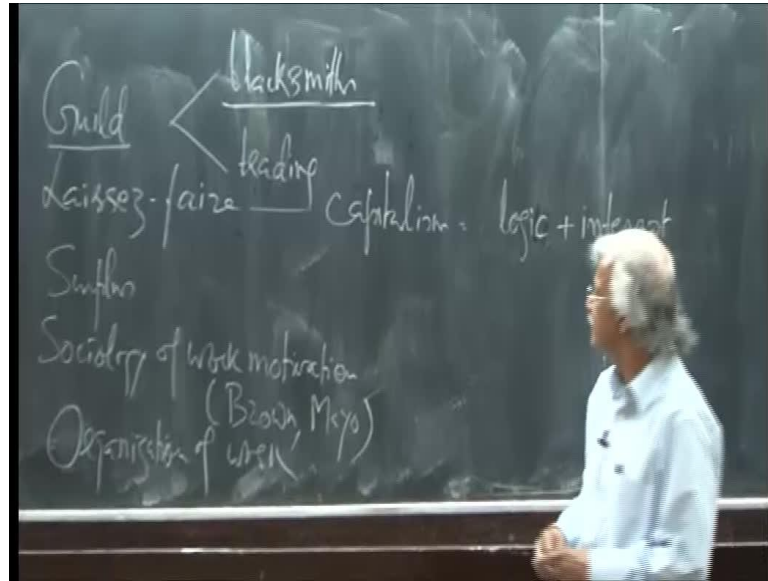


**Introductory Sociology**  
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**Lecture - 14**  
**Sociology of work-IV: Capitalism and motivation for work**

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First I will introduce some concepts from sociological literature. These are the terms, which will be found in textbooks of sociology, when you read on work. Guild is an organization of those people who are engaged in the similar kind of activity and they are all outside the agriculture. Activities done outside the agriculture have a certain organization and these guilds are organizations of all the people involved in the same kind of craft and they deal with all kinds of activities connected with the craft.

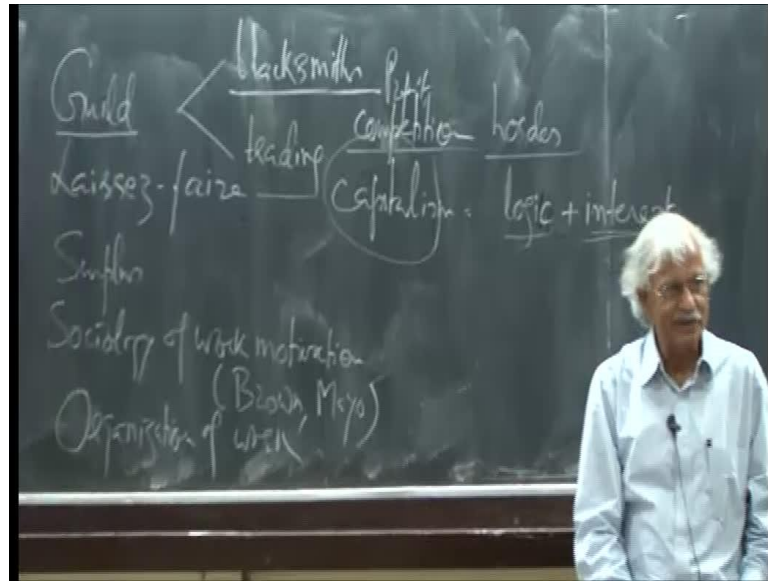
For example, there can be a guild of blacksmiths, guild of, guild of blacksmiths, will consist of persons who are expert in blacksmithing, more experienced, more matured workers, some relatively less matured workers, some new recruits apprentices. And this guild will also include those people, you can call them masters, who will arrange for the money required for promotion of blacksmithing. There are lots of people involved in blacksmithing; there are some people who will arrange for money some experts some senior level of blacksmiths. Some blacksmiths who have the ability to diversify into new areas or to meet the requirements of new industry in the process of industrialization requirements of industry are also changing.

Blacksmiths who made simple agricultural implements cannot make railway lines, so they also need to do some kind of research and development activities. Then somebody who will connect blacksmiths group of blacksmiths to market to common people and all these people will comprise the guild of blacksmiths. For all kinds of crafts activities you must have similar kinds of organizations. There was also an organization of traders traders guild, so guilds were guilds of artisans craftsmen and also of traders who organize business trading and moved between rural and urban areas one urban one city another city and sometimes one country and another country.

Gisbert says that the activities of the guilds were not confined to economic activities only they also perform several religious and political activities. It is like in Mumbai, several industries organize their own (( )), so different guilds are associated with different sects and denominations of Christianity. They organize religious activities, they also took up social action or voluntary activities or welfare activities in the interest of the workers and society. All those who are connected with this there was some kind of hierarchy too, a new recruit does not have the same power knowledge resources money connection with society participation in religious activities and access to market, which an experience senior person has or the master has.

So, there was some kind of hierarchy and these what characterizes guild from other forms of organizations of work that guilds were independent units often times less hierarchical. Then other forms of organizations of work and they took up specific activities of their craft or trade merchants guilds and blacksmiths guilds like that. Laissez Faire is another central concept of sociology of work, which is connected with capitalism. According to these two things which characterize the idea of Laissez Faire is logic logic and interest. Gisbert says that according to Laissez Faire idea, it is an idea. It is not a reality anywhere nothing is reality, no sociological concept is a reality. Anywhere it is only an idea through which we try to understand a given reality.

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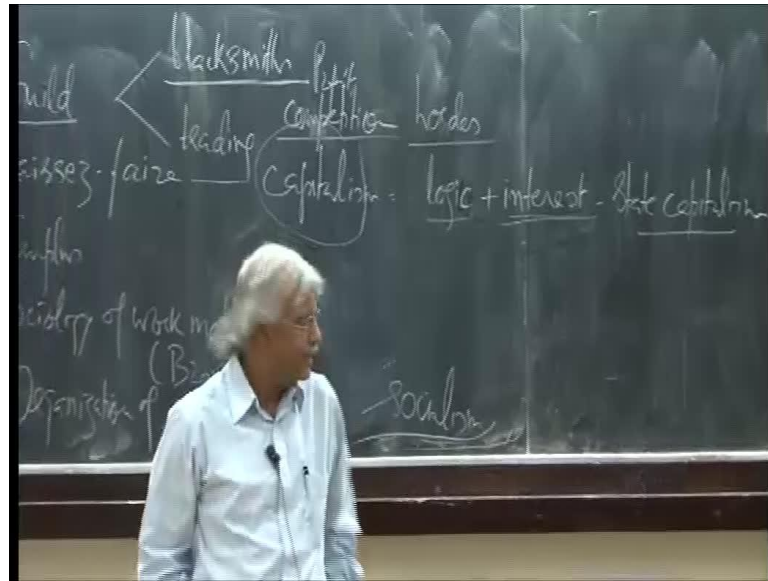


According to this idea, society consists of a large number of... Gisbert says hordes h o r d e s, a large number of individuals who remained disorganized society consists of a horde of disorganized individuals. All of them work independently to maximize their own interest and everyone is rational logical. Actually according to Laissez Faire philosophy that society will be best in which there are no governmental or social restrictions on economic activities. This is the principle of capitalism, what is capitalism? Capitalism is based on competition and the idea of profit.

If everyone in society, if everyone is permitted to maximize his or her welfare without any binding from society, then the welfare of society will be at the maximum level. If all the individuals maximize their welfare individually, they will maximize their welfare individually, they will be governed by their own personal interest. Since, they are all logical people, since human beings are rational logical and everyone is calculating, what is in the best interest of him or her? Then that society will be the best society, the other day we are talking about equality of opportunities and equality of outcome.

A society in which there is equality of opportunity and no government interaction, no government interference in political or economic organization of people that society is believed to be governed by the concept of Laissez Faire. Its form of organization will be capitalism rational private competitive governed by self interest.

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Some other varieties of capitalism can be individual capitalism or state capitalism, but this is what Laissez Faire means. What is not Laissez Faire is when a institution of society, when government or the political institutions of society decide or interfere interfere in the working of the market or economic activities. If you leave a economic activities to be free, let people decide, let consumers decide what they want and let prices be fixed by the manufacturers and let the government not interfere at all.

Government has no rule to play in deciding, what should be the prices of petroleum products, it is a give and take bargain competition between people consumers, producers different consumer different producers, competition between different manufacturing units different companies that society has the maximum welfare that society is best. Capitalism is justified in our times also on the basis of this argument, that any intervention by a state is not good it is not going to promote the generalized interest of people. It is not going to maximize welfare only when all the individuals are free to maximize their welfare without any government intervention, that society will be best other organizations of work apart from capitalism are states state capitalism or socialism in a state capitalist society.

A state itself acts as a capitalist state, may compete with other private industries or a state exist in the same capacity exactly in the same fashion in which private industries or private organizations exist today. You do not find examples of really operational

capitalist state capitalist or socialist economies what you have is mixed. India from the very beginning after independence opted for a mixed economy and Nehru was a strong advocate of that. We must have the benefit of both private industry and some industry in government sector; he knew that private industry could be more efficient.

Therefore, from the point of view of he permitted private industry to flourish on its own terms though of course, regulated by the wider socio political economic constitutional framework of society. He also wanted to stabilize a strong government sector industry, state industry state enterprises. State enterprises, there were several visions of state enterprises. One that there were several sectors of economy in which private parties were not interested in investing because there was no profit, at least in the short-run. There was no profit private industry or our industrialist Tatas, Birlas.

They were not interested in building roads, in supplying electricity, in constructing houses, in building railway lines, in shipyards, so those things particularly infrastructure activities in which there may be no profit in the short-run, then governments Pandit Jawaharlal Nehru thought that these kinds of activities must be developed in the government sector. So, private and government sectors will flourish side by side private sector for economic growth economic development government sector, because there will be some sectors of economy in which private parties are not interested.

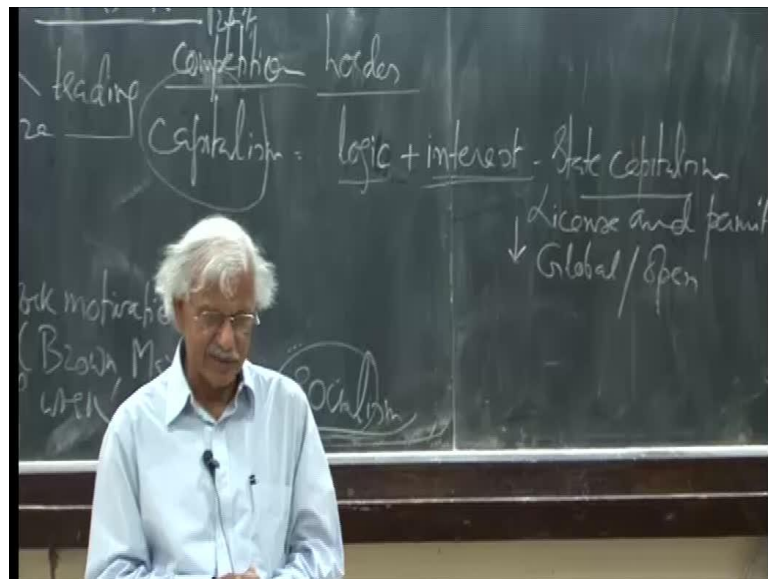
Government sector was also important for the reason that there are some areas nuclear energy defense in which a high degree of secrecy confidentiality of activities research production safety standards have to be maintained defense. So, in areas of defense and in such industries, energy, nuclear energy, power, defense related research where more secrecy is needed. Government must establish its own units and the third reason was that the country was poor and the degree of inequality among people was very high unfortunately.

The poorest countries of the world are also the most rigidly stratified countries, where the degree of inequality or the gap between the rich and the poor is very high. The degree of inequality in the developed European market economies is much less than the degree of inequality in India, Bangladesh or Pakistan, poor poor countries have more inequality than the rich countries. So, to match to bring the rich and poor together to create more opportunities for the poor for the well arrival sections of society, to create more

employment for people a different kind of program was required in which private parties would not be interested.

So, government wanted to establish industry in backward areas, rural areas, countryside, tribal areas, the government wanted to provide employment to scheduled caste, scheduled tribes to woman, to people in the backward regions. The private, private industries more interested in profit, so the idea behind mixed economy was we will have a private sector. So, that our national economy grows at a fast rate and we will, we will have a public sector for the purpose of defense secrecy energy infrastructure and for employment creation.

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Maybe some time when we say that the government institutions are making loses, this is not a new issue and several times this issue was brought to the notice of Jawaharlal Nehru also. Nehru's response was that, yes I know it is possible, that the government industry or state sector manufacturing units will make loses, but profit making is not the only goal of government industry; there is another goal, growth, justice, equality, growth of infrastructure, employment creation. The country was so poor 50 percent, 60 percent population of the country were living below the poverty line.

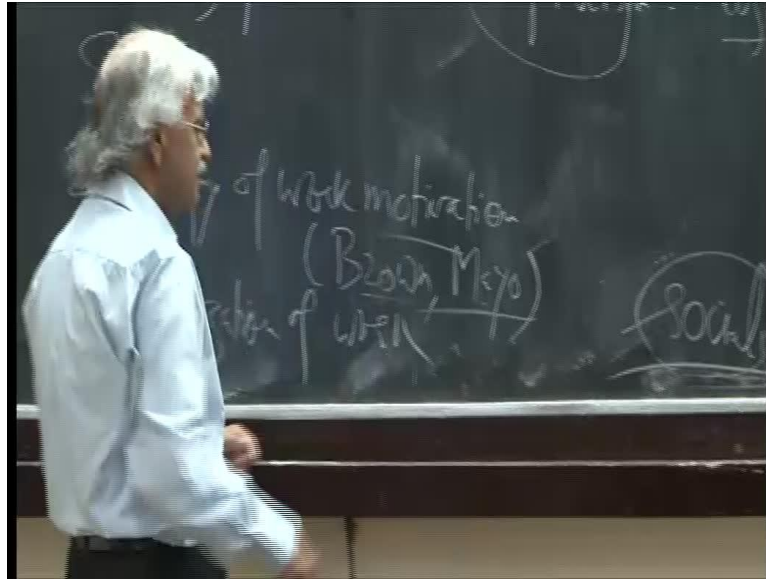
So, that was the response mixed economy, in mixed it is a different matter that gradually that mixed economy got degenerated into what we call today license and permit raj and became inefficient. So, the demand for opening up of the economy and from nineteen's

from 1990s, our economy became more open and global from license and permit raj till date eighties to globalization and opening more openness in organization of work. Socialism differs from state capitalism, in the sense that the government in socialist countries government of proletariats or workers tries to collectivize.

That means production and stand for the generalized interest of the proletariat class and creates condition for withering away of the government for initiating processes, which will ultimately lead to creation of a communist society, in which there will no government and everyone will contribute according to his ability and take away from society according to his needs, in which everybody will have access to all good things of society. Everybody will know everything, every will be everyone will be expert of everything to the extent that Karl Marx imagined a kind of society in which you are a doctor in the morning, then you are an engineer in the afternoon, you are flute player in the evening and you do whatever you want.

Some other activity you can take up in the line because everyone has access to all forms of knowledge in Marxist time. There was no such super specialization or super division of labor that exist today that was a simple division. In Marxist time 200, 150 years ago it was a simple division and Marx Marx was convinced that it was possible for everyone to learn everything from all domains of knowledge and when everyone knows everything from all domains of knowledge, then there will be no inequality between people. There will be no landless laborer who knows nothing and there will be no expert who knows only one thing, everyone knows everything.

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Communism resembles a primitive society very much in terms of form of social organization. The communist society will be like primitive society, there will be no king, no ministers, no government, no subjects, no elected representatives, everybody is equally powerful. The only difference between primitive society and communist society is that primitive society exists in the stage of ignorance and communist society exists in the stage of advance knowledge that belongs to everyone in society as means of production, land, raw material, machine, tools, money and capital.

They have been collectivize knowledge is widely distributed among all individuals in in society. Today, it looks like utopia, a dream which were never be realized, but this is what Marx thought. In textbooks you will come across terms like work motivation and one I think you should read Gisbert's chapter on work using the theories of Brown and Elton Mayo. They tried to say that motivation depends more on the socio psychological conditions of work facilities, temperature working conditions, scientific studies of motion or purely objective ecological conditions of lab or not so important though they they qualify by saying that unemployment is a significant factor in motivating people to work, that if they do not work to the satisfaction of their employers, they can be removed.

They become unemployed, so unemployment may be a negative motivator, but actually the in Gisbert only a few lines are given. You read these things, you read Brown's ideas



of there are three points based on Elton Mayo, Gisbert does not give the background of this debate. The background of this debate is that at one time around 50 years ago, there was a big debate in industry in management circle, in social psychological circle, what determines work motivation? Why did that some people produce more, some people produce less? What explains productivity and in those circumstances some people who believed in pure objectivity and scientific management processes, started experimenting whether working conditions temperature, lighting and other environmental conditions matter.

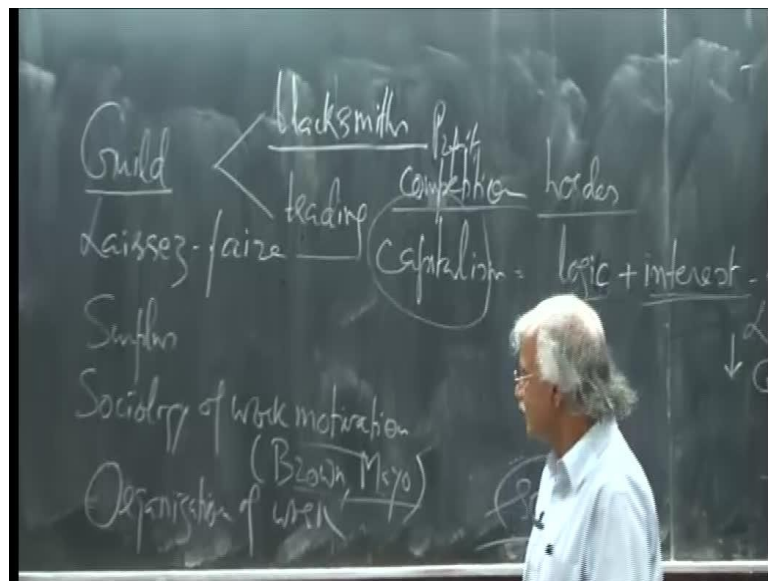
Some people believed that work can be scientifically structured, so the theory of Frederick Taylor's theory of scientific management, but the social psychologist like Elton Mayo, they suggested that no motivation does not depend on working conditions. Social psychologist made a difference between two types of motivators, one they called hygiene factors. Gisbert uses the term negative motivator for that hygiene factor and motivators hygiene means that certain minimal conditions, in which people can smoothly work temperature, light etcetera. Some minimum salary that is necessary and he call them hygiene.

Hygiene means that if you do not maintain the hygienic standards, that you do not give at least this much of salary and you do not maintain this much of temperature, if you do not maintain this much of lighting at the work place, then the work will suffer. But further improvement in these things will not increase workers productivity. For further development of productivity or for making people more motivated to work you have to depend on other reward. These other rewards are competition praise self-esteem appreciation recognition and opportunities in which people can take risk, prove their individuality.

Means the motivators are socio psychological from which a person feels good, it is like say if I apply this to Indian condition, then salary will be Gisbert also says that salary is not so important, salary is important only in the sense it is a hygiene factor. If you give only 5000 rupees per month to a B Tech qualified graduate engineer, he will not be motivated to work, that is true. Some minimum salary has to be maintained, whatever according to standards of society. Suppose in our society that salary is 30,000 rupees per month, if you if you give less than 30,000 rupees per month to your engineers, they will not be sufficiently motivated, but it is a hygiene factor.

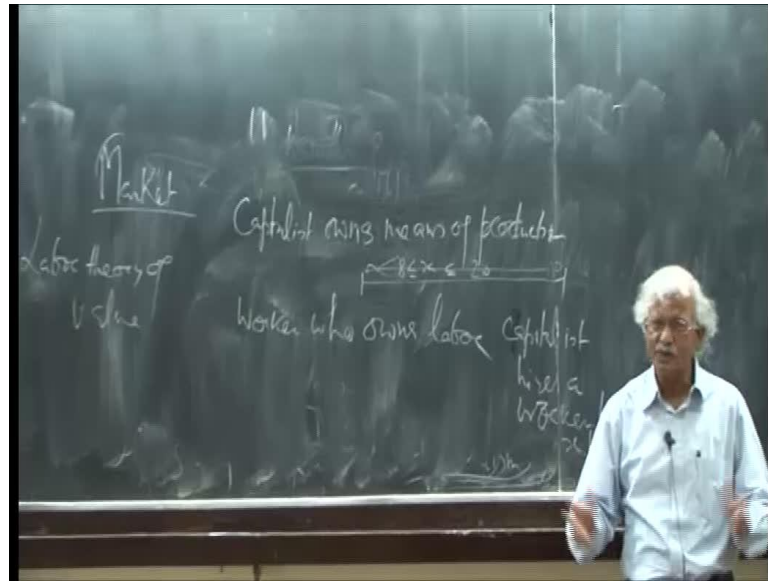
If you double the salary if in place of giving 30,000 you give 60,000, their motivation, their moral, their commitment will not increase, productivity will not increase, you give them 6,00,000 rupees per month, their productivity will not increase to in that ratio. If in place of 30,000 you are giving 6,00,000 per month, their motivation is not going to increase. But if you give them other kinds of rewards or to those people whom you give other kinds of rewards, appreciation, praise freedom, autonomy opportunity to accept challenges. More adventure threat opportunity to prove themselves, you know something connected with self-esteem and actualization then work will improve.

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So, this is I think you can these are simple points you can read from Gisbert. I wanted to say something on which there is no discussion, in Gisbert on in textbooks of sociology to understand Marxist theory and later on in the next class. In the next class, I will shift to religion and one link between work and religion is alienation the concept of alienation of Karl Marx.

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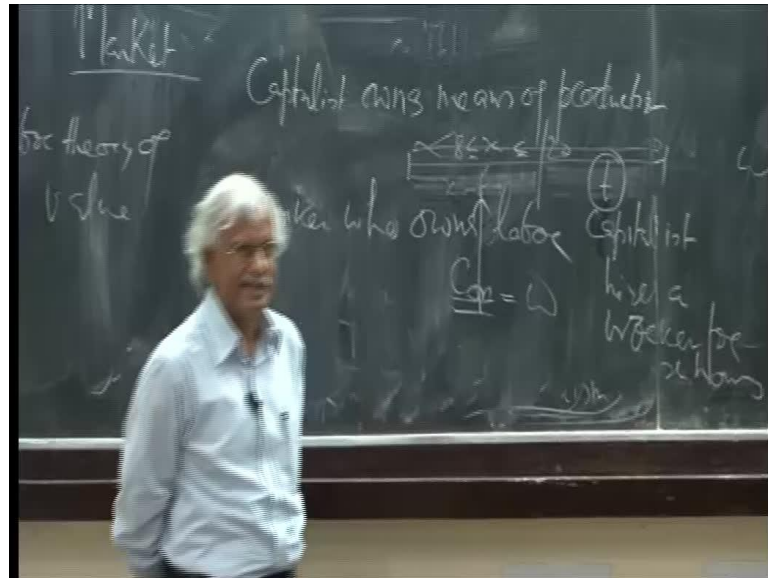
What is surplus using Marxist original writing, if somebody is interested in understanding the concept of surplus as expressed by Karl Marx, then he or she must read a few pages from the Capital. Capital published in three big volumes from progress publication, we have a set of this in our library sometime when you are free just out of curiosity, you can read a few pages from there. Marxist concept of surplus was this, that in a market of course, he believed in labor theory of value and he believed that for production.

What you need is an organizer or a capitalist who own means of production and a worker who owns labor means of production cannot produce anything. Workers alone cannot produce anything, if workers alone could produce something, then why should workers come to the market to sell their labor? Power can construction workers on their own without having access to tools and techniques of production, raw material, money, brick, cements, iron, paints can produce anything, nothing laborers cannot produce anything.

The capitalist, who own means of production also cannot produce anything, so in a market situation both of them have to come together. But according to Marxist understanding of the work, a capitalist hires a, capitalist hires a worker for x hours. This is x a worker is working for x hours. What is x depending on the conventions traditions laws welfare laws of society? This x may range from say as as low as 8 to 20 hours of

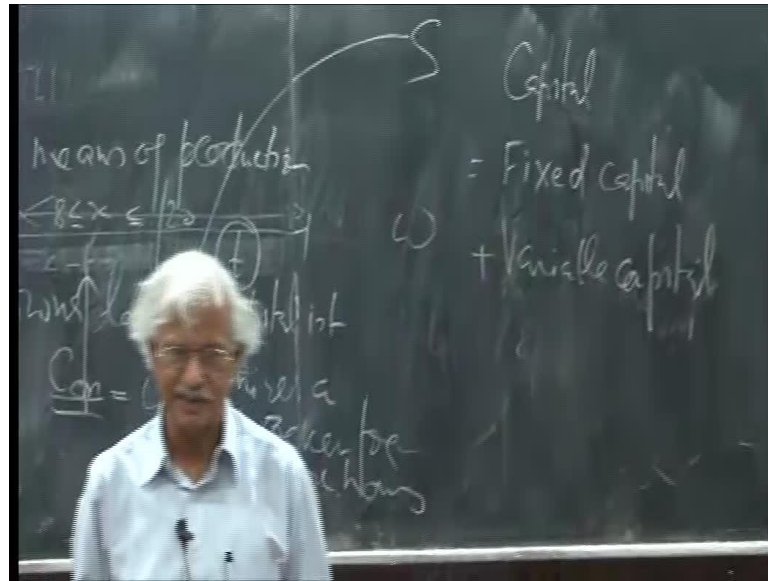
work. It is not unimaginable before the passing of labor laws workers were. So, exploited that the capitalist or the owners of means of production employed them day and night.

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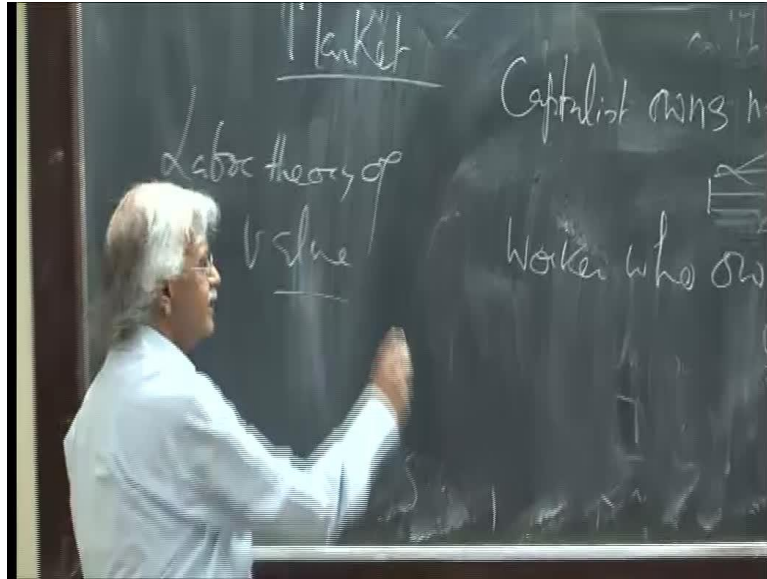
Even now in several parts of the world, in several parts of your own country, you can find that people are working continuously in private sector in ceramics, in textile, in garments industry. You find you go to Ghaziabad, Noida, Surat, Ahmedabad, you find that people are working very hard for 10 hours, 15 hours, 20 hours because there are lot of unemployment. Unemployed people around they are forced to accept these conditions of work even when there are labor laws and workers permit for 8 hours. The concept of surplus applies, so people are working for x hours and for working for x hours, they get the wages w.

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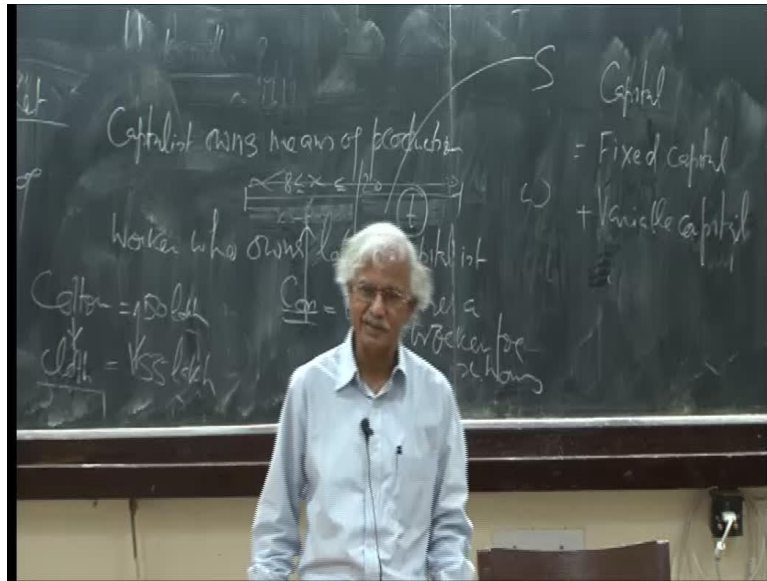
According to Marx in  $x$  minus  $t$  hours, in this part of the work  $x$  minus  $t$  hours, the workers are able to contribute to production by an amount. You know the, if their contribution, contribution  $C_{op}$  during this time  $x$  minus  $t$  during  $x$  minus  $t$  hours, they make a contribution  $C_{op}$ , which is actually equal to the wages. They are receiving, where does this part  $t$ ? What happens in  $t$  in  $t$  hours? In  $t$  hours also they are working workers are working for  $x$  hours and getting wages  $w$ . Now, Marx says that in capitalist industry in time less than  $x$  say in time  $x$  minus  $t$ , they are able to contribute to production process by an amount  $C_{op}$ . This  $C_{op}$  is equal to  $w$  in this part in the remaining part, then they are producing something extra surplus this is surplus.

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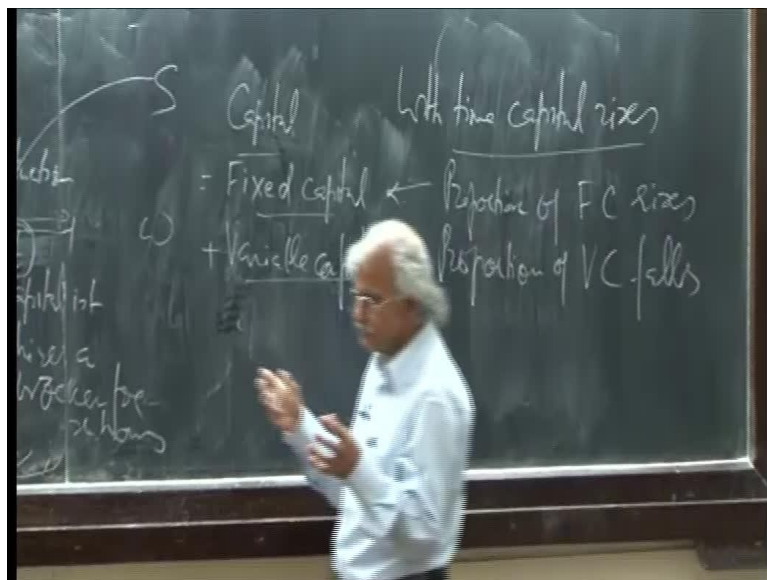
So, if you broadly divide your capital into two parts, capital equal to fixed capital referring to means of production and raw material fixed capital and variable capital, which refers to wages total capital of society or total capital of an industry or total capital with a capitalist is equal to sum of two things. Fixed capital plus variable capital fixed capital refers to money value of machine tools raw material land etcetera, etcetera. Instruments of production and variable capital refers to wages, that are given to workers. Now, since you know and because and because Marx believes in labor, labor theory of value that the difference in capital now and capital then arises only because of the fact that some laborers have worked on the means of production.

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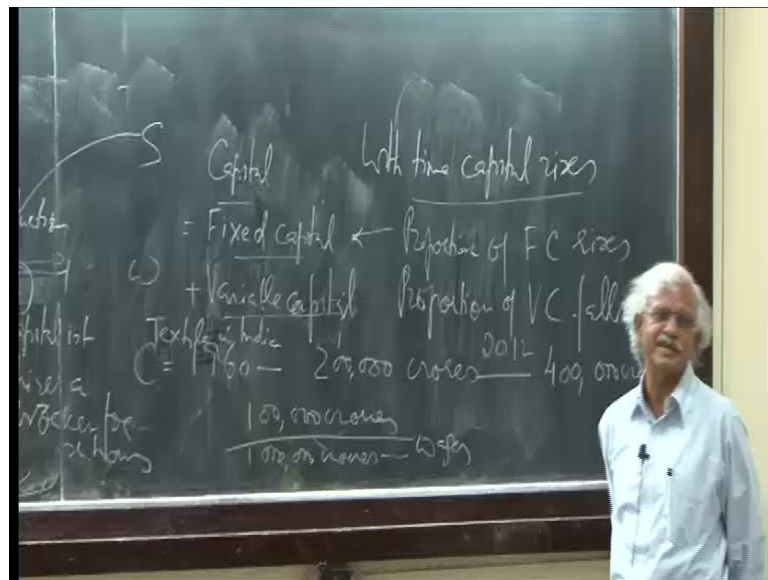
See if you take cotton, cotton worth say 50,00,000 and from this cotton cloth has been produced which is worth 55,00,000. According to Marxist theory the difference between the two value of the cotton and the value of the cloth 5,00,000 difference of 5,00,000 this 5,00,000 of difference has been added to this, by the fact that workers have or laborers have worked on cotton or tools of production to convert cotton into cloth. This is Marxist, many people have criticized labor theory of value and Marxist theory, but that is another issue. I am just trying to illustrate, how Marxist ideas work?

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So, for Karl Marx a capitalist hires a worker for  $x$  hours, give him wages  $w$ , which is equivalent to workers contribution in  $x$  minus  $t$  hours. This contribution to production during the remaining hours or  $t$  hours is the returned by the capitalist. This is surplus, so what will happen if capital is fixed? Capital plus variable capital, then since a part of the variable capital has been returned you know a part of the production has been returned by the capitalist and added to fixed capital that becomes capitalist's capital. So, as time passes with time capital rises, the money of value of goods and the money value of capital goods infrastructural goods, industrial capital goods, fans, light bulbs, computers, buildings, furniture, the money value and machine, machine equipment machine tools.

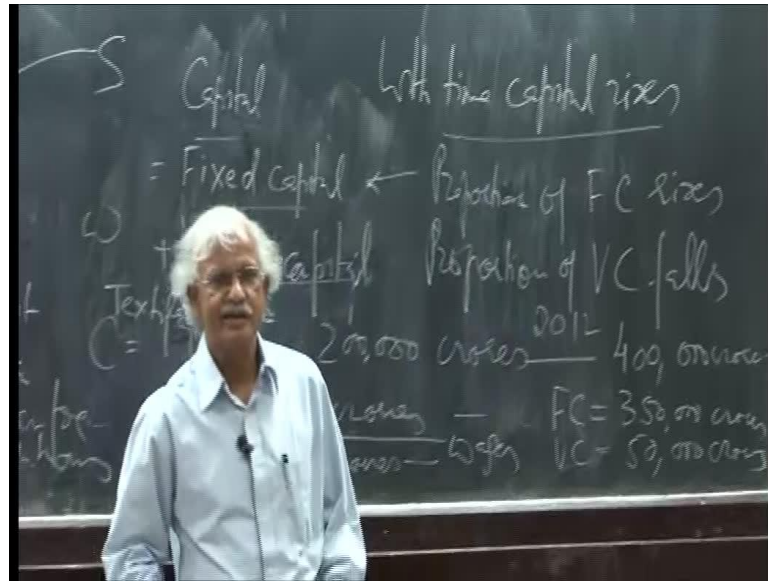
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In Indian society value of all these things has gone up, the total capital with time capital rises proportion of fixed capital, rises proportion of fixed capital in total capital rises proportion of variable capital falls for. Sometime in absolute value variable, capital may also rise if the economic development is very fast or rate of accumulation is very fast. Otherwise in the long-run it is like a, suppose the worth total capital in a textile industry in 1962, 100,000 crores and the break-up capital total capital of textile in India in 1960. At that time 100,000 crores exists in the form of machinery, raw material machinery, land and 100,000 crores existed in the form of wages.



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In 2012 you may find that the total capital has increased to 100,000 crores. This is the meaning of growth of textile sector in the country, but during this time the composition of capital has also changed today out of 400,000. This fixed capital is close to 350,000 crores in the total value of land building, raw materials, computers, automation everything instruments of production is 350,000 crores. The variable capital or the money that is going to workers in the form of wages is only 50,000 crores. According to Karl Marx, this is the law of capitalist accumulation. Marx will not be completely right, but you see this thing happening everywhere around.

Does this mean that does this mean that the number of workers are decreasing with time? It can mean that also you that today, you find that everywhere in modern industry the number of workers is falling some 20 years back. The total capital, the total worth those who graduated from here in 70s, when if they come they will be amazed to see, so much development on the campus, new buildings, beautiful roads, parks, more modernized labs and so much of achievement. All-round research number of students graduating from the institute, there is so much of development this is what rate of capital accumulation has done.

Now from Marxist perspective, there is the other side of the coin, also according to Karl Marx affluence and poverty are two sides of the same coin on the other side. What is happening, that when the institute worked with regular employees, a regular employee

would be getting a decent amount of salary and health facilities leave travel concession many of them reasonably good houses on the campus, but today the workers are exploited.

A mess worker institute will say, we are not bother about mess, there will be some agreement in the contract, that the contractors must pay minimum wages to the workers, but then the responsibility of paying minimum wages, which may be as low as a 4 5000 rupees falls on the shoulders of the contractors. We know that in a corrupt system like ours, on paper they ask workers to sign for 5000 rupees, but actually paid two thousand so institute is developing. You know I am not criticizing institute. I am only making this a case to illustrate what Marx had in mind and reality is reality concepts are concepts reality and concepts do not always match.

But if we analyze this reality using Marxist framework, then we will say that the development of the productive forces of the institute has the other dirty side of marginalizing, the worker, a worker is becoming proletarian. A worker of yesteryears was getting a decent salary, he had some say he had power you cannot easily suspend him or terminate him, he was a powerful person he had legal protection. Today's worker gets 2000 rupees, does not have legal protection, he can be hired and fired by the contractor anytime, does not have facilities of health and leave travel concession and other facilities, which accrued to regular workers.

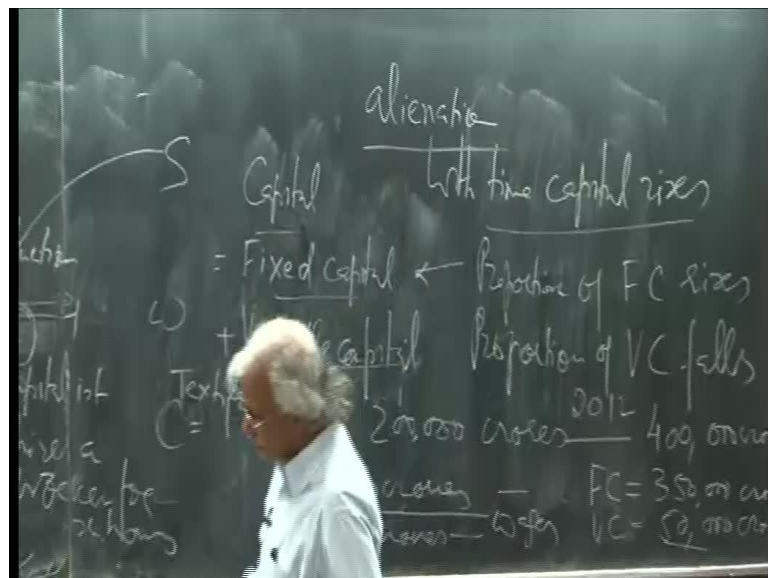
Now, same if you project the similar kind of you go to state bank of India and ask your seniors you institute alumni, who graduated 20 years back, what was the condition of state bank of India here? There was no computer, there was no air conditioner and the bank did not look so good, so clean, it was a small place, very congested kind of where some people sat and not so efficient either. Today, the value of things kept in state bank of India, the value of the building, value of the space, value of the furniture, everything has gone up several times.

The business has gone up several times. If you calculate, what proportion of that business is going to the salary to the pockets of the workers as salary component that has reduced. So, sometime this 50, this need not be 50,000. This may be more than 100,000, but according to Marx in proportionate terms, the capitalist society has a tendency calls it iron law of capitalist accumulation.

According to iron law, which cannot be ever written with you cannot set ever, escape you can never escape the iron law of capitalist accumulation. According to iron law of capitalist accumulation, capital will rise proportion of fixed capital will rise fast and proportion of variable capital will decline. That means temporarily sometime when there is a rapid industrialization or rapid economic development for some time. Condition of the working class may also be improved, but in the long-run the condition of working classes will deteriorate and they will become more pathetic at that time, Marx used the term proletariat for them.

In hindi (( )) somebody who has lost everything that stage of development, when country has, when society has developed society has much advanced, but the workers of society have become (( )). They have lost money, they have lost confidence, they have lost skills, they have lost legal protection, they have lost employment fast, they are losing employment hiring and firing of workers is so common. At that time they become proletariats, they are poor, suffering from malnutrition, suffering from high infant mortality and child mortality, suffering from all kinds of problems and they are alienated.

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I will explain this concept of this will be our link between sociology of work and sociology of religion.