MOBILIZING RESTRAINT: DEMOCRACY, DEVELOPMENT AND INDUSTRIAL PROTEST IN SOUTH ASIA

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Abstract: While many studies examine the relationship between labor repression and economic development, few studies address the developmental implications of state-labor relations in democratic countries. Yet the rapid spread of democracy through the developing world highlights the need for such an investigation. In this paper, I show that politically affiliated unions respond differently to changing global economic conditions than nonaffiliated unions. In particular, I argue that political parties are encompassing organizations that internalize the externalities associated with the protest of their affiliated unions. Thus, politically affiliated unions respond to more competitive markets and hard budget constraints by restraining union protest and encouraging institutionalized forms of grievance resolution. In contrast, nonaffiliated unions tend to take advantage of worker frustration to ratchet up militancy against recalcitrant employers, often encouraging the use of extreme and violent forms of protest. I support these arguments with data gathered during 18 months of field research in South Asia. The findings call into question the conventional wisdom that union partisan ties are inimical to economic development.

1. INTRODUCTION

A common challenge for developing countries lies in contending with the fierce social and political conflicts arising from rapid economic growth. As Piore and Schrank (2006) aptly observe, it is increasingly difficult to overlook the social and political upheavals in low- and middle- income countries today, and it is equally difficult to avoid the conclusion that these upheavals are the end result of policies that have exposed societies to the vicissitudes of more competitive markets. The continual redeployment of resources entailed by unfettered markets is taking its human toll, eliciting myriad social and political responses. In short, we are witnessing the second stage of a Polanyian 'double movement' in modern guise.[1]

For example, in China, rapid growth has fueled an equally rapid rise in social and political turmoil. The number of 'mass incidents' of social protest, most of which stemmed from economic grievances, rose from 8,700 recorded incidents in 1993 to 58,000 recorded incidents in 2003, a nearly six-fold increase in the space of a decade (Keidel, 2005).[2] Similarly, Southeast Asian countries witnessed a surge in social protest, particularly in violent worker protest, associated with export-oriented development and greater exposure to trade (Kammen 1997;). In Latin America, the social response to neoliberal economic policies has resulted not only in sizable protests, but the political resurgence of the left. No fewer than six countries in Latin America have seen left presidential candidates come to power on the basis of anti-neoliberal

[1] In *The Great Transformation*, Karl Polanyi argued that during the 19th and early 20th centuries, the economic history of Western countries was characterized by a 'double movement', the first being a conscious transformation of policy to engender freer markets and the second a visceral and often violent social reaction to free market forces.

[2] Keidel (2005) notes four major protest groups: farmers, who protest illegal land seizures and pollution emitted by nearby factories; workers in state-owned enterprises who protest the down-sizing, privatization and closure of state-owned firms; workers in special economic zones who protest for unpaid wages and abuses by foreign employers; and homeowners who protest evictions or other problems associated with urban renewal and industrial development.

platforms.[3] As I demonstrate below, South Asia has not been immune to these trends. As workers have been exposed to free trade and competitive product markets, industrial relations in South Asia have become decidedly more contentious and more violent.

The initial social reaction to freer markets is not the end of the story; rather, it provides an opportunity for the state to reinsert itself and right the balance between community and market. A small but growing number of studies focus on this crucial aspect of political economy. For example, Gallagher (2005, chapter 5) examines China's attempt to institutionalize labor protest through the development of its legal system. Schrank (2007) argues that labor law enforcement in the Dominican Republic helps to enhance skill formation and human resources while raising labor standards. Heller (1999) demonstrates the importance of the state in overcoming despotic industrial relations and, ultimately, forging class compromise in Kerala, India.

One important yet unanswered question that emerges from this literature is how regime type matters for the successful institutionalization of class conflict in developing countries. Are democratic or authoritarian regimes better suited in adapting to social and political instabilities associated with rapid economic growth? Under what circumstances can democratic governments achieve an institutionalized resolution of grievances?

While econometric have demonstrated, on balance, little relationship between regime type and economic growth (Przeworksi and Limongi, 1997; Przeworski et. al., 2000), a host of studies support the conventional wisdom remains that that labor repressive regimes boost growth in the early stages of development by keeping wages low and maintaining social stability.[4]

[3] The six include Argentina (Néstor Carlos Kirchner), Bolivia (Evo Morales), Brazil (Lula da Silva), Chile (Michelle Bachelet), Uruguay (Tabare Vázquez), Venezuela (Hugo Chávez); but that is not to mention the near misses for left populist candidates in Mexico and Peru (Piore and Schrank, 2006).

[4] Deyo (1984, 1987, and 1989) argues that labor repression in East Asian countries was associated with the need for quiescent low-cost labor in the early stages of export-oriented industrialization (EOI). Similarly, Sharma (1985), Bjorkman et. al. (1988), and Kuruvilla (1993 and 1996) argue that states and employers repress labor during low-end EOI to contain labor-costs and are more accommodating in more advanced stages of EOI. Guillermo O'Donnell

O'Donnell (1978) characterizes the conventional wisdom this way: "[A] state dancing at the rollings of civil society could not undertake the deepening or attract the international capital that would have made [investment] possible. . .Deactivating the popular sector, beheading its leadership and curbing its autonomy vis-à-vis the state and the dominant classes. . .was a necessary condition for. . . the social peace necessary for these faltering capitalisms to obtain new transfusions of international capital" (1978: 13).

That O'Donnell's depiction, penned in the late-1970s, is of continued relevance today is demonstrated by the fact that democratic ideals and institutions have spread at a faster pace than commitments to labor rights. Between 1980 and 2004, the number of electoral democracies increased 70%, and the vast majority of these new democracies were developing countries.[5] The Freedom House Index now classifies 59% of low-income countries and 87% of middle-income countries as "free" or "partially free" (Freedom House 2004). Yet evidence suggests that in most developing countries capitalism is characterized by despotic industrial relations. According to calculations based on the Cingranelli and Richards (2006) dataset, labour rights are 'severely restricted' in 41 per cent of countries in Africa, Asia and Latin America and 'somewhat protected' in 58 per cent of these countries.[6] Out of the 135 countries listed in these three regions, labour rights were 'fully protected' in just one (Japan). Despite Japan's relative success in protecting worker rights, Asia remains the most repressive of the three regions, with worker rights 'severely restricted' in 57 per cent of its countries.[7] In short, while countries continue to

(1973 and 1978) suggested that the rise of bureaucratic authoritarianism in Brazil, Chile, Argentina, and Mexico during the 1960s and 1970s related to the transition to a more capital-intensive stage of import substitution industrialization (ISI).

[5] According to the 2004 Freedom House report, the number of electoral democracies rose from 69 in 1986 to 117 in 2003.

[6] Cingranelli and Richards code 195 countries for the degree to which core worker rights are protected on a three point ordinal scale—'fully protected', 'somewhat protected' and 'severely restricted'.

[7] By contrast, labour rights are 'severely restricted' in 26 per cent of African countries and 24 per cent of Latina American countries.

undertake democratic reforms, they pay only lip service to the political and organizational rights and freedoms of workers.

Based on the actions of these regimes, it is easy to see that developing democracies are attempting to derive the benefits of democracy such as international recognition, greater government responsiveness, or strengthened property rights without the 'costs' associated with the mobilization of the working-class. Is this a wise strategy? Does the successful implementation of political reforms require the short-term repression of labor, as the actions of the majority of regimes in low- and middle-income countries suggest? Does the continued repression of labor in a developing democracy benefit economic growth in a developing democracy?

In this paper, I draw on evidence from South Asia to demonstrate that the conventional wisdom that labor-repressive regimes are better at maintaining social stability than democratic regimes that fully respect worker rights and freedoms is flawed. Specifically, I employ insights derived from the writings of Mancur Olson to show how voluntary party-union ties, which can only be cultivated in a democratic setting, help to institutionalize worker protest. In short, I argue that state-labor relations characterized by synergistic partisan ties are more beneficial to social stability and, thus, economic growth than state-labor relations characterized by repression.

The central argument is as follows. Increasingly competitive global and domestic product markets make it more difficult for employers to meet union wage demands and increase the likelihood of a firm's closure following a costly industrial dispute. Unions in affiliated to major politically parties (major party unions or MPUs) respond differently to these changing product market conditions than unions not affiliated to major political parties. Because political parties internalize the externalities associated with aggressive protest by their affiliated unions

(unemployment and lost investment), MPUs restrain the protest of their members in the face of these new market conditions and encourage union members to pursue institutionalized forms of grievance resolution. In other words, when presented with evidence that the health of a given firm would be substantially jeopardized as a result industrial protest, MPUs "mobilize restraint."

In contrast, leaders of nonpartisan unions or unions affiliated to small (non-encompassing) parties are not constrained by a broader set of interests and therefore do not restrain the protest of firm-level leaders and members. Instead, in the face of increased employer resistance, leaders of nonaffiliated unions have a tendency to ratchet up militancy in pursuit of self-interested goals such as greater notoriety, increased union membership, and the extraction of bribe payments from management. Nonaffiliated union leaders may be especially likely to encourage greater militancy when routine strike action fails to secure union demands. When routine protest fails, nonaffiliated union leaders can up the ante by encouraging the use of extreme forms of protest such as hostage takings, damaging company property, and violent assault. Mainly for convenience, but also to remind the reader of my hypothesis that these unions are vehicles for pursuing the parochial interests of a small group of leaders, I will refer to this second type of union as a 'narrow interest union' or NIU.

I provide further support for these arguments in the following sections. Section two elaborates the basic argument of the paper and presents predictions regarding the protest behavior of affiliated and nonaffiliated unions. Section three presents empirical evidence to support these predictions, including statistical analysis of original survey data gathered during 18 months of interviews with managers and union leaders in Sri Lanka and the Indian states of Maharashtra, Kerala, and West Bengal.

2. DESPERATE TIMES AND MEASURES

As in other regions of the world, new economic pressures have made it increasingly difficult for unions in South Asia's manufacturing sectors to achieve their demands through routine strike protest.[8] While undoubtedly some of these new pressures stemmed from greater integration in international markets, most were domestic in origin. This was especially true for unionized Indian workers who had to contend with more competitive domestic product markets well before the increased exposure to international markets brought about by India's 1991 reforms. In a separate article (Teitelbaum, 2007), I show how labor unions in India came under tremendous strain during the 1980s and 1990s when the political mobilization of the rural sector led to a shift in development policy that favored rural, small-scale producers. During this period, the bargaining power of all unions was greatly reduced as production shifted from unionized large- and medium-scale units to non-unionized small-scale units. Threats by employers to outsource production to small-scale units made it difficult for unions to raise demands. The higher level of product-market competition generated by a larger number of non-unionized small-scale producers put downward pressure on wages, making it difficult for unions to win demands; and the ability of employers to pay higher wages during the 1980s and 1990s was further squeezed by a rising product wage in manufacturing that resulted from higher procurement prices for food grains and a shift in the terms of trade in favor of agriculture.[9]

Ultimately, the political and economic developments of the 1980s and 1990s made routine strike tactics less effective. Routine strikes became fewer in number and when unions did strike they had to fight longer to win their demands. Faced with these circumstances, union leaders could respond in one of two ways. One option was to ***mobilize resistance***--to attempt to

[8] The analysis in this section focuses on changes in the manufacturing sector, since the vast majority of union organization and industrial protest has historically occurred in manufacturing.
[9] The 'product wage' (as opposed to 'real wages') refers to nominal wages deflated by producer (as opposed to consumer) prices.

overcome employer recalcitrance at the bargaining table by ratcheting up demands and applying more aggressive and unorthodox protest tactics (including the use of violence) to overcome the ineffectiveness of the routine strike weapon. That many workers and union leaders were tempted to mobilize resistance as a response to the ineffectiveness of the traditional strike weapon is reflected by increase in industrial violence during this period. Figure 1 graphs percentage of disputes reported to have been precipitated by some form of worker violence (first y-axis) against the frequency of routine industrial protest, i.e. strikes or lockouts.

--FIGURE 1 ABOUT HERE--

The obvious negative correlation between dispute frequency and industrial violence does not suggest that violence was the *only* option for union leaders in South Asia. A second strategy was to explain the new reality to workers and to bring union demands in line with declining bargaining power and decreased ability of employer capacity to pay, i.e., to ***mobilize restraint***. While not as easy to measure, union restraint was as viable an option as union violence. Why might some unions choose to restrain their demands and engage in institutionalized grievance resolution when others choose to engage in violent and non-routine protest?

How partisan affiliations (or a lack thereof) influence union response to new economic conditions

Mancur Olson (1982) argued that leaders of organizations work harder to curb the socially costly behavior of members as the organization encompasses a larger percentage of the population. This occurs because the larger an organization becomes, the more likely its members are to benefit from sacrifices for the common good or to suffer the consequences of socially disruptive behavior. Olson applies this logic to explain the behavior of a variety of organizations including unions *and* political parties. As Olson notes, large political parties are encompassing

organizations that impose a more universalistic perspective on their members, including leaders of affiliated labor unions and business associations:

> [O]ne sometimes sees labor or socialist parties that emerged from trade unions, but with leaders that sometimes take a less parochial view than the parent unions, presumably because the party leader has a more encompassing constituency. There are also parallel cases of conservative parties that draw their core support from business and professional associations, yet sometimes withhold certain favors from these lobbies in the interest of a thriving national constituency (Olson, 1982: 52).

It is easy to see how this same logic can explain decisions of union leaders to employ disruptive protest tactics or restrain union militancy when faced with severe employer resistance.

A voluminous literature investigates the effects of ***union encompassment*** on union behavior in OECD countries (e.g., Alvarez, Garrett and Lange 1991; Calmfors and Driffil 1988; Cameron 1984; Garrett and Way 2000; Hibbs 1978; Iverson 1999; Korpi and Shalev 1980; Lange and Garrett 1985). These studies conclude that encompassing unions restrain wage demands because they reap a greater share of the benefits from better macroeconomic performance and suffer a greater share of the pain from economic downturns than smaller unions. However, this literature largely ignores the fact that many encompassing unions are closely affiliated to encompassing political parties, which have an even broader constituency than their affiliated unions. Thus, the potentially important effects of ***party encompassment*** on union behavior have not been adequately considered.

In South Asia, major political parties, have electoral incentives to respond to soft product markets and weak bargaining power by putting pressure on affiliated unions to mobilize restraint. There are two ways competitive elections have put pressure on major parties to deliver the economic goods. First, during the 1990s, the effectiveness of economic reforms became a central campaign issue for major political parties. In Sri Lanka, for example, political support for liberal economic reform emerged early. In 1977, the center-right United National Party (UNP) came to

power winning 83 percent of the seats in parliament on a platform of economic liberalization. While the extent and effectiveness of Sri Lanka's reforms are open to question, the landslide victory represented a broad mandate in support of the reform process.

In India, economic reform began as an elite-led enterprise following the country's 1991 balance of payments crisis and slowly gained wider support during the 1990s. The electoral success of the Bharatiya Janata Party (BJP) during the 1990s was the result of support of high-caste, middle- and upper-class voters encouraged by the BJP's promises to expand and accelerate the reform process (Chhibber, 1999). Subsequently, support for economic liberalization snowballed as it became tied up with the rise of Hindu ethnic chauvinism. Rajagopal (2002) argues that the desire to portray India as a modern nation on the ascent has led to universal acceptance of economic liberalization among Hindu nationalists, for whom surpassing the infamous 'Hindu rate of growth' has become the path to national redemption.

The second reason that economic performance has become a central issue for major political parties is that the reform process has altered the mix of available patronage resources. The importance of political patronage in winning elections in South Asia is a well-known secret. Kanchan Chandra (2004) points out that one of the most important sources of patronage are government jobs, highly prized because of the relatively high pay and high degree of job security that they provide. Economic reforms, and in particular, privatization measures have the potential to eliminate government jobs and thus an important source of political patronage.

From 1960 until 1990, public sector employment growth was much more rapid than that of the private sector. However, at about that India began its reform process, public employment stalled at about 194 million jobs and began to trend downwards toward the end of the 1990s,

while private sector employment continued to grow.[10] These two trends--a declining number of jobs in the public organized sector and an increasing number of jobs in the private organized sector--have been most pronounced in manufacturing. While the Indian government has generally taken a gradualist approach to privatization, it has been quicker to privatize large public manufacturing companies like BALCO, India's third largest aluminum company, and IPCL, India's second largest producer of petrochemicals (Kapur and Ramamurti, 2002).

By the end of the last decade, the end result was that the absolute number of public sector manufacturing jobs dropped by about 30 percent from 1.9 million in 1992 to 1.4 million in 2000[11] while, during the same period, the absolute number of private-sector manufacturing jobs increased 13 percent from 4.5 million 5.1 million in 2000.[12] Thus, the growth of private-sector jobs was primarily driven by increased employment in manufacturing, which accounts for a little better than half (55%) of all private organized sector employment.[13] Taken together, this evidence suggests that manufacturing jobs are shifting from the public to the private sector. Figure 2 confirms this trend, displaying a consistent increase in the percentage of manufacturing jobs in the private sector (from 71 to 79 percent) in the decade following the reforms.

--FIGURE 2 ABOUT HERE--

As a result of the rise in the relative importance of the private manufacturing sector as a source of job creation, the leaders of major political parties began to increase their efforts to attract investment, both domestic and foreign, to their states (Venkata Ratnam 2001). Part of this effort involved providing evidence of an investor-friendly environment, which in turn involved moderating protest by affiliated unions. This was true of all parties, including those with a left

[10] Statistical abstracts of India, various isues.
[11] Figures from data provided by the Central Statistical Organization, Government of India, as compiled by Indiastat.com.
[12] Ibid.
[13] Ibid.

ideology. Patrick Heller (1999) describes the efforts of leaders of the Communist Party of India (Marxist) (CPM) to forge class compromise in Kerala as part of a broader effort to woo private investors back to the state. Jyoti Basu, CPM politburo member and Chief Minister of West Bengal from 1977 to 2000, traveled far and wide to attract international investors in the 1990s. West Bengal's current Chief Minister, Buddhadeb Bhattacharya, also a CPM politburo member, has closely followed the example of his predecessor.

For the reasons stated above, MPUs are under pressure from their affiliated parties to mobilize restraint. This restraint would apply both the types of demands presented and the types of protest tactics employed. Unorthodox protest and industrial violence produce obvious externalities that are counterproductive to economic development. Extreme and violent forms of protest often transform industrial disputes into media spectacles, creating the perception of social instability and thereby discouraging investment. Violence can also lead to a loss of managerial authority and control, thereby affecting a firm's productivity. Thus, according to the Olsonian logic of encompassment, we should expect powerful political parties to protect the interests of its broader constituency by institutionalizing industrial conflict.

On the other hand, individual union leaders have incentives to encourage extreme and violent protest among union members. These more threatening forms of protest have the potential to bring about large and rapid settlements. A successful settlement and the spectacle of violence bring greater notoriety to a union leader and therefore attract a larger union membership. Additionally, union leaders can use violence to force bribe payments from managers.[14] Thus, in contrast to leaders of MPUs, we would expect leaders of NIUs to mobilize resistance. As I demonstrate below, this is precisely what has occurred in India. NIU leaders

[14] Indian employers frequently noted the tendency for union leaders to use the threat of violence to extract bribe payments from management during interviews conducted between October 2002 and May 2004.

have responded to more competitive product markets by bringing more aggressive demands to the bargaining table and encouraging workers to employ more aggressive protest tactics and over the long-term, these aggressive tactics led to factory closures. In the short-term, however, NIUs benefited from increased worker militancy, which enhanced their reputation as no-nonsense defenders of worker rights, swelled their membership rolls, and sometimes resulted in fantastically large settlements. In some cases, NIU leaders appear to have profited directly from their aggressive approach. While interviews with employer reveal that both MPU and NIU leaders sometimes engage in corrupt collusion with employers, the more aggressive approach of NIU leaders often allows them to extract larger side payments from employers.

Organizational capacity and union restraint

The basic prediction of the previous section is that in the context of more competitive product markets, political parties will restrain the protest of firm-level union leaders and members in the interest of investment and growth. Crucially, however, we must consider the mechanisms through which political parties might "mobilize restraint" and the conditions that might impede or facilitate their coordination of class compromise at the firm level.

In particular, in order to convince workers to refrain voluntarily from aggressive union behavior, the interests of the party leadership must filter down through the leadership of affiliated parent union organizations to firm-level leaders and members.

Thus, the successful coordination of restraint depends on the ability of political parent union leaders to provide the appropriate incentives to firm-level leaders and members to secure their cooperation. In a democratic environment in which unions are voluntary organizations competing against many other unions for membership, the necessary incentives are more likely to be inducements than constraints. For example, while some unions may occasionally resort to

violence against workers for defection, using violence against union members can diminish the reputation of union leaders and encourage workers to defect to competing union organizations. In a competitive union environment, a more effective method of securing worker allegiance is to promise workers success in defending their interests and thus a key mechanism for securing the allegiance of workers is success in the collective bargaining arena.

The above set of arguments can be stated more concisely in terms of the following hypotheses:

> 1) The ability of affiliated unions to restrain union aggression is conditional upon the control of political parent union leaders over firm-level leaders and members.
>
> 2) The salutary effect of parent union control over firm-level leaders and members is conditional upon the political affiliation of the parent union organization.

--DIAGRAM 1 ABOUT HERE--

Diagram 1 presents a set of predictions regarding union behavior associated with these hypotheses. The left side of the two by two distinguishes between unions affiliated to major political parties and those that are not. The top of the two by two distinguishes between parent unions with control over firm-level leaders and members and those lacking control over firm-level leaders and members.

The cell labeled ‘A’ in the upper left-hand corner of the diagram represents the prediction that workers controlled by an MPU will engage in less aggressive protest against the management. Examples from South Asia of unions falling into this category include the Center for Indian Trade Unions (CITU), affiliated to the CPM or Communist Party of India (Marxist), and the Indian National Trade Union Congress (INTUC), affiliated to the Congress Party.

The cell labeled ‘B’ in the lower left-hand corner represents the prediction that workers controlled by an NIU will ratchet up militant union behavior in order to attract more members

and pressure the management for higher rents. Examples from South Asia of unions falling into this category include Datta Samant's Maharashtra General Kamgar Union (MGKU) and the Ceylon Industrial Workers' Union (CIWU).

Cell 'C' represents the prediction that a loss of control by an MPU over its members will lead to higher levels of aggression when firm-level leaders and members take matters into their own hands by engaging in wildcat actions. Here, workers enjoy the protection of a political parent union, but do not respond to the calls of the parent union for voluntary restraint. Instead, workers use the political connections of the parent union organization as a shield against repercussions for their militant and/or illegal protest actions. An example of this type of union is the Sri Lanka Nidahas Sevaka Sangamaya (SLNSS), affiliated to the Sri Lankan Freedom Party (SLFP).

Finally, cell 'D' represents the prediction that company-specific or 'enterprise' unions will be quiescent. Enterprise unions are, by definition, not controlled by an external union leadership. Thus, unlike affiliated unions, enterprise unions have no affiliation to a political parent union and therefore no protection against the repercussions associated with militant union behavior. Unlike NIUs, enterprise unions are not beholden to the interests of nonaffiliated union leaders. In other words, although enterprise union leaders may have incentives to engage in aggressive protest behavior, they do not have the capacity for collective action necessary to do so. Lacking external leadership and resources, they behave in an atomistic fashion, engaging in subdued negotiations with management.

3. EMPIRICAL SUPPORT

This section presents quantitative evidence derived from surveys of firm managers and directors that supports these predictions. First, I review the methods through which I collected

the data. A second section explores what survey data say about regional variations in the structure of the union movement in South Asia. The third section links these regional variations in the structure of the union movement to regional patterns of industrial protest suggested by the survey data. The final section presents a series of event-based statistical models that show a relationship between affiliated union control and firm-union restraint during episodes of industrial protest. These include a logistic model of union violence and a logistic model of lockouts.

Case Selection and Survey Methods

To test the hypotheses set forth in section 2 of this paper, I conducted interviews and surveys in Sri Lanka and three Indian States—Kerala, Maharashtra, and West Bengal. I selected these regions because preliminary field research and secondary source literature suggested regional variations in the dominance of affiliated unions, with affiliated unions being more prevalent in West Bengal and Kerala and nonaffiliated unions more prevalent in Maharashtra and Sri Lanka.[15]

In each regional case, I randomly selected approximately 100 manufacturing companies from local manufacturer directories for participation in a telephone interview of 5 to 10 minutes in duration.[16] The survey asked company managers and directors questions about unions and union activity in their production units. In particular, I asked managers and directors a) which unions (if any) were active in the company's production units and b) what types of protest behavior (if any) workers had engaged in since 1991. I selected 1991 as the cutoff date since the study focuses on the effects of political linkages on union behavior in liberal market economies

[15] These projections were made based on a series of visits prior to beginning the field-research for this study and on Venkataratnam (2001).
[16] For details regarding the selection process and response rates for this survey in each regional case, see Appendix I.

and 1991 is widely recognized as the year in which India began its process of liberalization.[17] The following subsection of this subsection discusses the results of these surveys, which reveal details regarding the union structure and frequency of various types of protest events in each region.

Upon completion of the telephone sample, I selected between 35 and 40 companies in each region from the 100 participants in the telephone survey for participation in an in-depth interview and survey. These 35-40 companies were selected through a stratified random sample in which the strata were whether the company had experienced worker protest. Companies experiencing protest comprised approximately ¾ and companies experiencing no protest comprised approximately ¼ of the sample for in-depth interviews and surveys.[18] Results of these in-depth surveys provide the data for the quantitative models of protest events presented below.

Regional Variations in the Structure of the Union Movement

Results from the telephone survey confirmed initial perceptions regarding regional variations in the structure of the trade union movement in the four regional cases. Table 1 displays the percentage of unionized companies in the survey that reported having active affiliated and/or nonaffiliated unions in each regional case.

--TABLE 1 ABOUT HERE--

Unions were classified as MPUs if they were a major coalition partner or the leading opposition party in a state or national assembly since 1991. A "major coalition partner" is defined as having either the first or second most number of seats of any party in an assembly and having at least 25 percent of the required number of seats to form a majority coalition.

[17] Sri Lanka began liberalizing its economy in 1978 under President J.R. Jayawardena.
[18] For details regarding the selection process and response rates for the in-depth survey in each regional case, see Appendix II.

According to these criteria, eight unions qualify as affiliated unions: 1) the Center for Indian Trade Unions (CITU), affiliated to the Communist Party of India (Marxist), or CPM; 2) the All India Trade Union Congress (AITUC), affiliated to the Communist Party of India (CPI); 3) the Indian National Trade Union Congress (INTUC), affiliated to the Congress Party ; 4) the Indian Trinamool Trade Union Congress (INTTUC), affiliated to the Trinamool Congress Party (TMC); 5) the Bharatiya Kamgar Sena (BKS), affiliated to the Shiv Sena; 6) the Bharatiya Mazdoor Sangh (BMS), affiliated to the Bharatiya Janata Party (BJP); 7) the Sri Lanka Nidhas Sevaka Sangamaya (SLNSS), affiliated to the Sri Lankan Freedom Party (SLFP); and 8) the Jathika Sevaka Sangamaya (JSS), affiliated to the United National Party (UNP).

In order to verify the relative dominance of MPUs in the union movements of Kerala and West Bengal and the relative dominance of NIUs in Maharashtra and Sri Lanka, I conducted a telephone survey of approximately 100 randomly selected manufacturing companies in each region. These manufacturing companies were selected from local directories of manufacturers and each telephone interview lasted approximately 5 to 10 minutes.[19]

The survey asked company managers and directors questions about unions and union activity in their production units.[20] In particular, I asked managers and directors a) which unions (if any) were active in the company's production units and b) what types of protest behavior (if any) workers had engaged in since 1991. I selected 1991 as the cutoff date since the study focuses on the effects of political linkages on union behavior in liberal market economies and 1991 is widely recognized as the year in which India began its process of liberalization.[21]

[19] For details regarding the selection process and response rates for this survey in each regional case, see Appendix 2.1.
[20] Appendix 2.2 presents the telephone survey instrument.
[21] Sri Lanka began liberalizing its economy in 1978 under President J.R. Jayawardena.

Results from the telephone survey confirmed initial perceptions regarding regional variations in the structure of the trade union movement in the four regional cases. Table 1 displays the percentage of companies in the survey that reported having active MPUs and/or NIUs in each regional case.[22]

--TABLE 1 ABOUT HERE--

Confirming my suppositions, the results presented in Table 1 indicate a clear dominance of MPUs in West Bengal and Kerala and greater presence of NIUs in Maharashtra and Sri Lanka. Among manufacturing companies surveyed in West Bengal, 74 percent reported having one or more MPUs and in Kerala the figure was 45 percent. In contrast, only 30 percent of companies in Maharashtra and 11 percent of manufacturing companies in Sri Lanka reported the presence of political unions in their production units.

In both West Bengal and Kerala, the dominant union is the CPM-affiliated CITU. Sixty-four percent of companies surveyed in West Bengal and 33 percent of manufacturing companies in Kerala reported the presence of a CITU union. The major competitor to CITU in West Bengal and Kerala was the Congress-affiliated INTUC, which had a presence in about 40 percent of manufacturing companies in West Bengal and about 23 percent of companies in Kerala. Sixteen percent of companies in West Bengal reported the presence of the recently formed Indian National Trinamool Trade Union Congress (INTTUC), a recent breakaway faction of the INTUC affiliated to the Trinamool Congress Party (TMC). Eight percent of companies in Kerala and seven percent of companies in West Bengal reported the presence of the CPI-affiliated All India Trade Union Congress (AITUC). The survey also shows that the Bharatiya Mazdoor Sangh (BMS), affiliated to the Hindu-nationalist Bharatiya Janata Party (BJP) has a relatively strong

[22] For results among unionized firms only, see Appendix 4.

presence in Kerala, where seventeen percent of companies reported the presence of a BMS union.[23]

The survey results also confirm the initial perception that NIUs are rare in West Bengal and Kerala but represent the dominant form of worker representation in Maharashtra and Sri Lanka. NIUs were present in 13 percent of manufacturing companies surveyed in West Bengal and only five percent of companies in Kerala. In Maharashtra, by contrast, 48 percent of surveyed companies reported the presence of at least one NIU and in Sri Lanka the figure was 38 percent.

The major difference between Maharashtra and Sri Lanka is the higher presence of small-party and politically independent parent unions in Sri Lanka than in Maharashtra, and a higher presence of internal unions in Maharashtra than in Sri Lanka. In Sri Lanka, 24 percent of companies reported the presence of a union affiliated to a small political party and 23 percent reported the presence of a union affiliated to a politically independent union center. No companies in Sri Lanka reported an enterprise-level leadership free from parent union control or management interference.[24] However, the enterprise-level union constituted a dominant form of worker representation in Maharashtra. Thirty-one percent of manufacturing companies in Maharashtra reported the presence of internal unions. Sixteen percent of manufacturing

[23] The heavy presence of a BJP-affiliated union is somewhat surprising considering Kerala's reputation as a bastion of secularism and that the foundation secularism is often said to be associated with the civic sense generated by Communist mobilization of the working class (Varshney 2002). That 37 percent of manufacturing companies in Kerala reported the presence of the BMS is surprising since the union movement represents the heart of the historic Communist mobilization in Kerala. This is even more surprising when one considers the relative inability of the BMS and its sister organization, the Shiv Sena-affiliated Bharatiya Kamgar Sangh (BKS), to penetrate the union movement in the ostensibly less civic state of Maharashtra.

[24] Many companies reported having "workers' councils," which are designed to replace unions. Since management sets up and heavily controls workers councils, these were not counted as unions in the survey.

companies in Maharashtra reported having a union controlled by a politically independent union and seven percent reported the presence of a small-party union.[25]

Regional Variations in Patterns of Union Protest

The results of the survey indicate that regional variations in industrial protest closely related to regional variations in the structure of the union movement. In particular, the use of violent forms of protest, including property damage, threats, and assaults are much less common in the two regions where political MPUs dominate the union movement than in the two regions where NIUs constitute the primary form of worker representation.

Table 2 displays the percentage of manufacturing companies experiencing various forms of union protest.[26] These forms of protest fall into four categories: work stoppage; violent or extreme protest; obstruction or occupation of company premises; and routine protest.

--TABLE 2 ABOUT HERE--

A work stoppage can take the form of a strike, in which members of the union refuse to work, or a lockout, in which the employer refuses to allow union members to work. Violent or extreme forms of protest include assaults by union members on managers or other workers, damage to company property, or threats to managers.

Forms of obstruction or occupation of company premises include climbing and occupying high structures (such as water towers, antennas, or buildings), public fasting, sit-ins, blocking company gates, and a unique form of protest in South Asia—the 'gherao.' 'Gherao' means 'encirclement' and occurs when workers surround a manager and confine the manager to an office or desk until the union is satisfied the management will adequately address demands. Although longer in the past, I found in my interviews that a modern gherao typically lasts less than one working day.

[25] In Maharashtra, the AITUC was counted as a small party union since its affiliated party, the CPI, does not have a national political presence nor any political presence in Maharashtra.
[26] For results among unionized firms only, see in Appendix 5.

Routine forms of protest include go slows, in which workers do not strike work but slow down the production process by taking unusually long amounts of time to complete tasks, and gatherings in which workers hold placards and slogans. These four categories are not mutually exclusive, meaning workers can engage in more than one form of protest during a given protest event. For instance, when protesting for a wage increase, a union might strike, hold a gathering, and damage company property.

In Kerala only three percent of surveyed companies reported experiencing a violent or extreme form of union protest in one of their production units and in West Bengal the figure was eight percent. In West Bengal, four percent of companies reported an assault on a manager and one percent an assault by a union on another group of workers. Three percent reported experiencing damage to company property and three percent reported experiencing threats to management. In Kerala, the only form of violent or extreme protest reported by manufacturing companies was damage to company property, which three percent had experienced. No companies reported any incidents of assault or threats to management.

In contrast, industrial relations are much more violent and chaotic in Sri Lanka and Maharashtra. Twenty-two percent of manufacturing companies in Sri Lanka and 13 percent of manufacturing companies in Maharashtra reported experiencing violent or extreme protest in one or more production units. In Maharashtra, seven percent of companies reported an assault on management and two percent reported an assault by a union on other workers. Eight percent of manufacturing companies reported damage to company property. Eleven percent reported threats experiencing threats to management.

Sri Lanka stands out in the level of chaos experienced in its industrial relations. Whereas Maharashtra differs little from West Bengal and Kerala in terms of the frequency of other forms of protest, firms in Sri Lanka have experienced inordinate levels of all forms of union protest. Fifty-one percent of companies reported a strike or lockout, 52 percent a routine form of protest such as a go-slow or a union gathering, and 24 percent reported obstruction of company property. Ten percent of companies in Sri Lanka reported experiencing an incident in which

workers climbed to the top of a high structure such as a water tower refusing to come down and, in many cases, threatening to jump if their demands were not met. Further, the level of violent and extreme protest was quite high. Two percent of manufacturing companies reported an assault against management and five percent an assault by a union on other workers. Eight percent of companies reported damage to company property and 11 percent reported experiencing a threat to a manager. In a separate article (Teitelbaum, 2007(b)), I demonstrate that the extremely high levels of violence in Sri Lanka stem from government repression in the 1980s and early 1990s. The relevant insight is that by repressing partisan unions, the UNP increased worker support for more radical unions.

Statistical Models of Protest Events

This section presents statistical models of union restraint. I operationalize 'union restraint' as two dependent variables. The first is the type of tactic (violent or routine) a union employs in a given industrial dispute. The second is whether a dispute ends in a lockout. A lockout occurs when the management temporarily stops production and refuses workers access to a factory. Sometimes lockouts are defined as industrial disputes initiated by the management, but interviews in South Asia suggest that this is hardly ever the case. Lockouts can occur at any time during an industrial dispute, and while it is theoretically possible for a management to initiate an industrial dispute by shutting down a production unit, typically lockouts follow some form of industrial protest by the workers. Often managers declare a lockout well after a strike initiated by workers is under way.

Thus, lockouts typically occur when the union presents a demand or set of demands and the management feels that bargaining with the union over the demands is no longer productive. If my hypothesis about the relationship between major party affiliation and union restraint is correct, MPUs should prevent industrial disputes from ending in lockouts by facilitating a well-

functioning collective bargaining process. In contrast, we would expect control by an NIU or a loss of control by an MPU to increase the likelihood of a lockout.

I test these hypotheses using a statistical analysis of strike violence and lockouts based on logistic regressions of the form,

$$logit(\pi) = \alpha + \beta_1 CONTROL + \beta_2 MPU + \beta_3 MPU * CONTROL + \xi x + \varepsilon,$$

where $\mathrm{logit}(\pi)$ is the logit function of the probability that either violence or a lockout occur during the course of a given protest event, CONTROL is a qualitative coding of the level of control the parent union exercises over the local branch union, MPU is a coding of whether the union involved in the protest is affiliated to a major political party ('1' if yes and '0' if no), MPU*CONTROL is an interaction term, and x are other exogenous variables discussed below.

The data for the dependent variables (the occurrence of violent or extreme protest and lockouts) and primary independent variables of interest are derived from in-depth surveys of thirty-five to forty companies in each of the four regions. A total of 149 companies were interviewed for the in-depth surveys. These companies were selected via a stratified random sample from the one hundred participants in the telephone survey. The strata were based on whether the company had experienced worker protest in any of its production units. Companies experiencing protest comprised approximately 75 percent and companies experiencing no protest comprised approximately 25 percent of the sample for in-depth interviews and surveys.[27]

These interviews yielded a sample of 177 events reported to have occurred between 1991 and 2002 at the 229 production units of the 149 companies participating in the in-depth interviews. In each interview, I asked the management a series of questions about protest events that may have occurred in their companies. Based on these questions, I determined whether the protest in which union engaged fell in the category of 'violent' or 'extreme' protest behavior and

[27] For details regarding the selection process and response rates for the in-depth survey in each regional case, see Appendix 3.1. Appendix 3.2 presents the instrument for the in-depth surveys.

whether the protest resulted in a lockout.[28] For the purposes of the logistic regressions, I coded the dependent variable '1' if the union engaged in extreme/violent protest or forced a lockout and '0' if the union did not. Only events occurring in unionized firms are included in the statistical analysis.

CONTROL is a qualitative assessment by the management of the parent union's control over the local union and its members. The assessment was on a three point scale. The management was asked whether the parent union "always" "sometimes" or "never" had control of the actions and behavior of the local union. Responses of "always" were coded as '2', responses of "sometimes" were coded as '1' and responses of "never" were coded as '0'. MPU is coded '1' if the union is affiliated to a major political party (as defined in chapter four) and '0' if the union is an NIU.

The purpose of the interaction term is to narrowly test the central theory of this article, which is that large, politically affiliated parent unions *with control* over local unions discourage violence and encourage routine forms of protest. Earlier, I argued that the effects of party encompassment were conditioned by the control of the parent union over the local union and its members. This control is not a given. State or employer interference may prevent a parent union organization from exerting adequate control over its members. The loss of MPU control over local unions and members could result in higher levels of aggressive protest behavior as workers use the parent union to shield themselves from legal repercussions for their actions but simultaneously ignore parent union calls for restraint.

Other independent variables

The analysis includes a series of variables to control for some obvious alternative explanations of union restraint. Specifically, I include three sets of variables and interaction terms to control for the competing explanations based on the characteristics of the union. ENCOMPASS is a measure of union encompassment. It is the percentage of companies in the

[28] For a full breakdown of the types of protest behavior falling in the 'extreme' and 'violent' categories, see the discussion in chapter four.

telephone survey that reported the presence of the union involved in the dispute. INPOWER is an indicator variable that is coded '1' if the political party to which the union is affiliated was a member of a ruling coalition in a state or national legislative body during the time of the dispute and '0' if the party was in the opposition or did not have any representatives in office in a state or national assembly. LEFT is an indicator variable coded '1' if the political party to which the union is affiliated is ideologically left and '0' if it is ideologically center-left, centrist, center-right or right. Each of these three variables is multiplied by the value of the CONTROL variable to produce three interaction terms included in the analysis: ENCOMPASS*CONTROL, INPOWER*CONTROL and LEFT*CONTROL.

I include the number of active unions (UNIONS) in the production unit at the time of the protest event to control for the level of union competition at a given production unit. The number of workers (WORKERS) in the production unit at the time of the dispute to captures the effects of a larger workforce and more impersonal management-worker interactions.

To control for the impact of economic conditions on union violence, the analysis includes the rates of inflation ($INFLATION_{t-1}$) and economic growth ($GROWTH_{t-1}$). These figures are at the state level for Kerala, Maharashtra and West Bengal and at the national level for Sri Lanka.[29] The inflation and growth figures are lagged by one year on the assumption that it takes time for macroeconomic conditions to affect wages, profits and, therefore, the outcome of union protest over wage demands. Finally, I included indicator variables for whether the event occurred in Kerala, Sri Lanka, or Maharashtra to control for any fixed "case effects" and allowed the state of West Bengal to serve as the reference category.

Results

The results of the logistic models of strike violence and lockouts are presented in tables 3 and 4. For the analysis of each dependent variable, I present a series of regressions including every combination of the three sets of independent variables associated with the characteristics

[29] For information pertaining to inflation and growth data used to construct these variables, see data Appendix 1.

of the union (ENCOMPASS, POWER, and LEFT) and their interaction with the CONTROL variable.

The results of the models are presented in odds ratios and provide us with the change in the odds of an event occurring versus not occurring per unit change in the explanatory variable. An odds ratio greater than 1 indicates an increased likelihood of an event occurring while an odds ratio less than 1 indicates a decreased likelihood of an event occurring. In the remainder of this section, I discuss the results of the strike violence and lockout models in turn.

--TABLE 3 ABOUT HERE--

Logistic model of industrial violence

The results of the logistic analysis of strike violence provide strong support for the argument that MPU control leads to greater worker restraint in the choice of protest tactics. MPU, CONTROL and the interaction term are statistically significant in nearly all of the models. The odds ratios of the MPU and CONTROL variables are greater than 1 and the interaction term is less than one.

The logistic models of strike violence provide little evidence in support of alternative explanations of union violence based on characteristics of the union, union rivalry, or economic conditions. ENCOMPASS, INPOWER, and LEFT are not statistically significant predictors in any of the models and their associated interaction terms are not consistently significant across models. $INFLATION_{t-1}$ and $GROWTH_{t-1}$ are also not statistically significant predictors of violence in any of the models.

To explore the substantive effects of these models, I present predicted probabilities of protest violence in Diagram 2 based on the results of model (8). Holding all other variables constant at their means, the model predicts that enterprise unions (box "D"), have the lowest probability of engaging in extreme or violent actions during the course of a protest event—0.48%. However, the model predicts that MPUs (box "A"), are just as unlikely to engage in extreme or violent protest. The predicted probability of protest violence for this ideal-typical case is 0.48%.

--DIAGRAM 2 ABOUT HERE--

In contrast, the model predicts a substantially higher probability of violent or extreme protest on the part of unions controlled by an NIU parent union (box "B") and unions that have eschewed the control of MPU parent unions (box "C"). According to the model, unions controlled by NIU external leadership have an 11.47% chance of engaging in extreme or violent behavior during the course a protest event. For local unions that an MPU parent organization fails to control, the probability of violent or extreme behavior is 24.41%.

Logistic Model of Lockouts

Table 4 presents the results of a logistic model of lockouts. The dependent variable for the analysis is a coding of whether an industrial dispute, once it began, resulted in a lockout. This variable is coded '1' if the dispute resulted in a lockout and '0' if it did not. The sample of 96 events is all of the work stoppages reported to have lasted more than one workday between 1991 and 2002 at the unionized production units of the 149 companies participating in the in-depth interviews. The analyzes the effects of the same set of independent and control variables as the logistic model of industrial violence presented above.

--TABLE 4 ABOUT HERE--

The results for the logistic models of lockouts are broadly similar to those of the logistic models of violence. The models correctly classifies between 81 and 85 percent of the events, indicating a good fit. The MPU and CONTROL variables are statistically significant in nearly all of the models and greater than one. The interaction term (MPU*CONTROL) is statistically significant and less than 1 in all of the models.

Diagram 3 displays predicted probabilities for the four ideal type cases based on the results of model (8) of the logistic analysis of lockouts. As anticipated, the model predicts that enterprise unions (box 'D') and MPUs with control over local leaders and members (box 'A') are less likely to force a lockout than NIUs (box 'B') or MPUs that have resisted the control of parent their parent union organizations (box 'C').

--DIAGRAM 3 ABOUT HERE--

More specifically, the model predicts that an enterprise union has the lowest probability of forcing a lockout--1.22%. An MPU has a relatively low probability (11.99%) of experiencing a lockout. In contrast, NIU has a substantially higher chance of forcing a lockout. The model predicts that during the course of a protest event involving an NIU, the chances of a lockout are a staggering 45%. Similarly, an MPU over which the parent union organization has lost control has a 44.03% chance of forcing a lockout.

4. CONCLUSION

This paper applied the Olsonian logic of encompassment to explain differences between politically affiliated and nonaffiliated unions in South Asia. Major political parties are encompassing organizations that internalize the externalities associated with the behavior of their members, including leaders of affiliated unions. Responding to the reality of new economic conditions that impose harder budget constraints on employers, political parties restrain the protest behavior of affiliated unions, restricting protest to institutionalized forms of grievance resolution, and encouraging union members and leaders to avoid industrial conflict when there is a good chance conflict will end in a lockout or firm closure.

In contrast, without the constraints imposed by an encompassing political party, leaders of nonaffiliated unions behave quite differently. The leaders are more likely to take advantage of hard budget constraints and recalcitrant employers to ratchet up militancy. When routine forms of protest fail to extract concessions from management, these leaders are more likely to continue with their protest and condone or even encourage the use of extreme and violent forms of protest.

Results from a telephone survey of company managers and directors and event-based statistical models of union protest provide support for these arguments. The telephone survey of nearly 400 senior managers and company directors shows a correspondence between regional

variations in the structure of the union movement and regional variations in patterns of protest. In West Bengal and Kerala, where affiliated unions are the dominant form of worker representation, extreme and violent industrial protest is relatively rare. In contrast, in Maharashtra and Sri Lanka, where nonaffiliated unions represent the dominant form of worker representation, extreme and violent worker protest tactics are relatively common.

Statistical models of industrial violence and lockouts provide evidence that affiliated unions that are adequately controlled by their parent union organizations are significantly less likely to engage in violence and less likely to provoke a lockout by the management. In contrast, firm-unions controlled by nonaffiliated union leaders and firm-unions over which affiliated parent unions have lost control have a substantially higher probability of engaging in violent protest and forcing a lockout.

These results call into question the conventional wisdom, stemming primarily from studies of unions as social movement actors, that union partisan ties are inimical to development. Instead, evidence from South Asia suggests that affiliated unions, regardless of their political stripe, help to restrain union protest to protect the interests of their broader constituencies.

Appendix I—Methods and Response Rates for Telephone Survey

Kerala

The sample for the Kerala telephone survey was drawn from two sources—the Confederation of Indian Industries (CII) member directory and the Kerala State Industrial Development Corporation (KSIDC) Manufacturer's Directory.

There were 515 companies listed in the KSIDC directory and 83 companies listed in the CII directory. I drew a random sample of 50% of the 515 firms without replacement from the KSIDC directory and took all 83 companies from the CII directory for a total sample of 292 companies.

These 292 companies yielded 102 completed surveys.

The breakdown of the 292 selected firms for the purposes of calculating the minimum response rate is as follows:

(A) Completed	**102**
(B) Non-interviews (explicit "no's")	**6**
(C) Unknown Eligibility	**137**
No Answer/Wrong Number	*102*
No Contact/Avoidance	*29*
Language/Communication Problems	*8*
(D) Ineligible	**44**
Not in Private Sector	*9*
No Manufacturing/Manufacturing in Another Region	*24*
Not in Organized Sector	*7*
Closed	*1*
Listed Twice Under Different Names	*3*

Based on the standards of the American Association for Public Opinion Research (AAPOR), the minimum response rate should be calculated as (A)/((A)+(B) +(C)), or the number of completed interviews divided by the number of completed interviews plus the number of non-interviews plus the number of cases of unknown eligibility.

Using the AAPOR standard, the response rate of the survey is **41.63%**.

Maharashtra

The sample for the Maharashtra telephone survey was drawn from the Bombay Chamber of Commerce (BCC) member directory.

There were 777 companies listed as manufacturers in the BCC directory. I randomly selected a sample of 20% without replacement from this list of 777 manufacturers for an initial list of 156 firms. When this list was exhausted, I selected 25% of the remaining 621 companies without replacement for an additional sample of 156 firms. This yielded a total sample of 312 companies from the initial list of 777.

These 312 companies yielded 102 completed surveys.

The breakdown of the 312 selected firms for the purposes of calculating the minimum response rate is as follows:

(A) Completed	**102**
(B) Non-interviews (explicit "no's")	**7**
(C) Unknown Eligibility	**113**
No Answer/Wrong Number	*52*
No Contact/Avoidance	*58*
Language/Communication Problems	*3*
(D) Ineligible	**90**
Not in Private Sector	*0*
No Manufacturing/Manufacturing in Another Region	*78*
Not in Organized Sector	*2*
Closed	*3*
Listed Twice Under Different Names	*7*

Based on the standards of the American Association for Public Opinion Research (AAPOR), the minimum response rate should be calculated as (A)/((A)+(B)+(C)), or the number of completed interviews divided by the number of completed interviews plus the number of non-interviews plus the number of cases of unknown eligibility.

Using the AAPOR standard, the response rate of the survey is **45.95%**.

Sri Lanka

The sample for the telephone survey of manufacturing firms for Sri Lanka was drawn from the Ceylon Chamber of Commerce (CCC) member directory CD ROM.

First, I selected all manufacturing firms from the directory using the CD ROM's automatic sorting function. This yielded 243 manufacturing firms.

From the 243 manufacturing firms, I selected an initial sample of 124 firms randomly without replacement. When this list was exhausted, I selected an additional 74 firms from the remaining unselected 170 manufacturing firms in the CCC directory, randomly and without replacement. Thus, a total of 198 firms were selected for participation from 243 manufacturing firms listed in the directory.

Of these 198, 120 interviews were completed and 29 were lost due to a computer failure, yielding a total of 91 completed surveys.

The breakdown of the 198 selected firms for the purposes of calculating the minimum response rate is as follows:

(A) Completed	**120**
(B) Non-interviews (explicit "no's")	**6**
(C) Unknown Eligibility	**31**
No Answer/Wrong Number	*17*
No Contact/Avoidance	*12*
Language/Communication Problems	*2*
(D) Ineligible	**41**
Not in Private Sector	*4*
No Manufacturing/Manufacutring in Another Region	*23*
Not in Organized Sector	*0*
Closed	*2*
Listed Twice Under Different Names	*12*

Based on the standards of the American Association for Public Opinion Research (AAPOR), the minimum response rate should be calculated as (A)/((A)+(B) + (C)), or the number of completed interviews divided by the number of completed interviews plus the number of non-interviews plus the number of cases of unknown eligibility.

Using the AAPOR standard, the response rate of the survey is **76.43%**.

West Bengal

The sample for the West Bengal telephone survey was drawn from two sources—The Bengal Chamber of Commerce and Industry (BCCI) member directory and the Chamber of Commerce and Industry (CII) member directory.

The BCCI member directory listed 49 manufacturers and the CII member directory listed 201 manufacturers. The two directories listed twenty-four manufacturers in common, leaving 226 manufacturing firms listed by the two directories. These 226 companies were sampled at 100%, meaning I contacted all 226 companies to request participation in the survey.

These 226 firms yielded 92 completed surveys.

The breakdown of the 226 selected firms for the purposes of calculating the minimum response rate is as follows:

(A) Completed	**92**
(B) Non-interviews (explicit “no’s”)	**15**
(C) Unknown Eligibility	**67**
No Answer/Wrong Number	*41*
No Contact/Avoidance	*20*
Language/Communication Problems	*6*
(D) Ineligible	**52**
Not in Private Sector	*7*
No Manufacturing/Manufacturing in Another Region	*35*
Not in Organized Sector	*4*
Closed	*2*
Listed Twice Under Different Names	*4*

Based on the standards of the American Association for Public Opinion Research (AAPOR), the minimum response rate should be calculated as (A)/((A)+(B) + (C)), or the number of completed interviews divided by the number of completed interviews plus the number of non-interviews plus the number of cases of unknown eligibility.

Using the AAPOR standard, the response rate of the survey is **52.87%**.

Appendix II—Selection Methods and Response Rates for In-Depth Employer Survey

Kerala

I selected 55 of the 102 companies participating in the telephone survey to contact for in-depth interviews. The firms were selected with a stratified random sample, the strata being whether the workers had engaged in any form of protest. I selected 100% of the 35 firms experiencing protest and randomly selected 30% of the 67 firms not experiencing protest.

These 55 companies yielded 37 completed interviews. One additional company was chosen for an interview, but was not randomly selected, for a total of 38 completed interviews.

The breakdown of these interviews for the purposes of calculating response rates is as follows:

(A) Completed	**37**
(B) Non-interviews (explicit "no's")	**4**
(C) No Contact/Avoidance	**14**

Based on the standards of the American Association for Public Opinion Research (AAPOR), the minimum response rate should be calculated as (A)/((A)+(B) +(C)), or the number of completed interviews divided by the number of completed interviews plus the number of non-interviews plus the number of cases of unknown eligibility.

Using the AAPOR standard, the minimum response rate to the surveys selected from respondents to the telephone survey was **67.27%**.

Maharashtra

I selected 89 of the 103 companies participating in the telephone survey to contact for in-depth interviews. Because of the lower response rate in Maharashtra relative to other regional cases, these companies were selected in four stages of sampling as each list of companies became exhausted.

The first set of companies were selected in four stages with a stratified random sample, the strata being whether the workers had engaged in any form of protest. I selected 100% of the 38 firms experiencing some form protest and randomly selected 15% of the 65 firms that did not experience protest for a total of 48 firms to contact.

When the first list of companies was exhausted, I selected an additional 30% of the 55 remaining firms not experiencing protest for an additional 17 firms to contact.

In the third stage of sampling, I selected 25% of the remaining 38 companies for an additional 10 firms to contact.

In a fourth stage of sampling, I selected 50% of the remaining 28 companies for an additional 14 firms to contact.

These 89 companies yielded 37 completed interviews

The breakdown of these interviews for the purposes of calculating response rates is as follows:

(A) Completed	**37**
(B) Non-interviews (explicit “no’s”)	**6**
(C) No Contact/Avoidance	**46**

Using the AAPOR standard, the minimum response rate to the surveys selected from respondents to the telephone survey was **41.57%**.

Sri Lanka

I selected 54 of the 91 companies participating in the telephone survey to contact for in-depth interviews. The firms were selected with a stratified random sample, the strata being whether the workers had engaged in any form of protest. I randomly selected 90% of the 50 firms experiencing protest (for a total of 46 firms that experienced protest) and 20% of the 42 firms that did not experience protest (for a total of 8 firms that did not experience protest) to contact for in-depth interviews.

These 54 companies yielded 39 completed interviews. The breakdown of these interviews for the purposes of calculating response rates is as follows:

(A) Completed	**39**
(B) Non-interviews (explicit "no's")	**1**
(C) No Contact/Avoidance	**14**

Using the AAPOR standard, the minimum response rate to the surveys selected from respondents to the telephone survey was **72.22%**.

A number of events were of special interest from the perspective of this study and so I decided to include a small number of companies experiencing extreme or violent protest reported on in the press. Thus, an additional twenty-four companies were selected randomly from a list of firms reported to have experienced strike protest in the Sri Lankan press that were not selected for the telephone survey. Unfortunately, most of these companies had closed since the time of the event reported in the press and this process only resulted in five completed interviews. The breakdown of the interviews selected from the list of firms selected from the newspaper is as follows:

(A) Completed	**5**
(B) Non-interviews (explicit "no's")	**0**
(C) No Contact/Avoidance	**1**
(D) Wrong numbers/Closed	**17**

The minimum response rate for the surveys selected from firms listed in the newspapers was **21.74%**.

West Bengal

I selected 58 of the 92 companies participating in the telephone survey to contact for in-depth interviews. The firms were selected with a stratified random sample, the strata being whether the workers had engaged in any form of protest. I selected 100% of the 44 firms experiencing protest and 30% of the 48 firms that did not experience protest (for a total of 14 firms that did not experience protest) to contact for in-depth interviews.

These 58 companies resulted in 40 completed interviews. The breakdown of these interviews for the purposes of calculating response rates is as follows:

(A) Completed	**40**
(B) Non-interviews (explicit "no's")	**7**
(C) No Contact/Avoidance	**11**

Using the AAPOR standard, the minimum response rate to the surveys selected from respondents to the telephone survey was **68.97%**.

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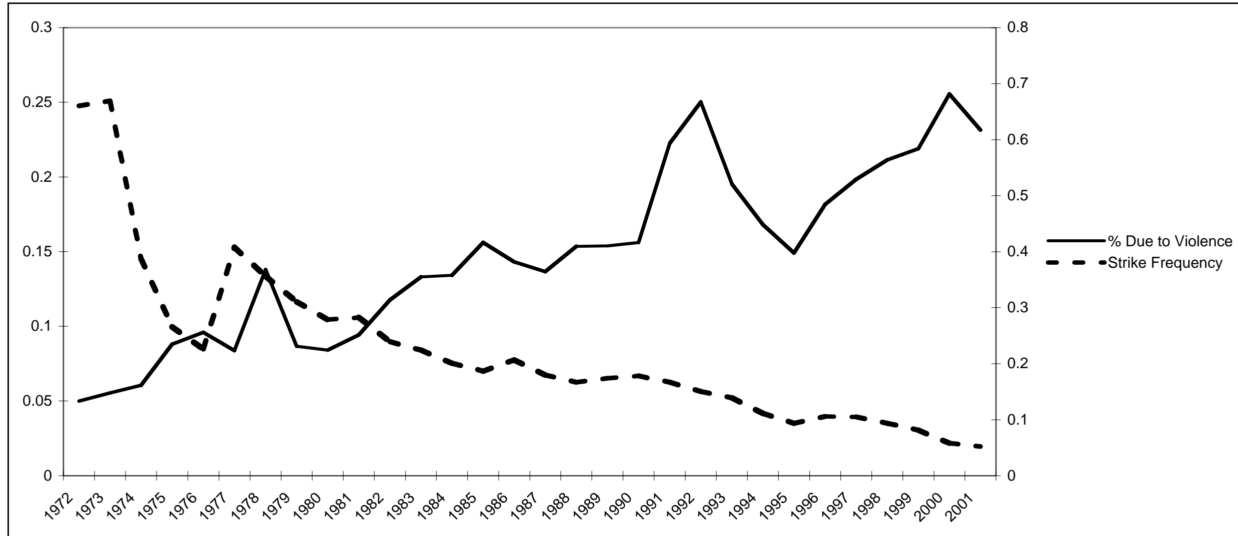
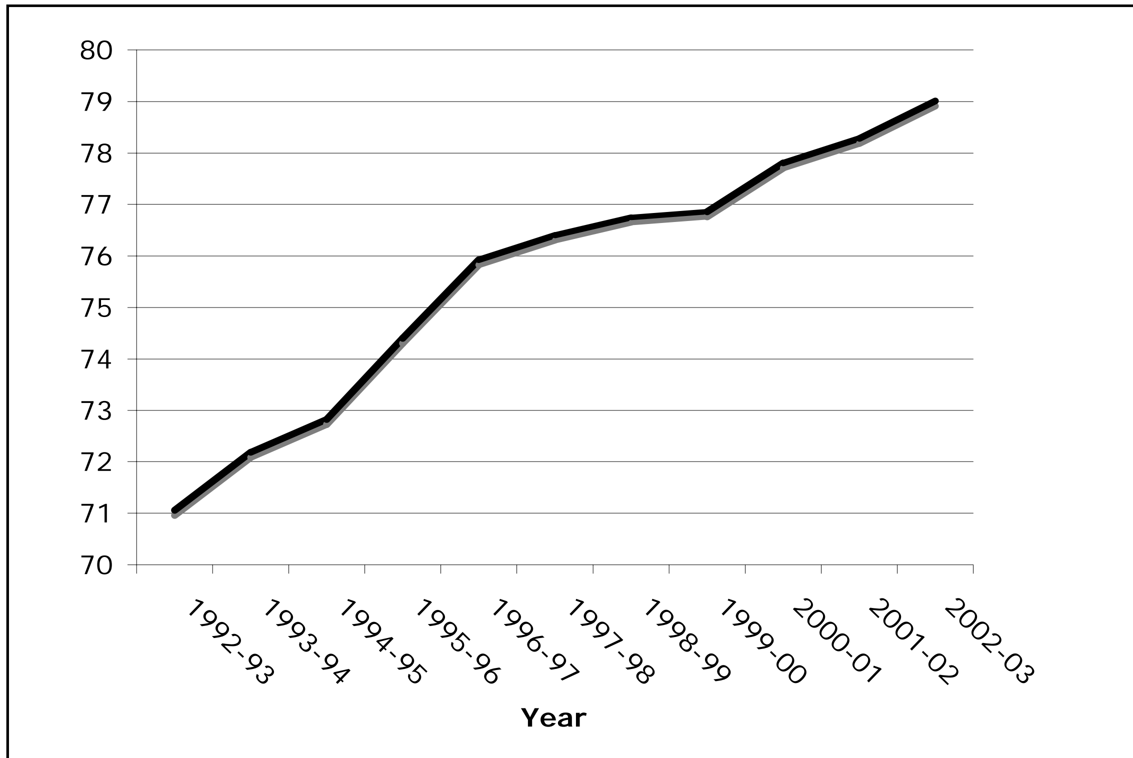


Notes: The solid line, graphed on the first y-axis, represents the percentage of industrial disputes reported to have been precipitated by worker violence. These data are from the Annual Labour Yearbook, Ministry of Labour, Government of India. The dotted line, graphed on the second y-axis, represents dispute frequency, or the number of industrial disputes per 1000 manufacturing sector workers. National-level data on the annual number of disputes are available in the Laborsta database, published online by the International Labour Organization. National-level data on the number of workers in manufacturing are taken from the Annual Survey of Industries, Central Statistical Organisation, Department of Statistics, Ministry of Planning and Programme Implementation, Government of India.

Figure 1: Trends in Dispute Frequency and Dispute Violence in India, 1972-2001



Source: Data from Central Statistical Organization (CSO), Government of India, as compiled by Indiastat.com.

Figure 2: Percentage of manufacturing jobs in India's private sector

Diagram 1: Predicted Relationships

		CONTROL	
		High	Low
UNION TYPE	MPU	**Low Aggression** Examples: CITU, INTUC (A)	**High Aggression** Examples: SLNSS (C)
	NIU	**High Aggression** Examples: MGKU, CIWU (B)	**Low Aggression** Examples: Enterprise Unions (D)

Diagram 2: Predicted probabilities of worker violence

CONTROL

UNION TYPE	Always	Never
MPU	Probability of Violence: 0.46% (A)	Probability of Violence: 24.41% (C)
NIU	Probability of Violence: 11.47% (B)	Probability of Violence: 0.48% (D)

Diagram 3: Predicted probabilities of lockout

CONTROL

UNION TYPE		Always	Never
	MPU	Probability of Lockout: 11.81% (A)	Probability of Lockout: 44.35% (C)
	NIU	Probability of Lockout: 42.52% (B)	Probability of Lockout: 1.22% (D)

Table 1: Political structure of the union movement in four regional cases					
Type of Union	Percentage of Companies Surveyed[30]				
	Sri Lanka	Maharashtra	Kerala	W. Bengal	All Regions
Major Party Unions	**11**	**30**	**45**	**74**	**40**
CITU	NA	3	33	64	NA
AITUC	NA	1	8	7	NA
INTUC	NA	16	23	40	NA
INTTUC	NA	NA	NA	16	NA
BKS	NA	13	0	0	NA
BMS	NA	4	17	2	NA
SLNSS	10	NA	NA	NA	NA
JSS	5	NA	NA	NA	NA
Narrow Interest Unions	**38**	**48**	**5**	**13**	**26**
External leadership affiliated to small party	24	7	3	7	10
External leadership politically independent	23	16	1	3	11
Internal leadership only	0	31	1	5	10
Any Union	**40**	**72**	**48**	**79**	**60**

Source: Telephone survey of 385 managers and directors. Surveys conducted between November 2002 and May 2004.

[30] Figures do not add up to 100 as companies surveyed may have more than one union.

Table 2: Percentage of manufacturing companies experiencing various types of industrial protest in four regional cases, 1991-2002

Type of Protest	Percent Experiencing			
	Sri Lanka	Maharashtra	Kerala	W. Bengal
Stoppage of Work	**51**	**27**	**24**	**25**
Strike	51	19	22	22
Lockout	13	10	6	14
Violent or Extreme Protest	**22**	**13**	**3**	**8**
Assault on Manager	2	7	0	4
Assault on Other Workers	4	2	0	1
Damage to Property	8	8	3	3
Threats to Management	11	11	0	3
Obstruction/Occupation	**24**	**16**	**11**	**19**
Gherao	9	13	7	12
Climbing High Structure	10	0	0	0
Fasting	2	1	1	0
Sit-in/Blocking Gates	12	6	6	9
Routine Protest	**52**	**36**	**34**	**42**
Go Slow	1	14	12	20
Gathering	48	20	26	27
Any Form of Protest	**55**	**37**	**36**	**48**

Source: Telephone survey of 385 managers and directors. Surveys conducted between November 2002 and May 2004.

Table 1: Logistic models of extreme and violent worker protest actions								
Explanatory Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
CONTROL	$4.165^{.056}$	$2.571^{.154}$	$4.226^{.062}$	$7.261^{.005}$	$7.017^{.006}$	$5.246^{.004}$	$2.806^{.138}$	$5.163^{.004}$
	(3.109)	(1.704)	(3.269)	(5.132)	(4.947)	(3.009)	(1.950)	(2.956)
MPU	$16.32^{.097}$	$16.58^{.061}$	$76.88^{.003}$	$38.06^{.017}$	$94.45^{.001}$	$30.12^{.021}$	$63.45^{.002}$	$66.42^{.001}$
	(27.47)	(24.86)	(113.4)	(57.98)	(128.8)	(44.58)	(83.35)	(84.56)
MPU*CONTROL	$.1289^{.103}$	$.0896^{.029}$	$.0384^{.003}$	$.0599^{.020}$	$.0221^{.000}$	$.0561^{.011}$	$.0308^{.000}$	$.0232^{.000}$
	(.1621)	(.0991)	(.0419)	(.0723)	(.0225)	(.0632)	(.0295)	(.0217)
ENCOMPASS	$.9914^{.824}$		$.9815^{.613}$	$.9680^{.355}$	$.9719^{.408}$			
	(.0383)		(.0362)	(.0340)	(.0335)			
ENCOMPASS* CONTROL	$.9584^{.282}$		$.9685^{.391}$	$.9848^{.666}$	$.9846^{.657}$			
	(.0378)		(.0361)	(.0351)	(.0345)			
POWER	$9.866^{.116}$	$8.516^{.143}$		$4.777^{.255}$		$3.373^{.345}$		
	(14.36)	(12.44)		(6.559)		(4.344)		
POWER*CONTROL	$.1383^{.104}$	$.1475^{.114}$		$.1934^{.161}$		$.2413^{.202}$		
	(.1684)	(.1787)		(.2270)		(.2686)		
LEFT	$.2018^{.243}$	$.2176^{.215}$	$.5600^{.614}$				$.5098^{.526}$	
	(.2766)	(.2675)	(.6434)				(.5423)	
LEFT*CONTROL	$4.765^{.081}$	$3.958^{.082}$	$2.935^{.180}$				$2.663^{.180}$	
	(4.265)	(3.134)	(2.359)				(1.944)	

Table 1 Cont'd

UNIONS	$1.917^{.078}$	$2.068^{.019}$	$1.636^{.151}$	$1.640^{.144}$	$1.525^{.199}$	$1.940^{.028}$	$1.851^{.036}$	$1.788^{.043}$
	(.7076)	(.6414)	(.5617)	(.5545)	(.5018)	(.5864)	(.5421)	(.5139)
WORKERS	$1.006^{.000}$	$1.005^{.000}$	$1.005^{.000}$	$1.005^{.000}$	$1.005^{.000}$	$1.005^{.000}$	$1.005^{.000}$	$1.005^{.000}$
	(.0013)	(.0012)	(.0012)	(.0012)	(.0011)	(.0011)	(.0011)	(.0011)
$INFLATION_{t-1}$	$1.032^{.702}$	$1.045^{.556}$	$1.032^{.689}$	$1.046^{.571}$	$1.041^{.602}$	$1.039^{.603}$	$1.040^{.591}$	$1.038^{.607}$
	(.0840)	(.0783)	(.0807)	(.0826)	(.0800)	(.0759)	(.0755)	(.0743)
$GROWTH_{t-1}$	$.8875^{.183}$	$.9092^{.265}$	$.8844^{.144}$	$.8957^{.184}$	$.8910^{.152}$	$.9091^{.233}$	$.9067^{.223}$	$.9078^{.213}$
	(.0796)	(.0777)	(.0743)	(.0743)	(.0718)	(.0726)	(.0728)	(.0706)
KERALA	$4.887^{.273}$	$5.081^{.175}$	$5.754^{.237}$	$2.842^{.440}$	$4.519^{.265}$	$5.404^{.152}$	$8.252^{.079}$	$8.017^{.071}$
	(7.071)	(6.093)	(8.508)	(3.844)	(6.113)	(6.369)	(9.903)	(9.238)
MAHARASHTRA	$597.0^{.002}$	$845.3^{.000}$	$520.0^{.002}$	$214.1^{.004}$	$244.6^{.004}$	$649.3^{.000}$	$1096.^{.000}$	$706.9^{.000}$
	(1218.6)	(1520.9)	(1056.3)	(394.2)	(460.9)	(1096.4)	(1963.9)	(1200.7)
SRI LANKA	$70.55^{.013}$	$120.3^{.001}$	$59.32^{.018}$	$39.21^{.020}$	$46.73^{.019}$	$122.6^{.001}$	$149.6^{.001}$	$140.5^{.000}$
	(120.27)	(172.97)	(102.8)	(61.89)	(76.69)	(171.3)	(216.1)	(199.4)
Number of Events	177	177	177	177	177	177	177	177
% Correctly Classified	90	89	91	90	91	90	90	91
Log Likelihood	-46.45	-47.80	-47.87	-48.17	-49.20	-49.37	-49.10.	-50.22
Psuedo R^2	.4545	.4386	.4378	.4343	.4221	.4201	.4233	.4102
Probability > chi^2	.0000	.0000	.0000	.0000	.0000	.0000	.0000	.0000

Table 2: Logistic models of lockouts

Explanatory Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
CONTROL	$5.029^{.103}$	$4.675^{.103}$	$7.853^{.038}$	$5.894^{.029}$	$6.389^{.023}$	$7.807^{.012}$	$7.030^{.036}$	$7.751^{.012}$
	(4.976)	(4.425)	(7.783)	(4.795)	(5.194)	(6.373)	(6.540)	(6.300)
MPU	$176.3^{.059}$	$19.99^{.099}$	$504.1^{.014}$	$189.3^{.014}$	$219.5^{.007}$	$39.99^{.032}$	$62.78^{.006}$	$64.72^{.006}$
	(482.7)	(36.31)	(1275)	(405.5)	(435.3)	(68.87)	(95.46)	(98.47)
MPU*CONTROL	$.0397^{.048}$	$.1314^{.083}$	$.0170^{.007}$	$.0319^{.006}$	$.0253^{.002}$	$.0751^{.014}$	$.0545^{.002}$	$.0529^{.001}$
	(.0648)	(.1537)	(.0256)	(.0399)	(.0300)	(.0791)	(.0500)	(.0483)
ENCOMPASS	$.9397^{.253}$		$.9439^{.262}$	$.9415^{.178}$	$.9647^{.330}$			
	(.0510)		(.0486)	(.0421)	(.0356)			
ENCOMPASS* CONTROL	$1.035^{.243}$		$1.031^{.268}$	$1.037^{.149}$	$1.021^{.300}$			
	(.0302)		(.0285)	(.0262)	(.0207)			
POWER	$7.078^{.284}$	$6.282^{.301}$		$6.315^{.237}$		$2.226^{.538}$		
	(12.92)	(11.16)		(9.852)		(2.890)		
POWER*CONTROL	$.2216^{.246}$	$.2558^{.276}$		$.2562^{.222}$		$.5658^{.530}$		
	(.2878)	(.3204)		(.2857)		(.5137)		
LEFT	$.9200^{.964}$	$.2843^{.412}$	$2.774^{.513}$				$.8935^{.920}$	
	(1.705)	(.4362)	(4.322)				(1.002)	
LEFT *CONTROL	$1.299^{.822}$	$2.489^{.358}$	$.6121^{.615}$				$1.155^{.841}$	
	(1.508)	(2.469)	(.5972)				(.8311)	

Table 2 Cont'd

UNIONS	$.5196^{.118}$	$.5611^{.169}$	$.5737^{.143}$	$.5341^{.120}$	$.5743^{.148}$	$.6141^{.207}$	$.6136^{.200}$	$.6185^{.201}$
	(.2176)	(.2357)	(.2179)	(.2155)	(.2201)	(.2371)	(.2340)	(.2325)
WORKERS	$1.004^{.015}$	$1.004^{.009}$	$1.004^{.016}$	$1.004^{.012}$	$1.004^{.012}$	$1.004^{.008}$	$1.004^{.009}$	$1.004^{.008}$
	(.0017)	(.0017)	(.0015)	(.0016)	(.0015)	(.0015)	(.0015)	(.0015)
$INFLATION_{t-1}$	$.8220^{.105}$	$.8225^{.091}$	$.8066^{.072}$	$.8172^{.094}$	$.8039^{.063}$	$.8146^{.071}$	$.8087^{.064}$	$.8071^{.059}$
	(.0994)	(.0951)	(.0962)	(.0986)	(.0943)	(.0926)	(.0925)	(.0914)
$GROWTH_{t-1}$	$1.263^{.122}$	$1.211^{.142}$	$1.163^{.218}$	$1.254^{.120}$	$1.164^{.203}$	$1.152^{.223}$	$1.136^{.264}$	$1.132^{.270}$
	(.1905)	(.1577)	(.1429)	(.1824)	(.1391)	(.1336)	(.1293)	(.1269)
KERALA	$.8823^{.915}$	$1.598^{.577}$	$1.005^{.997}$	$1.011^{.992}$	$1.259^{.825}$	$1.763^{.499}$	$1.779^{.485}$	$1.794^{.480}$
	(1.040)	(1.342)	(1.163)	(1.115)	(1.307)	(1.480)	(1.470)	(1.484)
MAHARASHTRA	$1.337^{.819}$	$2.150^{.480}$	$1.726^{.659}$	$1.396^{.792}$	$1.802^{.627}$	$2.554^{.362}$	$2.633^{.372}$	$2.584^{.358}$
	(1.699)	(2.329)	2.135	(1.764)	2.184	(2.627)	(2.853)	(2.669)
SRI LANKA	$.4761^{.589}$	$.5276^{.614}$	$.5224^{.623}$	$.5751^{.657}$	$.5896^{.665}$	$.6280^{.696}$	$.6142^{.684}$	$.6402^{.706}$
	(.6541)	(.6692)	(.6895)	(.7175)	.7192	(.7486)	(.7367)	(.7555)
Number of Events	96	96	96	96	96	96	96	96
% Correctly Classified	85	81	83	84	84	85	85	85
Log Likelihood	-38.38	-39.24	-39.06	-38.45	-39.29	-39.66	-39.85	-39.87
Psuedo R^2	.3156	.3002	.3034	.3143	.2993	.2928	.2894	.2889
Probability > chi^2	.0035	.0023	.0020	.0013	.0008	.0010	.0012	.0003