

CHAPTER VI

PROFILE OF THE STUDY AREA

6.1 INTRODUCTION

Mumbai, the capital of Maharashtra, India has very peculiar characteristics. The city transformed from a level of mere fishermen village to a pinnacle of importance, financial capital of the country. The changing process of the city, particularly the industrial activity needs to be studied in depth.

Greater Mumbai, which was known as Bombay until the year 1995, was an infertile Konkan hinterland constituted of seven islands with a mere population of 20,000 *kolis*²⁷ and farmers in 1661 (Kosambi, 1986 quoted in Jacquemin, 1999; Rashid, 2003). These islands became the state capital of Maharashtra and the first Indian city to experience the economic, technological, and social changes associated with the growth of capitalism in India. It is also the financial and commercial capital of India, with 12 million populations as per the recent 2001 census (Census of India, 2001). Mumbai accounts for about one percent of the total population of India but as per capita of income, it is almost three times that of India. It accounts for 14 percent of income tax collections and 37 percent of the corporate tax collections in the country. Mumbai plays an important role in the economic development of the country, accounts for 5 percent of India's GDP and 33 percent of tax revenue of the country and 60 percent of State's revenue comes from Mumbai City alone (PCAP, 2007). It is the nerve centre of Indian and one of the largest agglomerations in the world.

6.2 PHYSICAL PROFILE OF MUMBAI CITY

In the year 1668, Bombay came under the control of East India Company (EIC). The East India Company (EIC) realized the importance of its strategic location and advantage of a natural harbour with exceptionally deep water. It became the capital of Bombay Presidency, controlling not only the adjoining territory, but whole of the

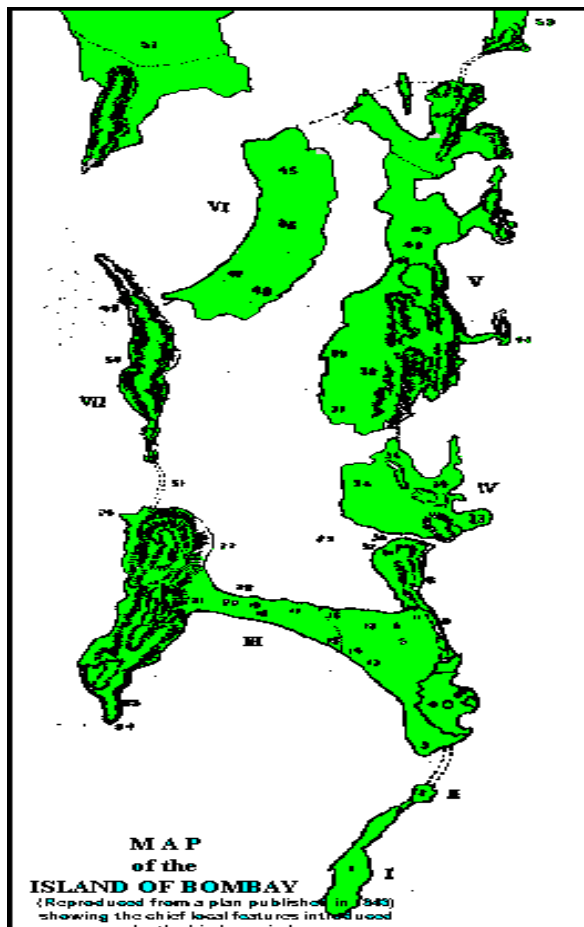
²⁷ Fishermen are termed as Kolis in the local language.

Saurashtra, Karnataka and Konkan belt. EIC shifted its registered office from Surat to Bombay. While doing so their indigenous partners, Parsi and Gujarati traders also moved in (Jacquemin, 1999). With a well connected rail, steam and road facilities to transfer the raw goods within the country was an added advantage for the EIC. By the opening of the Suez Canal in 1869, Mumbai became the nearest Indian port to Europe, a key advantage over the other ports of India. During Industrial revolution in England, Mumbai became the major channel through which raw cotton was shipped to Europe. This increasing economic activity attracted people from not only the other parts of the state but also from other states. This island city had physical constraints to expand territorially. The low lying areas between the islands were filled up. Today, after the implementation of a series of reclamation schemes, it covers an area of 78 km² of land.

Map 6.1: Physical change of Mumbai before and now

Island of Bombay during, 1843

Present view, 2010



The Bombay Suburbs started to develop after independence, mainly due to the gradual congestion of Bombay Island. It covers an area of 525 km² and at present, it is the most populated area of Bombay. Bombay Island and Bombay Suburbs together are called ‘Greater Bombay’ (Jacquemin, 1999). This has resulted into extremely high densities in several parts of the city, particularly in the island city. During the early eighties, more than 60 percent of the population of Greater Mumbai lived in the original island city between Mahim-Sion and Coloba (Gogate, 1973). As per the recent Census 2001, Greater Mumbai covers an area of 603 km.². Today, Greater Mumbai forms a peninsula rather than an island group consisting of original island city with a long narrow north-south strip of land and a greater part of Salsette (Sharma and Sita, 2001).

6.3 DEMOGRAPHIC PROFILE OF MUMBAI

The physical growth of Mumbai was mainly attributed to the growth of economic development in the city with in turn attracted many into the city. These are reflected in the changing lives of people in the city. They are explained in this section.

6.3.1 Magnitude of Population in the city

The changing economic activity which started from trade had generated enormous job opportunities in the city. The influx of migrants increased the population from an estimated 221,000 in 1815 to 822,000 by 1891 (Harris, 1978 in Jacquemin, 1999).

Table 6.1: Trend in the magnitude of population in Mumbai, 1901- 2001

Census years	Number of Persons
1901	812,912
1911	1,018,388
1921	1,244,934
1931	1,268,306
1941	1,686,127
1951	2,966,902
1961	4,152,056
1971	5,970,575
1981	8,243,405
1991	9,225,891
2001	11,914,398

Sources: Census of India 1981, District Census Book – Greater Bombay (p.42);
Census of India 1991, District Census Book – Greater Bombay;
Census of India 2001, Maharashtra.

Table 6.1 shows the increasing volume and growth rate of population in the city as per the national census. The absolute number of population has increased from less than one million in 1901 to 12 million in 2001. The growth rate of population in the city was always high and was mainly attributed to the economic activity in the city. Besides migrants, because of some natural calamities and distress situations in the country, many refugees were settled in Mumbai which also added up to the population size. During 1941–1951 the city experienced an unprecedented population growth rate mainly because of partition of India into India and Pakistan. During partition of India in 1947, millions of Hindu refugees fleeing from Pakistan were settled in Mumbai by the Indian Government which had provided asylum to them (Jacquemin, 1999). During 1951- 2001, the population of Mumbai grown from nearly 3 million to 12 million respectively, nearly four times increase in just fifty years. During the same time period, the population size of Greater Mumbai Urban Agglomeration has increased from 3.2 million to more than 16 million, registering a five times increase.

6.3.2 Growth rate of Population

Table 6.2 describes the gender specific growth rate of Greater Mumbai and its changing pattern of sex ratio, from 1961 to 2001. The annual growth rate of Mumbai was very high, especially during the census period of 1941-5 which 7.7 percent per annum. It was mainly attributable to the settlement of millions of refugees from Pakistan in Mumbai.

Table 6.2: Trend in the population annual growth rate and sex-ratio of Mumbai, 1961-2001

Census Years	Annual Growth Rate (Percent)			Sex Ratio*
	Male	Female	Total	
1961-71	3.9	5.1	4.4	716
1971-81	3.4	4.4	3.8	772
1981-91	1.7	2.4	2.0	818
1991-2001	2.1	2.0	2.1	809

Note: Calculated; * Number of females to males;

Source: Census of India, 2001 (Analytical tables of Greater Mumbai Municipal Corporation: P.3)

The annual growth rate of Mumbai during 1961-71 decade was 4.4 percent, since then, there was a steady decline in city's population annual growth rate. During the past twenty years, the annual growth rate within the corporation limits has remained virtually unchanged and growth rate in the city is lower than the overall urban growth of Maharashtra, as well as India. Many of the wards of the city have experienced negative population growth rates over the past few decades. During 1981-91, nine wards have registered negative population growth rate. Out of these nine wards six wards were in the island city and three were suburban wards. During Census 1991 and 2001, five wards have seen a decline in total population mainly in the main island city.

Gender specific growth rate reveals a sharp decline among both male and female population between 1981 and 1991. Though female annual growth rate is further declining, male annual growth rate has improved between 1991 and 2001, 1.7 to 2.1 percent respectively. There are various reasons given for this decreasing population growth rate of Mumbai and most of it attributed to the reducing attraction of migrants, changing pattern of industrial activities, dispersion of industries situated inside the city, development of new satellite city with low residential prices, and well developed transport infrastructures connecting Mumbai with other towns and cities around (Gupta and Yesudian, 2006).

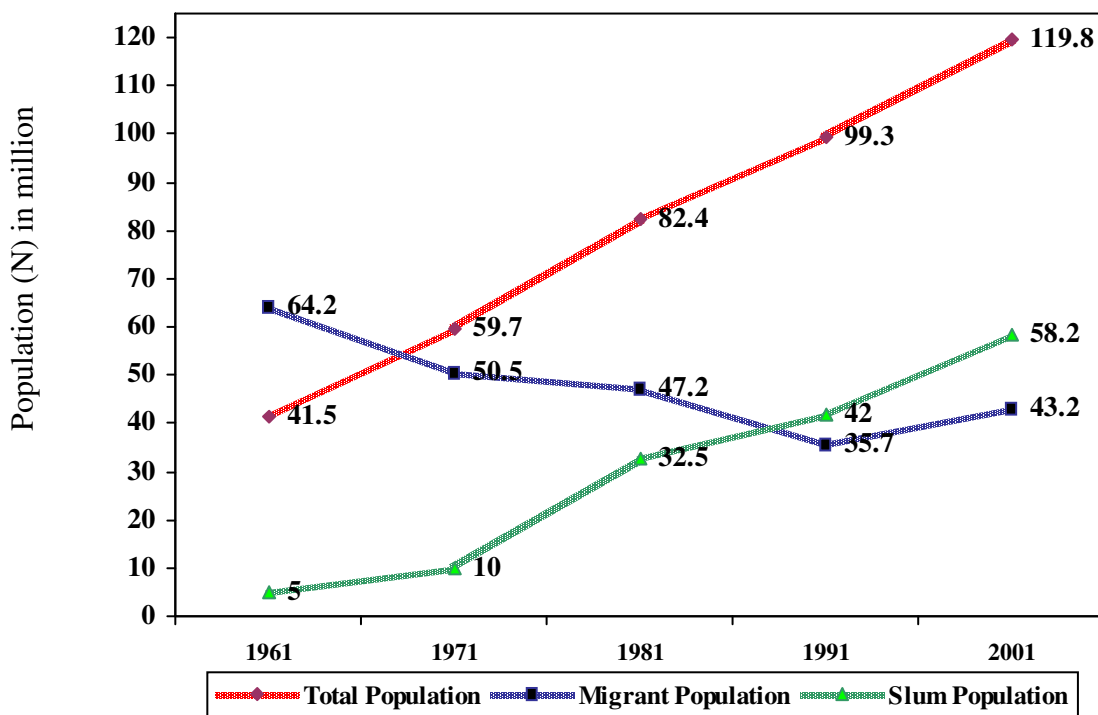
The sex-ratio, number of males per 1000 females, shows a lesser number of females to male population. Aspirants for economic opportunities often left behind their families in their place of origin. Hence the sex-ratio was favourable to male in Mumbai, however according to recent censuses the sex-ratio has increased from 716 in 1971 to 818 in 1991 and then declined to 809 in 2001 (Table 6.2).

6.3.3 Migrants in Mumbai

The high population growth rate of the city is exclusively due to migration. The development and the industrialization initiated in the city further its commercial growth had/has been attracting migrants from the state and other parts of the country entering the city looking for employment (Rashid, 2003; Ramdas, 2006). Migration has always played a significant role in population growth of Mumbai city since beginning of century though their share as a proportion is declining. In the early decades of the 19th century, Mumbai was mainly growing due to migration (Table 6.3). The 'natural

increase' component (the difference in birth minus death data) was almost negligible till 1941. The decade of 1951-61 recorded a nearly neat balance between migration and natural increase. Since 1961 migration's contribution started declining but given the base effect, the absolute number continue to be higher. Migration's contribution in the inter-censal decade of 1991-2001 to the total population was around 39 per cent while the contribution by natural increase was 61 per cent. Those migrants who have settled down for decades with their families and their children born in the city were also categorized as the non migrants. Since the 1980's, adjoining areas started growing faster for, being in close proximity to Mumbai, many settled there and commuted to work in Mumbai though some areas of late do provide jobs. The growth of migrants in Mumbai is diagrammatically explained in Figure 6.1.

Figure 6.1: Trend in the volume of population and the proportion of migrant and slum population to the total population in Mumbai, 1961 -2001



Sources: Census of India 1961, Maharashtra Migration Tables;
 Census of India 1971, Maharashtra Migration Tables;
 Census of India 1981, Maharashtra Series-12
 Census of India 1991, Maharashtra, Migration tables;
 Census of India, 2001, Analytical tables of Greater Mumbai.

6.3.4 Slum population in Mumbai

Mumbai with its limited land capacity and other basic amenities could not cope up with the heavy influx of population. Mumbai was mentioned as an over-blown village without any functional infrastructure (Mukherji, 1996). During the early years of the city's development, slums are developed near the port area as majority of the workers preferred to get job as and when a ship comes. Later many slums are developed in various areas. Until late 1950, about 5 percent of the populations were living in hutments (David, 1996). The slum population is steadily growing in Mumbai. The decennial census data shows the slum population to the total population, 32.5 percent in 1981; 42 percent in 1991 and 58.2 percent in 2001 (Figure 6.1).

6.3.5 Population Density in Mumbai

During 1961, the seven small islands of Mumbai, constituted of 69 km² of land (Rashid, 2003). With the increasing industrial activity more and more workers, skilled and unskilled from all over the country were moved in. As the population in the city grew, the physical land space of the city also developed, mainly by reclaiming the land between the islands. In the year 1951, Mumbai had an area of 235.1 km². According to the latest census (2001), the overall density of the city is 21190 persons per km² (densities are exuberantly high in some wards in island city i.e., more than 100,000 persons per km²).

6. 4 ECONOMIC PROFILE OF MUMBAI

The growth of Mumbai city was closely linked to trading activities of the city. Mumbai is one of a city developed during the British colonial rule in the country. The import trade stimulated the development of import substituting manufacturing, especially in cotton textiles, although the manufacturing base remained narrow and rather specialized. From the middle of 19th century, Mumbai itself entered into the industrial era and making use of the imported British technology and using the availability of indigenous capital, Indians themselves started to invest in cotton based industry (Edwardes, 1902, as quoted in Jacquemin, 1999). During 1865, Bombay earned 70 million pounds sterling in cotton trade. This money was spent on the city's infrastructural development schemes which attracted huge investments into the city. In

1865, Mumbai had 31 banks, 8 reclamation companies, 10 shipping companies, 20 insurance companies and 62 joint stock companies (Mumbai pages, 1995).

The industrial activities of the city became steady and started to diversify into chemical industry and industry of basic metal and engineering products (AILS, 2001). The port of Mumbai acted not only as a direct employer, but also as the force behind the emergence of wide range of services and financial activities. These, in turn, have created the business agglomeration economies and manual labor pools making Mumbai very attractive as a location for public and private sector offices. Its economic base is oriented towards international and national markets rather than regional markets, it has a vigorous and diversified manufacturing sector, and the city is now India's leading financial and business centre. Mumbai was termed as “engine of economic growth” as nearly 40 percent of State Domestic Product (SDP) originated from Mumbai (BMRDA, 1974); and is considered as a most diversified and vibrant economy. The GDP of Mumbai during 1993-94 was around 28,000 crores, which increased to 41000 crores in 1998-99 and 46000 crores in 2003-04 (Kingsley *et al*, 2007: p. 61).

6.4.1 Characteristics of Industries in Mumbai

The economic activity of any economy can be broadly classified into three sectors, viz., primary, secondary and tertiary sector. The primary sector mainly constitutes of mainly fisheries and very small. Deshpande (1983a) divided the labour market in Mumbai into two segments, casual and regular. The regular workers were divided into two sub-segments, those who employed in shops and commercial establishments or factories. The secondary sector constitute of manufacturing, electricity and construction. Within secondary sector manufacturing activities constitutes a major share in countries GDP, the share of Mumbai in the secondary and tertiary economic activities of Maharashtra and All-India is very substantial. It contributed about 31 percent of value added by registered factories of Maharashtra. Several industry groups individually contribute more than 40 percent of value added of their respective groups in Maharashtra. In the same way, workers in registered factories in Greater Mumbai account to 41 percent of the corresponding workforce in Maharashtra (CRD, 1994). Tertiary sector often termed synonymous with service sector is represented by heterogeneous groups of economic activities that are non-transferable and intangible. Tertiary sector plays a dominant role in Greater Mumbai's economy. Commerce, Transport as well as administrative

activities of the State and Central Governments are concentrated here. This sector accounted for 57 percent of the NDP of Greater Mumbai (CRD, 1994). Development of Mumbai was started with the port related activities. The geographical setting of the city and the connectivity to the cotton growing hinterlands the textile industries and some manufacturing industries were initiated. Manufacturing sector diversified into chemical, metal and other industrial activities.

6.4.1.1 Textile Industry

Textile industry was the predominant industrial activity in Mumbai which was initiated and thrived during colonial rule. Before the middle of the nineteenth century, India used to export cotton to Britain and import the finished textile. During 1860, the textile imports stood at ₹19.3 million (Mumbai Pages, 1995). Bombay presidency controlled textile mills in Bombay city, Ahmedabad, Solapur a Southern Maharashtra centre (Government of Bombay, 1934). The first Indian cotton mill, The Bombay Spinning mill, was opened in 1854 in Bombay by Cowasji Nanabhai Daver. By 1870, there were 13 mills in Bombay. Cotton exports from Mumbai grew during American civil war, when supplies from USA were interrupted. At the end of 1895, there were 70 mills and it grew to 83 in 1915 in Bombay city (Mumbai pages, 1995).

Table 6.3: Cotton textile industry in Mumbai, 1926 -2004

Years	Number of working mills	Average daily workers
1926	78	148,254
1927	75	145,005
1928	76	118,617
1929	77	118,368
1930	75	127,578
1931	74	135,077
1932	73	139,963
1933	66	105,488
1934	55	95,637
1999	54	85,647
2003*	53	80,156
2004*	51	72,764

Sources : Till 1934 – Government of Bombay, 1934;
* 2003 and 2004 – GOM, 2000 and 2004 (Hand book of basic statistics of Maharashtra State 2000 & 2004)

The *swadeshi* movement was launched in 1905, as an early expression of economic nationalism which urged people to buy locally produced goods and the textile industry (Breman and Shah, 2004). Local textiles were sold in domestic market as well as shipped to other countries. The textile industry in the Bombay presidency was making progress as for working mills were concerned, but there was some changes between 1926 to 1933 among the various centres in the Bombay presidency – number of working mills in Bombay city dropped to 66 employing 105,000 hands, where as in Ahmedabad and other centres it increased to 75 and 32 working mills respectively (AILS, 2003). Table 6.3 shows the growth of textile industry in Mumbai. It was observed that a marginal decline in the number of working mills in Mumbai, from 54 in 1999 to 51 in 2004. The workers in the textile industry during 2004 were more than 72 thousand.

6.4.1.2 Pharmaceutical Industry

Pharmaceutical industry history in Mumbai can be dated back to 1868 when Kemp company was established to manufacture pharmaceuticals (AILS, 1996). The development of the pharmaceutical industries encouraged growth of large number of SSI manufacturing containers, packing materials and other ancillary industries in Mumbai. According to Annual Survey of Industries there were 129 factories in 1973 in Mumbai, which increased to 162 in 1975-77 providing to employment to more than 24 thousand workers (AILS, 1996).

6.4.1.3 Chemical industry

Like textile industry, chemical industry also one of the thriving industry in Mumbai. Besides pharmaceuticals, fertilizers, petrochemicals, alcohol based producing industries were in Mumbai. India started to manufacture petrochemicals since 1961. The first integrated petrochemical complex started functioning in Trombay, Mumbai in 1966 under the management of Union Carbide Ltd., a private sector enterprise. According to the Annual Survey of industries, there were 77,454 factories registered and provided employment to 53,479 persons in 1975. The industries got diversified and started using modern technology. According to the Annual Survey of Industries 1990-91 there were only 470 factories with a total employment of 23, 941 (AILS, 1996).

6.4.1.4 Electronics Industry

The Television Centre was established in Mumbai in 1972. The demand for TV sets and parts have been increasing. According to the Annual Survey of Industries of 1975-77, there were 454 electronic factories in Mumbai which provided employment to 37,277 persons. In 1985 there were 573 factories in Mumbai which provided employment to 36,267 persons. This industry ranked third in Mumbai as regards invested capital and value added in manufacture; and fourth in respect of value of output (AILS, 1996).

6.4.1.5 Engineering Industry

Mumbai is an important centre of the engineering industry in India. The large-scale manufacturers in Mumbai include Godrej and Boyce manufacturing company, Ralliwolf, Larsen and Toubro, Kramps Hydarulic (India), Vickers Sperry of India Ltd., and many more. The major products produced are machine tools, steel cupboards, refrigerators, type writers, steel valves, earth moving and many agricultural equipments were manufactured by engineering industries of Mumbai. According to Annual Survey of Industries (1975-77), there were 630 registered factories in Mumbai which provided employment to 39,491 persons. In 1985 there were 728 registered factories in Mumbai providing employment to 70 percent of the total employment in the city (AILS, 1996).

6.4.1.6 Small Scale Industries (SSI)

Small Scale Industries (SSI) not only holds importance from their preponderance in the economy but also from the continuing controversies as to the relative position they should occupy immediately and to their potentialities in the long process of reconstructing or developing the economy. Evidence from developed economies reveal that SSI provide a field for the free play of the competitive mechanism which is said to have led to the spectacular industrial progress and its capacity to provide a base of a regionally balanced economy on a decentralised basis which is considered to be 'a road to better society' and its potentiality to relieve the unemployment pressure (Lakdawala and Sandesara, 1960). During 1960s there were 52 small units and 5350 large scale units were in Greater Mumbai and the proportion of workers in industry to the total working population was 41 percent (Sakhalkar, 1973).

6.4.1.7 All Industries in Mumbai

Table 6.4, presents the number of working factories within Mumbai and in the state Maharashtra. It is interesting to note here that the number of working factories in Greater Mumbai shows declining trend, whereas the number of working factories in Maharashtra was increasing, from around 19 thousand in 1985 to around 29 thousand in 2004. During this period the number of working factories declined in Mumbai from around 75 thousand in 1985 to around 67 thousand in 2004. With respect to closing of these factories, the number of average daily workers too declined from around 447 thousand in 1991 to 315 thousand in 2004.

Table 6.4: Number of working factories and average daily workers in Maharashtra and Mumbai, 1985-2004

Year	Maharashtra		Greater Mumbai	
	Number of working factories	Average daily workers	Number of working factories	Average daily workers
1985	18,922	1128,806	7509	515,080
1990	23,410	1162,659	7933	444,834
1991	24,199	1168,570	7832	447,492
1992	24,549	1164,639	7609	430,932
1999*	28,678	1231,503	6,986	356,245
2004*	29,256	1192,619	6,758	315,062
2006*	25,675	1102,757	6,927	348,820

Source: Directorate of Industrial Safety and Health, Mumbai 1985 – 1992 in CRD, 1995;
* 1999 to 2006: GOM, 2000; 2004; 2006 Hand book of basic statistics of Maharashtra state 2000; 2004; 2006.

Obtaining real data of factories is not an easy job, as all the factories are not registered. Data for registered factories can be obtained, much is not known about the unregistered industry sector. As on 1991, there were 8265 registered factories in Greater Mumbai. It was estimated that there were about 450 thousand workers in registered factories whereas there were about 181 thousand workers in unregistered industry sector in Greater Mumbai (CRD, 1994). Registered units dominated unregistered units in the share of GDP - during 1999-2000 share of registered unit was 10 percent and unregistered units 5.4 percent for India (GOMa).

6.4.2 Number of Working Industries in Mumbai by Workers Strength

The coverage of Annual Survey of Industries extends to the entire factory sector comprising of industrial units²⁸ registered under section 2m (i) and 2m (ii) of Indian factories act 1948. There were more than 7 thousand registered factories functioning in Greater Mumbai in 1999-2000 according to Government of Maharashtra statistics. In 1999-2000 the total number of workers working in these registered factories of greater Mumbai was more than 356 thousand (GOM, 2000a). Table 6.5 presents the number of working factories by their workers strength is during the period, 2000 to 2005.

Table 6.5: Number of working factories by worker's strength in Mumbai, 2000-2005

Worker's strength	2000	2001	2002	2004	2005
0_9	2699	2633	2482	2395	1299
10_19	2100	2232	2071	2121	1642
20_49	1191	1136	1127	887	2219
50_99	395	384	397	395	1349
100_499	424	403	385	475	362
500_999	55	56	52	48	26
1000_4999	42	37	44	37	28
5000 & >	4	5	4	3	2
Total Working factories	6910	6886	6562	6758	6927
Total Workers	341450	338751	317205	315062	348820

Source: Data collected from Directorate of Economics and Statistics, Mandralaya DES office (8th January 2008)

The factories employing less than 20 workers have been decreasing steadily, that is, from 4799 factories in 2000 to 2741 in 2005. As the size of the factory increases, the magnitude of workers employed in these units also increases. Hence, reduction in the bigger size working factories reflects loss of employment for large number of workers. For example, 2004 and 2005, it was observed that 1096 working factories (0-9 workers) were reduced affecting approximately 1480 workers; 22 working factories (500-999 workers) were reduced affecting approximately 16,500 workers; and just one working factory (more than 5000 workers) reduced affecting more than five thousand workers. Although reduction in the working factories employing higher number of workers are declining, there is a tremendous increase observed in factories where the workers strength is between 20-49 and 50-99 from 2004 to 2005 in Mumbai (Table 6.5).

²⁸ Factory is the primary statistical unit for enumeration for the Annual Survey of Industries.

6. 5 EMPLOYMENT SITUATION IN MUMBAI

The magnitude of workforce has increased gradually over the census years of 1961-2001 in Mumbai. However the gender data reveals that the magnitude of male workforce was increasing in a very slower phase, where as the female workforce of Mumbai was increasing in a faster phase. Especially, after the structural reform in 1991, the female workforce has increased substantially during the decade 1991 – 2001. The decade of 1991 – 2001, the city of Mumbai saw change in its workforce. There was marginal increase in the workforce participation in this decade. But there was decline in the WFPR of main workforce and increase in the WFPR of marginal workforce. Especially, among the women’s WFPR, the increase was quite steep in the marginal workforce. Age structure of the labour force showed that there was increase in the workforce in the old age group of 60 years and above. This increase was mainly in the marginal workforce. The workforce in Mumbai has shown some changes in the sector of employment.

Table 6.6: Trend in the distribution of workers by industrial structure in Mumbai, 1961- 2001

NIC Classification*	1961	1971	1981	1991	2001@
Primary industry	1.9	1.3	1.2	0.7	0.9
Manufacturing industry	40.8	42.3	41.9	36.9	28.8
Construction industry	2.7	3.0	3.4	4.2	6.4
Other industry	54.6	53.5	54.6	58.1	63.9
Total Percent	100	100	100	100	100
Total workers (000)	1687	2198	2860	3435	4325**

Note: * A- C: Primary Activities; D and E: Manufacturing; F: Construction; G-P: Others

** Workers with missing information (138854) are not included

Source: Gupta and Yesudian, 2007 ; @ Census of India, 2001.

Table 6.6 presents the changing work participation in different categories of industries in Mumbai. The NIC classification was used to classify the workers in different industrial categories (Appendix-II). There was substantial reduction in the manufacturing sector workforce and tremendous increase in the construction and service sector workforces. The above changing employment trend of Mumbai indicates

that the city had lost a lot of jobs in the formal sector, as a result of which the informal sector employment had increased sharply, especially among the women to offset the problem of unemployment caused by job loss in the manufacturing sector. This can be seen from the Table 6.6.

The proportion of construction workers was increasing from 2.7 percent in 1961 to 6.4 percent in 2001. In the same way, the proportion of other industrial workers (workers of Trade and commerce, Transport, storage and communications and others) was also increasing. In 2001, more than 63 percent of the Mumbai workforce were involved in the others industrial categories. Proportion of workers in the primary industry was declining gradually, from 1.9 percent in 1961 to 0.9 percent in 2001. It is expected in a city like Mumbai which is cent percent urban. However, the proportion of workers in the manufacturing sector declined to a great extent over the last four censuses. The proportion of manufacturing workforce in the Mumbai in 1971 was 42.3 percent. This has declined to 28.8 percent in 2001 (Table 6.6).

6. 6 UNEMPLOYMENT SITUATION IN MUMBAI

According to the Census, magnitude of unemployed in Mumbai had increased tremendously during the two censuses, i.e., 1.18 lakhs in 1991 to 6.02 lakhs in 2001. This is reflected in the proportion of unemployed in the city. According to the Mumbai Task Force Subgroup on Economic Growth report (2007), in 2001, the overall unemployment in Greater Mumbai was 11.5 percent, but for those aged 11-24 it was 28 percent which is a serious concern (Kingsley *et al*, 2007: p.3). The proportion of unemployed in Mumbai during 1991 was 1.2 percent (1.2 percent for male and 1.1 percent for female), which has increased to 5 percent during 2001 (5.1 percent for male and 4.9 percent for females). The proportion unemployed among the 15-59 age group was high, that is, proportion unemployed among all the age group was 5 percent, where as in the 15-59 age group, it was 7 percent. Then again, it was very high in the 15-24 age group, that is 13.7 percent. This proportion among 15-24 age group is higher among males than females. Interestingly among females, the proportion unemployed in the 25-59 age group was higher than males. This raises a question why the women in the 25-59 age group seek job more than their counter parts in their age group? Also it is disturbing to note the increasing unemployment among youth.

6. 7 INTERRUPTED EMPLOYMENT IN MUMBAI

Mumbai city under the colonial rule started industrialisation and thrived. The organised industries which were primarily significant in making this city have been on the decline since the 1980s, accelerating during 1990s leading to their closure. The textile industry which played a pivotal role in the development of the city started to decline from 1970s.

The textile industry was the major employer for giving employment to lakhs of people in the textile mills and related industries. In the year 1925, nearly 153,000 workers were employed in the mills of Mumbai (D'Monte, 2006). The textile industry went through three principal crises, during mid-sixties, beginning of 1974 and in 1983-84. With the 18 months long strike in 1982-83, around 100,000 workers lost their jobs (D'Monte, 2006). Due to the textile strike in 1982 several mills were closed down, which acted as a great force in attracting illiterate and semiskilled labourers from rural areas of Maharashtra and other states. Over one lakh workers were displaced and the industrial production had slowed down (Patel, 2003). The retrenched labourers were in a dilemma either to seek some alternative job or go back to their place of origin or migrate to some area where there were employment opportunities. The production of textile was compensated by informal power-loom. This can be seen by the following data. In 1976, 27 percent of city's organised sector employees were from textile industry but their share has reduced to less than half i.e. 12.5 percent by 1991. In contrast an estimate from employment market showed that there was an increase in workers in the informal sector. It increased from 49 percent in 1961 to 66 percent in 1991 (Patel, 2003). The industry began to decline from 1980s and most significantly in 1990s. According to the Sarva Shramik Sangathna union office report, there were 25 NTC textile mills were functioning in Mumbai in 2000, which declined to just 5 textile mills in 2010 (Appendix I.6).

Pharmaceutical industry was the worst affected in recent times. Pharmaceutical plants in Mumbai belonging to Ciba Geigy, Abbott Laboratories, Roche Pharmaceuticals, Hoechst, Boots, Boehringer-Mannheim and Parke-Davis were closed, leaving many workers out of employment, especially women (Hensman, 2001). Reduction of workforce from pharmaceutical industry, during 1995-97 in Mumbai-Thane region is shown in Appendix I.7. Chemical industry also was affected. According to the Annual Survey of industries, there were 77,454 factories registered and provided

employment to 53,479 persons in 1975, the same survey during 1990-91 found that there were only 470 factories with a total employment of 23, 941 (AILS, 1996). The All India census of SSI units (registered up to the end of March 1988) fact sheet showed that though 15,901 units were registered with the Directorate of Industries (DI) in Greater Mumbai, only about half of them were working (8,033) (CRD, 1994).

6.7.1 Number of Closed down Industries

The Directorate of Economic Survey (DES) collects information from the factories, and provides the list of registered factories and working factories. Information of these was collected from the Mumbai DES office at Mantralaya. Table 6.7 presents, the number of registered, working and closed down factories in Greater Mumbai from 1987 to 2005.

Table 6.7: Number of registered, working and closed down factories in Mumbai from 1987 -2005 (Under the IFA 1948)

Year	Mumbai		
	Registered factories	Working factories	Closed down factories
1987	9251	7598	-
1988	9066	7860	1391
1989	9076	7971	1095
1990	9093	7933	1143
1991	9066	7832	1261
1992	8615	7609	1457
1993	8215	7408	1207
1994	7898	7260	955
1995	7825	7254	644
1996	7794	7188	637
1997	7724	7153	641
1998	7728	7212	512
1999	7744	6986	742
2000	7411	6910	834
2001	7305	6886	525
2002	7262	6562	743
2003	7140	6576	686
2004	7257	6758	382
2005	7231	6927	330

Source: Directorate of Economics and Statistics, Mumbai, Mandralaya office
(Collected on 22 November 2007)

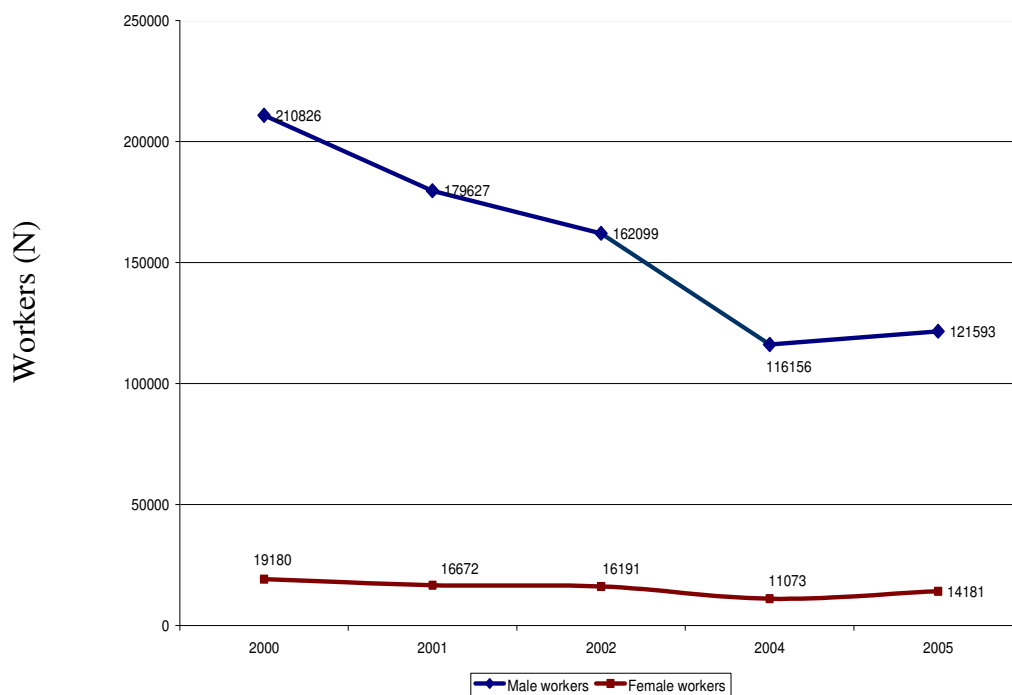
It was observed that the numbers of registered and working factories were declining during 1987 till 2005. A sharp decline was observed in the number of registered factories in Mumbai between the year 1991 and 1992; and again between 1999 and

2000. It is also interesting to note the gap between number of registered factories and the number working factories in Mumbai²⁹. There was not much changes observed in the number of working factories during the above mentioned periods, 1991-92 and 1999-2000. The number of closed down industries, shows that the closure of factories is very high in Mumbai, although declining over the period, 1987-2005. In the next section presents the number of workers affected (whose employment are interrupted) due to the closure of these industries.

6.7.2 Number of Workers Affected (Interrupted Employment)

The work force of the return submitted factories showing decline over the periods. In 1991 the workers in the return submitted factories were 466 thousand in Mumbai (CRD, 1994). The changing number of workers in the return submitted factories in Mumbai during 2000-2005 is presented in Figure 6.2.

Figure 6.2: Trend in Gender specific workforce in the Registered Factories of Mumbai, 2000-2005



Source: Directorate of Economics and Statistics, Mumbai (Collected on 8th January, 2008)

²⁹ One thing has to be pointed out here is that, the official confirmation to show that the factory is closed down and stopped functioning and whether were retained until the confirmation is very dubious. This was witnessed while collecting information to select closed down industry for field survey.

According to the Directorate of Economics and statistics, the workforce in the return submitted factories has declined to 2.30 lakhs in 2000 and further declined to 127 thousand in 2004. Gender specific data from the year 2004 to 2005 highlights that the changes the number of male workers in the return submitted factories have declined very fast. The share of women working in the registered factories was low, and there is not marked changes observed between 2000 and 2002. In the period, 2004-05 both the gender showed marginal increase (Figure 6.2). These declining numbers of workers in the registered factories in Mumbai shows the magnitude of workers affected over the period 2000 to 2005.

6.8 REASONS FOR DECLINING INDUSTRIAL ACTIVITIES IN MUMBAI

In the above section explained the decelerating industrial activities in Mumbai. With the closing down of many large scale industries, the employment in the manufacturing industry also declined. There are many reasons for this declining industrial activity in Mumbai. In the following section, few of the reasons are explained.

6.8.1 Government policies

The New Industrial Policy, initiated by Mumbai's planners has promoted industrial dispersal since 1960 to reduce the industries within the city limit. And also the 'no new industry in the city' policy created to check the inflow of industry based migrants and reduce the industrial pollution in the city reduced the number of industries in Mumbai. Incentives for dispersal and decentralization of industries in the nearby areas in the mainland were implemented. Government has developed Maharashtra Industrial Development Corporation (MIDC) to achieve the desired results. Due to Government's efforts many new industries were started in the close by areas of Mumbai. Incentives, like, essential infrastructure for shifting the industries; abolition of octroi; and adoption of measures to reduce the burden of retrenchment compensation in case of shifting industries provided by the government encouraged many industries to move outside the city limits. On the other side, high cost of industrial inputs like electricity, water and transport in the city; law prohibiting renovations of the industrial infrastructure; Government's taxation and policy bias against organised sector and the high property prices in the city also helped as some push factors for moving the industries outside Mumbai (Gupta and Yesudian, 2007). The government's initiatives reduce the

population pressure and industrial pollution in the city were misused by some industries, for example, Mukand Kurla Steel foundry, established itself another factory in Kalwa, outside Mumbai, but majority of the workers who were working in the Kurla foundry were forced to take VRS (Lokshahi Hakk Sanghatana, 2001). (This study interviewed 64 affected workers from this industry).

6.8.2 Skyrocketing Land Price

With the increasing industrial activity and heavy influx of migrants into the city, the islands tried to expand its boundaries. The seven islands were combined, by partly silting and partly through land reclamation (Risbud, 2008). In the late seventies, hoarding of urban land and the non-implementation of the Urban Land Ceiling Act³⁰ 1976 was implemented. This caused a rise in real estate values in the island city of Mumbai, encouraging many businesses and industries to sell their lands for a profit and move elsewhere (Krishnan, 2000).

6.8.3 Labour Exploitation Technique

While the mill-owners didn't take initiative to revive the mills, the same land when it acquired real estate value, they were ready to sell to earn immediate profits which they would not have earned from reviving the mills (Ramdas, 2006). The mill land and mill-owners could not use the mill land given to them for different economic activity. Because the mill lands were reserved for industrial use – the mill land by and large were given to the mill owners at concession rates by the colonial Bombay Government in the beginning of the century, to promote industrial production, and to develop the city and its hinterland (Krishnan, 2000). They used a different techniques, in the disguise to 'revive' the mills, the mill-owners sought the permission to sell 'surplus' land to generate resources. Capital was generated due to this, but none of which was used for the revival of textile mills. The State which granted permission to sell 'surplus' land neither monitored these sales nor checked the proceeds coming out of it, whether they were spent for the stated purpose or not. (Ramdas, 2006). A strategy adopted by most mill-owners was first they diverted the profits from the mills elsewhere; the

³⁰ 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.

outdated machinery were not upgraded; and production was reduced or subcontracted, thereby rendering the mill “sick”. The sickness of the mill and the decline in profitability and productive capacity become an excuse to stop paying wages to the workers. Then 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. This effort extended by the BIFR were often misused by the mill management and the mill lands were sold (D’Monte, 2002; Frontline, 2002; Krishnan, 2000; Pandey, 2005; Weinstein, 2008). The property price of Mumbai was skyrocketing. The prevailing value for apartment in lower Parel where the industries were situated rose to 8 to 10 thousand per sq.Ft in 2005 (Pandey, 2005).

Also the Indian Government policy to open up the economy created havoc in the city. Many foreign products have entered in the local market with lesser price tags and many multinationals have opened up their companies in Mumbai. The industries/companies that cannot withstand the competition/pressure from these multinationals are either closed down or bought by these foreign companies thus again making a large labour force jobless (Gupta and Yesudian, 2007). This reduction in activity reflected in the employment and unemployment situation in the city.

6.9 SUMMARY

This chapter explained how Mumbai has evolved from a mere village to a level of financial capital of the country. Mumbai witnessed industrialisation from the later part of the 19th century and early 20th century which contributed to making of the city. Mumbai’s economic growth as a modern metropolis began from port activities, followed by the textile mills, heavy engineering, chemicals, petrochemicals and other engineering productions. Over the years, the nature of city’s industrialization has changed remarkably. In recent years the reduction in the industrial activity has been observed. Large numbers of registered working factories were closing down and the

manufacturing sector started to decline. Employments in unorganised sector are increasing whereas the organised sector jobs are declining. Currently the service sector employment is increasing.

Men's employment started to decline over the census years, whereas female employment in the city increased. Also the marginal workforce in the city increased tremendously from the 1991 census to 2001 census. All these were the motivating factors to select Mumbai as a study area and conduct a survey in the city. The results of the primary survey are presented in the next chapter.