



MURDER OF THE MILLS

An enquiry into Bombay's Cotton Textile Industry and its Workers
A Lokshahi Hakk Sanghatana Report

An Enquiry into Bombay's Cotton Textile Industry and its Workers

Every day one reads news reports about the closure of a mill or a department of a mill, and about deals struck for the sale of mill land. The Government and the various political parties have been making contradictory statements at different junctures on the issue to suit their needs. Simultaneously, one also hears about architects (local & foreign) proposing various fancy plans for the redevelopment of the mill area for real estate purposes. All these plans totally ignore the impact all this will have on the lakhs of textile workers who work in these mills and live in the surrounding areas.

The LOKSHAHI HAKK SANGHATANA (LHS), a Democratic Rights organisation working in Maharashtra since 1979, constituted an independent Fact Finding Team under the Chairmanship of Justice H. Suresh (Retired High Court Judge) to specifically look into the impact of all this on these workers' lives and livelihood.

The Terms of Reference of the Team were :

1. Causes of closure of mills and the effect on textile workers.
2. Policies of shifting textile production to the unorganised sector and retrenchment.
3. The role of various legislations and policies of the government relating to the textile industry.
4. The change of use of mill land for real estate purposes.
The real estate speculation and the policies behind the de-industrialisation of Bombay.
5. The various struggles of textile workers in the recent past geared to reopening closed mills and to stop the sale of mill land.
6. The impact on the lives and aspirations of textile workers who have been losing jobs and facing displacement.

As part of these investigations, the team appointed Justice H. Suresh and Shri Bagaram Tulpule to conduct a public enquiry to record and hear statements from various sections (textile workers, mill owners, union activists, Government officials etc.) concerned with textile mills and the areas surrounding them.

Murder of the Mills

An Enquiry into Bombay's Cotton Textile Industry and its Workers.

A report by an independent fact finding committee constituted by Lokshahi Hakk Sanghatana - consisting of :

Chairman :

Justice Hosbet Suresh (Retired Judge of the Bombay High Court)

Members:

Mr. Arvind Adarkar - Architect

Ms. Rochelle Pinto - Journalist

Mr. Naresh Fernandes - Journalist

Mr. Vinod Shetty & Mr. A. Antony Samy- Lokshahi Hakk Sanghatana

The fact finding committee instituted a PUBLIC ENQUIRY conducted by :

Mr. Hosbet Suresh (Retired Judge of the Bombay High Court)

Mr. Bagaram Tulpule - Eminent Trade Unionist

Written and Compiled by Rochelle Pinto and Naresh Fernandes October, 1996

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Introduction : Murder of the Mills

An Enquiry into Bombay's Cotton Textile Industry and its Workers.

A City without Workers ?

Squatting outside the gates of Parel's Piramal Mills in May, more than 100 workers prevented trucks from carrying away machinery. And with it, their futures. "The owners want to shut the mill and sell the land. But we are fighting to keep our jobs", explained Gimi Kamgar Sangharsh Samiti activist Balakrishna Nar, who has been suspended by the management for his union activities.

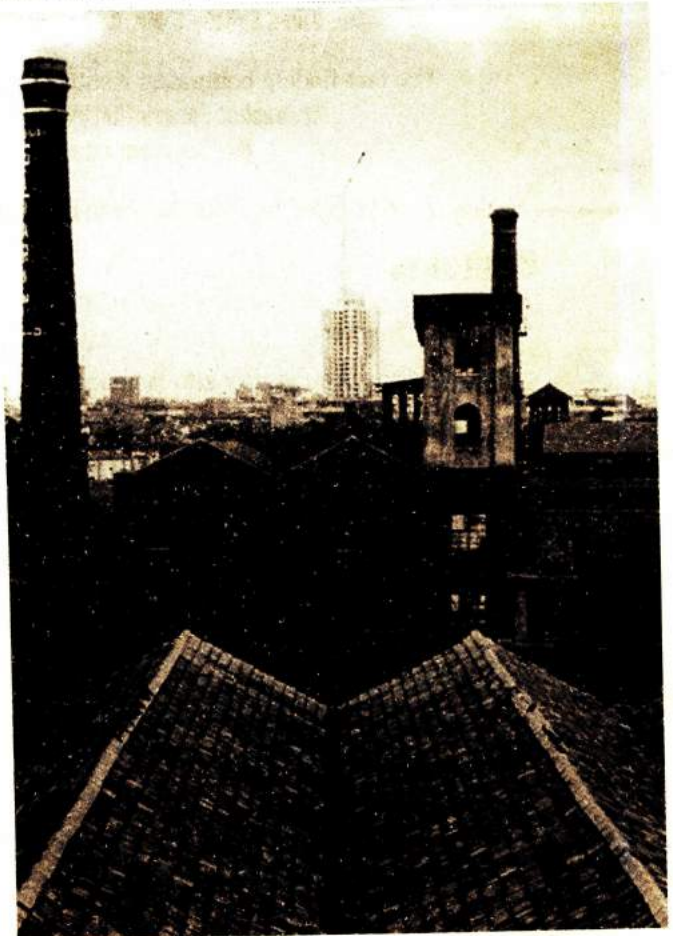
The changing Parel skyline showed the picketers what they were up against: a glass-and-chrome apartment block has risen on land belonging to Phoenix Mills and the cylindrical Falcon's Crest towers over mill chimneys. Departments have been closed and thousands of workers have been forced out as a succession of commercial complexes has sprung up on mill estates down the length of N.M. Joshi Road. Said Nar, "The government wants to turn Bombay into Singapore. But we want this to be Shrampur — the City Of Employment."

The conventional wisdom maintains that the cotton textile mills - once the heart of the city's economy - are industrial dinosaurs; we are told that workers' resistance to closure is futile.

Only four of Bombay's 54 mills are completely closed. There were ten but pressure from Nar's organisation and other unions have forced managements to reopen the other six closed mills over the last three years. Bombay's textile workers are still willing to battle despite the odds: a third of the 1.06 lakh workers retrenched after the 1982 strike have yet to receive their dues; at least half have been reduced to casual labour, earning approximately Rs 25 a day. In each of the city's 54 mills, unions are fighting court cases to get back pay, force permanency, prevent machinery being shifted out and the land from being sold.

Parel skyline : Singapore or Shrampur ?

Photograph : Desmond



Job losses have had an immediate effect on life in Girangaon, the village of mills. As Bombay's population grew by 1.8 per cent a year between 1981 and 1991, the population of Parel fell by 1.5 per cent annually, that of the Elphinstone Road area by 0.3 per cent and that of Sandhurst Road - which includes the Kalachowkie mills - by 2.2 per cent

Though many think otherwise, for the 80,000 textile workers and their dependents, the fight to keep the industry running is still on.

The first labourers brought in from the Konkan in the 19th and early 20th century to work the mills saw 'chimneys that seemed to touch the sky'. Bombay's first mill was set up in 1854. The mills are the financial cornerstone of many successful business groups. The conglomerates made their fortunes running mills on land and resources made available cheaply by the government at that time.

The 1980s saw a dramatic change, with profound consequences for the people of the city. In 1980, Bombay's mills employed approximately 2.32 lakh workers; by 1986, there were only 1.56 lakh textile workers on the muster rolls. Between 1976 and 1991, 1.33 lakh jobs have been lost in the cotton textile industry. In 1976, 27 per cent of the city's working population found employment in the mills. In 1991, the figure had fallen to 12.5 per cent.

The job losses have had an immediate effect on life in Girangaon, the village of mills. Even as Bombay's population grew by 1.8 per cent a year between 1981 and 1991, the population of Parel fell by 1.5 per cent annually, that of the Elphinstone Road area by 0.3 per cent and Sandhurst Road - which includes the Kalachowkie mills - by 2.2 per cent. Retrenchments and rumours of land sale indicate that the city's remaining 80,000 mill workers may go the way of their colleagues retrenched in 1982.

Bombay's mills, if they now find a mention in the media, are synonymous with the approximately 500 acres (2.8 sq. km) of land they occupy. They are viewed by the makers of public opinion as being long past their period of optimum production, their utility exhausted, their employees a financial drain. This plunging economic graph is contrasted, as though by a naturally evolving comparison, to the value of the land: conservatively estimated at between Rs 15,000 and 20,000 crore.

Why this report

Bombay's textile industry during the last 12 years has witnessed perhaps the largest job losses in the history of modern industry in India. It has been a process accompanied by illegal closures, illegal retrenchments, and frauds in relation to workers' dues, the money of public financial institutions, land and labour laws. Yet there has been no inquiry into or documentation of this process, a process which has wreaked havoc in the lives of so many.

This report traces why a link has been constructed between the productivity of the mills and the land they occupy; how land use in the mills was formerly determined; which groups of citizens manoeuvred the fortunes of the mill

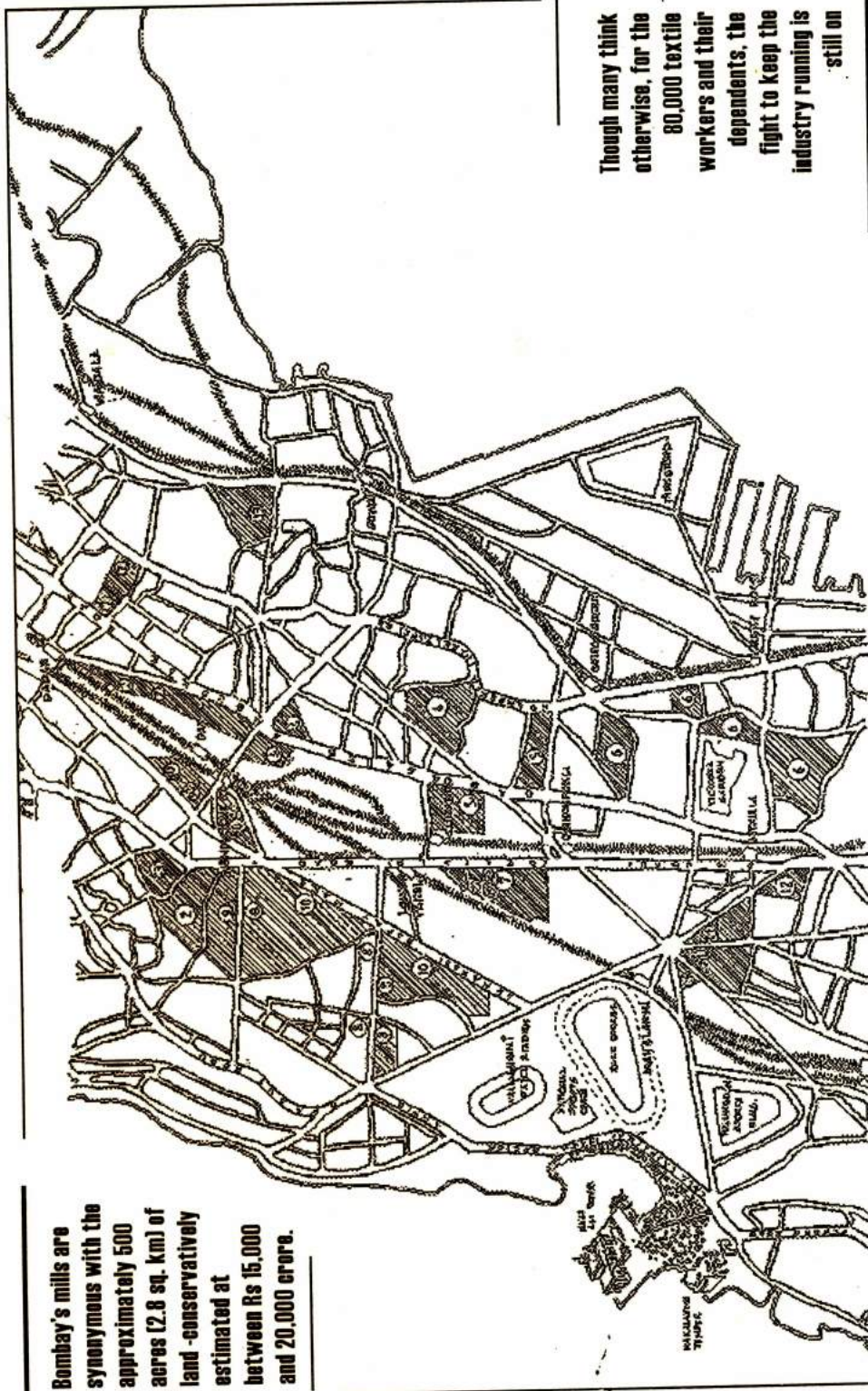
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and how those who call the shots decided that the closure of the mills would lead to the city's material and social progress. It also documents the condition of Bombay's mill workers and their struggles, at whatever level, to resist this process.

The focus of most writing on the mills is the strike of 1982. The millowners claim it was the 1982 strike that ruined their industry, conveniently ignoring the state of the textile industry in cities where there was no strike. Many trade union activists argue that Datta Samant's actual conduct of the strike left the working class movement weakened.

Other analyses have sought to dispel the myth of the inevitability of economic sickness and

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1. Malim Ruby Mills
2. Dadar
3. Prabhadevi
4. Parel
5. India United No. 1, Morarjee No. 1, Finlay
6. Gold Mohur, Tata, Kohinoor No. 3
7. Spring, Ruby
8. India United No. 6, Standard

9. Worli
10. Lower Parel
11. Dawn, Piramal, Jalal Dyeing, Morarjee No. 2.
12. Siram, Poddar, Bharat, Textile, Prakash Cotton, Madhusudan, Victoria, Century, Bombay Dyeing.

13. Western India, India United No. 4, 3, 2, 5
14. New City, New Hind, New Great Eastern, Maratia No. 2
15. Apollo, Sitaram, Poddar, Maratia No. 3

16. Senapati Bapat Marg
17. Ragnivanshi, Phoenix, Matulya, Kamla, Sreenivas, Mumbai Textile, Eiphinstone, Empire Dyeing, Jupiter
18. Modern, Eradbury, Hindustan No. 1, 2, Simplex
19. Byculla
20. Khatau
21. Savree
22. Standard, Swarn, Jubilee

Map Showing location of the mills in Greater Bombay

unviability of the mills. But this is hardly relevant for central and state governments: they have silently watched as the mills crumbled. And the trade union movement has not been strong enough to compel them to do otherwise.

As the new Development Control Rules of 1991 allow for mill land to be sold, another chapter in the history of mill closure is drawn out. The mills, it would seem, can still furnish a final and valuable yield to their owners if they are sold for commercial use.

And what of the workers ?

Bombay no longer promises steady industrial jobs. The city is an urban sponge, absorbing lakhs of unorganised labourers, on inhuman work hours, wages, and living conditions. This labour pool is the city's economic backbone, but is otherwise invisible.

The architects of the structural adjustment policy contend that the tertiary sector holds out the promise of immeasurable employment for Bombay. Planners and politicians believe that the city will develop into a vibrant financial centre because it is ideally placed in a time zone between New York and Tokyo. It can do business with one before the other wakes up and vice versa. The city's collective resources are being redirected to fuel this transnational dream.

In 1995, the Bombay Chamber of Commerce and Industry set up a 'London First' clone called 'Bombay First'

As the city's economy comes to be dominated by the tertiary sector (nearly 60 per cent of the working population is employed/ self-employed in the service sector), advocates of structural adjustment say that the private sector will create new job opportunities to absorb those retrenched from industries.

But between 1981 and 1991, when these policies were operational, employment in Bombay's private firms dropped by three per cent a year, according to the Maharashtra Government's employment market information.

Between 1981 and 1983, manufacturing jobs in London declined from 14.48 lakh to 5.83 lakh. London First, added to the problem by advocating the privatisation of infrastructure. So disastrous were the consequences that UK planners were forced to institute hasty rejuvenation schemes to attract jobs back to the city.

Through the decade, job opportunities in the city have declined by 0.7 per cent. Retrenched mill workers have not been reabsorbed into the city's organised workforce. Bombay's poorer sections have steadily been sinking into the semi-employed or unemployed category. The mill workers are one of the many groups of their class who have been impoverished on a mass scale in just a decade. They reflect accurately the changing focus of Bombay's economy.

A history without those who made it ?

How did nearly one lakh skilled mill workers who held coveted jobs in the 60s find themselves in the 90s earning Rs 25 a day pulling handcarts or selling vegetables? Why do the planners, politicians, and opinion-makers see these developments as a progressive economic step?

The government and prominent industrial groups have declared their ambitions to model Bombay along the lines of other Asian success stories, especially Singapore. The interests of architects, historians, journalists, economists and the newly rich middle class have recently found an unmatched unity of will and purpose with that of the government.

As a result, fewer middle-class pressure groups oppose government policies. The city's media and heritage groups indirectly endorse the changes. Citizens are coaxed through coffee table books, beautification programmes and heritage columns to become aware of the city. This obsession ironically creates a break with a past. The past lies

behind to be identified and memorised through son-et-lumière and photography shows, so that a bright future can be attached to it in a strong line of progress. The city, as depicted in newly introduced newspaper metropolitan supplements, seems to stretch out like a blueprint, offering itself to be redesigned and recreated. Each week, on the pages of leading English dailies, heritage groups identify structures which they say constitute a past worth preserving.

One can see that 'heritage' structures will share space in the future with designer houses, parks and shopping malls. But the architects do not specify who will inhabit this city of the future. The history of Bombay has been reduced to a history of structures. The material forces and social movements that determined their growth or decline are either absent or represented as interesting accompanying anecdotes. This absence is echoed in the activities of the government, which is completing the privatisation of the city's resources.

Privatising the city

This report questions the false structuring of Bombay's history and the reasons why it is being revived and reframed at this point in time. The process of privatisation began in the last decade and its effects were predicted by economists and urban planners. Among those who warned against this was the Bombay Metropolitan Regional Development

Between 1981 and 1991, employment in Bombay's private firms dropped by three per cent a year, according to the Maharashtra Government's employment market information. Only 5.88 lakh jobs have been generated by the manufacturing industries by 1991, against the BMRDA projections of 14 lakhs

Authority (BMRDA), which produces the physical plans aimed at guiding the city's economic development. Paradoxically, its 1991 BMR Draft Regional Plan has reconciled itself to merely reporting on the unbridled manner of the city's growth, a reflection of the organisation's failure to shape urban growth in the past few decades.

The plan for 1970-91 recommended that the city's population be restricted to 7 million. By 1991, it had crossed 9.1 million. The ban on fresh commercial activity in the island city is absurd, given that the city is now teeming with new businesses.

The BMRDA has noted London's decline, but has not recommended how to avert a similar situation in Bombay

The BMR Draft Regional Plan for 1996-2011 indicates the peculiar schizophrenic position in which the organisation finds itself. It supports the

government policy of shifting the manufacturing sector out of the city. At the same time, it warns against the fallout which cities such as London experienced after they adopted decentralisation programmes in the 60s. Between 1961 and 1983, manufacturing jobs in London declined from 14.49 lakhs to 5.83 lakhs. London First, a group constituted in 1982 by the flourishing service sector, added to the problem by advocating the privatisation of infrastructure. So disastrous were the consequences that UK planners were forced to institute hasty rejuvenation schemes to attract jobs back to the city. The BMRDA has noted London's decline, but has not recommended how to avert a similar situation in Bombay. Only 5.99 lakh jobs have been generated by the manufacturing industries by 1991, against the BMRDA projections of 14 lakh.

In 1995, the Bombay Chamber of Commerce and Industry set up a London First clone called Bombay First. Its advisory board has industrialists and former municipal officials among its members. The group seeks to privatise city services. The unstated deindustrialisation policy, which is a prerequisite for this plan, has already been implemented over the 80s. These schemes, still being researched, are supposed to be financed by industrialists and corporate houses, who have so far been reluctant to put down the huge amounts of money to build infrastructural services.

In February 1996, Maharashtra's urban development department appointed a study group to prepare an integrated development plan for the textile mill area within 60 days. Charles Correa, a prominent architect and a leading member of the group that drew up the plans for New Bombay, is the chairman of the six-member group. D. M. Sukhthankar, chairman of the Heritage Conservation Committee, Deepak Parikh, chairman of HDFC, A. N. Kale, Director (ES&P) BMC, G.S. Pantbalekundri, Deputy Secretary, Urban Development Department and V.K. Phatak, Chief Planner, BMRDA, are also on the committee. But the committee's brief does not include planning for the mill labour and associated communities displaced by land sale. The state government has decided not to approve new proposals for the development of mill land. But it has not stopped the nine projects already under way.

Given that the Correa committee's terms of reference do not even include defining mechanisms to protect the livelihoods of textile workers, the committee seems set merely to endorse the brutish imperatives of capital and real estate. Unless halted by public pressure, these will defraud and finally submerge the remaining 80,000 mill workers. This report is intended as an aid to building such pressure.

The Correa committee's terms of reference do not include defining mechanisms for protecting livelihoods of the textile workers. The committee seems set to endorse the brutish imperatives of capital and real estate

In the following report, we have first traced how the land laws have been re-moulded to facilitate mill closure, in the process allowing large-scale fraud by the millowners. Next, we have recorded the opinions, conditions and struggles of the workers in this situation. Further, we have briefly surveyed the role of the unions in this crucial period. These developments are then situated in the political economy of the textile industry and India, as well as case studies of individual mills. Finally, we have summed up our findings and raised certain demands.

Land Sale Prescriptions from World Bank and Goswami Committee Report

The World Bank in its report '*India - an Industrialising Economy in Transition*' under the head '*Adaptation and Exit*' spells out its preoccupation with closures and land sale.

"Giving companies greater freedom to make investments, enter new lines of production, and expand.... may have only a modest effect if firms are not concurrently given greater freedom to adapt to market forces by retrenchment, merger or closure and sale of assets"

The same report continues:

"Transferring assets between alternative uses could be simplified and achieved much more quickly. Takeovers, mergers or share purchases that do not involve other regulations such as MRTP could be freed from government and court intervention. Greater flexibility to liquidate wealth held as land and to relocate manufacturing activities should be provided, which would involve policy changes by State and Local Governments as well as the Centre."

'*The Report of the Committee on Industrial Sickness and Corporate Restructuring*' commonly known as the Goswami Committee Report, prepared for the Finance Ministry is nothing but a strident echo of World Bank directives. Land sale therefore is welcomed :-

"Often cash strapped but operationally viable companies own considerable vacant land within the factory premises. Such lands are unutilised by these firms and command high prices for alternative commercial use in urban areas; their sale can generate substantial additional funds for repaying whole or part of outstanding debts and also for meeting the costs of rationalising the workforce. Land sale is the most profitable way of generating internal resources for (i) re-organising viable companies or (ii) getting the best value for unviable firms."