the older worker to shame' by either stealing or walking out after having picked up the skill. The worker did not get any separate compensation for teaching and his own piece rated income usually fell. As the training progressed, the trainer was compensated for some of his losses by the trainee's polished pieces.

An employer said, 'For years I have been employing workers from my village. Many of them prefer not moving with their families to Mumbai. They would come and go according to their moods and domestic or farm situation. So I thought why not get some local girls?' Both the employers and women agreed that women workers were less mobile than men and did not shift firms for trivial reasons. Almost half the women workers or 48 per cent stayed in the same workshop after training. Men were more likely to change jobs because of their network of contacts, self-confidence, speed and skill levels. Even in a labour surplus situation, it was disadvantageous for employers to have a highly mobile workforce, as some time was lost in recruitment and training. Women were less mobile with only nine per cent changing three or more jobs in a period of five years. Women valued emotional security. One of them said, 'There is a high turnover of workers in this firm. The boss gives us very hard diamonds, so it is difficult to polish them with speed. This brings down our income. I have remained here because he has made me supervisor for the girls. We are a group and get along well, the firm is close to my house and the boss is a decent person. Who knows, the neighbouring firm might give me more income but the workers might be terrible and make my life difficult.' So the employer's strategy of employing and training young women workers was paying off.

In both industries, employers had followed the established practice of giving women 'light' tasks like sorting, finishing, packing, checking or polishing and supportive work. Women too were conscious of this division between heavy, manual work (for men) and lighter work (for women). Sometimes a change in equipment reduced the need for physical force but it was still labelled 'men's work. Most employers encouraged women to opt for training in polishing rather than shaping of rough diamonds. 'Shaping is a very hard job. Earlier only men did it because the tool had to be held between the legs and the shoulder and it required force. Now it is done on the machine but you have to
be careful or the diamond will crack.' In the plastic processing firms, women who were given 'light' jobs were also lifting loads and doing men's work when the latter were absent. Employers continued calling these jobs light so as not to create resentment amongst men. Employers separated the regular heavy work done by men and occasional heavy work given to women, even though in some cases 'occasional' was quite often. Employers promoted and colluded with this understanding, as they did not have to pay the men's wages for those jobs.

It was extremely difficult for employers to find men for lower end or unskilled jobs with low wages. Even if men did take such jobs out of desperation, they would find a way of upgrading their skills or moving out. An employer from the diamond firm said, 'Women do not mind doing unskilled work because they are basically interested in making some money. Their families are in need of extra cash. Someone has died or it is for marriage expenses or sometimes for their own dress and tastes. They don't have to bear the burden of maintaining the whole family.' In the diamond processing industry, 44 per cent of women were semi skilled polishers and only a few did the skilled job of shaping the diamonds and none had entered the field of setting. In the plastics industry 48 per cent were packers and finishers whilst 32 per cent were helpers and sorters. There were hardly any men doing this work, except for occasionally helping women out in times of surplus or emergency orders. Women workers were aware that they were being placed in low skilled and low paying jobs. They said, 'If we start making a noise we will be thrown out. So I say let's be grateful that at least we have a job when so many are dying to get hold of something. With the prices flying upwards like a kite how can a family manage on one person's salary? So, yes, my work is not very skilled, my boss keeps saying anyone can do it. But my experience should be valued. A new person will do half the work I do in a day. All I say is give all of us regular increments.'

Employers often said that women themselves were keen on joining lower end jobs with other women workers. 'Women can work alongside other women and the men can be by themselves or with other men. This way there is less trouble, no sexual harassment and no fights.' Employers brought in the practice of sex segregation into the workplace to justify the grouping of women in a few tasks. Women preferred to work with other women not because of fear of harassment but because a single woman in a male department or a group of men would lead to
unnecessary gossip and hassles. Having moved into paid employment and out of the home, women did not want to be labelled 'loose' or 'spoilt' which would shame their families or ruin marriage prospects. Only a few confident women could venture into male dominated areas with the support of their employers or their families.

**Women at Work**

Table: 6.1 Distribution of Women Workers according to the Size of The Firm and Industry

<table>
<thead>
<tr>
<th>Size of the firm based on employment</th>
<th>Plastics</th>
<th>Diamonds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-unit based</td>
<td>6.6</td>
<td>0</td>
<td>3.3</td>
</tr>
<tr>
<td>Tiny (1-10 workers)</td>
<td>42.2</td>
<td>0</td>
<td>21.1</td>
</tr>
<tr>
<td>Small (11-20)</td>
<td>31.6</td>
<td>8.3</td>
<td>20.0</td>
</tr>
<tr>
<td>Medium (21-100)</td>
<td>10.5</td>
<td>42.7</td>
<td>26.6</td>
</tr>
<tr>
<td>Large (100+)</td>
<td>8.8</td>
<td>48.8</td>
<td>28.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

n=180 n=180 n=360

The difference between the large and other firms was a study in contrasts. The large ones, especially those in the export zones, had a central air-conditioned building divided into several departments, uniformed workers, toilets, restrooms and an air of efficiency and productivity. The latest automated machines gleamed from behind glass partitions. Buses ferried workers back and forth from the local rail station. Some of the medium firms and all the small and tiny firms were in industrial estates with utilitarian, hurriedly constructed, unaesthetic buildings. They housed numerous workshops dealing in plastics, masala powders, diamond polishing, chemicals and so on. Some were exclusively hired out to diamond polishers so they could put in some security measures. With no clear dividing line, residential areas and industrial ones, existed side by side in Mumbai. Every morning, most diamond workers in small and medium firms climbed up narrow, unclean staircases to enter a tube light lit large room with backless stools and machines. A standard unit for diamond polishing
could seat from 1000s for lunch and women would rather not use the canteen packed with men. Many who lived close by preferred to walk back and forth to their home for lunch.

Both the industries involved different types of tasks. Diamond polishing had three main tasks, shaping, polishing and support, performed by workers in galas. Diamond jewellery manufacture required various stages, which ended with studding the polished diamonds. In the plastics processing firms, there are broadly two types of work: machine operation and a conglomeration of finishing, sorting, packing and checking tasks. Regardless of the size of the firm or industry, supervisors headed the operations. Below we give the nature of the tasks performed by women.

Table: 6.2 Women’s Position in the Task and Skill Hierarchy in Two Industries

<table>
<thead>
<tr>
<th>Task Hierarchy</th>
<th>Per cent of women workers</th>
<th>Skill Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervision</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>Shaping</td>
<td>9.4</td>
<td>skilled</td>
</tr>
<tr>
<td>Diamond setting</td>
<td>5.0</td>
<td>skilled</td>
</tr>
<tr>
<td>Polishing</td>
<td>43.9</td>
<td>semi skilled</td>
</tr>
<tr>
<td>Sorting &amp; clerical</td>
<td>10.6</td>
<td>unskilled</td>
</tr>
<tr>
<td>Preparatory processes</td>
<td>30.0</td>
<td>unskilled</td>
</tr>
<tr>
<td>before polishing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>n=180</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Task Hierarchy</th>
<th>Per cent of women workers</th>
<th>Skill Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervision</td>
<td>0.6</td>
<td></td>
</tr>
<tr>
<td>Machine related</td>
<td>0.9</td>
<td>skilled</td>
</tr>
<tr>
<td>Printing/ Painting</td>
<td>3.3</td>
<td>semi skilled</td>
</tr>
<tr>
<td>Assembly</td>
<td>11.1</td>
<td>unskilled</td>
</tr>
<tr>
<td>Packing &amp; finishing</td>
<td>52.6</td>
<td>unskilled</td>
</tr>
<tr>
<td>Helping &amp; sorting</td>
<td>28.2</td>
<td>unskilled</td>
</tr>
<tr>
<td>Rag collection</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>n=180</td>
</tr>
</tbody>
</table>
Diamond firms were engaged in the polishing of rough diamonds and/or the manufacture of diamond studded jewellery. The number of tasks in the diamond polishing process was limited. Firstly, there was the sorting of rough diamonds into the two categories, ‘industrials’ and ‘gems’. They were then grouped according to their size, shape, clarity and colour. This was a highly skilled job usually done by specialists or by the owner of the firm. The shaping of diamonds began with cleaving or dividing the stone into two or more parts according to their grain structure. This was done manually by highly skilled Bengali or Gujarati craftsmen or by laser machines. The polishing *galas* received the cleaved, rough diamonds for sorting, sawing and polishing. Sawing and bruting give the roughs some shape so as to make it easier for polishing. Women were absent in these jobs.

Grinding and polishing are the last two stages, performed on a scaife or cast iron rotating wheel coated with diamond dust. Its inner section was used for grinding, the outer one for polishing. The diamond was placed in a holder called a tang and the worker begins with shaping the ‘table’ or the middle part of the rough. Different workers specialised in polishing the top and bottom of the diamond. Polishing required training and experience, as the proportions and angles have to be judged when giving the diamonds facets. Most women workers were concentrated in this area or in other preparatory and supportive roles, such as preparing trays with diamonds of similar sizes or keeping records of the allocation of diamonds to departments. Significantly, there were no men in the support section as press pot workers, sorters or clerks and typists.

Workers were trained in the shaping and polishing of rough diamonds. In most *galas* two workers sat on one scaife. As they were given piece rate wages, there was an incentive for increased speed and production. Workers were divided into small groups doing shaping and different types of facet polishing. Most of the women were concentrated in the polishing section whilst men were found in both the polishing and the shaping sections.

The manufacture of jewellery is a different process and has a different but clear division of labour. Each jewellery firm had a series of departments for every stage of production. The first step in production was to make a model in silver. Then each piece of jewellery was broken into parts and specific moulds were prepared. For example, a ring can be divided into three parts depending on the design. The mould was
the basis for the waxing and gold casting departments to churn out individual parts by the thousands. Diamonds were then set into the gold parts and were assembled as pieces. Each stage involved washing and polishing the piece. The last stage was quality control, weighing, checking and packing. In the majority of cases, Bengali and Gujerati craftsmen did the highly skilled work, with a mixture of men and women polishing and only women doing the remaining support tasks.

We found that the stereotyped division of tasks into male and female was more apparent in the plastics processing firms. Men were either on machines or worked as loaders or were supervisors. Most women were engaged in packing and finishing tasks or were helpers, sorters or doing assembly work. This included many homebased workers also. Finishing tasks in plastic processing firms involved removing extra plastic with the help of a knife and smoothening the outer surface. Women workers were asked to do all kinds of sorting work. In small plastic recycling firms, women worked in appalling conditions to sort out used plastic bags and material. In most of the plastics processing firms, very few women were supervisors or machine operators.

Most of the men in tiny firms were migrant workers from Bihar and Uttar Pradesh working on manually operated machines that were very heavy. Men had to pull down levers by using their entire body weight. Women did not work on such machines on a regular basis. Men also did loading/unloading work. Very few men did any kind of sorting or finishing work. In tiny and small firms, men took on women's tasks to help when the workload increased or when they were free. The supervisors made sure that no one remained idle. Twelve hours a day seemed common for most of these firms.

In the medium scale and large firms too, men worked on machines and women on tasks down the work hierarchy. Male skilled workers regulated the temperature and mixed raw material as well as set dyes. In many of the firms worker designation did not matter. Helpers were asked to do a variety of tasks, like lifting heavy gunny bags and stacking them. If male workers were absent, or if they were involved in other work, women were asked to load the machine. However, if workers were under a trade union there was a strict division of tasks. In one large firm, women said that before unionisation, they were doing different types of work, but with the standardization of jobs and union-management agreement, women were to only do the tasks of an assembler or packer. They were asked not to sit at machines.
Caste and region were two of the other factors, which came into play in the job recruitment and task allocation. Traditional caste based work like sweeping and cleaning was accepted by the lower caste women and men and not by others. In our sample, in the plastics processing firms, lower caste women were employed for the sorting out of dirty plastic items. Thirty five per cent of scheduled caste and 27 per cent of other backward caste women were employed in sorting tasks. Not a single brahmin woman was involved in such a task.

Region wise employment ensured some loyalty. There was a correlation between the employers' and workers' regions in the polishing workshops. The small firms employed men from Gujarat. In the export firms, Gujarati male immigrants were unwilling to work as a steady workforce and so the employers had to turn to local workers. In plastics firms, male migrants from Bihar and Uttar Pradesh performed heavy loading and machine work. Bengali men, who had been trained in the traditional craft by their families or patrons, did highly skilled work in diamond firms. Maharashtra also has communities like the sonars with the skill of making gold and silver jewellery, but they have made no inroads into the export firms. Women's low skill levels and job positions were reflected in their wage levels. Both men and women shared the general characteristics of their industry and firm. The majority of the workers in both industries were piece rated or daily, temporary workers with little or no bonus, leave facilities and benefits.

Table: 6.3 Work Status of Women Workers

<table>
<thead>
<tr>
<th>Work Status</th>
<th>Per cent of Women Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Based</td>
<td>6.7</td>
</tr>
<tr>
<td>Contract</td>
<td>0.8</td>
</tr>
<tr>
<td>Temporary</td>
<td>67.2</td>
</tr>
<tr>
<td>Permanent</td>
<td>25.3</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

The women who had permanent status were by and large in the large firms and/or export firms, and a few medium size firms, which observed the legal requirements of regularising workers and giving them minimum wages, bonus and benefits. Their wages were either a
combination of piece rate and a basic income or a basic monthly wage and benefits. The take home wage of workers in our sample ranged from Rs.150 which some of the home based workers were getting to Rs.5000 which was paid to one of the skilled workers in the diamond processing and jewellery industry. The majority of plastics workers or 66 per cent earned less than Rs. 900 while 92 per cent of diamond workers earned more than Rs. 900.

It is difficult to compare women and men's wages as they had different jobs and skills. When we asked the women why there was this considerable gap between their wages, they said that men had more skill and speed and did more overtime than women. Many times women and men started at the same rate especially in the diamond industries, but men were able to put in more hours of over time and were soon able to earn more.

The Boss at Work

Ideally, workers should be recruited on the criteria of merit, willingness and ability. But many studies and our own data showed that the workplace is hardly a gender, caste or region-wise (states within the country) neutral place. It produces and reproduces prevalent social practices (Cockburn, 1991; Stobbe, 2000). Our data showed that there was a clear gender, caste and region-wise hierarchy at the workplace, which employers were successfully using to strategise for the organisation of the workplace.

Employers appreciated women's honesty, lower mobility, docility and acceptance of poorly paid, unskilled work. Their image of women workers was at variance with women's realities in the areas of education, their ability to pick up skills, marriage and employment continuity and willingness to do overtime. But they dismissed these workers as exceptions. Their image of women as workers came from the societal understanding of gender roles, of what women 'should' be rather than what they are capable of or can be. The gender division of labour in society gave men, and not women, the identity of full time, serious workers. Women laughed at their employers' rationales as it concerned them but they too carried many of the same patriarchal notions. They were constantly struggling with their identities as daughters and mothers, suffered from a lack of confidence at the workplace, indifference from their households, which neglected investment in their skill
training. Many found it easy to fit into predetermined slots, accepted by social norms, employers and their male co-workers.

Why do employers hire women? Employers, consciously or unconsciously, work out overall workforce strategies as they juggle to survive and/or make profit against the vagaries of the market, competition, collective bargaining and the disadvantages of a flexible labour force. In the course of our interviews with them, we detected several clues as to how employers use gender, caste and region in their favour. Prevalent gender ideology came in handy in convincing both the employers and women workers that young, new entrants into the labour market could easily and without too much responsibility or training fit into lower end jobs. And the preferred male workers could hardly object to the number of women in tasks rejected by them. The employers in small and medium units were employing more women than the large ones in both the industries. In the tiny, small and medium firms of the plastics processing industry, women workers constituted almost half of the workforce. But there were not even 14 per cent of them in the large firms. In diamond processing and jewellery industry, the ratio of women workers ranged from 18 per cent women workers to the total workers in the large firms, to 28.4 per cent in the small firms. However, this data is only indicative as it is based on the sample of 167 firms, which were covered in this research and drawn from the answers given by women workers.

<table>
<thead>
<tr>
<th>Size of the Firm</th>
<th>Percentage of women workers to total workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plastics (n=94)</td>
</tr>
<tr>
<td>Tiny</td>
<td>53.6</td>
</tr>
<tr>
<td>Small</td>
<td>48.4</td>
</tr>
<tr>
<td>Medium</td>
<td>49</td>
</tr>
<tr>
<td>Large</td>
<td>14.3</td>
</tr>
</tbody>
</table>

There is a gender perspective to the use of caste and region by employers. In plastic product firms, the three levels of tasks had also a caste and region dimension. Maharashtrian men were the machine operators, Bihari men were given loading and heavy work and lower caste women
were given jobs like sorting. In diamond processing and jewellery galas, there was a dominance of Gujarati men from the same caste and community as the owner. Eighteen per cent of women respondents said that Gujarati men were favoured for recruitment by the employer over other communities. It would have been impossible to introduce Maharashtrian men polishers without creating competition and unrest. But women posed no such problem. A firm of only Gujarati men would have lowered the bargaining position of employers. A small group of women workers would be a back up or reserve workers with a known track record of lower mobility. It would break the monopoly of the Gujarati polishers as well as create divisions within the workforce and prevent union formation. In the export zone jewellery firms, Maharashtrian men were trained as polishers, as the Gujarati ones preferred being piece rated and mobile workers.

Women formed the 'contingency group' for the overall strategy of employers to 'mix' and balance workers, with their different identities, tasks, wages and the profitable organisation of the firm. A parallel example of this type of strategic planning was mentioned in chapter four as household members gave in to women's demands of paid employment or persuaded them into it. They too did not see women as the main earners or workers in the household but as 'contingency' workers for additional income.

**Categories of Workers**

These 'contingency' workers as we have seen earlier were young with 53 per cent of them around 21 to 30 years and very few in the middle age bracket. Eighty eight per cent of the women were literate with 18 per cent having passed their school leaving examinations or the SSC. Forty per cent of these young women were married and the rest were single, divorced or widowed. Sixty one per cent of these 'contingency' workers had joined the labour market when they were between 16 years to 20 years. And most of them were new or 'fresh' workers with an average of three years of work experience.
Women were divided into the semi and unskilled categories of work and only a small minority was skilled.

### Table: 6.6 Nature of Skills

<table>
<thead>
<tr>
<th>Skills</th>
<th>Per cent of Women Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>unskilled</td>
<td>48.3</td>
</tr>
<tr>
<td>semi skilled</td>
<td>45.0</td>
</tr>
<tr>
<td>skilled</td>
<td>6.1</td>
</tr>
<tr>
<td>highly skilled</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

In the course of in depth interviews, women provided a lot of factual information about themselves, their workplace and tasks. When we asked them if they were satisfied with their work and positions, they were hesitant and some took a fatalistic attitude. To help us build a comprehensive worker profile, we asked them what they would have liked to be and how they would feel secure at the workplace. For most workers ‘security’ was synonymous with permanency. So we asked them the question in a variety of ways: what were the different ways in which they saw themselves as secure or safe at the workplace? What would be their ideal job? What would make them happy and satisfied? And on the other hand, what were they afraid of, what made them feel at risk? Their answers were:

‘What a question to ask! Money is the only thing that can give you a sense of security. Money means a lot nowadays, it gets you things
and respect. If I do not get married, I have saved up money and don't have to depend on my brother or nephews. What if they don't want to support an old aunt? So if you earn an insignificant amount, it's nothing, it has to be a decent and regular wage. I don't care for pension and medical and all that, I would prefer money which I can save up.'

'I don't see myself working for years and years. Now we need the money, we need to buy a room. It's the most important thing in life. That's security for me. So I don't care what work I do as long as I can save.'

'I have to work or there will not be enough to feed everyone. But all my hard work here does not get me anywhere. I get paid a pittance. I dare not open my mouth because there are hundreds like me waiting for a job. Most people like me do not want to lose their jobs. No one will say no to overtime. No one will complain about work. No one wants to put his or her head on the block. If the boss so much as smells the word union, he will shut down and disappear.'

'Why have I not changed my job to something better? Is there a thing called "better"? Where would I go? To another plastics unit? Who will take me at this age? How will the workers be? Will I have to travel? Will it give me more wages? Many questions and no answers. If I quit this job, I will be wage less until I find something else and what if I don't find something. I loose everything. So it's okay here.'

'The diamond polishers in the galas earn more per piece than we do here at the export unit. But we get other things like leave and allowances. When I retire I will get a provident fund. It's fun to have lots of money, but then there is a tendency to spend it off. Here there is regularity and security. And if the boss acts tough, the union also acts tough.'

'I tell my employer, boss don't kill us, get a couple of workers for overtime! Sometimes there is just too much work. But he says what if there is no maal then he will have to lay some of us off. There is too much irregularity in this work. Earlier, in the boom times, if one boss let us off it was easy to find other work, now it's not so. Now there are too many workers even though there are so many galas.'

'What security can you count on? One comes alone into the world and leaves alone. When you need help the most there is no one for you. I have been working in this unit for more than five years. But if there is trouble, do you think the boss will keep me? No, he will look after his own interests. I have been married for 22 years, looked after
the children, the home and everything. Yet my husband left me. It was my family that came forward to help. Finally you have to look after yourself. My hands are my only security.’

Women could not articulate a composite picture of security. It is significant to note that many women saw the absence of insecurities as security. For most workers security was closely associated with a permanent status. Employment security also meant a regular workload without excessive overtime, breaks or lay off. It included good physical conditions, ventilation, proper lighting and the availability of toilets and restrooms. Diamond dust, plastic dust and backless seating arrangements were the main cause of health problems. But this security was a distant dream for most workers. For most women, wage related problems were the most important. For some, wages were below the officially designated minimum level. For others the piece rate wage had not been revised for a few years. For export unit workers they could have been higher. Income security at the workplace helped in investments in a house, personal savings or a feeling of independence, which also acted as security. Workers also mentioned a variety of specific problems like overtime and benefits to enhancing their feeling of security at the workplace.

We have used employment security, income security and organisational representation security to arrive at a labour status categorisation. A composite index was formulated using work status, nature of contract, legally entitled benefits, minimum wages and trade union organisation. The index resulted in seven categories of women, which we re-categorised into three broad groups.

‘Secure Workers’ were legally protected, drew above minimum level wages, had legally entitled benefits and trade union representation.

The ‘Moderately Secure Workers’ had only one of the three securities e.g. some diamond polishers were receiving above minimum wages. Some large unit plastics workers had labour representation and above minimum wages but no permanency.

The ‘Insecure Workers’ had none of the three securities and formed the most vulnerable group.
Table: 6.7 Labour Categories (Percentage of Women according to Industry)

<table>
<thead>
<tr>
<th>Labour Category</th>
<th>Diamond</th>
<th>Plastics</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure Workers</td>
<td>11.1</td>
<td>6.6</td>
<td>8.9</td>
</tr>
<tr>
<td>Moderately Secure</td>
<td>69.4</td>
<td>17.7</td>
<td>38.6</td>
</tr>
<tr>
<td>Insecure</td>
<td>19.4</td>
<td>85.5</td>
<td>52.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>n=180</td>
<td>n=180</td>
<td>n=360</td>
<td></td>
</tr>
</tbody>
</table>

Only nine per cent of women had the three basic securities. These were skilled workers from the export firms of the diamond processing and jewellery and some women from large, unionised plastics firms. For the majority or 52 per cent, their hands were their only security in the face of a constant fear of retrenchment, inadequate wages and health hazards. These were mainly daily wage workers from the plastic tiny, small and medium sized firms. The women from the diamond workshops were salaried administrative support or trainees, or those working on automatic machines. Thirty seven per cent women had only one aspect of security. A large number of them were diamond polishers in the galas, who had above minimum level wages as they were skilled or semi skilled piece rated workers. The few plastics firm workers most likely had labour representation.

With this backdrop of women’s induction into the labour force, some of the reasons coming from employers and women, their position in the task, skill and security hierarchy, we can proceed to investigate how the changes in the production process and overall structure is likely to or has impacted on them.

**FLEXIBILITY STRATEGIES**

We have used three dimensions of flexibility namely flexibility strategies of the organisational structure, the production process and the labour market (Elson, 1996). Flexibility in the organisational structure includes the de-centralisation of production by subcontracting, creating split firms, relocation of main or branch firms and backward/forward integration. Flexibility in the pattern of production means doing away with the notion of job description and the rigid divisions between different types of job, in favour of a generalised, on the job, training for all types of work for all workers. Workers are also involved in quality standards and budgetary cuts through various management techniques.
A reorganisation of the skill hierarchy results from general training, rotation of jobs and the blurring of lines between supervisory and operational staff. Such internal mobility is interfaced with changes in technology and product diversification and design. The degree of adaptability of a firm depends on existing market conditions and its financial capacity to re-organise. Flexibility of the labour market focuses on streamlining of the workforce, regulating wages and working hours, casualising its permanent workforce and curtailment of collective bargaining. Proponents of this strategy advocate the removal of all types of state regulations so that employers can determine contracts with workers in accordance with market demands and productivity. They promote easy employment, right of dismissal, and making workers part time/temporary/piece rated. Similarly wages should be determined by financial viability of the firm, individual productivity and the general labour supply situation. Rigidity of wages, it is argued, introduces ‘distortions’.

The use of flexibility strategies results in greater numerical, functional, wage and production flexibility for the employer. Atkinson (1986) defines these as: numerical flexibility in which employers change work hours and number of workers according to their production requirements at short notice; functional flexibility promotes multiple skills amongst workers to increase efficiency; wage flexibility allows employers to increase and decrease wages or change terms of payment according to requirements and production flexibility promotes subcontracting part or whole products outside the firm.

Organisational Structure Flexibility

Relocation and Splitting
These strategies involve fundamental organisational decisions on the location, scope and size of the firm, focusing on core competence, subcontracting and forward and backward integration which require management and financial capacity. Resort to relocation was seen more clearly in large firms, with credit facilities or resources of their own. Other flexibility strategies usually follow the crucial decision of relocation. The high cost of infrastructure and labour in the city and government incentives in the form of subsidized space, electricity and water and tax holidays, were strong motivators for relocation and the implementation of an integrated package of flexibility strategies. Most
large firms tended to re-organise their product range as well as their production process and labour requirements. Some of them undertook backward or forward vertical material/product integration to cut down manufacturing costs. Automation or new technological changes improved the quality of the product and/or expanded the range of products and designs. This would invariably lead to a re-organisation and retraining of the labour force.

A typical example is that of a well-known manufacturer of branded plastic furniture and bottle crates, Supreme Industries, which found imported Italian goods eating into its share of the domestic market. The company gradually shifted out to ‘greener pastures’ or subsidised industrial zones in the hinterland, purchased new, state-of-art machinery and applied for the ISO 9000 certification. The financial cost of shifting was weighed against subsidised land, cheaper electricity costs and tax benefits. Investment in new machinery had the advantage of lower labour costs. The premises in Mumbai were partly used as office headquarters, for research and development and for the manufacture of surplus orders. Some of the workers were retrained; some new ones were hired and the rest were retrenched or offered voluntary retirement scheme (VRS). The new plant had the production organised in such a way that one person could visually supervise it. The new machinery reduced the workforce by nearly half, as one worker could now perform several tasks. The earlier jobs of loading, finishing, and packing were made redundant. Technical personnel who supervised and maintained the machinery supported workers.

Such top-level management decisions were rarely made after taking workers or their unions into confidence. Unions have been known to oppose the implementation of changes as they fundamentally affect the workforce and even try to sabotage them (Mathur, 1991). But news of such ongoing plans is hard to keep secret. A woman worker said, ‘The boss’ secretary told us that he had spoken about shifting the factory. We asked her what would happen to the workers, but she did not know. So we asked our supervisor. He said the men already knew so why had they not told the others. The men were making their own plans. Now we would have to consult our families and make ours.’ Usually workers are given the option of voluntary retirement or shifting to the new factory. Men have the option of shifting with their families but women usually accept the retirement scheme.
Supreme has been able to reduce its labour force from 450 workers to 149 workers by 1995. There are similar examples of relocation and the implementation of an integrated flexibility package amongst other large industrial companies. Hindustan Lever, a giant pharmaceutical company, in 1982, relocated and decentralised itself from two large plants to twenty small ones and a network of subcontracting firms. Six hundred women workers (from a total workforce of 1,500) were slowly reduced to only three through retirement schemes or dismissals. Another pharmaceutical company, Rhone-Polel, shifted from Mumbai to the remote area of Aurangabad and in the process reduced its workforce of 300 to 55 (Gothoskar, 1997).

Many women in our sample said that they were unaware of any management plans for relocation. Even if they knew they felt that they had very little choice. ‘Arre, what do you expect me to do? I cannot leave my family and go off. So better to take the offer, no quarrels and get out,’ said one worker. Most felt that if they were given a large sum of money as compensation they had no objection to leaving. Their families would be happy with the additional money. Very few were aware of the problems of finding alternative work. An even smaller number of women said that they would ask their unions to help them resist being given the voluntary retirement scheme (VRS).

On the other hand, in the tiny firms women immediately came to know of their employers’ plans for relocation. Tiny firms, especially in plastics recycling, can easily relocate themselves as their simple machinery can be packed in a truck and moved quickly with little expense. Workers could plan, in advance, to find alternatives, sometimes with the help of the employer who was more than happy to assist them, as he had no compensation to offer.

It was difficult for medium and small sized firms in our sample to execute an integrated flexibility strategies plan. They were more prone to stay where they were and used the strategy of splitting firms. A smaller firm gave them access to the status of a small-scale industry with different rules and regulations for credit and customs duty. In some cases, there was no geographical division and split firms nestled side by side, manufacturing the same product range. Some were located in different industrial estates to produce different facets of a product. Many medium and small diamond polishing firms had one owner who looked after two or more firms. One diamond jewellery
manufacturer had split firms, one in the export zone and another outside, making the same type of jewellery.

Workers, in spite of the employer's secrecy, came to know of the split firms. Their main concern was the difference in the wages and benefits given to the other firm workers. The jewellery manufacturer had to pay his workers the same rate in both firms. But another large polishing firm had two sets of wage systems and wage levels for the export zone firm and the city firm. Export zones have different labour regulations whereas labour in a small firm in the informal sector costs less. A worker said, 'How does it matter to us if the boss has one or three firms? My main concern is higher wages. If he can have so many firms, he is a rich man and should pay us well with a bonus.' Most workers, especially women, had their vision so centred around their work and wages that they were not concerned that this method gave owners tax benefits and the flexibility of closing down a firm without disturbing production yet reducing labour and infra-structural costs.

There were only a few firms in our sample, which had done backward and forward integration. Only Supreme, the plastics product manufacturer from our sample of firms had been able to achieve backward integration by manufacturing plastic raw material. Though such terms were not used in the diamond processing and jewellery, manufacturing jewellery by the diamond polishing units is part of forward integration. And some of the jewellery units opened their own polishing units, which are examples of backward integration. They were into expansion of production and experimenting with marketing their own branded products to promote themselves.

**Subcontracting**

The other organisational strategy used by both small and big firms was subcontracting part or the whole product to another manufacturer. Subcontracting has been defined as the giving out of a part or whole order by a large or parent firm ('the giver') to another usually smaller one ('the taker'). The latter may, according to design specifications, produce materials or components, assemble parts, do processing, provide a specific service, or manufacture the end product. In the diamond processing and jewellery, the 'giver' is the site-holder or the procurer of rough diamonds but he may or may not be the final user of the product- the polished stones. He may choose to trade them to
different clients belonging to the polishing industries or jewellery manufacturing.

There are different types of subcontracting methods. 'Economy subcontracting' is the term used to describe the rationale of large firms giving contracts when they are interested in cutting their production and labour costs by contracting out some part of their production. It helped reduce overall costs by not investing in machinery or labour costs for parts of products. The majority of diamond jewellery manufacturers had their polishing done in small workshops outside rather than in the house. It was a common practice for large plastic manufacturers to get small parts like bottle lids or other parts manufactured by subcontractors. Companies like the TV manufacturers Videocon and refrigerator manufacturers like Godrej, amongst several others, do not even have a manufacturing firm. They get their entire product produced by subcontractors for them, which they then brand and market. None of the firms in our sample gave out a 'commercial sub contract'. A third type of contracting is called 'capacity subcontracting' or the giving of surplus orders by large firms to smaller firms. This was a common practice in the export zone for diamond jewellery manufacturing and also amongst plastics processing firms. Sometimes small firms give their surplus orders to other small firms. About 31 per cent of all firms in our sample were subcontracting work to other firms.

The subcontracting system functions as a shock absorber for the larger, dominant enterprises. Pricing, quality control and the right to reject makes the subcontracting relationship extremely biased in favour of the parent firm. As there are numerous firms and the work uses low technology and skills, there is ample choice for the large firms. Multi sourcing and a surplus of labour ensures a good bargain. Thus the relationship between the contractor and the processing sector firms is unequal and skewed in favour of the former, who has access to competitive rates. The large firms' expenses are considerably cut down. Firms can compete as well as give surplus or rush orders to other firms. This keeps costs down, as the workforce is fully and productively occupied. Secondly, it gives the large firms an easy way to withdraw when there are decreased supplies and financial constraints. Thirdly, the contractor can utilise specialised firms like laser cutting.

However, the subcontracting system also posed several problems for large firms. It was an open secret that in the diamond processing
and jewellery traditional gala owners switch diamonds or cut them in a way to get more pieces. The main reason given by large manufacturers for vertically centralising all production was the poor quality of polishing and unreliable delivery. These problems are inherent in any subcontracting system that has an unequal relationship between the giver and taker of the contract. Most small subcontractors are 'independent', taking orders from numerous sources. Most of the firms in our sample were medium sized ones in the informal sector engaging around 20 workers on a piece-rate or daily-wage system. These subcontractors could only be competitive if they cut their costs by depressing wages. Workers informed us that their wages had not been revised for the past four years. The labour force was minimally trained and worked under terrible conditions. Owners stretched the use of their machinery, did not replace old ones and cut down any infrastructure cost except the basics. It was not surprising that the end product was of poor quality, with unreliable delivery dates as the owners juggled with several orders just to survive.

The well-placed 'independent' subcontractors were those taking specialised work. They had found a niche market for a specific product. For example, a medium size firm used to produce fans for cooling in a variety of machinery. After the de-reservation of items, such fans were imported from Taiwan in bulk. However, the imported ones were standardised items, and did not fit certain machines. They had to be custom-made within the city and it was this niche creation that helped the firm get regular orders.

Down the line, the most quality conscious but least secure subcontractors are those totally dependent on one large firm. They are also called ancillary firms, a more refined name for captive subcontractors. Many firms in Dharavi fell in this category. They were small firms with a few workers and a couple of machines. Large firms in both the industries helped a few of their trusted workers to set up small firms and become captive subcontractors. Plastics manufacturers give tasks like screen-printing to older or trusted workers. Captive subcontractors are the worst hit in crisis and by competition. Most of these firms have a high death rate. Bose (1996) pointed out that a five per cent fall in the growth of large firms is said to result in a 100 per cent fall in the demand for ancillary items. In the diamond processing and jewellery, the December to June 1997 crisis saw several large firms
withdraw orders because of decreased supplies and financial constraints, impelling several firms to down their shutters.

The system of subcontracting benefits the large firms insofar as they can de-centralise production and cut costs. It also generates employment, as seen in the success stories of the ‘world market factories’ or the international subcontracting workshops for electronics, shoes and garments. In the 1970s, governments of the global South set up free trade zones and export zones to facilitate international subcontracting and thousands of young women were employed in them for their ‘nimble fingers’. Studies have shown that subcontracting thrives on a flexible labour force. Any form of unionisation or collective bargaining for better wages and conditions sees a closure or a flight of capital.

The main characteristics of such a labour force were job and employment insecurity; narrow content of work that was easily learnt; flexible payment systems like daily wages or piece rate payment and no trade union representation. Both men and women in subcontracted firms are insecure. However, men were more likely to be in the core workers’ group that controlled machinery and other upper-end skill tasks, than women. Skill and networking come in handy for men to bypass the worst effects of informalised work. Through gossip, information sharing and kinship ties, men build contacts, which are used for job mobility and for in between jobs work.

Most women did not have these means. First, their networks were small and it was not easy to access jobs. They had to depend on male colleagues or family members to help them find another job. Secondly, they were at the bottom of the skills ladder. During a slump or dearth of raw material, they were discharged whilst men were kept on to do both the machine based and other tasks. Thirdly, if the contractor, in order to economise, fragmented the production process, he discharged or transferred his women workers to the new contractor. One of the workers said, ‘Earlier, we used to work together then the boss made our supervisor a subcontractor, now she has become our boss. We still work from the owner’s premises but our supervisor is responsible for paying us and seeing that we meet our targets. She is horrible, stricter than the boss and she works us to death.’

Moreover, competition for subcontracting orders usually meant the depression of workers’ wages. The majority of the women in small
firms were drawing wages below the minimum level with few wage increments. Women could complain neither about their wages nor the appalling work conditions, which gave them posture problems, menstrual cycle and respiratory disorders as a result of plastic fumes and diamond dust.

**Production Process Flexibility**

Flexibility strategies of the production process are introduced through changes in the existing technology, by diversifying the product range and design, and/or by the training and retraining of workers. These strategies ensure an ability to shift from one product line to another if required. In more sophisticated plants, computer numerically controlled machines (CNCs) are replacing conventional machinery. Sophisticated machinery needs a different type of workforce. In the Fordist production system there was a split between work done by the workers and planning or work done by the management. In the new system workers were not only expected to know the production system but make suggestions for enhancing productivity. They were expected to perform different tasks, rotate between tasks and do simple repair and maintenance (Smith, 1994). Some of these have been implemented by Japanese firms but have not been easy to replicate in other countries. The other difficulty is that these strategies require a financial capability and planning usually beyond the means of medium and small enterprises. In our sample of firms, only the large plastics processing firms were implementing these strategies as part of an integrated package in the face of intense competition from imported goods. Medium sized and small firms continued using the same machinery but found a market niche for themselves. A soft luggage manufacturer explained his survival strategy as pricing his goods between the branded names and the cheaper imported variety. Plastic equipment manufacturers offered after-sales services to tempt buyers away from foreign goods.

Production process changes have been slow in coming to the diamond polishing firms. They graduated very gradually from cottage industry type small production in homes and small workshops to firm based systematic production. Their main tool of production was the hand operated, floor based scaifes, which were replaced by semi automatic ones with tables and stools. At present, large and small firms have basically the same machinery and skill divisions, but differ
in scale and work conditions. The larger firms are centrally air conditioned with one worker on a scraft instead of two. This labour intensive work seems to have defied automation. In the late 1980s, a laser-cutting machine was introduced for cutting rough diamonds to smaller pieces, but not many polishing firms opted for it. Employers said the cost of the machine was prohibitive and wastage in cut diamonds generally increased. It was more economical for them to use experienced workers for the initial cutting of small, especially hard diamonds which would otherwise crack and become useless. By the late 1990s, the value of laser machines was realised and many firms have invested in them.

Diamond jewellery manufacturers had to bypass the craftsman production process in order to produce standardised and mass products. Each stage in the modern manufacture of a piece of jewellery has its own machinery and set of workers. Machines produce separate pieces according to the original mould. The cost of making of the mould and the running of the machinery require the production of a minimum of a few thousand pieces. But the firm is not restricted to the same type of jewellery. So there are constant shifts from earrings to chains and bracelets according to the needs of the wholesale buyers and consumer tastes. Besides, changes are introduced to eliminate long production techniques, like casting instead of the mould technique. Most of the new changes seem to be in the area of deskilling the production process and training workers to take on new tasks.

Skills
Flexibility strategies of the production process are meant to make workers more adaptable by generalizing tasks (through machine and technological changes), the rotation of tasks, or skill substitution. Protagonists of these strategies have lauded the breaking down of rigid divisions of tasks between workers, blurring the hierarchy between the staff and workers and promoting enhancement of skills in the multiskilling process (Piore and Sabel, 1984). Another impact of flexibility strategies, that of skill substitution or women taking over men's tasks, was observed by Standing (1989).

Global competition has forced enterprises in plastics processing industry to improve quality and cut prices in order to survive in the market. High capital-intensive machinery with improved dyes and more flexible and adaptive machines also meant a new type of workforce,
one able to handle multiple tasks with understanding and responsibility. The introduction of new machinery and the retraining of workers were measures usually adopted by large firms. Retraining often means merging the skilled and semi and unskilled jobs so that a smaller group of workers could undertake them. As it is easier for skilled workers to do semi or unskilled jobs than vice versa, the jobs of the lower end workers were at risk. In our sample the majority of women were engaged in semi and unskilled work and it was this section of workers who were either retrenched or eased into 'voluntary retirement'.

In the large plastics firms, a new hierarchy was emerging: management, followed by technicians, supervisors, skilled workers and lastly the support staff. The technicians, supervisors and skilled workers formed what Atkinson (1986) called the 'core' workers and the support staffs are the 'peripheral' workers. In most cases, men were retrained and retained as a multiskilled workforce. Secondly another form of deskilling was taking place: semi skilled women workers were being demoted to support staff work like cleaning, record keeping or packing. Medium and small firms had a task hierarchy that was distinct but quite fluid. An informal multiskilling process was being followed, as the tasks were not very complicated. Employers were encouraging their workers to learn different skills. For example, one employer quite suddenly found his regular orders cancelled because his client had opted to buy cheaper foreign goods. He was forced to accept sub contracted labour jobs, which reduced his profit margins. He immediately cut down his workforce, renegotiated with his workers to run two shifts with the machine operators working at night and the others finishing, assembling and packing during the day. Women were encouraged to learn machine operations during lunchtime so that they could step in when men were absent, but without a change in their pay or designation.

In the diamond firms, there was a gulf between types of skills and no mobility between tasks. There was little scope for training workers to be multi skilled. Rather flexibility strategies have been used to deskill highly paid and skilled workers. Artisans and craft communities, who cut, polished and produced jewellery, had been made redundant by the organized diamond processing and jewellery. Either machines or a new trained workforce did cutting of rough diamonds on a mass scale. New workers could be trained in a few months to polish one facet of the roughs. Polishers of one facet were not moved to another, as that
would require a different training. A surplus of piece-rated, trained workers prevented any move towards multiskilling. In the export oriented jewellery firms, jewellery was not ‘made’ but manufactured piece-by-piece and assembled into a single product. Mechanised jewellery manufacture required skilled artisans only at the level of mould making. Workers were not required to have any knowledge of the art of jewellery making; rather they had to be proficient at looking after the requirements of the machine.

Substitution

According to Standing (1989) flexibility strategies introduced a substitution of tasks. Was there a transfer of women's tasks to men, or vice versa? In both industries, women tend to be at the lower end of the skills' ladder or in jobs, which men would not do because they are poorly paid. ‘Women's work’ was really an euphemism for a poorly paid and unskilled job that men look down on. Both industries have their share of what has been termed ‘women’s work’. In the plastics firms the lower end jobs are sorting, finishing, assembly and packing. In the diamond firms, there were no men in the sorting and support tasks. The only way employers could get men to do ‘women’s work’ was to either remove the label by upgrading the wage level, or to integrate the task with other work. Flexibility strategies of the production process included automation, which integrated several tasks but amounted to the elimination of a particular task rather than taking it over. Usually the only time men took over women's work was when the employer asked them to ‘help’ out during excess workload or for rush orders.

On the other hand, some women were more than eager to try their hand at newer jobs if their employers supported them. Most women would not by themselves have either learnt new jobs or demanded them. Large firms with a more fixed job division both in the plastics and diamond processing and jewellery did not provide women with such an opportunity. Seventy per cent of medium firms, 20 per cent small firms and 10 per cent tiny firms were more open to the shift. Machine operations in plastic processing firms do not need elaborate training. Many women were ‘allowed’ to sit at them during their lunch hours but only three per cent were employed as operators. In the diamond firms some women had made inroads into the male domain
of shaping the diamond. There were only six per cent women engaged in this work, which was too small a number to pose any challenge to their male co-workers. It was young and unmarried women who were moving into these new areas of men's tasks. Women workers, in the course of interviews, mentioned a fear of machines that came from their socialisation, which permitted them only a few tools like the kitchen knife and scissors. Secondly, employers were not interested in women moving to other well paying tasks. Thirdly, women did not want the additional responsibility and regularity that went with machine oriented jobs, as they already had to deal with their domestic duties.

Women who were doing men's tasks were clear that they would not have managed if it were not for the support of their employers. Most employers had their own reasons for promoting women's employment and allocation of work. Women were moved into new jobs created by new machines and methods. Traditionally, women were not employed for shaping or cleaving jobs as these involve responsibility and hard work. But with the introduction of laser machines, women were being employed as technicians and workers. In a reputed jewellery firm, women were for the first time being given small diamond studding work. The manager said, 'We have a policy of not hiring Bengali artisans as much as possible because they are very demanding, keep involving the union, are temperamental and take long leaves. It has been easier to employ women workers; the artisans don't feel so threatened. Employing Maharashtrian men might have led to some resistance or grumbling.' The management had split large and small diamond studding into two jobs and replaced some skilled highly paid artisans with cheaper, new labour. This was not across all the jewellery units and only a very small number of women were trained for such work.

There did not seem to be any direct substitution of men by women or vice versa, due to flexibility strategies of the production process. However, an indirect substitution was taking place because new jobs were being thrown up by technological change. Employers had the discretion of turning them into 'male' or 'female' jobs. The upgradation of women's skills came from a careful comparison of costs and benefits for men and women by employers.
Labour Market Flexibility

The main rationale of labour market flexibility strategies is to control the number of workers and raise or lower wages according to production levels, consumer patterns and demand. Our data shows that both industries have been practising labour market flexibility strategies. Both have known market vagaries in raw material and consumer demand since their inception. Both have moved from the informal to the formal sector. Both have accepted existing piece rate and daily wage systems with modifications in formal sector firms.

The piece rate and daily wage systems are not new and have been prevalent in most traditional production, especially handicraft related products like leather, pottery and metal ware and in some modern industries like soaps which may have a combination of daily wages or piece rated work. Though most piece-rated work (finishing of plastic spare parts, assembly and thread cutting in garment firms) is unskilled and of low value, the work of skilled artisans is highly valued and highly paid. In the daily wage system, which probably evolved from agriculture and seasonal work, workers are given per day wages according to a fixed number of hours. These wage systems have been mooted as beneficial to both employer and employee. ‘Employment without strings’ as it involves the hiring of workers when required and leaving them ‘free to refuse’. The wage rates are generally decided by the market and may include a bonus but no other benefits, leave or holidays. Export oriented and large firms had a dual wage system in operation. They were under a legal obligation to make workers permanent and give them benefits but they had also retained the piece rate or daily wage system. In large diamond polishing firms workers were given a basic quota of pieces and income, but the income slab increased as they polished more than the stipulated pieces.

The Promise of the Piece Rate and Daily Wage System

Both the piece rate and the daily wage system have two types of workers at either pole. At the one end are skilled shapers in the diamond polishing firms and machine operators in the plastic processing firms. At the other are unskilled home based workers and sorters and finishers in the plastics firms. Their wage systems depend on the nature of their work. For example, homebased workers are given a fixed number of pieces and paid accordingly. However, finishing and packing tasks in
the firms are paid daily wages. There are two important features to these systems: employers can hire/fire workers as they wish and secondly they are not bound to pay anything more than wages for the working day. This guarantees an employer complete numerical and wage flexibility. Below we discuss some of the common beliefs attached to the piece rate and daily wage systems.

Table 6.8 Distribution of women workers according to Wage System

<table>
<thead>
<tr>
<th>Wage System</th>
<th>Women workers as percentage of the total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piece rate</td>
<td>28.3</td>
</tr>
<tr>
<td>Daily</td>
<td>32.5</td>
</tr>
<tr>
<td>Monthly</td>
<td>39.2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>n=360</td>
</tr>
</tbody>
</table>

Speed:
One of the common beliefs of the piece rate system, spread by the employers and echoed by the workers, is that the harder they work, or the faster, with more overtime, the more money they can earn. This in fact is untrue unless the worker belongs to a highly skilled or skilled category. Most of the respondents in the diamond firms were at an average earning between Rs. 900 and 1600. This might seem high if we compare it with the age and experience of women in other industries, but within the diamond processing and jewellery it is not high. In the case of the home based workers in the plastics industry, speed is essential if the worker wants to finish her load of work, but it still does not ensure her a minimum wage per day.

Table 6.9 Comparisons of Monthly Wages in the Export Firm and Informal Sector Workers in Diamond Processing and Jewellery

<table>
<thead>
<tr>
<th></th>
<th>Minimum wages</th>
<th>Maximum Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal Sector Firms</td>
<td>Rs. 300</td>
<td>Rs. 5000</td>
</tr>
<tr>
<td>Export Firms</td>
<td>Rs. 600</td>
<td>Rs. 3500</td>
</tr>
</tbody>
</table>
There are subtle ways to control the speed of workers. Employers or managers often impose limits by giving out fewer diamonds to work on or harder ones, which take a longer time. This brought down their total tally of finished pieces to a lower number and decreased their income. Homebased workers were not given enough work, or in some cases the gap between supplies was large. In fact, rather than speed it was the skilled nature of work and overtime that made the vital difference. When asked why men earned more than women in the diamond polishing firms, 48 per cent of respondents echoed the general notion and identified higher productivity on the part of men as the reason for more wages. Thirty per cent said that men were given more skilled and highly paid work.

Thirdly, speed is limited by human capacity and does not increase with experience after some years. With age, speed in fact decreases. Without bonus, allowances and other benefits, the piece rate system deprives the worker of a higher income in the long run. In the case of homebased workers, speed and income have to be adjusted with the expenses of material or tools. Forty six per cent of homebased workers spend their own money on equipment and part of the material. Women who had to paint brand names on electric switches were given the paint, but not the brush or the paint thinner.

Flexible Work:
Theoretically in both piece rate and daily wage systems, workers could attend work or absent themselves whenever they wished. However, most workers knew that uninformed absenteeism or casual leave could result in job loss. They were in reality only entitled to Sunday holiday and that too as an unpaid holiday. Seventy four per cent workers reported that they had no leave. Maternity leave was granted to only 26 per cent of the workers. Long holidays required the permission of the employer who decided on a lean time to let the worker go. Absenteeism and taking leave was one of the main reasons used to discharge workers. In the absence of written contracts, it was an order from the employer to the manager that discharged a worker. Flexible time could only be realised by the worker if she/he were prepared to leave the firm and risk unemployment.

Forty one per cent of homebased workers did not take even a single day's break from work. Many women reported that they get double material on Saturday so they could work on Sunday. The low piece
New and Old Flexibility Strategies

rate forced workers to stretch their working day. The majority of women worked all year round. Only 38 per cent women abstained from work for about 15 days in a year, for festivals, or sickness. There were only four respondents who reported that they did not work for a month or two as they go to their village for the paddy-sowing season.

Mobility:
Employers tried to curb firm hopping by checking the new entrants' work history with their previous employers before hiring them. In spite of such checks, men tended to be more mobile than women, though the exact rate of mobility was difficult to gauge. This may be generally true as men have better contacts with co-workers, supervisors and employers than women. We found that women's mobility was not very high. They tended to remain in the same firm that trained them, despite being denied permanent status and despite the proximity of other firms in the same industrial estate. Women were also afraid to take the risk and were not interested in a little extra income.

Working Hours:
Most piece rated and daily workers did not have much flexibility in working hours and overtime. Lunchtime was not part of their working hours. Forty nine per cent of our respondents in the polishing galas said that their working day consisted of eight and a half hours. And an equal number said it stretched to nine to ten hours. Others had longer hours with a bigger lunch break, at which workers could take an afternoon nap. This was however only useful to men who had to put in overtime. Women usually went home if they lived close by or sat outside in crowded corridors or compounds. Working hours plus travelling time could add up to ten and a half hours in the day. Both systems did not have voluntary overtime. Ninety per cent of the firms had overtime requirements either on a regular basis or according to season. In the case of the galas, women were not asked to do overtime because the migrant men demanded it. In the export firms, overtime was considered compulsory. Fifty six per cent of the women were doing compulsory overtime. Sixty five per cent of the workers reported that they had to do overtime also on holidays. For 62 per cent, the payment for overtime was at the same rate as their wages or piece rate. Only 19 per cent of the firms paid double or more for overtime and most of these were in the formal sector.
Cutting Labour Costs

Managements and employers used labour market flexibility strategies to shift the workforce out of standard, permanent and job-specific contracts. The State was planning to amend or scrap existing labour laws that protect workers’ permanency and security. This was based on the understanding that permanent workers are not only expensive but become a liability during lean periods or recession. In India a group of industrialists have been appealing for a change in labour laws and an exit policy. The Finance Minister (2001 Budget speech) has announced that the Industrial Disputes Act, 1947, will be amended. Only firms employing 1000 and more workers would have to seek government permission (as against 100 worker firms) for retrenchment. The Economic Times (6-3-01) has computed that workers in 85 per cent of registered firms (figures from the Annual survey of Industries 1997-98) would be out of the employment security net. Proposed changes in the Contract Labour (Regulation and Policy) Act 1970, will allow firms to use contract labour without obtaining a license. Amendments in the Trade Union Act, 1926, will raise the level of workers to 10 per cent of the current workforce for the registration of a union. The Maharashtra Government has accepted most of these suggestions and has proposed to club the different categories of the Minimum Wages Act, 1948, into a single one for industrial workers.

Our study of firms in two industries shows that labour market flexibility strategies were usually implemented along with other flexibility strategies. For example, one large plastics processing firm offered the VRS to its workers when it was relocating itself and changing to an automated set of machinery. Another medium sized firm had offered to pay for the re-location of its present workforce and their families to a rural area. It was difficult for us to get access to these workers as the trade union had struck them off their address lists. The management was uncooperative in disclosing their numbers or names and remaining workers had lost contact with them. In the majority of the large firms, women reported that employers would use the traditional part of the dual wage system to reduce their piece rate income. There was little they could do with the stipulated basic income scale, benefits and allowances. During a slump, workers could not reach the higher slab and this automatically brought their wages down. This strategy enabled firms to maintain a regular workforce and also
cut their wage bills when required. None of these firms had offered the VRS to its workers. Most firms were in the process of mechanising all tasks and therefore needed more trained workers. The management, supervisory and administrative staff did not come under the worker category and could be retrenched without a retirement scheme. As part of the larger process of restructuring, peripheral work like catering, security and maintenance was contracted out to outside agencies. There was no noticeable change in the transference of jobs from permanent to non-permanent status within the production process in large firms.

It was a totally different scene for the majority of women workers in medium and small firms in the informal sector. These firms were already using a 'traditional' form of labour market flexibility strategies in the piece rate and daily wage payment systems. The projected and accepted notion of a 'free worker' and an artisan status in the case of the diamond firms gave numerical and wage flexibility to employers. The majority of workers or 67 per cent were temporary which meant they had not been given a letter of appointment even though they had worked for numerous years in the firm. Most of the workers were given some nominal amount during the festival of Diwali. Thirty four per cent did not get a bonus. Only 26 per cent received the legally entitled bonus.

Travel allowance was usually either integrated into wages, or given as an extra amount. The majority of workers or 84 per cent were not given any allowance and spent their own money on travel. Homebased workers who had to go to their suppliers spent their own money or walked the distance. They could not afford the state subsidised transport rates. Significantly, 40 per cent of the workers choose to work in and around the area of their residence. Lower end job workers in the plastics industry did some basic calculations, 'If I am going to spend Rs. 100 from my meagre salary of Rs 500 on the bus then what's the use? If I walk the distance, I will need more than Rs. 100 to buy myself some chappals!' said one worker.

The cost of labour borne by employers in case of the informal sector workshops was minimal. They had no need to use any further flexibility strategies on an already flexi-workforce. The surplus labour situation in the city and the ease of training guaranteed them a pool of young workers whenever needed.
**Facing Changes**

**Old and New Strategies**

Industrial firms have to continuously strategise to maintain themselves, prevent a financial crisis or become extinct, i.e. they have to keep changing in response to the alterations in the raw material and consumer market and in government policies. But the set of strategies conceptualised as ‘flexibility strategies’ specifically emerged with the crisis in Fordist production and the success of Japanese management techniques. We would like to term these as the ‘new flexibility strategies’ (NFS). Medium and small firm owners in the informal sector in India would recognise many of them as strategies, often used for years, in their industries. We have called them ‘traditional flexibility strategies’ (TFS). It would be simple to conflate one with the other and dismiss the new flexibility strategies as a return of the old in another form and context. But there is a strong case for a differentiation. The context of their emergence and their fundamental objectives are wide apart. The new flexibility strategies emerged in the 1970s and 1980s and were conceptualised as a movement from a rigid, standardised, mass production system to a looser, ‘leaner’ and flexible one. They were more a structural response to an economic crisis. On the other hand, the traditional flexibility strategies emerged with handicraft and small-scale production and stayed with an expanding informal sector as a response to cyclic changes like slumps, changes in consumer demand and fluctuations in raw material supplies. Both strategies were being used by large, medium and small firms for either their survival and/or expansion in the changing economic environment.

Figure 6.1 shows the specific types of traditional and new flexibility strategies used by different firms in the plastic processing and the diamond polishing and jewellery manufacturing industries. Most dimensions of the new flexibility strategies were only being used by large firms for the creation of a flexi labour force through a process of casualisation. They directly affected or had the potential of affecting the ‘secure’ section of women workers. On the other hand, the traditional flexibility strategies would affect the ‘moderately secure’ in the large and medium sized firms and the ‘insecure’ workers concentrated in the small and tiny firms.
New and Old Flexibility Strategies

Figure: 6.1 Flexibility Strategies and Size of Firms

<table>
<thead>
<tr>
<th>Firms</th>
<th>Relocation</th>
<th>Subcontracting</th>
<th>Production Process</th>
<th>Labour Market</th>
<th>Nos. Wage system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>NFS</td>
<td>NFS</td>
<td>NFS</td>
<td>NFS</td>
<td>NFS</td>
</tr>
<tr>
<td>Medium</td>
<td>TFS</td>
<td>TFS</td>
<td>TFS</td>
<td>TFS</td>
<td>TFS</td>
</tr>
<tr>
<td>Small</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>TFS</td>
<td>TFS</td>
</tr>
<tr>
<td>Tiny</td>
<td>TFS</td>
<td>-</td>
<td>-</td>
<td>TFS</td>
<td>TFS</td>
</tr>
</tbody>
</table>

NFS = New Flexibility Strategies  TFS = Traditional Flexibility Strategies

Shifting out of Security

New flexibility strategies were mainly used by large firms in an integrated package to reduce overall infrastructural costs, production costs and wage bills to improve the quality and price of its products. The process of these changes had in some cases began much earlier than the 1991 economic reforms and in other cases they were expediated because of them. None of the firms in the sample had replicated a complete set of strategies like Just in Time or Lean Production, but had implemented a modified package suited to their conditions. The diamond jewellery manufacturers were drawing on new management techniques, like core competence and use of ancillaries for subcontracting and reforming within the framework of Fordist production. These strategies have led to the casualisation of the workforce, especially of the ‘secure’ section of women workers who mainly work in large and some medium firms.

Unlike male workers, women were not able to even consider relocating themselves along with the plant as that choice was not given to them by the employers or not supported by their household. Women in large firms, during the course of our interviews, were still working and had only heard of VRS from their retrenched friends. ‘When the neighbouring factory shifted out of the city, many people were given compensation to leave. My friend took the money because she had worked here for 20 years, her family was settled, her sons were working, the money could be used for her daughter’s marriage and now she has gone to the village. Their union too supported it and said why not
take the money. I am middle aged, who would give me such a well paying job, and my family is not well off. I would like to continue working if they let me.' Other studies have also indicated that most women do not accept the VRS as voluntarily as employers and unions would like to believe. In our interviews, the older women in large units were open to retiring if they were offered a good compensation but the younger ones who would not get much were very upset. They had also heard about the stories of many women who took VRS after years of work and had felt traumatised at not finding other formal sector employment, and of money quickly disappearing for marriages and household needs. There are many examples of large firm relocations, which have retrenched women via VRS leading to a very difficult life for these workers and especially for single women (Gothoskar, 1997).

Three overlapping changes introduced by the new flexibility strategies are automation of the production process, restructuring existing tasks and subcontracting out work. Automation or the purchase of new upgraded machinery required different skills and retrained workers, which meant reallocation of tasks and division of the workforce. Subcontracting parts of the product led to the retention of a set of workers and retrenchment of others as they shifted to the subcontractor’s firms. The results of these strategies have been seen in two, opposing ways. Piore and Sabel (1984) have highlighted the skilling process of workers in the implementation of flexible specialisation of medium and small firms. In our sample, we found there was a move towards enhancement of skills of some workers in the large and medium firms. But this process had very few women. ‘A lot of changes are happening. Firms are shutting down. But so far there have been no effects on us here. When my boss encouraged me to learn shaping, I jumped at the chance. Not many women want to do shaping. But I thought that it would be better for me. My father did not mind giving me money for training. Only the other male workers tried to put me off, they would say it’s a hard job. It is not hard, it is difficult. But now I earn more and have a better status. If, God forbid, this firm happens to shut, I have no problem. There is always a shortage of shapers because men are shifting around looking for soft diamonds.’ In the jewellery manufacturing firms, young women had been upgraded to setting small diamonds. ‘Setting has always been done by Bengali artisans. The firm got some new type of machines for diamond studded jewellery. They needed more people for setting. My boss selected a few
women for training to do simple setting. We are better paid than polishers but less than the artisans.'

In large plastic processing firms, automation is introduced along with retraining workers to be multi skilled. In most cases it has meant the end of women’s employment as their lower end jobs were merged with the others. Employers did not generally favour the prospect of enhancing the skills of women as they were considered a temporary workforce. Women worker’s families were hesitant to invest money or time in the upgradation of skills. Women themselves were reluctant because of their fear of machines and the added responsibilities. They preferred ‘soft’ jobs because their work did not end at the workplace but continued at home for several hours. Better and skilled jobs came with responsibilities, which they could not take unless they were liberated from household tasks. Most of the women in our sample, whether married or not, did a few hours of housework with the male members stepping in only at times of crisis or illness. Younger women were more open to upgrading their skills if their employers supported their training. Employers considered such a possibility only when women’s skill enhancement was part of their ‘contingency’ strategy to balance skilled workers, their ethnic background and cost of skill and production.

Atkinson (quoted in Walby, 1997) was more sceptical about the skilling process and said that a ‘core’ of workers was retrained whilst most others were placed in the ‘peripheral’ and flexible category. The ‘core’ workers were skilled or retrained to be skilled and they had relatively high paying, secure jobs with labour protection. The ‘peripherals’ were considered the flexi force, which could be retained whenever needed. In their selection of ‘core’ workers, employers looked for a steady, experienced and skilled worker. Women were perceived as temporary, unskilled but patient workers good with minute and repetitive work. General statistical data from the Indian census would corroborate the core/male, peripheral/female dualism as there are more men in formal sector and skilled jobs than women, who are in large numbers, doing unskilled jobs in the informal sector. Data from both our industries also collaborate this presentation. Men were in the more skilled jobs and women were at the bottom rungs of the task hierarchy with little chance of skill upgradation. Further, large firms’ implementation of flexibility strategies created ‘core’ workers through automation and multi skilling training.
This dualism does give a general picture of the position of men and women in the workforce. Unfortunately, like all dualisms, it has no space for the different layers of workers or the segmentation of the labour force. Walby (1997: 72) found that there was a blurred line between women clerical workers who had ‘staff’ positions but were considered unskilled and ‘production’ workers earning good wages and could not be placed either in the core or peripheral categories. Our data showed that there were women present in many of the top, skilled jobs and there were men and women at the bottom, semi and unskilled jobs. The definition of skill remains quite arbitrary and can change with technology to affect their core/periphery status. There were stray examples of all women workshops doing the whole gamut of diamond polishing. Employers were encouraging women to sit on plastics moulding machines, which could become the norm in years to come. But in general this dualism is misleading and cannot be applied to most situations.

Another, different case can be made against the ‘core/periphery’ workers formulation. Both our industries had highly skilled and skilled workers like artisans, diamond shapers and machine operators. The majority of them were on a piece rate or daily wage basis and they have resisted efforts to make them secure and permanent. They were flexible by choice or formed the ‘voluntary’ section of the flexible labour force. Our study confirms Carnoy et al’s (1997) observations that these skilled workers enjoyed and profited from their flexi-status despite insecurity and forced mobility. This group of skilled and mobile workers goes against the essence of the ‘core-periphery’ formulation. The core-periphery categorisation does give a sense of the selection process in the context of production level and labour market changes but the characteristics of the categorisation should include skill and worker’s control and their position in the production process.

Proponents of the liberalisation policy and the feminisation theory (Standing, 1980; Deshpande 1992) have offered a sort of consolation to women workers that flexibility strategies lead to the generation of more ‘woman-type work’, a substitution of men by women workers and a rise in the participation rate of women. In both industries, there was only one instance of new technology creating a ‘woman type’ work slot, i.e. of press pot or sieving out rough diamonds according to sizes. It was an unskilled supportive task to the semi skilled work of polishing diamonds. In the plastics industry, flexibility strategies using
automation and subcontracting were eliminating women's work from the formal sector firms. A clarification on the two terms 'generation of' and 'woman-type work' is necessary for a better understanding of Standing's thesis of feminisation of the workforce. 'Woman-type work' connotes that work, which is usually done by women and which is low skilled, repetitive, insecure and poorly paid performed under inadequate work conditions. Is it not tautological to ask if there is a generation of these specific jobs meant for them or were women selected for them?

New tasks, created by technology or changes in the production process, do not have a gender label but are given for a specific reason. A new machine for plastics production for instance created a new job requiring the combination of three skills. It required a worker who could be trained for machine work, which had the capacity and speed for the work and who would be a steady worker. For the industry, this job description fits men more than women workers. On the other hand, the diamond polishing industry moved women into the new task of press pot as the work was easy to pick up, low valued, monotonous. Traditionally, shaping diamonds was considered a male job until new machinery was introduced and a few women joined the shapers. The maleness and femaleness of jobs also breaks down in crises when workers are rotated to do all sorts of work. Said one woman, 'The boss asks us to do all sorts of jobs. I am supposed to be in finishing but I also load the raw materials, count the pieces and pack them in jute bags. When an order has to be completed you cannot say this is my work and this isn't. We must be adjusting.'

The example of a few women who were given small diamond setting cannot be called skill substitution, because it would mean that any generation of new tasks by the introduction of technology or machines was to be considered 'male jobs'. One could not observe a large scale induction of women for these new jobs and retrenchment of men. Women were not taking over men's tasks, though they were making inroads into male domains of work like shaping and machine operation. But men were taking over some of women's tasks as they were clubbed with other tasks in the process of automation and retraining workers to be multi skilled. There was no opposition from men to take over these tasks as they were redefined and better paid. Flexibility strategies in the plastics industry were leading to a masculinisation of tasks in the large firms. Lastly, our data showed that the presence of women in the labour market has more reasons than the use of flexibility strategies,
i.e. women figured in the strategy of a balancing gender, caste and region, to organise a steady workforce and minimise the threat of collective bargaining.

Towards Insecurity
Traditional flexibility strategies were practiced by medium, small and tiny firms and were likely to affect the ‘moderately secure’ and ‘insecure workers’. The ‘moderately secure’ workers were from diamond polishing firms, which had over minimum wages or plastics firms, which gave more than the minimum wages and/or had labour protection. Without the resources and management techniques of large, formal sector firms, the medium and small firms practicing traditional flexibility strategies were still successful in moving workers from their existing state of insecurity to greater insecurity.

These tiny firms could quickly and easily relocate by piling the entire plant in one truck and moving to the outskirts of the city or the hinterland. Workers were given the choice to follow or were helped by the employer to find another job. Men with machine operating experience could find work but most of the older women who were unskilled but had through the years become trusted and better paid dreaded the future. Remarked a woman, ‘I hope this does not happen to me. My friend from the neighbouring unit, which left Mumbai had come to me asking for a job. Who will give her a job when there are younger women who will work for wages lower. She is wondering whether she should take up street hawking.’

The subcontracting strategy depends on two factors: the fragmentation of the production process and the availability of cheap and disposable labour. Firms were dismembering parts of production that were not crucial to them and involved unskilled labour or required specialised machinery. Large firms gave such jobs to subcontractors and medium sized firms set up smaller subcontracting firms or gave parts of their work to another subcontractor. Some of the large diamond jewellery firms gave their polishing jobs to medium or small workshops. Many of these galas gave surplus jobs to each other. The plastics firms were specialised in making specific commodities for larger firms or for the domestic market.

Worldwide recession and the restricted supply of small rough diamonds from the De Beers Company resulted in the closing down of many small firms and created an intense competition between the
remaining ones. ‘Usually what happens is the boss reduces a few workers and carries on hoping for more orders. Women are removed first because they do not do overtime. Then if the problem goes on, he shuts down the firm.’ In spite of their large numbers, the semi skilled or 45 per cent of the workers had no premeditated or planned strategy for continued employment. They were confident of their recognised and fairly lucrative skill and were sure of locating another job if not in the galas then elsewhere. One of the older women said, ‘If my boss asks me to leave, I will retire from this work. Maybe take up something else like door to door sales. Many women are doing this work. It is easy and does not require concentration.’

The plastics firms were mortally affected by the liberalisation policies of de-reservation of commodities. As foreign goods started flooding the market, their contracted jobs disappeared and many shut down or switched to trading in raw materials or leased out their premises. The remaining ones were pressurised to use every strategy to compete for survival. Not having access to other methods, they intensified the use of labour market strategies pushing the unskilled workers further into insecurity. They cut down the workforce to the bare minimum by laying off workers. Medium sized firms giving over minimum wages laid off their long time but legally ‘temporary’ workers. Another way was increasing over time and freezing wage levels. Workers complained, ‘We have not had any increments for years and now we heard that there will be no bonus this Diwali.’ The informal sector medium, small and tiny firm workers were at such a minimum level, with no employment guarantees, low wages, unpaid holidays or leaves, no medical or transport allowances and no protection by law or union, that any further slide downwards would mean going over the edge of survival.

‘Contingency Workers’
The central point of the 1980s studies was that export oriented, labour intensive and seasonal global factories needed and preferred young, unmarried women as cheap flexi labour. There were corresponding studies in India of such a preference in the export oriented ready-made garments, electronics and shrimp factories. But the history of women’s cheap labour is longer and not only restricted to export oriented factories. Women have been inducted into the labour force whenever industrial production had labour intensive and non mechanised tasks.
In India, the British owned tea plantations, and in the 1930s the early textile mills, routinely recruited young women. A case study of the Coimbatore textile mill states that half of the women workers started work as young, unmarried women. Older women remembered, ‘...it was easy to get a job then. The factory manager would ask us our age, and we would say fifteen, and they would take us.’ (Baud, 1989: 88).

Our data on the plastics products and diamond polishing and jewellery firms show that young women were recruited as ‘fresh’ and cheap labour for unskilled jobs. As industry moved from one phase of technology to another, the employment of women also underwent a change. The Coimbatore textile mills also employed older single women and then discontinued women in favour of younger, educated men (ibid). The plastics product firm owners continue to prefer younger women but have the maximum number of married and older women in our sample. As long as women, married or not, old or young, continued to be a flexi force, employers had no problems in retaining them. But changes in technology as in the large plastics product firms made their jobs redundant. Women were seldom put through a retraining process for the newly created jobs. Employers gender prejudices, not wanting to create tensions between men and women as well as women’s own reluctance for skilled and more responsible jobs are some of the factors.

Women workers reported that in the past five years, the number of women had not decreased. Employers maintained that women continued to form about 10 per cent of their workforce. Why was it that the two industries, which had undergone technological and other changes in the course of flexibility strategies, had not whittled down or dismissed their women workers? One answer is that flexibility strategies as an integrated package which radically changed the workplace and its task hierarchy was taking place only in a very small number of formal sector firms. The ‘secure’ section of the workers was under an immediate threat. The majority of the firms were strategising to survive but basically had the same organisational structure and production process. There was a potential threat to the jobs of the moderately insecure and insecure women. Secondly and perhaps more importantly employers did not look at women only as cheap labourers. They were also part of their ‘contingency plan’ of dividing and
checkmating other workers by using gender, caste, and region and balancing skill, productivity and the wage bill to run a profitable firm. Employers will continue to perceive women as ‘contingency workers’ as long as members of women’s households perceived them as ‘contingency workers’. Employers cannot compete with households in claiming women’s labour but can turn that claim or their domestic responsibility, their social subordination and unequal access to education and skill to their advantage at the workplace.

**CONCLUSION**

One of the main purposes of industrial restructuring was numerical and functional flexibility so firms could gear up to face price and quality competition. Organisational structure flexibility involved decisions on relocation of the firm to subsidised areas or places with cheaper infrastructure costs. Physical shifts, subcontracting non core processes, or splitting firms usually left women out by retiring them through schemes, simply retrenching or pushing them out to sub contracted smaller firms. Either way they were bereft of a job or found themselves in a non formal sector environment. Women’s attitudes towards these changes were ambivalent with a small number of older women seeing them as a boon (compensation) and most others fearing the loss of their jobs.

It is common for firm managements to upgrade machinery and technology to improve their products and costs. But the economic reforms had made this an issue of survival. Newer production methods like casting instead of using moulds for jewellery, laser diamond cutting machines, and sophisticated machines which integrated tasks for plastic products were being adopted. Flexible strategies of the production process brought together technological changes and retraining of workers, and broke down rigid task and skill divisions between workers. Only a few women benefited from the retraining process. The majority found themselves being declared redundant as their lower end, unskilled jobs were being merged with men’s work.

Labour market flexibility strategies were used to control the number and wages of the workers. In both industries and amongst all firms, the strategy was a traditional one i.e. by using the piece rate and daily wage systems to keep the wages of workers under management control. Managements have been campaigning for the amendment of protective
labour laws so as to get the right to hire and fire workers according to their production levels. Flexibility strategies, which emerged with the crisis in Fordist production methods have been called the new flexibility strategies. Large and medium sized, formal sector firms were more likely to use the new flexibility strategies for the creation of a flexible labour force. This meant that women belonging to the ‘secure’ category of workers were most likely to be affected by changes such as automation and clubbing of tasks, relocation of the plant and subcontracting out-production. Medium and small firms intensified their use of labour market flexibilities to push the ‘moderately secure’ and ‘the insecure’ women to further insecurity. Women continued their poorly paid jobs and back breaking overtime as they waited for that fearsome moment of dismissal. Some of the advantages of flexibilisation seen by Piore and Sabel, i.e. skill enhancement had bypassed women. Our data shows that women have been de-skilled by flexibility strategies especially in large units, except in a few cases in the diamond processing and jewellery industry. The terms ‘core’ and ‘periphery’ workers were used by Atkinson to show the bifurcation of workers into a permanent and skilled group as against the insecure ones. The concept of ‘core’ and ‘periphery’ is problematic dualism but it does in a general way indicate a process of selection, which leaves behind women.

Most studies examining the recent induction of women into the workforce have noted that free market policies and multinational companies have tended to hire younger women, citing biological and temperamental reasons for their preference. Our two industries have been hiring women using the same rationale much before liberalisation policies opened India to the world market. Employers showed a shrewd sense of strategy in combining gender stereotypes, beliefs and the requirement for lower end jobs for women. Women workers were part of what we have called the ‘contingency plan’ of employers to serve as a back up group and in order to divide the workforce. Given women’s own limited objectives for employment, double burden and skills, they not only accepted their allocation of tasks but faced the changes in the workplace without protest.

Entrepreneurs, in order to be effective and profitable, have to effectively match the requirements of the production process with a selection of workers. They were able to build a flexi labour force of primarily women because members of the women’s households implement and promote the social construction of feminity, unequal
gender relations and give sanction to women’s subordination. Further, they could push women into undesirable, lower end positions as their households did not invest in their education and skill training.

Women were not unaware of their disadvantages in the labour market but, as a strategy, took up and/or withdrew from opportunities as they attempted to empower themselves without too much conflict in the household and at the workplace. Women evaluated their work and position not from the perspective of where they were in the workforce but from the perspective of what it meant for their position within their households.

Endnotes

1 The data is based on 60 largely opened ended questions around their work, conditions, wages, changes in their firms, skill, etc.

2 Each woman worker was asked question around the number of workers-men and women in her firm. Her answers were checked by physically counting especially in small and tiny firms and in others verification of number was done with other female or male workers.

3 We have used the concept of social security rather than the broader one of human security. The United Nations Development Program (1994) defined human security to cover 7 areas namely economic security; food security; health security; environmental security; personal security; community security and political security. This has a larger scope than the ILO one, which restricts itself to economic and social distress. Social security is relevant for the scope of this chapter as it focuses on the worker and her immediate environment. For a good discussion on human security see the introduction of Lammers, 1999.

4 Total Quality Management (TQM) and Kaizen (continued improvement) draw on worker’s input in every stage of production process and emphasis detailed documentation of procedures and processes.

5 The earlier process of mould making and then studding the diamond is a long process. Casting, a different method first studs the diamond and then metal is poured has changed the production process quite substantially.

6 The English word ‘adjust’ has been co-opted into the Indian languages to serve as a euphemism for compromise. It’s most common usage comes with advice being given to young daughters by their mothers. It means compromise of one’s rights or agreement to defuse conflict for a working relationship. As a worker one has to stretch oneself beyond the verbal contract to appease one’s employer. In both cases, as wife and worker, it implies a woman’s powerlessness and silence in an unequal relationship.