

Indian Personnel in Foreign Firms

THOUGH the periodic scrutiny of foreign firms continues, call it grilling, inquisition or what you like, the progress of Indianisation in foreign firms has run up against a stone wall. There is a hard core of foreign personnel which resists pressure. There is nothing that TTK can do about it for the simple reason that most of these firms are British and the foreign personnel is British also. And Britishers need no visas to come to India. This is the substance of it—the rest is all embroidery: the series of tables, breakdown of employees by salary groups and their percentage variations from year to year.

This hard core, obviously, cannot be touched. To shield it from attack, the tiers of protective phalanxes are being increased from year to year, with the result that the total number of employees in all pay groups in foreign controlled firms has gone up steadily from 13,785 to 26,302 in the last seven years, while the strength of the foreign personnel has remained practically unchanged at 7,750 in the last census compared to 7,623 seven years ago. As a result, the proportion of Indians employed has naturally increased by leaps and bounds. In fact, today there are few foreigners in the Rs 300 to Rs 500 salary group, whether technical or administrative. The number of Indians in the higher salary group of Rs 1,000 and above has also increased considerably but not at the cost of foreign employees, the absolute number of whom has remained unchanged. True, the rising trend in their strength, noticeable in the past, has been checked. In fact, there has been an appreciable reduction in the last two years, but the absolute figure is where it was before all this hullabaloo started.

This is one way of looking at it, with a jaundiced eye, some may protest. For judged by the strength of the personnel employed, has there not been a threefold expansion of foreign firms and therefore, a proportionate reduction in foreign employees? With so much expatriation of foreign capital, largely sterling, and changes in ownership as well as the reluctance of foreign capital to come in on an appreciable scale, it would be difficult to accept the threefold expansion at its face value. There is more to it than meets the eye.

The break down of foreign personnel by nationalities, however,

may raise doubts about the most resistant group being British. The number of British personnel has actually diminished while that of other nationalities has been going up. Among the non-Indians employed in foreign firms, as against 6,901 Britishers in 1947 there were only 6,747 of British nationality in 1954. This is a smaller number and when it is remembered that the number of British personnel had actually gone up in 1952 to 7,214, the subsequent decline may appear to be even more pronounced. But what about the transfer of so many British firms to Indian ownership during these years—do these firms cease to figure in the enquiry, being no longer predominantly foreign controlled? The point to be noted is that the strength of the British personnel has not gone down to any considerable extent when so many of the British firms have passed on to Indian ownership. In the case of continental and other foreign firms an allowance has to be made for a substantial increase in their non-Indian personnel because few of them had resumed normal operations by 1947, the base year for the enquiry— as also for the increase in the number of such firms in later years. Germany, for instance, as well as Japan, not to speak of the nationals of the countries of South Eastern Europe, had hardly been in the picture at all when the enquiry was started. Considering the non-British element in the foreign-capital that has flowed in during the past few years and the repatriation of British investment in the same period, the comparative strength of British and other foreign personnel poses more questions than it answers.

The press note issued on the subject, like the one issued in March 1953, is exhaustive in many ways, but it misses the main point because right from the beginning, the inquiry and the action taken, if any, has been on the basis of the employment of Indians in different salary groups.

If the object of Indutilisation is also to secure equality of treatment and removal of discrimination in any form, it would not be enough to know how many Indians are employed, as compared to the foreign personnel. What would be necessary to know is whether the same pay and emoluments are being given to Indians for doing the same jobs. If this criterion were applied, American firms would come out in an altogether different light from what they do when only the percentage of foreign employees is taken as the test for Indianisation. Again, if the degree of control were the point at issue, then too the distribution of personnel by salary groups would be equally unrevealing. The true criticism is not that of salary, but the status of the covenanted hands and of others, of the number of Indians in the officers' grade and their pay and emoluments in comparison to those of foreign personnel doing the same job.

The enquiry has broadened in that returns have now been obtained from 1,307 concerns as against only 1,016 predominantly foreign controlled companies, from which returns were obtained earlier. That the coverage has expanded is, however, not so clear. When 1,060 "predominantly foreign-controlled companies" submitted returns at the first enquiry, the coverage was thought to be inadequate because even when the Reserve Bank earned out its Census of India's foreign liabilities and assets, it recorded the number of foreign-controlled concerns as 1,207. That was in June 1948, after which many such concerns have appeared on the scene. In the latest note, it is stated that returns have been received from 1,307 concerns, of which 1,151 are foreign-controlled. So the coverage has expanded from 1,060 to 1,151. This is not all. The question naturally arises: have Indian firms also been asked to fill up forms and if so, which are they? Presumably those which employ an

Employment in Foreign Controlled Firms, Higher Salary Groups

	Rs 500 — 999		Rs 1000 and above		All pay groups above Rs 300		Total
	Indians	Non-Indians	Indians	Non-Indians	Indians	Non-Indians	
1947	2,225	1,616	504	5,844	6,162	7,623	13,785
1948	2,617	1,386	689	5,967	7,902	8,052	15,954
1949	3,497	1,307	1,003	6,272	10,033	8,286	18,319
1950	4,238	1,279	1,406	6,871	11,803	8,318	20,121
1952	5,667	1,033	2,290	7,104	15,553	8,252	23,805
1954	7,496	650	3,346	7,008	18,642	7,750	26,392

appreciable number of foreign personnel. That makes the enquiry somewhat mixed.

The breakdown of the hard core of foreign personnel employee' by various types of companies and industries is both interesting and instructive. The worst case is that of plantations, 91.5 per cent of whose employees, drawing Rs 1,000 and above, are foreign. This may be explained, though not justified, on the specious assumption that Indians do

not make good planters, that they do not like that sort of life. But how comes the virtual monopolisation of the upper ranks in jute mills by Europeans? In plantations as well as in jute mills, the predominance of foreign personnel is both in the managerial and technical posts. While in jute mills there are 444 non-Indians in technical posts as against 48 Indians, in the plantations, the comparable figures are 252 and 15. On the other hand, in

managerial posts, plantations', have 868 foreigners as against 89 Indians, while in jute mills the comparable numbers are 159 and 23. The percentage of foreign personnel in banking companies is only a shade lower at 70.3 as against 89.4 in jute mills and 91.5 in plantations. Surely Indian personnel can be more easily found, whatever one may say about the lack of aptitude of Indians for planting or controlling labour in jute mills?

Employment in Foreign Firms, by Types of Business and Salary Grade

Type of Business and Salary Grade	1947				1952				1954				
	Technical		Managerial		Technical		Managerial		Technical		Managerial		
	Indians	Non-Indians	Indians	Non-Indians	Indians	Non-Indians	Indians	Non-Indians	Indians	Non-Indians	Indians	Non-Indians	
Banking:													
500-999	—	—	54	22	—	—	169	23	—	—	183	11	
1000 and above	—	—	6	256	—	—	45	277	—	—	88	338	
Insurance:													
500-999	—	—	54	11	—	—	111	3	—	—	132	2	
1000 and above	—	—	20	140	—	—	61	161	3	2	89	143	
Transit and Transport:													
500-999	19	11	24	22	37	2	84	12	86	7	132	16	
1000 and above	2	29	4	55	19	63	29	62	54	135	42	84	
Automobiles, etc:													
500-999	18	14	25	7	40	9	85	10	33	3	62	2	
1000 and above	3	29	12	41	24	42	32	33	12	20	19	16	
Printing, Publishing, etc:													
500-999	10	8	32	17	45	—	75	4	67	—	163	4	
1000 and above	1	20	17	78	5	29	48	80	11	47	89	99	
Chemicals, Dyes, etc:													
500-999	25	8	101	23	112	8	262	11	110	4	79	—	
1000 and above	10	96	19	179	46	145	122	218	103	192	207	232	
Machinery, etc:													
500-999	280	89	133	19	693	36	331	12	956	60	540	16	
1000 and above	34	448	27	226	199	566	153	265	299	628	226	273	
Managing Agencies:													
500-999	26	13	182	64	63	13	410	32	104	8	484	28	
1000 and above	7	144	62	511	28	160	216	575	42	160	302	574	
Agents, Merchants, etc:													
500-999	42	33	100	100	99	12	324	69	170	8	599	47	
1000 and above	5	69	28	372	44	130	123	511	99	197	246	570	
Jute Mills and Presses:													
500-999	35	167	15	4	123	36	41	1	143	8	77	2	
1000 and above	2	460	1	31	32	600	14	48	48	444	23	159	
Planting Cos, etc:													
500-999	7	104	49	366	45	94	172	393	43	69	131	220	
1000 and above	3	167	8	683	12	225	63	842	15	252	89	868	
Oil Cos:													
500-999	105	46	96	24	242	1	207	6	387	11	258	2	
1000 and above	23	150	32	232	103	156	155	225	167	164	269	258	
Total (including others):													
500-999	967	754	1,124	770	2,363	302	2,946	617	3,536	253	3,960	397	
1000 and above	141	2,294	310	3,213	794	2,893	1,343	3,768	1,288	2,959	2,058	4,049	