Murder of the Mills

A Case Study of Phoenix Mills

A report by

Lokshahi Hakk Sanghatana

and

Girangaon Bachao Andolan

26 April 2000

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An inquiry constituted by
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which included Shekhar Krishnan, Antony Samy, and Vinod Shetty, Lokshahi Hakk Sanghatana; and Meena Menon, Datta Ishwalkar, and Arvind and Neera Adarkar, Girangaon Bachao Andolan.

Written, researched, and compiled by Shekhar Krishnan

We gratefully acknowledge the additional assistance provided by Gayatri Singh, Apoorva Kaiwar, Harshad Bhatia, Girija Gupte, Hemu Adhikari, and Darryl D'Monte. The research contained herein was presented to the Second Conference of the Association of Indian Labour Historians, National Labour Institute, Noida, U.P. on 17 March 2000. Girish Srinivasan and Rajni Desai of the Research Unit for Political Economy, Prabhadevi, extensively commented on the final draft and their valuable insights have been incorporated in the text. Photos were taken by Preeti Verma.

Copies of this reported can be requested by contacting Shekhar Krishnan via e-mail at *kshekhar@bol.net.in.*

NOTE: Despite repeated attempts to solicit their views, we were unable to contact the following individuals cited in the report: Mr A D Singh, CEO and Manager of the Bowling Company; Mr K M Mehrotra, General Manager, Bank of India Mumbai and Monitoring Agency for BIFR Case No.22; Mr Kurmi, Executive Engineer, Brihanmumbai Muncipal Corporation; Messrs Ashok and Atul Ruia, Phoenix Mills.

Girangaon Bachao Andolan was set up on the initiative of the Girni Kamgar Sangharsh Samiti, which was formed in 1989 as a platform to reopen the closed textile mills of central Mumbai, and which later converted into a union after six years of struggle, during which seven of the ten mills reopened. The Girangaon Bachao Andolan was formed to organise the people in the localities and the artistes, singers, writers, and all those who represent the unique working class culture and traditions of the mill area. The people of this area have been active in the social, cultural and political life of the city for over a century. The Girangaon Bachao Andolan is focussing on the right of the people of this area to live and work here, to defend themselves in the face of the attack by the builders, mill owners, and the mafia who want to turn this area into an elite paradise. We are fighting against displacement, for the right to jobs and housing.

7/61, Modern Mill Compound, K K Marg, Saat Rasta, Mumbai 400011

Lokshahi Hakk Sanghatana is a democratic rights organisation that has been working in Maharashtra since 1978. It carries out investigations, propaganda, and agitations for democratic rights. It has brought out innumerable fact-finding reports on issues of repression - attacks on workers and peasants, communal riots, Government policies leading to drought, police torture, illegal closures of factories rendering thousands unemployed, repressive legislations such as TADA, and so on. It also works to build up solidarity among various sections of the people against repression on any one section of the people. In the gathering momentum of attacks under the new economic policies, on the person and livelihood of working people, it appeals to all democratically minded persons to join in its activities in whatever way they can.

c/o 10, Laxmi Nivas, Katrak Road, Wadala, Mumbai 400031

Published by LOKSHAHI HAKK SANGHATANA and GIRANGAON BACHAO ANDOLAN
at Balaji Prints, Matunga, Mumbai 400019

Suggested contribution Rs 15

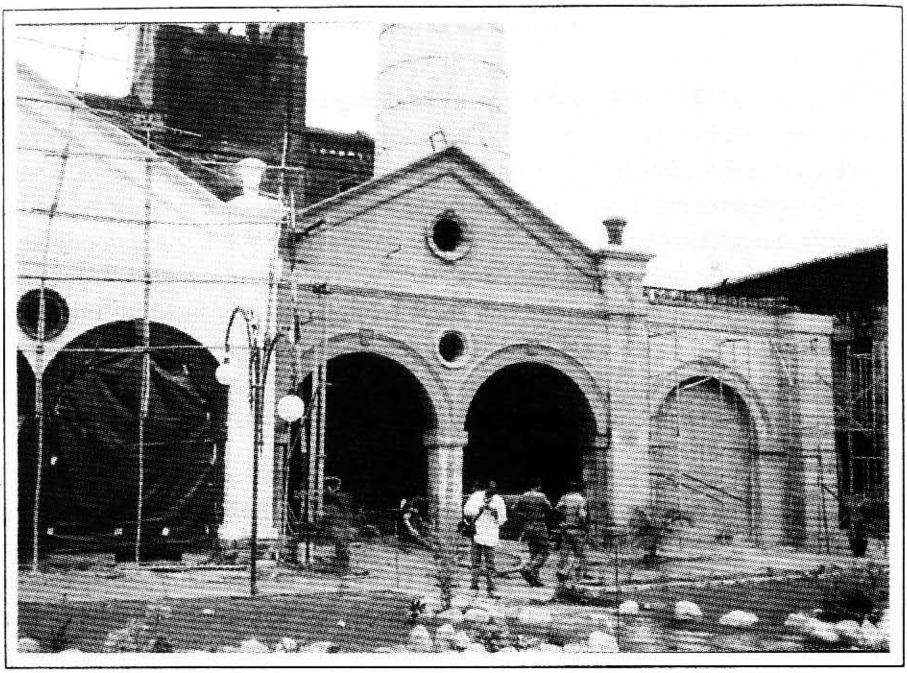
Introduction

On Sunday, 23 April 2000, a three-story building in the centre of the Phoenix Mills Compound in Parel collapsed. The latest reports before our going to press indicated that five labourers died, and twelve others were seriously injured. There was no representative from the management at the site of the collapse, and a subsequent report in *Mid-Day* claimed that the work on the building was continuing, in violation of a stop-work notice issued by the Brihanmumbai Municipal Corporation. The management has tried to deflect responsibility onto the contractors for the repair work, and *Mid-Day* has claimed that the Mumbai Police will register an offence against the contractor. However, an earlier report in *Express Newsline* claims that the work was not contracted, and was being conducted by the mill owners directly.

Visiting the mill compound on the day of the tragedy, as bulldozers were clearing away the rubble and the Fire Brigade still rescuing the workers trapped inside, we saw a notice on the door of Fire and Ice, Bombay's biggest and perhaps most popular disco — located in the adjacent building in the compound. The notice claimed that the disco would be closed for the full day for "a private party".

Indeed it seems that while the elites continue to party, the workers get buried in their wake. In an article in *India Today* from 2 November 1998, a journalist has celebrated the renaissance of what she calls "Mumbai's embarrassing eyesore" — the textile mills lands of central Bombay — as this "grim, seedy, and decidedly downmarket" area is being transformed into a new oasis of elite business and leisure. Boasting corporate offices, advertising agencies, art galleries, entertainment centres and posh restaurants, a new economy and way of life have displaced what, according to this writer, were the previously "rat-infested" mills and other parts of this "depressing district."

This article quotes an architect who remodelled a part of the Phoenix Mills Compound into the new offices of the multinational Standard Chartered Bank, claiming that the mill "was a dead place" before its new corporate tenants arrived. Phoenix Mills now houses the residential high-rise Phoenix Towers, numerous offices and restaurants, the Bowling Company and the Fire and Ice discotheque. Nearby mills have leased their lucrative land holdings, boasting similar space and amenities. In the old industrial lands of central Bombay, gleaming high-rises now compete with chimney stacks for command of the urban skyline, a symbol both of "progress" and change. That most precious commodity in our ill-planned, congested and overcrowded commercial capital, *space*, is up for grabs to the



The entrance to the disco, Fire and Ice, at Phoenix Mills. The building on the extreme right collapsed while under repair on 23 April 2000, killing five workers and injuring twelve.

highest bidder. *India Today* shares in the excitement — central Bombay's treasure is its "yards and yards of mill land, just waiting to be devoured." "Everywhere poky chawls are metamorphosing into haughty highrises, pinstriped shirts are replacing blue collars, and old addas are turning into trendy little eateries."

But what of the residents of these decrepit chawls, have they simply fled at the advance of the builders, party-goers, and advertising executives? What of the mills and textile industry, in which many of these workers and their families have worked for over a century? What of their long heritage of productive culture, and the traditions tied to these historic neighbourhoods, which nestles in the heart of Bombay's growth as a great industrial metropolis, have the been extinguished?

The eighteen square miles covering central Bombay, sandwiched between the office and business districts of the southern island city and the expanding suburbs to the north, have for over a century been the lifeworld of Bombay's textile workers and their families. The new skyline sprouting in central Bombay is enveloping Girangaon, the old "village of mill", and the mass media, town planners and urban elites portray the mills and their workers as a burden on economy and efficiency, an impediment to progress. The other side of this fantasy of market-led progress is a vast sea of retrenched workers and underpaid contract labourers who cannot be reabsorbed in the new economy. But it was through the labours of these workers that this city rose to prominence as a India's largest industrial metropolis, whose productive activities are now in ruins. Today a post-industrial dream which styles Bombay a new Hong Kong or Singapore fires the imagination of our globalising elites — a dream which is premised on the murder of a productive economy, culture and history that lie at the heart of our metropolis. This is the story we attempt to tell in the following pages.

Put bluntly, today a group of corporate and multinational financiers and entertainment promoters, in league with millowners, state and civic authorities, claim to lead Bombay into a new era of leisure and prosperity — in pursuit of which they have quietly swept aside legal norms, financial propriety, social justice and the legal and democratic rights of workers. All this to develop the mill areas into a destination for corporate investment and middle-class entertainment, in the process dispersing the organised working class, their productive activities and livelihoods, their history of struggle and the culture that has been the heart of all that Bombay was once proud of. This destruction of a class of workers, an entire urban lifeworld, holds untold consequences for the city.

In this report we undertake a case study of the redevelopment of the Phoenix Mills, in order to question the claims of those who are refashionings the city's landscape and its citizens' lives. Behind the golden promise of a globalised Mumbai lie massive financial frauds committed in the name of workers' livelihood and urban development, devastating job losses and the various tactics used by employers to pressure and dismiss workers, forcing them into insecure employment in the informal sector, destitution, and often crime. We hope to demystify the deindustrialisation of the city, the closures of its industries and the change in its political and cultural economies — a process which is by no means the work of impersonal "market forces", but the very real coercion of workers by venal employers and vested interests.

While here we take the example of Phoenix Mills, as it is a notorious one and is much in the public limelight, the processes we describe here affect the entire industry and city. The following chapters narrate the history of the textile mill areas in the context of a changing urban political economy, discuss the textile industry and its growth and changes, and address questions of urban development and city spaces, and what we as citizens should demand.

I.

The Story of Phoenix Mills

While most seem to think that the story of Bombay's textile mills is one of decay and inevitable closures, the real origin of the "sickness" of the textile mill industry lies elsewhere. On the one hand, for reasons discussed later, the millowners began to siphon funds from their textile mills to other, more profitable activities. On the other hand, in the late seventies, hoarding of urban land and the non-implementation of the Urban Land Ceiling Act 1976[1] caused a rise in real estate values in the island city of Bombay, encouraging many businesses and industries to sell their lands for a profit and move elsewhere. However, the mills and millowners could not avail of this profitable opportunity. According to municipal development rules, the mill lands are reserved for industrial use, as they were by and large given to the mill owners at concessional rates by the colonial Bombay Government in the beginning of the century, to promote industrial production, and to develop the city and its hinterland[2]. Since then, because of the highly organised and strident nature of the mill workers, and the fear of the owners of their agitations, both industrialists and the Governmen retained the stipulation of industrial use for the mill lands. Because of this restriction on the change of user, the textile mills could not sell their lands except through surreptitious and illegal means.

It is against this background that the decline and sickness of the textile mills needs to be seen. Millowners are today less interested in developing their industry than in profiteering from real estate, and the phenomenon of sick industries is not the *cause*, but a *symptom* of the fact that real estate has become more valuable than textile production. The mills have not declined on their own, but through being rendered sick by their owners. Those that remain in business do so because of the ease with which they can subcontract textile production to cheap, unprotected labour in powerlooms outside of the city.

However, publicly millowners and other industrialists have put forward the case that their mills can only be revived and made profitable if they are permitted to lease or sell their lands. This is a spurious argument, though one that has been given an excuse to the Government to revise its policies. The new Development Control Rules of 1991, and other subsequent policies, have begun to roll back the old land-use rules, allowing millowners to lease or sell a portion of their land to revive and modernise industry, and also to give space to the city authorities to build civic amenities like schools and parks. But none of this actually takes place.

The myth of sickness

The strategy adopted by most millowners has been similar. *First*, the profits from the mills are siphoned off, outdated machinery is not upgraded, and production is reduced or subcontracted, thereby rendering the mill "sick". The sickness of the mill, and the decline in profitability and productive capacity, becomes an excuse to stop paying wages to the workers.

Secondly, the management approaches the Board for Industrial and Financial Reconstruction (BIFR), a quasi-judicial body constituted by the Central Government under the Sick Industrial Companies (Special Provisions) Act 1985 to revive sick industries or decide on their viability in changed economic conditions. BIFR usually has sanctioned schemes submitted by the mill management for a revival and modernisation of the mill, provided tax concessions and participation by financial institutions, and granted permission for sale or lease of a portion of the mill land so that the proceeds of the land can be reinvested in the mill.

The *third* move of the management, however, is to pocket the money sanctioned by BIFR and Government and proceed with the sale of the land for other purposes. The elegance of the scheme is that there is no monitoring agency to ensure that the schemes sanctioned the BIFR are actually implemented, and the stated objectives complied with. This giant loophole is not incidental. While the workers' wages are withheld, and the machinery from the mill removed and sold, they are arbitrarily denied entrance to the mill on working days by shutting of the gates, and the BIFR revival scheme is quietly buried. Despite court orders, the workers are forced out of their employment, and because there is no monitoring of the revival schemes to ensure implementation or the use of the sanctioned public money, a blind eye is turned to these generally illegal developments and constructions on reserved industrial lands.

The murder of Phoenix Mills[4]

In April 1998, the management of Phoenix Mills addressed a letter to Shri A N Dubey, BMC Deputy Municipal Commissioner for Ward F South, proposing an addition to the mill of recration facilities such as a club, indoor sports facilities such as carrom, billiards, table tennis and "a number of bowling alleys" as well as a health club, spa and sauna for the "over 1000 workers and more than 200 staff and additionally 1000 to 5000 executives of various other offices located in our premises." The letter cited the municipal approval of this plan as being required under the Bombay Industrial Relations Act 1946 and the Factories Act 1948, though "the question of change of user does not arise." The letter further stated "our mill workers are continuously demanding for the aforesaid facilities and they went on agitation in the month of January 1998," and that if the permission is not granted "we may have to face critical situation in the mode of agitation or we shall be put in great loss of goodwill which cannot be compensated in terms of money."

A year later, in May 1999, the Bowling Company opened with much fanfare in the premises of the Phoenix Mills, and since then has been a favourite site for photo-ops of famous film stars and celebrities, as well as being a hang-out for upper-class youth and a place for family outings, replete with video game machines, bowling lanes, billiard and snooker tables, a restaurant and bar. Hardly a place for mill-workers to unwind after a long day at work, considering the Rs 50 admission charge, and Rs 125 charge per game at the Bowling Company, or the Rs 800 entry fee per couple to the largest and poshest of Bombay's new discos, Fire and Ice, located in the adjacent building within the compound. In fact, it is not clear whether the BMC ever granted permission for the Bowling Company to be constructed cn the former mill lands. Workers allege that these and other new establishments in the compound, including the two residential high-rise Phoenix Towers, are structures built in violation of muncipal zoning regulations, which reserve certain lands for industrial use[5].

The story of the premeditated ruin of Phoenix Mills, and of workers being robbed of their livelihood and culture to make way for this new entertainment and corporate office complex, long predates this fraudulent request made to the municipal authorities. These and other petitions made to municipal, state and Central government authorities for money and legal sanction were part of a longer, systematic strategy to siphon off public money, avail of Government tax reliefs, pressurise workers to quit their jobs, and profit from the sale and lease of land under the guise of "modernisation" and industrial revival.

Our story begins in September 1977, when around lunch-time one day in September, a fire broke out in the Blower Department of Phoenix Mills. According to a former mill-worker, the entire four-story building was razed to the ground. Other reports state that most of the Spinning Department, and about half of the 1,60,000 spindles in operation there, were also destroyed. As with other fires in mill compounds in the city, the cause of the blaze has never been established, though as a result of the fire, the mill was closed for three years, and the 7000 mill workers, and most of the 400 office staff, were rendered jobless.

On the excuse of the fire and subsequent closure of the mill, the Government of Maharashtra sanctioned a relief scheme to restart the mill and provide jobs. Declared a relief undertaking of the state by the Relief Undertaking Act 1979, locational clearance was granted by the Directorate of Industries for repair and reconstruction of 54,961.73 square metres of the mill; and permission for an additional built-up area of 22,304 square metres was also granted for commercial and R&D usage by the mill. Clearance for the development of a commercial complex was granted specifically to generate funds for the replacement of outdated technology, rehabilitation of workers, and overall modernisation and revival of the mill.

While the mill took advantage of these relief schemes and the tax breaks these provided, the mill was not revived and the relief schemes were never implemented. The money earned from these new developments was evidently siphoned into the private accounts of the Ruias, who own the mill compound. The assurance of 68,000 new spindles to be installed was never met, moreover neither were the workers paid their legal dues, nor was their work rehabilitated.

Financial losses continued to mount in the organised textile mill industry as a whole, and the manner in which the 1982 textile strike was led and dragged out by its leadership convinced the mill-owners to accelerate the process of rendering their mills "sick" by closing them down piecemeal, not investing in their modernisation, and shifting textile production to powerlooms in the informal sector. Because powerloom labour is mostly employed in small-scale industries and is unorganised, there are fewer troublesome demands from unions and no security for workers' livelihood. A former manager at Phoenix and Swan Mills commented to us that shifting and outsourcing production was more profitable for millowners because of the lack of regulation and excise duties on the powerlooms, and because "industrialists realise that their basic strength is their manpower, and as far as the textile industry is concerned they are slavedrivers, who treat their workers like slaves."

In 1984, the Government notified another purported attempt at relief of workers and revival of the ailing mill. The mill was again permitted to develop 69,084.92 square metres for office space and 22,400 square metres was allowed to be converted from industrial use to residential use. Out of the office space, 22,304 sq. mts. were reserved for an MTNL office, though the condition stipulated while granting these permissions was that the rent from the office block, which amounts to about Rs 60 lakhs, was to be used for running the mill. The office block was constructed after demolishing a large area of the mill where some departments and godowns had been located, and the the management falsely promised the workers that these structures, vital to running the mill, would be relocated elsewhere. In the meantime, the mill took back 1200 workers who had been released from their jobs in the wake of the strike, but all were taken on a casual or *badli* basis, including those who had earlier been permanent workers.

One permanent worker who had been with Phoenix Mills since 1960 and was dismissed in 1982, went to the mill gates almost everday for more than two years. He was finally reinstated in 1993, after eleven years of fighting several court cases for reinstatment and compensation for lost wages. He alleges that shortly after the textile strike of 1982-3, the land scams started, with the collusion of politicians like Sharad Pawar and Suresh Kalmadi, who leased the land where the mill canteen used to stand to sell automobiles. This was later to become the Sai Motor Services office and garage that is now in Phoenix Mills. This worker further claim that in 1988, the Processing Department of the mill was closed and the work of processing cloth —

winding, framing, blowing, etc — was subcontracted to powerlooms, and another two hundred or so workers were put out of their jobs. However, the cloth now processed in the powerlooms was still returned to the mill godown for stamping as a product of Phoenix Mills, before being sent to market.

The BIFR revival scheme of 1995

Yet again, the management approached the Government for a revival scheme for the "sick" mill. This proposal, submitted to the BIFR in 1995, did not envisage any lease, sale or redevelopment of land as before, but granted tax concessions to the mill until such time as it turned the corner financially. According to the revival scheme submitted to and approved by the BIFR, the management was required to upgrade its machinery, to purchase further new equipment, and to constitute a management committee accountable to banks and financial institutions to oversee the modernisation and revival process. The spinning and processing departments were to continue operation with about 700 workers, and the company was to expand its warehousing operations. Phoenix Mills was also required to submit half-yearly progress reports to the BIFR on the implementation of the revival package, which were to be monitored by a representative of the Bank of India, Mr K M Mehrotra, presently General Manager, Mumbai.

However, following the approval of the tax concessions, no part of this revival scheme was ever implemented. None of the departments were revived, no new machinery was purchased, the existing machinery was removed, the assets of the company were liquidated, and large amounts of money earned from leasing and rental of the mill land to new tenants have apparently been siphoned off.

In April 1998, the management of Phoenix began to terminate the services of staff in various departments, which were then vacated and redeveloped. In April, the processing department was shut down abruptly, and the mill gates were closed to about 500 workers, claiming that an agreement had been reached with the recognised union, the Rashtriya Mill Mazdoor Sangh, to reduce the workforce. Workers and labour advocates, however, allege that this action was taken to punish the *badli* workers who had been demanding permanency, regular work and wages.

In May 1998 the mill management stopped the second and third work shifts, asking workers to only come in the mornings, in which shift most of them could not be accomodated with productive work. According to one worker, this was meant to intimidate the workers into leaving their posts, particularly the *badli* workers who were singled out for harrassment by the management. Nine permanent workers who refused to be subjected to this harrassment were suspended, and all the permanent workers in the five departments that were still operational were charge-sheeted for dereliction of duty.

By this time the tussle between the workers and the management had become acute, and on the basis of cases filed in the Labour Court, an order was issued in July to Phoenix Mills to restart the closed departments and reinstate the workers. Workers allege that just before the order, the management had introduced a VRS scheme for the retrenched workers —

Workers denied entrance to Phoenix Mills — Members of the Girni Kamgar Sangharsh Samiti protesting yuppiedom at the entrance to the Bowling Company in August 1999 one worker has claimed that it happened so quickly that the workers who had been at their shift in the morning received their VRS cheques that evening. Only fourteen workers returned to their shifts because of the Industrial Court order.

While the struggle of the workers with the management continued, the new constructions and developments flourishing within Phoenix Mills spelled out the future for the industry, its productive activities and its struggling workers. Two posh high-rise apartment buildings, Phoenix Towers 'A' and 'B' were constructed on a plot adjacent to the mill, which unionists allege is reserved for a municipal school and public garden. The builders, Mittal Tower, and the BMC officials probably colluded in the construction of these high-rises, which consume the Floor Space Index (FSI) of the entire mill compound, and foretold the demolition of the entire mill for the creation of vacant land in order to sustain the FSI granted.

Thus from very early on, the management had devised a long-term strategy to vacate the entire mill premises, and the empty promises later made to the State Government and the BIFR were only to obtain relief, financial concessions, and sanctions of public money to continue with their own designs. This is evident in the plan for construction of Phoenix Towers, since the Maharashtra Town Planning Act requires that a buffer zone to be maintained where land is used for residential purposes. As the Phoenix Towers are located in close proximity to the spinning department of the mill, subjecting its residents to noise from the machinery, and thus giving the owners another excuse to close the mill. In fact, the builder of Phoenix Towers, in collusion with the Ruias, has filed a suit complaining about the noise. The builders have maintained that a space adjacent to the high-rises comprises the buffer zone.

However, not a single paisa received from the builder has been used for the mill's revival or to rehabilitate the workers, and these constructions foreshadow the further closure of the mill's various sections. The money from these new commercial and residential structures has conveniently found its way into the pockets of the mill owners, builders, bureaucrats and politicians who have turned a blind eye to these constructions which violate zoning regulations.

According to architect Arvind Adarkar, the government has not made available to the public a full list of the approximately 130 commercial tenants of the mill compound, a proper survey of the changes in the land use within the mill compound has not been made available to the public, and that it remains unclear how much of the land of the mill compound which is being used for other commercial purposes has been sanctioned in the previous government schemes. Our efforts to contact BMC engineers at the Building Proposals Department, to verify the legality of the new structures in the compound, were similarly fruitless. Not counting the land already sanctioned for redevelopment in the various revival schemes in the past, there are about 47000 square metres of the space of the mill compound — out of a total space of approximately 69000 sqare metres — that remain unaccounted for, and from which the millowners are apparently reaping profits. Additionally, the money made from the warehousing activities sanctioned in the last BIFR revival scheme, which was supposed to be reinvested in the mill's modernisation, the rents accrued from leasing the premises, development of the land, and the sale of flats in the Phoenix Towers — all of this seems to have disappeared.

In early 1999, the management, having availed of the BIFR concessions while not implementing its directives, submitted a report to the BIFR claiming that the net worth of the company had become positive. On furnishing an annual financial report for the fiscal year 1998, the Phoenix Mills was released from the purview of the BIFR, which neither disclosed the contents of this annual report, nor granted a hearing from any of the parties affected by the fraudulent "modernisation" package. It remains a mystery how the company had become profitable again, as its operations were in fact being closed down. The management had availed of Government benefits, while most parts the mill were meanwhile illegally vacated and demolished, the workers pressured and harrassed out of their jobs, and the mill closed.

By this time, the company had already submitted their ludicrous and fraudulent request to the BMC for recreational facilities for "over 1000 workers." At this point, however, there were only about 150 contracted workers and almost all of the permanent workforce had resigned under pressure or inducement by the management. Hence the sporadic agitations, the most recent being in January 1998 when the workers demanded an end to harrassment and compensation for their unpaid wages — *not* the expansion of recreational facilities. In the place where the processing department, earmarked in the BIFR scheme to continue production and employment, had previously stood, the Bowling Company was constructed.

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1 The Urban Land Ceiling and Regulation Act, passed by the Government of India in 1976, stipulated that the Government could take over vacant lands in cities for housing the poor by giving a nominal compensation to the owners of the vacant urban land. However, the Act was operated only in its loopholes, and land hoarding remained untouched. The result of this sporadic enforcement was to push the prices of real estate skywards as the Government of Maharashtra neither implemented nor repealed the Act.

2 Records in Office of the Collector, Old Customs House, and the files of the Revenue Department, Government of Bombay Presidency, Maharashtra State Archives.

3 This section is based on "Girni Kamgar Sangharsh Samiti versus The Phoenix Mills & Ors.", petition filed before the Appelate Authority for Industrial and Financial Reconstruction, Appeal of 1999 in BIFR Case no.22 of 1995; additional information has been provided by former mill-workers and managers.

4 Despite repeated attempts from several individuals assisting in this report to contact the BMC Executive Engineer Shri Kurmi, we were unable to gain access to the building plans for the Phoenix Mills to verify whether they were officially sanctioned or not.

5 Board of Industrial and Financial Reconstruction, Case no.22, New Delhi: Government of India, 1995.

II.

A Glimpse of the History of Girangaon

When today one enters the Phoenix Mills, it has a ghost-like character — walking through the gates in the evening, the massive buildings that form the compound with their graceful Gothic architecture, their interiors wear a deserted appearance. Piles of wood, bricks, cement and mortar sit in dusty piles within the various departments of the old mill, stripped of their former purpose, their previous occupants banished, and their machinery removed to sale or scrap. At the back of the compound, only the winding department continues to hum with productive activity, while a stone's throw away the Fire and Ice Disco thumps with dance music. The chimney of the mill towers above disco, awaiting the day when, in a gesture of cynical irony, the owners of the Bowling Company propose to repaint it to look like a bowling pin. Amidst the rubble and dust of the deserted premises of the spinning and weaving sections of the mill, where only a year ago cloth was being processed and sent to market, Marutis and Mercedes are parked, and the buzz of mobile phones is heard. Industrial activity has given way to leisure and entertainment, though this change appears like a forcible occupation by an invading army, who care little for the legal and democratic rights of the people they have displaced. Indeed if they even know of them, which they probably don't.

Girangaon and Bombay

Girangaon[1], the "village of mills" as it is known by its residents, stretches from Byculla and Chinchpokli in the south, through Parel-Lalbaug, Mahalakshmi, Saat Rasta and Elphinstone Road, to the edges of Dadar and Worli in the north. This dense network of textile mills, residential chawls, markets and maidans, nestles in the heart of Mumbai. As the city developed over the past century, it came to rest between the elite and commercial areas of the southern island city, and the newer suburbs which were planned farther to the north and west from the twenties and thirties onwards. To the office-going commuters of the suburbs and the middle-classes in general, these areas often seem like a blank spot on their mental map of the city — either a series of railway stops on the way to work, or an unknown region passed by on the way to the suburbs. In a time when there is so much nostalgia for the heritage of the city, it is odd that the newspaper columns and coffee-table books about urban heritage almost ignore the long history and culture of Girangaon.

These mill districts were the birthplace of India's first working class, as the Bombay textile industry was the harbinger of India's modern industry, and the economic backbone of city. Until the mid-nineteenth century, the city had been something of a backwater in the Indian Empire. The administrative and trading centre of the subcontinent had, since the time of the British conquest, been in Calcutta, and the wars with the Marathas, the lack of transportation and other links, had hindered Bombay's growth. But certain historical events spurred the growth of the city — the consolidation of colonial power after the uprising of 1857; the end of the Maratha wars and settling of the western Indian hinterland under colonial power; the depression in the global cotton market because the American Civil War; and the opening of the Suez Canal in the 1860s.

By the later years of the nineteenth century, the natural endowments of Bombay's coastal location had combined with better rail, road, and telegraph links, and a colonial economy linking Bombay to the textile and engineering industries of Britain. These developments paralleled the decline of the opium trade to China, on which the fortunes of the great business families of Bombay were dubiously established. In 1854, the first chimney of the Oriental Spinning and Weaving Company sprouted in Parel, and the following decades saw almost every major trading and merchant family in the city get into the business of cotton textile production. The colonial authorities encouraged this industrial growth and urban development by earmarking large tracts of land in previously vacant or reclaimed land in the city for the promotion of industry, offering work and accomodation to migrants from the countryside. But while most cite the names of the Tatas, Wadias, Petits, or other elite business families as the ones who built this city, such a view of history forgets those who actually laboured in its creation. Before Independence, it was the massive migrations of labour from the coastal belt of Western Maharashtra, mostly in the Konkan, which attended to the textile industry, and which gave Bombay its cultural character. The famines which hit western India in the late nineteenth century encouraged this migration, as did the decimation of villages under colonial policies meant to extract revenue from the hinterland, and to keep India subservient to British industrial and political interests. The mills were a magnet for those with nowhere else to go, with no other livelihood or escape.

The mill workers of Girangaon

Narayan Surve, orphaned as a boy, and adopted into a family of mill-workers, is the premier poet of the mill areas of Girangaon. A writer "committed both politically and culturally", he has represented the working-class culture of the area in his poetry and writing. He remains a member of the Communist Party of India and is former worker in the Spring, Kohinoor and Crown Mills. To him, though these migrant labourers were India's first proletariat, and their aspirations were extremely modern, "they were never a pure working class. They came from the Konkan and brought that Konkani culture with them — their melas, their traditions and manners, their family, historical and religious dramas which made up the form of theatre called *kamgar rangabhumi*." Surve notes with some irony that these dramas, which were unique to the mill areas of Bombay, were never treated as "culture". The middle classes, he says, treat with contempt any formof art that is made with commitment. "Those who are on top will call only their own activities cultural and artistic". He draws a parallel between today's *Bombay Times* or the television media, which project an idea of middle-class culture as the only available lifestyle for everyone. Even in those days the Marathi middle-classes looked with scorn on the workers' theatre. "And we had to live in the shadow of the middle classes."

Putting aside class scorn, Surve speaks proudly of how "the mill workers used to lead movements", such as against the arrest of Lokmanya Tilak by the British in 1908, one of the first strikes in the history of the freedom struggle which articulated a political demand — for the release of the Lokmanya — and which was initiated by the mill-hands of the city. In this strike, fifteen workers died in confrontation with the colonial police, demanding Tilak's release.

Even before the turn of the century, the working-classes of Bombay went out on strike to demand higher wages, better working conditions, and to protest the colonial authorities in various ways. Without formal organisation, the millworkers would spontaneously go on strike to protest the dismal working and living conditions in the mills and chawls, and arbitrary cuts in wages. The first great mill strike occurred in 1919, when 1.5 lakh workers struck work for 18 days to demand an increase in wages. The strike was successful despite the lack of an established union leadership.

Some of the most prolonged and hard-fought strikes occurred in Girangaon in the twenties and thirties. Between October 1928 and April 1929 there were more than seventy strikes, which convinced the government and mill managements of the necessity of dealing with unions. The general strikes of 1928 and 1929 gave birth to the Girni Kamgar Union (GKU), in which a lakh of workers had enrolled almost overnight. The GKU, one of the largest organisations of industrial workers in the country then, spearheaded the trade union movement in India. This movement was to have important implications for the new nation that all classes of society were struggling for, and whose future shape they all hoped to fashion to their own ends and interests. From the twenties to the forties, Girangaon became a stronghold of the Left, represented by the GKU, and bred a new generation of national leaders based in the labour movement, like N M Joshi and S A Dange.

Phoenix Mills, then known as Bitia Mills, was incorporated in 1905, and was itself the scene of important episodes in the history of the labour and freedom movments. One chapter of its history brought out clearly the role of women workers in nationalist and labour politics. In 1938, S A Dange's wife Usha Dange and Parvati Bhor led a protest against the 50% retrenchment of female workers in a rationalisation scheme implemented by the Ruias. According to a historian, this strike saw one of the first uses of *gherao*, as the women locked the management inside the factory for a full day, guarding the office and not permitting them to leave until they withdrew the measure.

The Second World War, in which India formed a major arsenal and base for the Allied forces in Asia, was a time of much political ferment in Girangaon. Phoenix Mills was itself the site of a famous public meeting of Subhash Chandra Bose and the mill-workers of Bombay, a militant constituency that Bose knew he could rely on in his struggle against colonial exploitation. He was called to Bombay in the monsoon of 1939 by S A Dange to address the mill-hands in the compound of Phoenix Mills. In the pounding rain, Bose approached the dais with Dange to address the workers of the mill, who had gathered in the thousands with their black umbrellas forming a canopy over the attentive crowd. Unable to see anything other than a sea of umbrellas, Dange requested the workers to show their faces to Bose, who had come all the way to Bombay to address them. At that moment all the workers closed their umbrellas and stood drenched in the rain listening to Bose's fiery speech about the imperialist war into which India had been forcibly recruited by the British. In Bombay on 2 October 1939, 90,000 workers — mostly from the textile mills — went on a one-day strike against the unilateral declaration of war against Germany and Italy on India's behalf by Britain. This strike, against the dragging of India into an imperialist war, is generally considered the first anti-war strike in the world working-class movement.

The militancy of the mill districts was further revealed in the support that the workers and their leadership gave to the mutineers of the Royal Indian Navy in Bombay in 1946, when there were massive street demonstrations by workers in support of the naval cadets, and a mill was set on fire by workers. Despite the opposition of Jawaharlal Nehru, Sardar Patel, Mohammed Ali-Jinnah and Gandhi to the Naval Mutiny, the mill-hands came out in support of the mutineers, defying both the Congress and the British. Approximately 300 people died in police firings, the largest number in an attack on a morcha organised by workers at Elphinstone Bridge[2].

Girangaon after Independence

The support extended by the Communist Party to the British during World War II alienated the fiery national sentiments of the mill-workers of Girangaon. In the years preceding Independence, the Congress was able to win the political loyalty of the mill areas through the consistent opposition to the British and their war. The mill workers participated spontaneously in the abortive Quit India movement launched in Bombay in August 1942 by Gandhi. The working-class support for the freedom struggle led by the Congress was channeled into new unions started by Congress politicians to woo the workers away from the Communists. These unions were later consolidated into the Rashtriya Mill Mazdoor Sangh (RMMS) in 1947.

After Independence, the Congress enshrined the RMMS as the sole legal representative of the workers of the textile mill industry, through the Bombay Industrial Relations Act 1948, which marginalised and contained the "Red menace" — the Communist and other unions which had also staked a claim to speak on behalf of the mill workers. To this day, this infamous legislation shackles the workers to the representatives of vested interests. It was passed with the objective of preventing strikes and arresting workers' militancy through channeling all protest and bargaining through a single union affiliated to the ruling party. However, other bills passed by the new Congress Government in Bombay, such as the Factories Act, the Minimum Wages Act and the Employees' State Insurance Act, provided for workers' welfare and job security, to placate the demands of the working-class. It is claimed that the BIR Act also forced the reluctant mill management to deal with workers through arbitration binding on both parties, so as to stem the industrial unrest which had punctuated the decades before Independence and which was now a source of anxiety for the Congress and the industrialists who supported them. But by providing for a single recognised union, the BIR Act saddled the workers with an organisation and leadership they could not rid themselves of, once they realised it was not working in their interests.

After Independence, the RMMS demonstrated that it could be an effective tool of the management and the government for suppressing the demands of labour, and the alienated workers returned to the fold of the Left. The movement for Samyukta Maharashtra was the major platform through which the Communists were able to regain some of the support of the mill-workers. Girangaon was in the forefront of the movement for a united Maharashtra and the inclusion of Bombay in the new linguistic state. Of the 105 martyrs to this cause, almost a third were from the mill areas of the city.

The democratic fervour and expectations generated by the creation of the new state in 1960 was, however, not met by the Left, who had led the movement. From the mid-sixties onwards, the Shiv Sena entered Girangaon and broke the back of the Communists. Skillfully articulating the interests of working-class Maharashtrians through its propaganda and neighbourhood organising, the Sena came to eclipse the Left, gradually came to hold sway over all of Mumbai. In this drive, it served as an ally to the larger political parties such as the Congress and Socialists, who all felt threatened by the Communists. The Sena was also a valuable tool for industrialists, as its gangs were employed in breaking strikes and dividing workers on the lines of language and region. Using its alliances with the other political groupings, the Sena gradually began to stand on its own feet as a political party, and it struck out on its own through the eighties[3].

Under the tenure of the Sena-BJP Government in Maharashtra from 1995 to 1999, these so-called spokesmen of the working class *Marathi manus* presided over the murder of the historic mill areas, their original electoral base. The mill workers of the city perhaps had their last real hero in the figure of Datta Samant, who led the great textile strike of 1982-3, which was essentially a revolt against the straitjacket of the RMMS, and the central demand of which was the scrapping of the BIR Act[4]. The failure of the strike, analysis of which we will not go into here, was followed by the immediate removal of half of the mill workers of Bombay, and the gradual extermination of the rest in the decades that followed. It was in this period of despair and discontent that the Sena, which had been in eclipse, found a new purpose. In May 1984, in the aftermath of the great textile strike, the Sena engineered the Bhiwandi communal riots, the launching pad of its future dominance of the Bombay area and the rest of Maharashtra, which steadily occurred through the eighties and early nineties.

The Sena came to power in 1995 on the platform of opposing the sale of lands and closure of the textile mills initiated under the previous Congress Government led by Sharad Pawar, and promising to scrap the BIR Act. In fact, the Act remains intact, and during the rule of the Sena-BJP, the workers of Girangaon continued to be crushed by an alliance of politicians, builders and land sharks, mill-owners and underworld interests.

The death of industry and the growth of the underworld

While the underworld connection is difficult to establish specifically, unemployment provided a rich recruiting ground for gangsterism, and certain mill managements have entered into lucrative deals with Bombay gangs to secure profits from land deals and other forms of extortion. One journalist has estimated that a third of the members of the new gangs which have grown in the city are from former mill-workers' families. Arun Gawli, one of Mumbai's most notorious gangsters, was once a worker at Khatau Mills in Byculla, and his hideout, Dagdi Chawl, is connected to the working-class communities of Bradbury, Khatau and Ruby Mills in the same neighbourhood. The networks of power which connect the underworld, the political parties, and the millowners is made clear by the fact that Gawli's nephew, Sachin Ahir, was a Congress MLA, and is the current secretary of the RMMS. In August 1997, it was the RMMS that mobilised a large turnout for the *morcha* to launch Gawli's political outfit, the Akhil Bharatiya Sena.

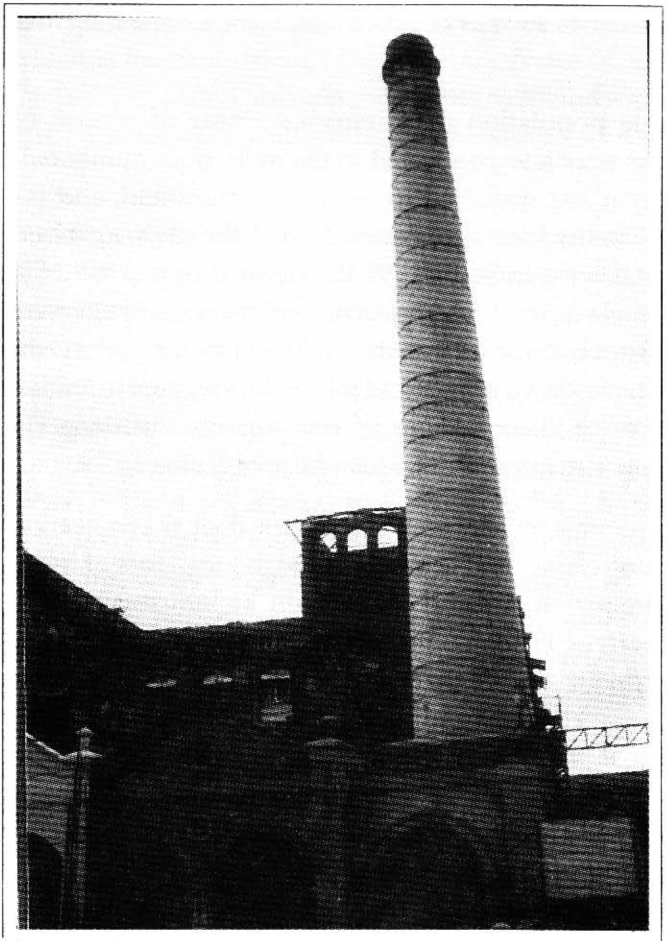
When the market for land peaked in the early nineties, the 560 contiguous acres of the mill lands of Girangaon were valued at between Rs 15 and 30 thousand crores. It was also during this period that applications to the BIFR by the "sick" and "ailing" textile mills swelled. The closure of Khatau mills and the sale of its land was followed by the daylight murder of its owner, Suneet Khatau, in 1994. The killing was the work of the Amar Naik gang, done to settle scores with Arun Gawli, who had allegedly made some 80 lakhs through a deal with the Khatau family. Both Naik and Gawli are the sons of textile mill workers.

Arun Gawli's lieutenant Sada "Mama" Pawle shot dead the managing director of Raghuvanshi Mills, Valabbhai Thakkar, in April 1997, in what unionists claim was an attempt by builders to extort money from the mill management. According to police reports, the gang had apparently helped Thakkar to evict tenants from his land and had expected a payoff. This came barely three months after the murder of Dr Datta Samant, the famed leader of the 1982 Bombay textile strike[5]. Since every mill land sale, or any representation to the management on issues of wages, hiring or dismissal of workers, has to be cleared through the RMMS, the underworld has been able to entrench itself in the land market through the RMMS's control over the workers. Builders promise landlords a share of the developed property, and when they are unable to keep their promises or complete construction on time, the landlords enlist the services of the underworld.

The undervaluation of the property prices of mill lands in affidavits and declarations to official bodies like the BIFR gives credence to the allegation of workers and unionists that black money is trading hands between the various groups involved in the land scams. While the BIFR sanctions sale of the land at the undervalued rate, the rest of the money disappears into various pockets. In the case of Raghuvanshi Mills, the permission granted to sell 21,000 square feet of land was made on the basis of a valuation of Rs 9.40 crores, when the real market value it was more like Rs 12.60 crores[6].

Workers always cite the decisions of the RMMS to sign away their rights and livelihood as "coming from above." A former worker in Phoenix Mills narrated how, when the management of the mill began illegally removing the machinery from the Winding Department in 1998, the RMMS would simply be on the side of the management. "They kept behind the workers and said 'what will you do? no one can help you!' They told us to accept things and just go, go. For the mill *maliks* they keep the workers scared, and are always on their side. But despite them, I will continue to fight these injustices and to struggle."

Today, Narayan Surve speaks with some detachment of the mill-workers and their plight. "Their mothers and fathers carried the red flags of the Communists, though they are now with the Shiv Sena, and their children will go into gangs." While he acknowledges the success of the Shiv Sena, which built its movement through populist slogans and communal violence, he mourns the loss of real political alternatives for the masses of the people. "After Ambedkar went, and the Left was ruined, there was no one left for us." With the progress of technology, the work of production requires less labour and less people. "I used to thread spindles in the mill, but now that is automated. Nowadays a job that required sixteen people requires only one person." With these changes in the patterns of life and the rhythms of production, Surve wonders what is left of working-class culture. He comments that "today the thinking of the working-class is actually middle-class thinking; they want to identify with the middle-class, because in a capitalist society one must take whatever one gets. Since Independence, our economics and culture has more and more centred around the middle-class."



One of the promoters of the Bowling Company has cynically suggested repainting the chimney of Phoenix Mills to resemble a bowling pin.

Mill-made cotton textiles were India's first modern industry, and this industry was what transformed Bombay from a sleepy colonial backwater to a robust industrial and trade centre, the motor of urban and regional growth until the 1950s, and a magnet for the masses of the subcontinent. In the twenties and thirties, Bombay's cotton market was one of the largest in the world, comparable only to Liverpool and New York. India was the second largest producer of textiles globally, and ranked third amongst exporters of textiles. In the heyday of the textile industry, two out of every three members of the city's workforce were employed in the mills or in its ancillary industries such as chemicals, leathers, engineering, machine tools and repairs.

The working population of Girangaon, most of whose families and communities were also connected to the mills, once numbered around 2.5 lakhs. Today it has dwindled to around 50 thousand, and is continually decreasing. Twenty years ago, almost 27% of the city's organised workforce was employed in the mills. By 1991 this figure dropped to 12.5% and today it is in the single digits. 1.5 lakh workers of the textile mills were throw out in 1984, and not reabsorbed into the organised workforce[7]. As these workers and their families leave homes and jobs held for generations, a community is breaking up, a major section of the organised working class is being smashed, and a chapter in our urban history is closing.

The new economic policies seek to roll back all of the protections extended to the working classes and achieved through long years of struggle against colonial domination and the exploitation by industrialists. This struggle was at the heart of Bombay's growth as a great industrial city, and of India's freedom struggle and Maharashtra's statehood. These movements for greater equality of wages and the rights of workers gave a real content to the message of freedom that underpinned the struggle of the masses for Independence. Today the recognised union, a tool of the management, underworld, and their political patrons, is assisting in the closure of the mills and profiteering from the land, and the workers have had to bear the brunt of this vicious nexus of money and power. As the elites of the new global economy enter a new age of consumption and leisure, the majority of the urban population has been forcibly pauperised — forced into crime, sweated labour, and insecure employment.

The privatisation of the city

Is Bombay, like London or New York, Hong Kong or Singapore, becoming a post-industrial, global city? The closure of the textile mills and their occupation by corporate and service sector industries has been seen by many as symbolic of the shift in Bombay's political economy away from the grimy industrial stage of growth, symbolised by the chimneys and chawls of the mills, into a post-industrial, service-centred economy, where Bombay will serve as a nodal centre for the global economy — an enclave for international finance and trade, and a centre for the new knowledge-based economy which is the centrepiece of the present phase of liberalisation. Some analysts have called this phenonmenon "deindustrialisation", reflecting the closures of manufacturing and industry as existed in the city[8].

Along with this change in the urban economy, there has been an upsurge in civic awareness that reminds us through newspaper columns and local citizens' committees of how our urban community is being eroded by unscrupulous politicians and builders, irresponsible development policies, the increase in short-term demands on space and resources at the expense of our long-term development and urban lifeworld. Previous plans to decongest the city, to manage its growth — such as the proposals to create new city centres in Bandra-Kurla, relocate offices to the suburbs, plan new settlements in Vasai-Virar, or a counter-magnet to the city in Navi Mumbai — have failed miserably[9]. South Bombay continues to be the coveted "centre" of the city. The demands on the already overloaded and collapsing urban infrastructure of the old colonial town — transport, offices, parking spaces — are overwhelming[10]. Lack of planning, the mismanagement of space, and the acute exploitation of labour, visibly manifests itself in proliferating slums and encroachments. The welling frustrations of the city's residents momentarily break out in riots and violence. Nonetheless, the media and the powers that be continue to market the dream of globalisation, treating the marginalisation and displacement of the majority of the people as a passing phenomenon. The power of the mass of citizens and people is sought to be bypassed, and the imperatives of international capital and business portrayed as the only possible alternative.

While the new economic policies and changes in the city's economy might benefit some of us, the city is a space we share with those adversely affected by these same changes, and it is not only a communal riot, *rasto roko*, or the occassional strike or *bandh* that should remind us of these festering problems. What today is the problem of unemployed mill workers is tomorrow is potentially a problem for all of the residents of the city, no matter how high their high-rise buildings or how sequestered their lives from that of the masses. The city, or any urban space, is not the property of one class or group of people, whether rich or poor, but belongs to all of its inhabitants, high and low. All now lay urgent and overlapping claims to it.

While arguing the case of the rights of retrenched and displaced workers, and criticising the manner in which the mill have been closed and their lands redeveloped, it is not our case that simply the workers' jobs, their culture and way of life, need be preserved as some sort of museum curio that symbolizes Bombay's history. At the same time, neither should concerned citizens surrender to the prevailing post-liberalisation orthodoxy that sees the mysterious workings of "market forces" as the only solution to our economic and social ills. Indeed it is the rampant rule of profit which is destroying our urban environment, forcing thousands of formerly secure wage-earners into sweated labour and casual employment with frightening implications. These changes affect most of all those who are forced into the informal sector, criminal activities and a hand-to-mouth existence. But this shift also involves those on the other side of the division of labour, the anxious elites. As the economic processes favouring the move of manufacturing and industrial units outside of the city intensify, and the new, highly-skilled professions related to global finance, technology and other services proliferate in the wake of industry, an urban crisis looms.

The corrupted agencies state turn a blind eye to the non-implementation of revival schemes, the siphoning off of money intended for the modernisation of mills, the gains and achievements of the post-Independence years are being slowly dismantled by the state, which now openly acknowledges its lack of responsibility and disinclination to regulate urban development. These responsibilities have been shifted to international agenices like the World Bank and International Monetary Fund, to NGOs and the private sector, which are unaccountable to the people and undemocratic in their functioning. Their myth of globalisation is eagerly propagated by local cheerleaders like the Indian Merchants Chamber and Bombay First — a group of corporate and business elites seeking to reshape the city in their image.

The new Development Control Rules of 1991, framed by Sharad Pawar's Congress Government in the state, in response to structural adjustment polices of liberalisation and echoing the dictates of global and domestic capital, permitted the sale of 15% of the land of textile mills. This new regulation in urban land use rules repealed the older zoning regulations which earmarked land for either industrial, commercial, or residential uses, and governed patterns of employment and ensuring their long-term stability and an overall design to the metropolis.

The Charles Correa Committee Report, commissioned by the BJP-Shiv Sena Government in 1996 to suggest an overall scheme for the redevelopment of the mill areas, has never been released to the public. The mill lands continued to be plundered under the BJP-Sena rule and the Government continued to appoint committees, announce plans, and vacillate as the problem festered. The proceeds from this fifteen percent of land of Bombay's 58 mills wasintended to be reinvested in the reserved industrial areas of the mill compound, while in fact the mills are being demolished. The 1991 DC Rules were thus a further retreat of the state from the regulation of urban development under pressure from "market forces" — profiteering by not only builders and businessmen, but corrupt politicians, bureaucrats, and their agents. Responsibility for monitoring this market-oriented redevelopment is entrusted not to the legally accountable agencies of the state, but to private banks and financial institutions. The undervaluation of the land by the millowners — in some cases by more than 50 crores — in their reports goes unchallenged.

Patterns of residence, employment, and leisure are subordinated to the vagaries of the real estate markets, polarising the social fabric of the city, and destroying whatever defences had been achieved by those without large holdings of capital or land. The DC Rules, formulated and enforced by the Brihanmumbai Municipal Corporation, ride roughshod over the planning efforts of agencies like the Mumbai Metropolitan Region Development Authority (MMRDA), the apex planning body set up to ensure the harmonious working of the urban economy, its infrastructure and land use, and to form an overall design for the city and its residents. Indeed even the MMRDA Regional Plans offer a blinkered view of how the city's economy functions[11].

The plight of the mill workers and the murder of the mills is but a notorious example of a larger crisis in urban planning, most recently manifest in the imposition of numerous fly-overs and bridges all over the city, approved by the BMC against the warning of the MMRDA and consultants about the enormous envioronmental and social damage these new constructions would bring. This critical situation in our city calls for more rather than less intervention and planning, more participation by concerned individuals and groups, rather than a retreat into the interior world of comforting consumerism with which the new economy entices us. Development is not an inevitable, uncontrollable process which has its own objective logic, but a political process which must be responded to politically.

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1 See Rajnarayan Chandavarkar, *The Origins of Industrial Capitalism in India: Business Strategies and the Working Class in Bombay, 1900-1940*, Delhi: Cambridge University Press, 1994 and Chandavarkar, *Imperial Power and Popular Politics: Class, Resistance and the State in India, 1850-1950*, Cambridge: Cambridge University Press, 1998.

2 These episodes and anecdotes from the modern history of Girangaon are culled from Meena Menon and Neera Adarkar, *Voices Through a Hundred Years: Glimpses from the History of Bombay's Textile Mill District*, forthcoming. We thank Meena for sharing drafts of the book and its chapters of interviews with us.

3 Vaibhav Purandare, The Sena Story, Mumbai: Business Publications Inc, 1999

4 Suchitra Kulkarni, "After 1984: Future of Bombay Textile Industry & Its Industrial Relations", paper presented to the conference on "Work and Workers in Mumbai", organised by Vikas Adhyayan Kendra and Max Mueller Bhavan, November 1997.

5 Lyla Bavadam, "Underworld Plots: Blood on Mumbai Mill Lands", Frontline, 20 May 1997.

6 Naresh Fernandes and Rochelle Pinto, *The Murder of the Mills: An Enquiry Into Bombay's Cotton Textile Industry and Its Workers*, Mumbai: Lokshahi Hakk Sanghatana, 1997.

7 Meenal Baghel, Indian Express: *Mumbai Express Newsline*, 2 December 1998

8 K. Sita and K. Gupta, "Spatial and Structural Changes in Employment in Mumbai, 1931-91", "Work and Workers in Mumbai", ibid.; Nigel Harris, "Bombay in the Global Economy" in Sujata Patel and Alice Thorner, eds., *Bombay: Metaphor for Modern India*, Delhi: Oxford University Press India, 1997.

9 Swapna Banerjee-Guha, "Urban Development Process in Bombay: Planning for Whom?" in Patel and Thorner, ibid.

10 Arvind Adarkar, "Fighting a Losing Battle? Planning Policies of Mumbai in the Wake of Globalization" in Hemlata Dandekar, ed., *City, Space, and Globalization: An International Perspective*, Ann Arbor: College of Architecture and Urban Planning University of Michigan, 1998, pp.151-161

11 "Objections to the MMRDA's Draft Regional Plan (1996-2001) by Girangaon Bachao Andolan", Mumbai Nagrik Vikas Manch

III.

Leisure and Labour

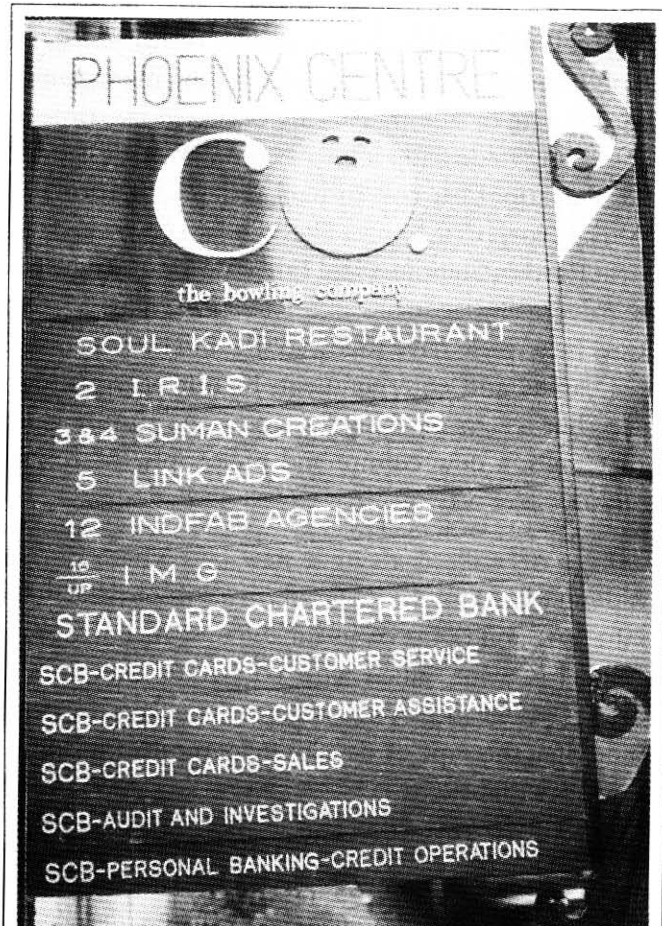
It's the age of leisure: the opening of restaurants, mushrooming of pubs and pool parlors, spreading of video arcades and, of course, bowling alleys. So many options, so little. Presenting, ladies and gentlemen, all those choices under one roof — The Bowling Company — India's premier leisure center. 30,000 square feet of state-of-the-art fun — that's a first for Mumbai, we can tell you.

from "The Bowling Company — Our Profile"[1]

While parts of the Phoenix Mills compound — rechristened the 'Phoenix Garden City' or 'Phoenix Centre' when in 1997 the management replaced the sign above the gate of the mill — are occupied by corporate offices, plans are in the offing to develop it into a complex of designer boutiques, cinemas, and a destination for Indian and multinational corporate investment. Already corporate houses like Standard Chartered, UDV, Prime Securities, Great Eastern Shipping, and Initiative Media India have opened offices there. Advertising agencies like Percept, Lintas, SSC&B, Trikaya Grey and Nexus Enterprise have followed. Behind these symbols of high-fashion, global capital and entertainment, lie not only glaring illegalities and corruption, but a sign of things to come. As similar activities have started in other mills, a new culture and philosophy of development is displacing another, older way of life.

In this old village of mills is rising a new city where development is undertaken without regard for the longer-term needs of the city, and without a thought to the lives and rights of its inhabitants. As corrupt mill owners and their political patrons, allied with corporate and global business, embezzle crores of public money into their own pockets, there is a pressing need to examine what this type of development means for Bombay's urban community and social fabric.

One of the Bowling Company's shadow promoters is the Soros Foundation, which channels its money through Chatterjee Investment Services, run by Punendu Chatterjee. The Foundation is run by the financier George Soros, who has been accused of precipitating the 1998 financial crisis in South East Asia through his currency speculations, leading to economic ruin and massive political upheaval in that region, which has never quite recovered. The cause of this crisis, identified in the media as "crony" or "casino" capitalism — where fly-by-night operations were set up to exploit cheap labour, or cater to the whimsical tastes of high-fashion elites, and once their profit margins declined or the latest craze passed, would pack up and move to their next destination — proved the undoing of the Southeast Asian Tigers both economically and politically. The new establishments in the Phoenix Centre are the outposts of this footloose, venture capital — part of a global economy which provides very little by way of employment,



The signboard of the revamped "Phoenix Centre", destination for corporate investment, elite business and pleasure.

thrives on the exploitation of subcontracted, unorganised labour and short-term profit-making, and is completely unaccountable to any responsible public authority.

According to a recent article, these new economic activities like bowling are the "the hottest investment option today" because they offer a quick payback. "No wonder, builders, theatre owners, garment exporters, diamond merchants, spice traders have been bowled over by the fad and have gotten into it. Corporate houses too, like the Ruias, Piramals, Arvind Mills and S Kumar's, have pitched in or are examining it seriously, which means that bowling has become a viable investment option."[2] The Ruias, one of the premier industrial-business families in the country, have found it more profitable to engage in land deals and speculation, than in productive industrial activity which provides employment and textiles for the domestic and international markets. And while the monitoring agencies appointed by the Government have obviously colluded in the murder of the Phoenix Mills, politicians like Shiv Sena Rajya Sabha MP Pritish Nandy — who is a promoter of the Bowling Company — and the Thackeray family have found a valuable partner in the Ruias. A lawyer who has been involved with the mill workers and their unions has dryly commented that "a change in governments simply means new guardians of their profit-making." Indeed, every major political power in the state has been accomodated by the Ruias — Sai Motor Services, run by Suresh Kalmadi, has set up offices in the compound; Smita Thackeray is planning to open a restaurant there; Bharat Shah, who is close to the Sena and the Thackerays, runs the Fire & Ice disco through his son Rajiv Shah.

Sushil Wadhwa, head of the events management company Party Lines, and a partner of the Bowling Company, has asserted that "we are providing something new to the people of Bombay and of India". The Bowling Company and Phoenix Mills is indeed the newest reminder of an attitude, strengthened in the past several years since liberalisation, that sees the majority of the population as disposable, as simple impediments to the unstoppable progress of the economy. What we must ask is for whom is this progress and development intended? The Bowling Company, in a promotional brochure, claims it is "creating a new leisure lifestyle which would appeal to all ages." While the management of the mill warned of a "critical situation" of impending agitations if their workers were not provided with bowling alleys and pinball machines, in fact the strike of January 1998 was called to protest the harrassment of the workers, the non-payment of wages, and the shutting down of the mill.

The other side of the new economy

The denial of wages to the workers, many of whom have been residents of Girangaon for generations and have been working in the mills since early in the century, is a denial of their rights — legal and constitutional, but also cultural and human. Demoralised, most of the workers have submitted to this strategy of the management and accepted the misleadingly named Voluntary Retirement Scheme (VRS) packages of Rs 50,000 to 2,00,000 in compensation for their lost jobs, a pittance compared to the security and livelihood offered by constant employment that was once their right.

In the meanwhile, the management and their agents have subcontracted production of textiles to the informal powerloom sector in the urban hinterlands in Bhiwandi, Malegaon and Ichalkaranji, while stamping and packaging the cloth produced in powerlooms at the mill godowns before sending them to market. This phenomenon of outsourcing or subcontracting of production, is becoming more commonplace in almost every industry in the country, and is behind the spate of industrial closures throughout the city. It is what many have called "deindustrialisation", a misleading term which suggests that industrial production is somehow fading away. In fact, the textile industry is growing, production is increasing, though under entirely different conditions resembling slave labour. The powerloom industry, which functions in an irregular and unauthorised manner, and whose workers exist in horrendous conditions with no job security and less wages, is more profitable for the management than maintaining mill production of cloth.

Because of subcontracting to the powerlooms, the mill workers, many of whom are skilled industrial workers who have laboured in mills their whole lives, and whose families and communities maintained links to certain mills over generations, are cast out on the streets with meagre compensation and to face a future of immiseration. Some are able to eke out a living as security guards, sweepers, peons, and vegetable sellers. According to unionists and advocates, some have died of trauma inflicted by their plight, while others have taken to petty or organised crime and politics. Victims of the outsourcing and relocation of production, their historical victories in the trade union movements of the past century, which guaranteed secure wages and livelihood through collective bargaining, have, like the machinery that was once in the mill, been smashed to pieces or sold for scrap.

After agriculture, the production of textiles is India's largest industry, accounting for about a fifth of total industrial production in the country. Supplying both the domestic and international markets, it is by far the largest earner of foreign exchange for the Indian economy, estimated at roughly 9 billion dollars in the mid-nineties. In the global market, India claims 3% of total world trade in textiles[3].

The textile industry is divided into three main sectors of production — mills, handlooms, and powerlooms. It is the powerloom industry which has been the most active and fast-growing sector of the industry, and it has long since eclipsed the mill sector in its output and potential for future growth, mostly due its decentralised, unorganised conditions of work. From1955 to 1989, the output of the powerloom sector increased from 299 million metres to 3680 million metres at the rate of 7.9 percent per annum. In contrast, the mill sector's share of total production went from 74.2% of all textiles in 1955 to 21.5% in 1989. The growth in the production of the unorganised powerloom sector compensated for the decrease in mill cloth production, so that the total production of textiles continues to rise, albeit more slowly in the 1990s[4]. But according to a Government inquiry in 1985[5], the eclipse of the mill by the powerloom sector is not all impersonal statistics. It is an outcome of the millowners' profit-making strategies. The "sickness" of the mills can be accounted to managerial incompetence, inadequate maintainence of the machinery and lack of modernisation, incorrect product-mix and bad marketing, and poor relations with its labour force.

A former manager of Phoenix Mills told us that the millowners and industrialists "only raise their voices for reasons of property and profit. They were uninterested in new machinery or modernisation, and if you want to run a mill properly, it has to be run on the line of mills in other countries, in order that we can produce more with our competitive wages and costs. When I was a member of management commitees I wanted to bring in technicians to revive the industry, but nobody was interested. I am surprised that the oldest industry in the country has virtually closed down, that no one has bothered to find out the causes of the closures, and today they are only interested in getting money out of it."

The reasons for this management policy go deep into the political economy of the country since Independence. The failure of successive governments to redistribute income or assets, or bring about broad-based growth of the economy and increasing employment, meant that demand for items of mass consumption did not grow as fast as in other industries. Hence it became more profitable for millowners to invest in industries other than textiles. What mattered to the millowners was the relative profitability of textiles, versus similar investments in other industries. Thus with the decline in the mills' profitability and the rise in values of mill lands began the process of falsifying books, siphoning out profits to other industries, and failing to replace or even maintain machinery. Investment in mills decreased and made them unviable and sick, vulnerable to the competition of powerlooms, which now dominate textile production in India because of their sweated labour, stolen electricity and tax evasions.

Powerlooms and sweated labour

Since the fifties, the powerloom sector has grown in a rapid and unauthorised fashion without government protection or assistance. Not being an organised industry, the powerlooms cannot access bank or cooperative credit that is available to other industries, and thus 95% of its working capital and most of its fixed capital comes from other sources - undeclared income and black money. Further, the industry operates in such a way as to not come under the purview of the Shop and Commercial Establishments Act, Factories Act or other measures meant to insure the welfare of its workers, who hold insecure and poorly-paid jobs dependent on the unpredictable swings in market supply and demand, and are made to work extremely long hours for low wages. One scholar has attributed the rapid growth of powerlooms to "several advantages over mills: low wages, fiscal concessions up to 1985, wholesale evasion of protective labour legislation, low overheads, low requirements of working capital and flexibility in changing the product-mix to suit market demands."[6]

Of these factors, wage levels are at the centre of workers' livelihood. The competitiveness of the powerloom industry and its rapid growth are directly connected to the "flexibility" of its labour — temporary and uncertain employment, dependent on market demand; the excess supply of workers; and the almost complete lack of organisation or unionisation amongst them. According to a survey by Omkar Goswami in 1988[7], and testimonies by workers, the average daily wage of a powerloom worker in Bhiwandi was Rs 40 for twelve hours of work, paid on a daily basis, whereas in the mill sector, workers were paid around Rs 75 per eight-hour day on a monthly basis, with provident fund gratuity, medical and other facilities. Powerloom workers work for extremely long hours with none of the welfare and social benefits enjoyed by mill workers, and it is because of these conditions resembling slave labour that the powerloom industry has grown — beyond the pale of labour legislation, funded by black money, and powerless to resist the domination of industry bosses and their agents.

The Central Government in 1985 announced a New Textile Policy (NTP). Abolishing the distinction between mill and powerloom sectors throughout the industry, the policy removed the fiscal and excise concessions previously enjoyed by the powerloom sector, and on which their competitive edge was based. The NTP sanctioned a fund to be run by the Industrial Development Bank of India to disburse soft loans for the modernisation of the textile mills, along with this granting the mills freedom to select their product mix. However, only 10 out of the 58 mills in Bombay availed of these measures.

A recent study has concluded that "the casualisation of employment is progressing in the textile industry as a whole. In the powerloom sector, the weavers have no job protection and suffer low wages. Most are casual labourers. While mills are declining and have retrenched workers, powerlooms are rising, taking advantage of low labour costs. The Indian textile industry is depending more and more on casual and cheap labour."[8] According to the 1991 Census, of the 370 million strong workforce in India, 82.5% is now in the unorganised sector, while others estimate the numbers to be up to 92%.[9] Of the remaining workers in the organised sector, 70% of this is in public sector enterprises, which will soon be privatised or sold to multinationals under the next wave of economic reforms.

These few facts about the powerloom industry only strengthen our conclusion that the millowners and their agents have rendered their own mills sick, in the hope of closing them down and profiting from the subcontracting of production, and the leasing and sale of prime real estate to corporate houses, builders, and entertainment promoters. This is the sign of India's progress since liberalisation — profit has replaced productivity as the measure of economic growth. The growing prosperity and leisure of a tiny elite has become an index of growth, rather than the employment and security of the majority of the people. The sweatshops of Bhiwandi and other powerloom towns near Bombay, the destitution and growing poverty of their workers, are as much a symbol of India's globalisation as the corporate offices and swank entertainment centres sprouting in the old mills.

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1 "Welcome to the Party that Never Ends". Galaxy Bowling Company Limited. Promotional packet issued for press conference in December 1999.

2 Mario Rodrigues, *The Statesman*, Calcutta, 4 October 1999

3 Darryl D'Monte,"Business Commentary: Textile Industry", *Rediff on the Net*, 2 June 1999

4 Shuji Uchikawa, *Indian Textile Industry: State Policy, Liberalization and Growth*, Delhi: Manohar, 1998, pp.96-7

5 Government of India, *Report of the Expert Committee on the Textile Industry*, 1985, cited in ibid.

6 Uchikawa, p.104

7 Omkar Goswami,"Sickness and Growth of India's Textile Industry: Analysis and Policy Options" in *Economic and Political Weekly*, 3-10 November 1990, pp.2429-2439 and pp.2496-2505.

8 Uchikawa, pp.161-2

9 Sharit Bhowmick's address to the Centre for Labour Studies, Mumbai, *Times of India*, 26 April 1999

IV.
Conclusion

Every half-hearted attempt by the Government to address the festering problem of the textile mills and their lands has foundered, and the real facts of the story remain hidden behind the myths of industrial sickness; the connivance of politicians, gangs and land sharks; and the setting-up of committee after committee, a diversionary exercise to give policy suggestions, while the workers continue to struggle and the situation grows worse. Much of the public is largely uninformed about the scandal of the mills, the land scams, corruption, immiseration of workers, and the struggle that goes on — and of how their fate is in fact linked with that of the workers. "Deindustrialisation" and the massive insecurities linked to it has affected the city in innumerable ways, and the consequences continue to unfold, socially and politically.

However, the press has been reluctant to report on what is happening, and indeed have their own interest in this process. Several powerful media groups have themselves set up shop in former mill compounds and industrial estates in Girangaon. The features pages of newspapers and magazines gush about the latest parties, grand openings, and celebrity sightings at the Phoenix Mills, while the struggle of the workers continues. Indeed the story of the premeditated murder of Phoenix Mills is only one thread of a larger narrative of the entire textile mill industry in Bombay, some instances of which we explore here[1].

Piramal Mills

In Piramal Mills, the management has been at odds with its workers for the past five years as it has steadily whittled down the employment of the mill. It has 300,000 square feet of land in its compounds, which, at the height of the property boom, was worth around Rs 90 crores. From 1994 to 1996, over 800 workers were rendered jobless or given VRS as the management arbitrarily closed down parts of the mill. The management began to delay payment of the monthly wages of the workers in January 1999, following which production in the mill was completely halted in July. By September, wages were entirely stopped. In December, the management negotiated an agreement with the RMMS in which 1300 of the 1500 remaining workers of the mill were to lose their jobs. The remaining two hundred or so workers were to operate the Spinning Section, which itself has been shut down. The 1300 retrenched workers would receive in installments a paltry sum of Rs 50,000 besides legal dues, for accepting the agreement to leave. 55 workers have resisted the pressure from the management and the recognised union, and have sought the assistance of the Girni Kamgar Sangharsh Samiti (GKSS), the strongest union in the mills after the RMMS. The GKSS requested a copy of the agreement signed between the Piramals and the RSS to close the mill, which it did not receive, following which it lodged a case in the Industrial Court challenging the closure of the mill under the Industrial Disputes Act.

The Industrial Court has passed an order on 31 January 2000, staying the sale of mill land and other assets, such as plant and machinery, and from selling and developing these assets. Significantly, the Court has explicitly stated that shutting down the mill is illegal. A further petition to the High Court for the payment of the wages witheld since July resulted in the management paying a part of the wages immediately following the court order in January, but the management has since withheld the wages for February, March and April, despite the order of the High Court. The individual workers have filed a contempt notice against the management.

Matulya Mills

From November 1998 to June 1999, 852 workers of Matulya Mills had their wages suspended, which according to advocate Colin Gonsalves, caused four workers to die of malnutrition. Under a revival and modernisation package approved by the BIFR first in 1992 and again in 1996, Matulya was granted permission to construct new structures on the mill lands. However, even after the new residential high-rises were constructed, the workers were still denied their payment. Following protests in April in which workers stormed and sealed the new commercial complex in the mill compound, the management had to be taken to court in July 1999. Hearing the plight of the workers, an enraged Justice B N Srikrishna ordered the management to pay the workers three months of wages, and directed the Industrial Development Bank of India — the monitoring agency for the BIFR scheme — to inquire into the financial affairs and accounts of the company. This inquiry was order in response to a petition by the GKSS alleging financial improprieties and the siphoning off of funds from the sale of land.

While an independent chartered accountant had earlier given the mill a clean chit with regard to the implementation of the scheme, in October 1999 the IDBI report revealed that the millowners had misused the money earned from the construction and sale of the flats on the mill lands, money intended for the revival of the mill and rehabilitation of its workers. Money from the account was recorded as being utilised to raise working capital for the revival of the mill, and as being paid to fictitious creditors recorded under various names, when the BIFR scheme explicitly stated that working capital and previous debts of the mill were to be paid by the management and promoters through their own sources. The money had obviously been diverted back to the millowners.

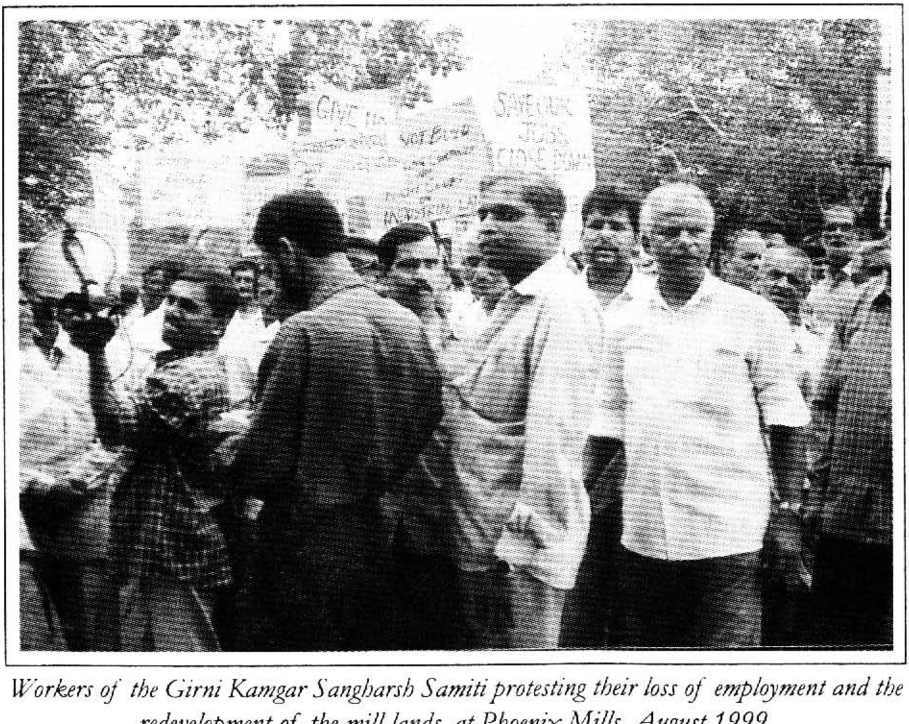
The case against Matulya has returned to the BIFR for further scrutiny, and the Board has provisionally agreed to the demand of the GKSS for a change in management of the mill, though it has declined to initiate proceedings against the management for its obvious misappopriation of funds. The GKSS has also made a bid to take over the mill and run it as a workers' cooperative, to which the BIFR has responded that the first right for forming a cooperative should go to the recognised union, the RMMS. The case is pending with the BIFR and the GKSS has claimed it shall appeal the judgement of the Board.

Raghuvanshi Mills

In 1993, the BIFR approved a revival scheme for Raghuvanshi Mills, which had been idle since 1984, in which 850 workers to be reemployed, production restarted, and by 1996 new machines were to be installed. Additionally, the BIFR scheme granted an interest-free loan to the millowners, and sanctioned the use of part of the mill land for the construction of an 83,799 square foot commercial building. However, other than the permission for redevelopment of the land, the other parts of the scheme related to employment and production were not implemented. The mill only took back about 500 workers out of the total pre-closure workforce of 1600 workers.

The mill was sold by its owner, Nayan Mehta, to Vallabbhai Thakkar, a builder who continued to develop the commercial property of the mill compound. Unionists with the GKSS have alleged that rather than leasing the mill land as per the BIFR directives, the owners have actually sold the land, and that the new constructions — like those in Phoenix — consume excess FSI. After Vallabbhai was murdered by the Arun Gawli gang in 1997, his son Hemal took over the management of the mill, and drove it into losses again. In June 1999 the workers had not been paid for two months, retirement benefits to 40 other workers had been pending, and when the mill lost its electricity and water connections owing to non-payment of bills, it shut down.

On 16 September 1999, in a daring move, the former mill workers, led by the GKSS, took over the premises of the mill. They propose to restart production on their own, and have filed a petition in the Bombay High Court seeking permission to run the mill as a workers' cooperative, and



Workers of the Girni Kamgar Sangharsh Samiti protesting their loss of employment and the redevelopment of the mill lands, at Phoenix Mills, August 1999.

demanding an early hearing by the BIFR on the payment of wages to the workers, and an inquiry into the illegal sale of the mill lands. Hemal Thakkar, who during the takeover was away in London, has returned to Bombay but refuses to negotiate with the workers on the formation of a cooperative, and has made it clear through one of his agents that he will not lend his assistance to the effort. In the meantime, the workers have asked the 22 tenants of the mill compound to pay them maintenance charges, which if distributed to the roughly 760 workers remaining in the mill amounts to about Rs 1000 per month. Thakkar continues to evade the workers, in an effort to exhaust their resistance.

Khatau Mills

The owner of Khatau Mills and widow of the slain Suneet Khatau, Panna Khatau, has similarly evaded her workers, and the repeated efforts by the Government to bring her to the table. Khatau Mills stopped production in March 1997, several days after a gang of RMMS activist reportedly beat up rival workers and unionists who were opposing the closure of the mill and sale of its lucrative land holdings in Byculla. It has remained closed since April 1997 when the over 6000 workers of the mill went on a stir demanding wages which had not been paid since February 1997, even though the BIFR in November 1996 had directed the management to continue payment of wages as per the provisions of its revival scheme for Khatau Mills. The BIFR scheme had permitted the management to sell about 70 acres of land at its unit in Borivali to finance the revival of its Byculla mill, and was sanctioned in 1995 by the Congress Government and the BIFR. The land at Borivali was valued at around 80 crores.

Sachin Ahir, the secretary of the RMMS, is nominally still on the rolls of the Khatau Mills, and the recognised union has a large stake in the land deal that was struck between Panna Khatau and diamond merchant and film producer Bharat Shah — who also has a stake in the Fire and Ice disco in Phoenix Mills — a deal which later went sour when the real estate market crashed and Shah did not fulfil his part of the deal for the purchase of land in Borivali.

Panna Khatau was intransigent, adopting the stand that production in the mill would only resume if the sale of land in the mill compound was cleared.

In March 1997, Chief Minister Manohar Joshi lifted the ban on land sales under pressure from millowners and other vested interests, and in April 1997 — the same month in which production was stopped and the workers locked-out — the authorities gave clearance for the sale of the land. Panna Khatau continued to withhold the unpaid wages despite orders from the Government, financial institutions connected with the BIFR scheme, contempt notices from the Bombay High Court, and pressure from the unions representing the 6000 workers of the closed mill. She protested that she had no capital to restart production and would only do so once the land sale in Borivali was concluded. In the meanwhile, the locked-out workers who had not been paid for almost a year were withdrawing their children from school, taking loans, and according to some newspaper reports, they and their families were starving.

Matters became worse by late 1997, when protests were held outside of the Sena Labour Minister Shabir Sheikh's bungalow, the offices of banks connected to the BIFR scheme were picketed by the GKSS. In October, a delegation of the GKSS protested the Khatau management offices at Ballard Estate and gheraoed Panna Khatau and her associates in their cabin, prompting a security guard to fire shots in the air.

Khatau Mills has remained closed for almost three years now, without any solution in sight. At a meeting convened by the new Labour Minister Hussain Dalwai between the workers and management in August 1999, an agreement was provisionally struck to pay 35% of the outstanding wages due to the workers since March 1997, as well the Diwali bonuses withheld for the previous three years. However, Panna Khatau refused to attend a follow-up meeting to formalise the agreement for the wage deal and the restarting of the mill, complaining that the GKSS had not withdrawn court cases it had filed against the management in the previous two years. Bharat Shah has still not made good his land deal at Borivali, for which his company, Rishina Constructions had given an advance sum of Rs 10 crores in 1997. The BIFR had opined that the Khataus should return this amount if this deal wasn't serious, though the GKSS has appealed against this, asserting that the retrenched workers have a lien over this amount. It appears that Bharat Shah is anxious to get out of the deal, and it now seems that another builder — Sadiqbhai of Fateh Nav Nirman Constructions — has started dealing with Panna Khatau. In a recent meeting with unionists, the Chief Minister Vilasrao Deshmukh has proposed to nationalise the Khatau Mills and to use the profits from land sales to pay the dues, provide jobs to workers. It remains to be seen whether the plight of Khatau Mills and its workers, one of the most glaring land scams, will be resolved.

Postscript

In the past several months since the new Congress-NCP Government has eased itself into power in Maharashtra, the Chief Minister has announced the intention of solving the issue of the textile mills and their lands once and for all. In the last week of February, Vilasrao Deshmukh stated that his Government intends to allow the mills to relocate outside of the city, with the assurance given to trade unions that the money earned from the relocation to "backward" areas in the hinterland would be placed in an escrow account, meant for paying the outstanding dues to the workers.

All the trade unions, from the RMMS to GKSS, have opposed the move. In October 1999, the new Congress Labour Minister Hussain Dalwai had been persuaded to visit the Phoenix Mills compound and the Bowling Company and speak to workers and unionists about the dismissals, the financial frauds and land scams. Dalwai's visit followed several dharnas by the GKSS at Phoenix Mills protesting the presence of an upper-class entertainment complex as an affront to the plight of the unemployed mill hands. In a letter addressed to A D Singh, the head of the Bowling Company, workers asked "shall we be content with being watchmen and liftmen and domestic servants in the luxury apartments and clubs of the rich? Is this development for us?" Singh's response to the press was only that the Bowling Company is a "licensed family entertainment centre" — a questionable claim considering the evidence presented above — "encouraging clean wholesome family sport", whose rates were affordable to "working people".

Dalwai, however, seemed to disagree. Addressing a press conference after his visit to the Phoenix Mills premises, he asserted that a mill compound is not "a playground for the nouveau riche", and he ordered the Ruias and the other 42 tenants of the premises to present their papers to establish the legality of the tenancy, and the new structures in the mill. However, after this brief flutter, things have gone back to normal. Other than promising that cases of non-payment of wages by millowners would be registered, no action has been taken, and protests by the mill workers have continued.

Instead, *Express Newsline*[2] has recently reported that a three-member committee constituted by the BMC in September 1999 has recommended further amendments to the DC Rules 1991 to convert industrial zones to commercial use in the island city, and that restrictions on residential use be relaxed — paving the way for the looting not only of the mill lands, but the residential chawls which once housed their workers. Amendments to the municipal zoning regulations include an extension of FSI, and priority to information technology and similar enterprises in all parts of the island city. The committee, chaired by former civic officers P M Kale, E Prasade and P Jain, has also mooted sweeping changes to 70% of the other parts of the rules formulated in 1991. The report comments that "shorn of euphemisms, this simply means that commercial enterprises would be allowed to plunder prime real estate in South-Central Mumbai...the ramifications of such amendments are therefore enormous as the industrial zone as defined by the DC Rules comprises 23 percent of land in the island city."

This, according to the report, "nullifies earlier efforts to decongest the island city when the government redirected commerce towards the suburbs". Further announcements in the past month confirm that the Government intends to continue with the process begun under previous governments to retrench workers, sell land, and shift production outside of the city. A *morcha* recently held by the GKSS at the Chief Minister's official residence at Malabar Hill has prompted the recent visit of Dalwai and two other ministers to Raghuvanshi, Matulya, Khatau and two other mills to examine the premises and confer with mill workers. But beyond such symbolic measures, there is yet to be any concerted effort by the state to address the gamut of issues which comprise the murder of the mills of Mumbai.

1 The information here has been provided by Mayank Bhatt and Apoorva Kaiwar, and is supplemented by newspaper reports and interviews with unionists and workers.

2 Vinu Lal, "DC Rules Weave Plan to Plunder Mill Land", Indian Express: *Mumbai Express Newsline*, 8 March 2000

The Lokshahi Hakk Sanghatana and
Girangaon Bachao Andolan therefore demand:

1. An effective ban on sale of mill lands, and the change of user of of these lands.

2. Demolition of all unauthorised constructions, and a halt to all illegal and unmonitored activity in the area of the existing mills.

3. A complete halt to mill closures and retrenchment of workers, including Voluntary Retirement Schemes; action to restart the closed mills and provide employment to their workers; and the involvement and participation of the workers in formulating, operating and monitoring every scheme for the revival of the textile mills.

4. A transparent and public inquiry into the sales of mill lands, the uses to which the proceeds from these sales have been put, and the grievances of the workers; involvement of the workers and their unions and other organisations in this inquiry; and an opening to the workers and the general public of the records of the mills, the financial institutions monitoring their revival schemes and land transactions.

5. Criminal prosecution of the mill owners who have diverted funds meant for the revival and modernisation of the mills, or for the payment of workers' wages, and action to return these diverted funds to the mills.

6. Criminal prosecution of the mill owners, politicians, bureaucrats and other in the Central, State and civic administrations, who conspired to sell the mill lands and change the use of these lands.

7. Scrapping of the Bombay Industrial Relations Act 1948, which enshrines a single represenative union for the textile mill workers, and under which they have no democratic representation.