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**Special Issue guest edited by Jens Lerche, Isabelle Guérin and Ravi Srivastava**

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## *Guest Editors' Introduction*

*Jens Lerche, School of Oriental and African Studies*

*Isabelle Guérin, University Paris I Sorbonne/Institute of Research for Development*

*Ravi Srivastava, Jawaharlal Nehru University*

This special issue addresses labour standards in India in the context of globalisation. It takes its cue from the contradiction between the 'race to the bottom' that can be the consequence of globalisation, and the international agenda for improvement in labour conditions which aims to create 'decent work' for all.

Against the backdrop of the general processes of deregulation, informalisation and flexibilisation – which are well documented in India – this collection of articles addresses some of the major policy debates regarding labour and labour standards in India, and combines this with a range of detailed, fieldwork-based studies of labour relations and labour standards. It starts out by analysing the relationship between, on the one hand, the international labour standard agenda and the private sector CSR agenda and, on the other hand, policy debates and initiatives in India. Among other things it is argued that the financial crisis, in unexpected ways, might have opened up space for policy debates regarding state interventions for a 'social floor' in areas such as social security and food security.

The focus then shifts to the impact of such general developments on actual labour practices on the ground. The fieldwork-based articles deal with different aspects of the segmented labour markets in India, e.g. labour markets for bonded labour and casual labour markets. They cover issues such as agency and everyday struggles from above and below; migrant labour, both within the context of own villages of origin and also within that of the migrant labour markets and, in some regions, the impact of a 'social floor' and tightening labour markets on labour standards.

Together the articles depict a number of different but related trends in labour regulations and labour standards in India; they demonstrate the agency of labour and capital and the impact of state policies on this. For scholars of labour relations in India this is of obvious relevance, while for scholars of global labour relations this constitutes, we believe, an important in-depth study of the interplay between international economic processes and international agendas of labour regulation and labour standards, both at national level and with regard to actual labour relations.

The issue also provides food for thought for wider labour studies discussions. A core debate in the recent issues of this Journal concerns the extent to which labour studies are characterised by 'false optimism' – a point made forcefully by Michael Burawoy who argues that this is the case and that, instead, the starting point should be 'uncompromising pessimism'. Underlying this are differing views on the relative importance of exploitation, commodification and national versus international struggle – in part due to whether the point of departure is taken from Polanyi or Marx, in part due to different tactical and strategic views on labour related struggles today.

We will return to the contribution of the present special issue to this debate below. First



the main contributions of the articles of this special issue will be analysed along four axes: informalisation and social regulation of labour; nuances and even contradictions in contemporary trends of labour standards; labour struggles; and labour regulation by the ILO, Government of India and through Corporate Social Responsibility.

### *Informalisation and Types of Regulation: Government, International, Corporate and Social*

The ongoing process of informalisation and flexibilisation of labour is widely acknowledged (see for example Bowles and Harriss 2010, ILO/WTO 2009). Not only is the share of informal labour very large – according to various estimates, informal employment comprises one half to three-quarters of non-agricultural employment in developing countries – but also an increasing number of poor people depend on informal employment to earn a living.

Instead of raising labour productivity, employment and wages as predicted by the trickle-down theory, global market imperatives, economic growth and trade openness further accentuate the production of informality. Foreign direct investment targets cheaper social cost of labour. Global commodity chains add new forms of external shocks. Liberalisation policies create incentives for firms to cut costs. Outsourcing has become an essential means of reducing costs for the corporate sector while transferring risks and labour management down the commodity chain to a variety of producers spanning from large scale factories paying scant attention to labour rights such as in China, to informal units employing informal labour and even to putting-out workers and the self-employed who are, essentially, also part of the working class.

India illustrates the contradictions of current globalised and neo-liberal economies well. India has experienced sustained economic growth over the last two decades, and yet the quality of employment in the non-agricultural sectors continues to deteriorate. While informality has always been a dominant feature of the Indian labour landscape, survey data and case studies show a continued expansion of its informal economy over the last decades with now (in 2004-05) more than 92 percent of the workforce in informal work.<sup>1</sup> Furthermore, as shown by Srivastava's article in this volume, 'the formal is becoming informal in a variety of ways'. Srivastava's article, drawing on recent labour market statistics, gives a very clear macro picture of the current labour landscape in the Indian economy, highlighting three major features. Firstly, the informalisation of what would have been regular employment in non-agricultural work in an earlier context. This suggests that boundaries between formal and informal are increasingly blurred and 'the concern with decent work has to be based on analysis of labour conditions in *all* forms of employment' (Srivastava, this volume). The second major feature is the revival of self-employment and the incorporation of petty production, especially by female homeworkers, in value chains. The feminisation and precariarisation of the manufacturing workforce, observed as early as the sixties in different parts of the world and drawing on the 'comparative advantages' of a female workforce – namely its cheapness and docility<sup>2</sup> – continue today. The third feature is an increased labour flexibility achieved through the geographical mobility of labour which, at its most poorly paid and exploitative, ties seasonal labourers into neo-bondage.

So, the labour market in India is growing, as are informalisation, self-employment and putting-out work. The fact that the labour market is growing means that the Indian case runs counter to statements such as Burawoy's that 'exploitation is becoming the privilege of the few' –



a position which appears to be based on the presumption that exploitation is concentrated in the formal sector, or that only certain kinds of informality are exploitative (Burawoy 2010, 2011: 308). This is not the case and it is even less the case if one agrees that not only classic wage labourers (formal and informal) but also those who depend indirectly on the sale of their labour power through petty commodity production (be it part of a subcontracting chain or not) are exploited (Bernstein 2007).<sup>3</sup>

The growth of exploitation shaped by informalisation processes in India has been aided and abetted by government through active informalisation policies from the 1990s onwards. The government has been less active in the area of pro-worker labour market regulation and labour protection. As argued by Lerche in his contribution to this volume, the Indian government is not seriously interested in regulating the informal labour markets, in spite of government initiatives such as the recent ILO approved Indian 'decent work country programme'.

This leaves the field open for privatised regulation through corporate social responsibility, limited however to export industries. As Mezzadri argues in her contribution to the volume, under such circumstances the corporate social responsibility agenda with its voluntary but internationally privately regulated 'codes of conduct' has a certain intuitive attractiveness as a 'better than nothing' solution. Studies such as De Neve's from the Tiruppur garment export hub in south India point out that even though CSR only has an impact on conditions of work amongst main exporters, it does indeed have an impact in such factories (de Neve 2009). Mezzadri's conclusion is more negative. Based on a detailed study of the garment export centres of Delhi and Bangalore she concludes that it is not 'codes of conduct' but 'codes of practice' that are the organising principle of garment production. In practice garment producers seek to maximise profits through control of labour and labour costs even when this clashes with international codes of conduct. They have informalised labour; in Delhi through the use of seasonal migrant labour in factory production and extensive use of homeworkers; in Bangalore through the de facto informalisation of a near-permanent, mainly young, female workforce in large scale production units. Codes of conduct are, in fact, as ineffective as national legislation. As for domestic markets, in India they still evade ethical codes.

Nevertheless, ILO-related labour discourses and also possibly CSR may have some influence in more roundabout ways. Lerche shows that a pro-labour agenda akin to ILO's decent work agenda is now propagated by labour-related social and political activists in India. The impact that this has had on labour is discussed below in more detail; here it suffices to point to the agenda-setting influence of the international labour discourses. It is also well known that employers have become adept at hiding their extreme cases of undercutting international standards such as hazardous child labour or putting-out work from labour inspectors (Mezzadri, this volume; Venkateswarlu 2003).

One type of process which shapes work and conditions of work in a much more immediate way is that of *social* regulation. The case study-based articles of this special issue highlight both the diversity of informalisation and the workings of such social regulation processes. Social institutions such as caste, class and gender shape both the access to and the conditions of employment. As already demonstrated by a number of scholars,<sup>4</sup> not only do practices of social discrimination persist, they also structure and feed accumulation processes, leading to a 'growth-discrimination nexus' (Ghosh 2011). Capital accumulation is both shaped by and constitutive of social and geographical discrimination.



Social regulation does not mean that labour follows a pre-determined path, nor is it unchanging over time. Social interactions and processes shaping labour relations tend to evolve highly irregularly, depending on local circumstances and specific periods in history (Harriss-White 2003). The nature of social regulation varies greatly from one sector to another and from one region to another, relating to both strategies of capital and of labour. Employers are showing an extraordinary ability to use the social structure in ways that suit the organisation of their production. As for labour, insofar as formal guarantees are non-existent, unions for informal workers are extremely rare and labour is hyper abundant, using informal mechanisms to access and secure employment is also in their best (short-term) interest.

This is also part of Mezzadri's argument. Echoing the large body of literature on the ongoing feminisation of the manufacturing labour force she finds that also in India women are moulded into a cheap and docile labour force. They are considered an ideal workforce by the larger industrial units which characterise the garment industry in some parts of India, especially the south Indian metropolis of Bangalore in the state of Karnataka. However, the author also shows that women are not the only vulnerable workforce segment targeted by the garment industry. Whilst women represent a growing proportion of the workforce in Bangalore, the Delhi garment industry relies on male seasonal migrant labour coming from the poorest states of North India. The Delhi sector is less based on large product runs and relies on skilled labour and therefore, seen from the point of view of manufacturers, is best fragmented into small subcontracting units. The flexible, malleable workforce suits this organisation of the production. In addition, parts of the production are outsourced to even cheaper, homeworking, artisanal families in villages hundreds of kilometres away from Delhi.

Looking at the organisation of construction camps in Hyderabad, in the south Indian state of Andhra Pradesh, Picherit highlights the extent to which labour markets are fragmented along the lines of geographic origin, caste and class of the labourers. Picherit agrees that labour fragmentation is a deliberate strategy used by employers and intermediaries who aim to prevent labour mobilisation. However, he highlights that it is also a result of the strategies of labourers. Rooted in the structure of their villages of origin, drawing on political relations from home, specific caste groups (here the Gollas from Wanaparthy *taluk*) have managed to build exclusive migration streams and created their own employment niches. Faced with particularly fierce competition for jobs, workers have, over time, forged an identity of being hardworking and docile. They constantly play on this in order to convince recruiters and employers while also making an effort to preserve and sustain this picture of themselves.

Similar processes of migration are observed in brick kilns in north Tamil Nadu (Guérin et al., this volume) and in the construction sector in Bangalore (Pattenden, this volume). In addition to caste – which, as elsewhere, is a key structuring factor – the authors point to the role of village economies and eco-type systems in the making of migration channels and their fragmentation.

The vital though ambiguous role of labour intermediaries is also highlighted. For employers, resorting to intermediaries offers a cost-effective solution to recruiting, managing and controlling labour and the intermediaries become instrumental in organising a harsh labour regime for them. In turn, workers rarely take the risk of migrating independently. Workers need intermediaries to find an employer who is willing to recruit and they also need them in order to find a place to live. Workers also need intermediaries to fend off harsh competition from other workers, and for protection from everyday difficulties and police harassment (Guérin et al., this



volume; Picherit, this volume). Intermediaries are unavoidable figures because of the lack of government or union organised labour regulation and due to the lack of access for labour to basic rights in the workplace.

Last but not least, in some cases debt is instrumental in regulating and securing labour. Two case studies – brick kilns in Tamil Nadu and construction in Bangalore – illustrate the new forms of labour bondage that Srivastava refers to in his macro picture. Here again debt appears to be an excellent way to secure labour and limit the risks for both employers and workers, as described at length by Jan Breman.<sup>5</sup> For capital, the main purpose of bonding labour through debt is to control, cheapen and discipline labour power. For labour, not only do workers need advance lump sums to cope with the slack season, to deal with health problems and possibly to engage in more advanced consumerism, as we shall see below, but wage advances also act as a job guarantee. However, the ensuing tie-in severely impacts working conditions and significantly reduces wages. It also locks workers into debt traps and limits their mobility, preventing them from leaving for other sectors which could offer better labour standards (Guérin et al., this volume). This further reinforces the fragmentation of the labour market.

### *Labour Standards: Contradictory Trends*

The case studies also explore the nuances and contradictions in contemporary trends of labour standards. There are several ways to assess labour conditions. The ILO would use its 'decent work' standards which, while quite vague, do refer to labour rights listed in core ILO conventions on labour standards, pay, social security, rights of unions etc. The decent work agenda sets the bar a good deal lower than the full set of ILO conventions does, and formal sector labour in proper labour contracts are likely to have better conditions of work and pay than proscribed by it. On the other hand, for informal labour 'decent work' is, at best, a distant goal far removed from their actual conditions of work. For that reason, in order to assess actually existing labour conditions for informalised labour, it is useful also to compare existing practices with the regional or national averages and with development over time. This is reflected in some of the case studies here.

Heyer argues that labour and living standards have improved for labourers in the Tiruppur region in the south Indian state of Tamil Nadu. This had happened both within the dominant knitwear industry and in other sectors and despite the absence of government or union based labour regulation. Drawing on thirty years of longitudinal data, she observes significant improvements in terms of housing, education and access to healthcare, as well as in terms of labour standards. Agrestic bonded labour and child labour in agriculture, both prevalent in the 1980s, have disappeared. Real wages have significantly increased. Relationships with employers, very oppressive in the 1980's, have considerably evolved, leaving room for negotiation. Labour standards in the villages as a whole have improved although they are still not 'decent' in an absolute or 'ILO' sense, with long working hours and relatively low pay. This development, she argues, has been conditioned by an improved bargaining power of workers in the area. This, in turn, is based on increased availability of less lowly paid work due to local industrial growth and due to the development of a strong Tamil Nadu specific social policy.

In the same vein, Pattenden observes significant improvements over the last decade in the labour bargaining power of a group of construction working circular migrants of the also South Indian state of Karnataka back home in their village: working days have been shortened,



wages have risen and are paid more promptly, and workers can afford to avoid harsh employers. This is accompanied by a marked decline in discrimination, unpaid labour and levels of dependence on the dominant class for credit; as well as the development of more horizontal credit relationships.

The ambiguities and contradictions of labour circulation are also emphasised. All the case studies observe that migration significantly changes the nature of relationships in the areas of origin, but that basic iniquities are preserved and sometimes reinforced. Differentiation among the labourers might be because of their initial physical and demographic endowments or because of contingent factors such as illnesses, mortality or weddings (Pattenden, this volume). Differentiation also takes place between castes: the relative ascent of the Gollas is possible because they are able to differentiate themselves from Dalits such as Madigas (Picherit, this volume). Differentiation also takes place between villages, and here eco-type systems appear to play a significant role (Guérin et al., this volume; Pattenden, this volume). In all the cases, the few who enjoy proper upward mobility are the labour intermediaries, possibly small landowners, and they are exclusively male. These three case studies also make the important point that, generally, socioeconomic and political conditions in the areas of origin shape the nature and intensity of circular migration.

These conditions also shape the outcomes of this type of migration. The cases show that processes of fragmentation, marginalisation and high levels of exploitation at work and in the work-related (migrant) setting are entirely compatible with elements of economic mobility, integration and socio-political change. However, these more positive developments take place foremost in the villages of origin. The contrast is stark between improvements in the villages of origin and the severity of working and living conditions in the workplace. Picherit describes in detail the extreme vulnerability and low profile of Golla labourers in their Hyderabad workplace. This contrasts with the way they behave when they return to their villages. Here they use their migrant status to negotiate better positions both in local micro-hierarchies and in local politics, in order to gain social recognition and access to resources from development schemes. More than their monetary gains, which are rather scarce, they 'capitalise on their experiences in Lalapet by way of their self-confidence, their body language, the language they use and their involvement in local affairs' (Picherit, this volume). Similar contrasts are observed with brick kiln workers (Guérin et al., this volume). The hard work, the confinement and the harassment they endure during the six months of brick moulding does not prevent them from proudly investing their scarce gains in the village, both in agriculture – still valued among Dalits in the villages of this micro-study, in spite of the well documented low returns from land in India today – and in ritual or social events and consumption. Pattenden on the other hand emphasises that even though migration changes the nature of relationships in the areas of origin, pre-existing iniquities are preserved. And despite higher earnings in the workplace, it should still be recalled that the migrant labourers work under very poor conditions and standards and with no availability of social security.

The emergence of consumerism among the working poor is another source of contradiction. This reflects the improvement of living standards and purchasing power, one could argue. On the other hand, access to (if not actual ownership) of some durable goods such as a mobile phone is a virtual necessity for migrant labour today (Bremán 2010). Modern consumer goods reflect increasing social needs, not inclusive growth. Moreover, when aspirations grow more than incomes, the quest for consumption translates into willingness to



accept working conditions that are even worse than before in order to meet the new needs. This is the core argument of Guérin et al.'s article. It explores an apparent paradox: how is it that there is a greater involvement of the less worse-off labourers from the dry areas in brick kiln labour when, after all, this work still entails their neo-bondage? It is that labourers are involved in debt-interlocking at least partly because changing lifestyles necessitate increased spending which can only, in their specific situation, be achieved through still larger advances? If so, we have an attenuated form of neo-bondage arising not only from asymmetrical bargaining power, seasonality and a lack of options in the pursuit of a livelihood, but also from the labourers' growing financial need for larger advances – even though their bargaining power increases and they are able to negotiate greater space for themselves in the villages of origin. As a result, and paradoxical as it might be, Guerin concludes that increasing aspirations for equality and integration contribute to the reproduction of extreme exploitation. To this one might add: yes, extreme exploitation but also lower levels of poverty? The main issue is how to interpret bondage when it is not associated with *extreme* poverty.<sup>6</sup> This requires further research.

The case studies in this volume thus point to a clear dichotomy. As migrant labour their conditions of work are extremely poor, but in their home villages their material conditions and/or status have improved, although also in this context they are still impoverished and their conditions are still appalling. They have also experienced a – mainly slight – positive trend relating to the bargaining power of labour. This should be compared to national survey data. NSSO data show a slight increase in real wages from 1993–94 onwards (Chandrasekhar and Ghosh 2011), while rural wage rate surveys show an increase in rural wages up to 2004 but an actual decrease from 2004 to 2008–09 (Usami 2011).<sup>7</sup> According to the latter dataset, rural wages have decreased in Tamil Nadu for the last ten years, in spite of the positive changes described and analysed by Heyer in the Tiruppur region. The differences confirm the persistence of labour market segmentation/fragmentation and regional/local differentiation.

### *Labour Struggles and/or a Countermove From Above?*

This leads to the issue of labour agency and labour struggles. Far from being passive victims, labourers deploy numerous strategies and tactics, both on individual and collective levels. In India, with 77 percent of the population living on less than PPP \$2 a day (Sengupta et al 2008: 51), few able-bodied adults do not work; they have to work in order to survive. Among the working poor there is a clear hierarchy of work, from survival self-employment and the worst kind of bonded labour to formal sector employment and informal sector enterprise ownership; in the latter cases workers may even be above the poverty line (see also Lerche 2010; NCEUS 2010). For many, the priority is to move up the hierarchy of work. This does not preclude bargaining over pay and conditions of work whenever labour finds that its position is strong enough to do so (Heyer, this volume; Pattenden, this volume). However, most labourers are in adverse bargaining positions and their fear of losing their job and a subsequent slide down the hierarchy sets strict limits to any bargaining over and above that of 'everyday resistance'. Bonded labourers thus rarely bargain over terms and conditions of work – but they do bargain over the size of their advance (Guerin et al., this volume); and construction workers may bargain for pay but only when the demand for labour is high (Pattenden, this volume). They may also have to refrain from this as it may have adverse consequences for their employment (Picherit, this



volume). As Pattenden points out, full-blown open collective actions such as strikes are rare in the informal economy.<sup>8</sup>

It is therefore maybe not surprising that a number of the case studies show that the struggles of migrant workers are spatially and socially removed from the workplace. Picherit's study shows this most clearly as he details how the home-coming migrant labourers have become upwardly mobile within their own caste in their home village; have successfully mobilised collectively against more dominant castes on social and political issues, and have gained access to local development schemes, public or private. In short, labourers' struggles focus much more on village-based social and economic concerns than on workplace related issues.

This important conclusion does have an impact on how we think about labour struggles. However, it appears more to be a case of choosing the best battleground than of an inherent antipathy against mobilising against levels of exploitation and conditions of work: the main reason for labourers choosing to focus on home village-level struggles is that the balance of power here is less disadvantageous to the workers, not the least due to strengths achieved via outside work. Even Heyer's study of the villages around Tiruppur makes the point that while the tightened labour market and government policies have increased the bargaining power of workers *at* the labour market it is, nevertheless, easier to improve conditions further through non-labour market struggles.

This takes us to the government welfare policies and with that to the wider issues alluded to earlier in this introduction. How successful is the struggle for improved government welfare policies? Burawoy argues that it is the struggle against commodification that can unite people against present-day capitalist developments, and cites the Indian welfare policies as a case in point as he understands them as a result of labour de-commodification 'from above'. Is that the case and can the struggle for *this* unite the labouring classes in India?

As outlined by the contributions of Lerche and Srivastava, in the last decade several social protection policies have been passed by the Indian government, most importantly the National Rural Employment Guarantee Scheme (NREGA) and the Social Security Bill. Presently, in 2011, a Rights to Food Bill is being debated. Of these, so far, the most far-reaching is the NREGA. In reality, the social security bill (at present, at least) is of limited importance and it is too early to say if the rights to food bill will avoid the same fate (Lerche, this volume). As shown in a recent detailed survey of Indian government social policy and social expenditure by John Harriss, the combined central government and state government social expenditure has actually not increased in recent years in spite of these new programmes (Harriss 2011: 134-5). Nevertheless, Harriss argues, taken together, the social protection legislation and other social and economic rights legislation do amount to a Polanyi-type countermovement 'from above' (Harriss 2010: 9) as they function as a brake on the neo-liberal project and, maybe, even represent the beginnings of its reversal (Harriss 2010, 2011).

As Harriss' statement regarding the non-increase on social spend alludes, one might question the extent to which the social protection policies have had much influence on realities on the ground. Such realities do of course vary. It is well known that Indian states, regions and even localities differ significantly in social policies and capacity and willingness to implement them (Kannan 2010). Specifically, Tamil Nadu is well ahead of most other states, as also evidenced by the case studies in this issue: where Heyer's Tamil Nadu study shows the importance of such policies (in line with Harriss et al. 2010, Djurfeldt et al. 2010) Pattenden's Karnataka case study records the opposite while the Andhra Pradesh migrant workers studied by



Picherit achieved access to developmental schemes in their home village. Moreover, regional differences within Tamil Nadu are highlighted by Guerin's study which records that the migrant, ex-untouchable bonded labourers she studied had no access to NREGA.

The picture from other parts of India is equally mixed and is often subject to local struggles (Lerche, this volume). Where the welfare programmes are most effective they may raise living standards a bit and they may also have an impact on labour markets as they raise reservation wages. This is what Heyer argues has happened around Tiruppur during the last fifteen years. It has been suggested that this has happened elsewhere as well (Chandrasekhar and Ghosh 2011). Overall, the policy initiatives and their impact on the ground are (still) quite piecemeal and watered-down. They *are* important as part of an attempt to push more pro-labour policies, but it is unclear whether they have (yet?) had a measurable impact on real wages,<sup>9</sup> let alone counteracted the increased disparities in Indian society.<sup>10</sup> As Srivastava puts it, the movement is positive but very slow and tortuous.

Even in places where labour has succeeded in accessing the welfare policies and this has had a positive impact on living standards, one may question the impact on the overall struggle of labour. Importantly, in our case studies, struggles regarding access to social and welfare policies are more common than offensive workplace struggles. In a recent study of Tiruppur, Vijaybaskar takes this further – maybe too far even – as he argues that welfare measures have 'displaced the question of workers rights and welfare from the workplace to the household neighbourhood' (2011: 38–39). The danger of this development is that it encourages and legitimizes modes of accumulation that release capital from any responsibility with regard to labour (Bremán 2011; Vijaybaskar 2011).

While this is indeed a danger we would argue that the main issue is different. Historically labour movements have engaged simultaneously in workplace struggles and society-wide issues and struggles. The problem with the focus on social policies in India is the absence of labour and the exploited self-employed as a driving force herein. As Harriss points out, the social legislation is driven by middle class activists supported by left wing parties and, in south India, by elite-driven populist electoral politics. They are also supported by organisations such as the ILO (Lerche, this volume). However, labour is not mobilised/mobilising for the social legislation.<sup>11</sup> Overall, as argued by Lerche, without political pressure from labour one may fear that the outcome is more a 'management of poverty' than it is the beginnings of an improvement of labours' position in the balance of power between them and capital and state.<sup>12</sup>

That said, the fact that regional governments in some parts of India feel obliged to 'manage poverty' as opposed to ignoring the poor as they do in other Indian states (e.g. in Gujarat (Bremán 2011) is of course better than nothing. Harriss labels the social policy drive as a Polanyi-type countermove 'from above' but that is probably too optimistic. Managed poverty might in principle be used as a springboard by movements for further struggles – but this is not the pattern in India right now. A stark case in point is that of Guerin's study where brick kiln workers have seen their immediate spending power increased through increased advances for 'consumerism' but they have been unable to resist getting further entangled into debt bondage as part of this: they are not in a position to take up the struggle for their own rights.

The usefulness of a conceptual focus inspired by Polanyi may also be questioned. Burawoy focuses explicitly on decommodification as the most viable perspective for labour struggles (2011). However, to achieve decommodification in Polanyi's sense (and in a Marxian sense for that matter) would be extremely difficult. As Polanyi argues, 'To take labour out of the



market means a transformation as radical as was the establishment of a complete labour market. (...) Not only conditions in the factory, hours of work, and modalities of contract, but the basic wage itself, are determined outside the market' (Polanyi 1944: 251). Polanyi appears to be in line with Marx here: decommodification means that labour is no longer 'doubly free'. Polanyi also argues for the decommodification of land and finance, all moves which would revolutionise society; one should not forget that Polanyi wrote at a time where 'socialist' control of capital seemed possible. The introduction of modest welfare policies has little to do with Polanyi-type decommodification.<sup>13</sup> Such policies are better seen as moves which do lower the overall level of exploitation in society somewhat as surplus value is returned to labour through government transfers. They are policies which potentially unite workplace struggles and society-wide political struggles and may strengthen the position of labour; but they don't change the fact that labour is a commodity.

When freed from the constraints of a decommodification and countermove framework, the issue of what sort of government policies might both be possible and, at the same time, have a positive impact on labour conditions and on the conditions for labour struggle, can be raised afresh. It is in this perspective that Srivastava, in his contribution, views social policy initiatives. He also suggests that the aftermath of the 2008 global crisis has created conditions for domestic demand stimulation and especially made demand stimulation at the bottom of the pyramid in the South more acceptable. The extent to which such policies will materialise in India may depend also on how strongly supported they are from below, not only in states such as Tamil Nadu but also in states such as Gujarat where the balance of power is even more against labour.

## NOTES

1. See, for example, Breman (2007, 2011), Harriss-White (2010), Nath G. B. (2008), NCEUS (2010), Ramachandran and Rawal (2010), Sen and Dasgupta (2009).
2. Elson and Pearson (1981), Standing (1989). For recent evidence about India, see for instance Soni-Sinha (2010).
3. To Bernstein they all belong to what he terms the 'classes of labour', encompassing the various and complex combinations of employment and self-employment which most labourers in the global South experience during their lifetime (Bernstein 2007).
4. See for instance Harriss-White (2003, 2010); Harriss-White and Gooptu (2001).
5. Among many publications, see for instance Breman (2007, 2011).
6. De Neve has shown that bondage may occur even for a group of well-off skilled workers (master power-loom weavers), also in Tamil Nadu (De Neve 2003). Guerin et al.'s case differs from that. While the conditions of the workers she studied had improved they were still very poorly paid (INR 45 per day in 2004).



7. Recent 'small round' NSSO data shows that real wages increased without interruption from 1993–94 although the increase slowed down from 1999–2000 onwards (Chandrasekhar and Ghosh 2011). Usami (2011) argues that the 'Wage Rates in Rural India' data on which he bases his analysis are more robust.
8. It does appear that strikes are somewhat less rare among agricultural labourers. The threat of strike action at peak times of the agricultural year is widely reported. This may be due to the strong position they command as specific agricultural tasks such as sowing and harvesting cannot be unduly delayed. It is also likely to relate to the limited supply of labour, which is a result of labour out migration from rural areas and the fact that there is not much competition for the poorly remunerated agricultural labour jobs.
9. See above regarding the discrepancy between different national wage data. It may be that, in general, the impact of NREGA has been more that outweighed by high levels of inflation, not the least for food products.
10. The increased inequality has been documented, so far, for the period 1991–2002 (Jayadev et al. 2011).
11. Neither are the middle classes mobilised for labour market issues for that sake.
12. A similar argument is made by Dion (2010) regarding workers and welfare in Mexico.
13. The more common usage of Polanyi implies that he only pays lip service to proper decommodification and that all he argues for is some state intervention in markets. This, though, is a misreading of his actual writings.

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## BIOGRAPHICAL NOTES

JENS LERCHE is Senior Lecturer in the Development Studies Department at the School of Oriental and African Studies (SOAS) of the University of London. His research interests include labour and the ILO, and labour, agrarian relations and caste in India. He is an editor of the *Journal of Agrarian Change*. He is presently undertaking research on labour conditions and the working poor in Delhi and Shanghai.

ISABELLE GUÉRIN is Research Fellow at University Paris I Sorbonne/IRD (Development and Societies Research Unit) and is affiliated to the French Institute of Pondicherry. She is a socioeconomist specialising in credit and labour markets. Her specific areas of interest include bonded labour, informal finance and microfinance, with a specific focus on West-Africa and South India.

RAVI SRIVASTAVA is Professor of Economics at the Centre for the Study of Regional Development at Jawaharlal Nehru University in New Delhi, India and a former full-time member of National Commission for Enterprises in the Unorganised Sector (NCEUS). His research interests include labour, migration, the informal economy and social protection.



# *Labour Regulations and Labour Standards in India: Decent Work?*

*Jens Lerche, School of Oriental and African Studies*

## **ABSTRACT**

The article assesses the ILO decent work agenda in the Global South: its objectives and coherence, its impact on labour relations and conditions, and its overall policy direction in relation to alternative labour rights and welfare policy thinking. This is followed by a case study of the Indian version of the decent work agenda and the extent to which the ILO–India collaboration has influenced regulatory frameworks and labour relations. From this, wider lessons for both the ILO decent work agenda and for Indian labour relations are drawn: it is argued that the present emphasis on progress in social protection has inherent dangers as this is not likely to overcome underlying inequalities and form the basis for broader welfare coalitions, including for the political mobilization of informal workers themselves.

## **KEYWORDS**

decent work, ILO, India, labour rights, social floor

## ***1. Introduction***

For more than a decade the ILO has trumpeted its new approach to informalized labour, the ‘decent work’ approach. Decent work is now the main policy objective for the international community with regard to labour. In 2006 it became part of the Millennium Development Goals and in 2010 even the IMF engaged with the decent work strategy (IMF 2010). By 2011 the ILO had entered into specific bilateral ‘decent work’ agreements with 61 countries.<sup>1</sup> But how does this approach work out in relation to developing countries? That is the overarching topic of this article with a specific focus on the case of India.

India’s interaction with the ILO goes back a long way. India was one of the founding members of the ILO and also, in more recent times, India’s engagement with the ILO has been noticeable. Importantly, in February 2010 the Government of India effectively signed up to the decent work agenda by agreeing a five-year ‘Decent Work Country Programme’ with the ILO.



The present article assesses the ILO decent work agenda: its objectives and coherence, its progress in international policy discourse, its impact on labour relations and conditions, and its overall policy direction in relation to alternative labour rights and welfare policy thinking. This will be brought to bear on the case of India, where the existing regulatory framework for labour relations will be discussed in relation to the reality on the ground. To what extent has the Indian version of the decent work agenda and the ILO–India collaboration influenced regulatory frameworks and labour relations? Who are the main social actors and what are the power relations delimiting their influence? What is the impact of the ILO on this? From this, wider lessons for both the ILO decent work agenda and for Indian labour relations will be drawn.

## *2. Theoretical and Analytical Approaches Underlying the Decent Work Agenda*

The International Labour Organization is the UN agency responsible for international labour rights.<sup>2</sup> The decent work agenda is the ILO umbrella strategy for improving the conditions of the working poor and those in vulnerable employment and, more broadly, for a ‘fairer globalization’.

Conceptually, a set of categories developed by the ILO around this agenda stand out. These include ‘informal employment’, ‘the working poor’ and ‘vulnerable employment’. The working poor are defined as people in work but also in poverty. Using the US\$ 1.25 and US \$2 a day poverty lines, the ILO estimates that in 2009 the working poor constituted around 21 percent and 39 percent of all workers around the world (ILO 2011a: 23–25). Workers in vulnerable employment are defined as own-account workers (i.e., self-employed) plus contributing family workers. The ILO states that this group tends to be in informal work arrangements, with ‘inadequate earnings, low productivity and difficult conditions of work that undermine workers’ fundamental rights’ (ILO 2010a: 18). By 2009 half of all workers (50 percent) were estimated to belong to this category (ILO 2011a: 22–23).

According to the ILO, by far most working poor and workers in vulnerable employment are located within the informal economy. The 2002 ILO definition of the informal economy as encompassing both what the organization used to classify as the ‘informal sector’ as well as non-formal employment relations within formal sector firms, represents an important acknowledgement of the impact of flexibilization and informalization processes on work arrangements across the classic formal/informal sector divide. The ILO now understands ‘workers’ as straddling a number of different work arrangements. It argues that these work arrangements lead to, broadly speaking, similar outcomes for the workers in terms of vulnerability and poverty: self-employment in the informal economy, unpaid family workers, home workers within commodity chains, employees within the informal economy, employees without proper contracts in formal sector firms, workers employed through work contractors in formal sector firms etc. The ILO is also relatively clear regarding what has brought about these similarities, namely the present trends characterizing worldwide capitalist development (ILO 2002).

The ILO approach is very much in line with social democratic Keynesian ideology and draws on ideas not dissimilar from those of Karl Polanyi (Polanyi 1944).<sup>3</sup>



Labour *per se* is not exploited and the relentless accumulation drive of capital can be tamed by the state. Nevertheless there are also distinct parallels between the ILO conceptualization of labour today and that of a number of Marxist theorists who argue that, by now, all labour has been subsumed under capital. Dae-Oup Chang (2009) suggests that capital is dominant both within the ‘global factory’ of modern production but also that the society of today is ‘permeated with the rule of value-producing capitalist labour’: non-capitalist labour belongs to the past. At a more abstract level, Gibbon and Neocosmos argue with Marx that the fundamental wage labour–capital contradiction ‘explain[s] the existence of classes at a general level’ and of social groups ‘indispensable to capitalism,’ even if such groups differ from the ‘canonical’ wage labour type (1985, 156) – an analytical point repeated recently in an Indian context (Adduci 2009). In line with this, Bernstein argues that the ruthless capital accumulation in the South today has led to the creation of ‘classes of labour’, which include both classic wage labourers *and* those who depend more indirectly on the sale of their labour power. By this he encompasses all those who ‘have to pursue their reproduction through insecure and oppressive – and typically increasingly scarce – wage employment and/or a range of likewise precarious small-scale and insecure “informal sector” (“survival”) activity, including farming; in effect, various and complex *combinations* of employment and self-employment’ (Bernstein 2007). Classes of labour thus can include those who possess some means of production but who, nevertheless, share with wage labourers the *overall* position of being exploited and oppressed – and who, indeed, may alternate between being wage workers and small-scale petty commodity producers seasonally or throughout their lifetimes.

The ILO perspective does not possess the analytical strength of the above political economy-based analyses of present-day capitalism but, nevertheless, it succeeds in identifying today’s workers as broadly the same groups as these political economy analyses do. In Marxian terms, the capital–labour contradiction today is dominant, and other categories such as petty commodity producers (PCPs) should be understood in relation to this. Survival-level petty commodity producers in the informal economy (i.e., the bulk of the ILO category ‘vulnerable employment’) share the overall position of being exploited and oppressed with informal economy wage labourers, and they have little in common with the ‘other end’ of the PCP scale: namely, producers managing to invest in their company and move towards proper capitalist accumulation (see also Lerche 2010).<sup>4</sup>

### 3. *The Decent Work Agenda and its Implementation*

The decent work agenda represents the ILO ‘fightback’ in the 1990s. From the 1970s onwards, the neoliberal revolution swept away classic social democratic policies, labour market models and production organization and replaced them with flexibilization, informalization, deregulation, privatization, and de-unionization (see, for example: Kiely 2007, Munck 2004, Standing 2009). It is well established that neoliberalism changed decisively the balance of power between labour and capital, as a relatively ‘labour friendly’ welfare regime in the North was replaced with a ‘labour unfriendly’ regime, while in the South the ‘development friendly’ regime was being brought to an end (Silver and Arrighi 2000: 56, 61). As the international organization representing the classic social democratic welfare state compromise, the ILO was left in



the wilderness as two of its three stakeholders, the employers and the dominant governments, directly attacked this compromise. In order to survive the ILO had to adjust to the new economic, social and political realities. It formulated its new policy approach based on an acceptance of the changes in the balance of power between labour organizations (unions and labour parties) and capital. As Ghai puts it on behalf of the ILO, the best labour movements can hope for in today's realities is to seek to *influence* policy makers. Direct action such as strikes belong to the past, as does policy making from a position of strength (Ghai 2006).

The weakened position of labour has had a major impact on the work that the ILO can undertake. From its founding in 1919 the ILO worked mainly through establishing international labour conventions which national governments faced pressure to sign up to. Once signed up, governments were legally required to implement the conventions, whilst being monitored by the ILO. Neoliberalism stalled this process, with employers and leading neoliberal governments blocking new conventions and seeking to roll back existing labour standards.

The decent work agenda broke this stalemate. Instead of seeking to establish new legally binding conventions this agenda focused on eight core conventions within a broad, non-binding framework concerned with 'fairness', 'decency' and other value-laden but imprecise descriptors. As the ILO general secretary put it, the precise levels of pay and conditions required and needed in order to achieve the 'decent work' stage were not to be fixed by the ILO. What mattered was a worldwide formal agreement 'to put in place a social floor for the global economy' (Somavia 2000, in Vosko 2002: 25–26). This new approach accepted the historic defeat of the classic ILO attempt to enforce social democratic labour standards internationally. However it also represented a welcome shift in focus of the ILO, away from unionized formal sector workers only towards unorganized workers in informal employment. Given the ILO's organizational makeup, where labour is represented by formal sector labour unions, this was not an easy shift and it still sits uneasily within the ILO setup (Vosko 2002; Standing 2008).

The four strategic objectives of the ILO 'decent work for all' agenda have remained constant since they were launched in the 1998 ILO 'Declaration on Fundamental Principles and Rights at Work':

- 1) Rights at work, grounded in fundamental principles of work and international labour standards
- 2) Employment and income opportunities
- 3) Social protection and social security
- 4) Social dialogue and tripartism (ILO 1998)

The eight core labour conventions that member countries were compelled to sign up to as part of the declaration were conventions against child labour and forced labour, and conventions for free collective bargaining and non-discrimination against groups of labour on the grounds of gender, race, religion etc.<sup>5</sup> The decent work agenda also maintains a watered-down version of the classic ILO focus on social security, something which played a major role in ILO policies and conventions during the welfare state years.



During the following decade the ILO developed and sharpened the decent work agenda. In 2004, it was given an explicit grounding in relation to globalization through a 'fair globalization' report and related follow-up policy processes (ILO 2004a). In 2006 it became part of the Millennium Development Goals. In 2009, the ILO constituents also agreed a 'global jobs pact' to further the decent work agenda at the time of the global downturn (ILO 2009a).<sup>6</sup> Today, by far most governments have signed the eight core conventions and decent work has become part and parcel of the development policy discourse of both international organizations (UN, World Bank, IMF) and national governments.<sup>7</sup>

However, the influence of the decent work agenda on conditions of work on the ground has remained fairly limited. The ILO has no powers of enforcement at its disposal, apart from 'naming and shaming' those in breach of conventions. Compared to the economic and political power of capital and of neoliberal governments, and even compared to the sanctions available to the WTO (the international agency charged with policing trade liberalization), the solely discursive powers of the ILO are extremely weak. At the international level no enforceable agreements have been reached concerning 'fair globalization' policies.

The existing long-term decline in the proportion of 'working poor' and of 'vulnerable workers' appears to mainly relate to economic growth and tightening of labour markets as well as to policies reflecting such labour market changes in countries such as China and Brazil.<sup>8</sup> Only in one country – Brazil – can some of the improvements for workers be linked directly to the implementation of comprehensive decent work policies (Anderson 2011, China Labour Bulletin 2009, Sanchez-Ancochea and Mattei 2011: 306–7). Conditions *at work* for ordinary workers are barely mapped internationally, apart from quite general divisions between 'good jobs, poor jobs and no jobs', with national averages only drawn up in broad brushstrokes following per capita income levels (ILO n.d.d, Rodgers 2008).

Regarding the actual implementation of the 'declaration of fundamental principles and rights at work', most ILO effort has gone into the eradication of child labour. After some optimism in the early part of the twenty-first century, the ILO now cautions that the goal of ending the worst forms of child labour by 2016 may not be achieved (ILO 2010b). Eradication of forced labour is another ILO decent work priority area. While the ILO has succeeded in creating a fair amount of public awareness in this area, the actual impact is yet to be assessed (ILO 2009b, Lerche 2007).

The social security aspect of the decent work agenda has received a good deal of attention in recent years. In 2008 the UN committed itself to country-specific social protection floors consisting of a basic set of rights and transfers enabling access to a minimum of goods and services for all (ILO and WHO 2009: 1). This was confirmed and specified further by the ILO yearly International Labour Conference in 2011, and the 2012 conference aims to set international standards for social security (ILO 2011b; 2011c). This goes hand in hand with national policy developments. Social security coverage tends to improve with rising per capita income but with some significant variations between countries (ILO 2010c: 32–33). It also relates to global economic policies and realities: while neoliberal globalization and related policies initially led to a rolling back of (mainly employment-related) social security schemes (Gough 2003),



developments in recent years have been more mixed with a number of countries reacting to the increasingly insecure employment conditions with improved social policy coverage. Case studies show that a crucial factor has been the underlying balance of power between social forces in the concerned countries (Kwon 2005, Ulriksen 2011). Also here, Brazil is one of the countries bearing the torch, with a comprehensive social security approach including cash transfers, which has contributed to successful poverty reduction in that country during the first part of the twenty-first century. Countries such as Chile and Mexico have registered progress in this area as well (Barrientos, Gideon and Molyneux 2008; Sanchez-Ancochea and Mattei 2011: 306–7). By 2010, and in many cases with support from the World Bank, all Latin American countries had introduced at least some targeted cash transfer schemes, as had some other countries, including China (Franzoni and Voorend 2011: 281, ILO 2010c, Sugyima 2011).

The ILO social floor agenda has rightly been commended for moving the international agenda away from ad hoc social safety nets towards the recognition of the need for a permanent social floor. Some even see cash transfers as the possible beginning of a new Polanyi-type countermove era based on the introduction of a ‘social wage’ for all (Standing 2009). Be that as it may, it is a clear lesson from the earlier history of the development of welfare states that for pro-poor policies to be politically sustainable they must move away from targeting only the poorest, towards becoming universal social and welfare policies. Only then will they receive firm backing from the middle classes and enable sustained improvement of poverty (Deacon and Cohen 2011, Haastad and St. Clair 2011). Unless high levels of inequality are dealt with, the social floor policies will simply represent a new type of management of poverty while the balance of power remains as skewed as ever against workers and the poor, as Dion argues has been the case in Mexico (Dion 2010). An important element in this is the political mobilization of the poor independently of existing patron–client politics (Haastad and St. Clair 2011). This means, among other things, that social floor policies cannot stand alone but will only effect change if accompanied by actions to deal with labour market-based income inequalities and, more specifically, in a context of organized social action by informal workers to improve their own lot (Deacon and Cohen 2011, Haastad 2011).

Officially the ILO decent work agenda prioritizes both social floors and decent work. The increased ILO attention to social protection and social security in recent years may well reflect that progress at present seems possible only in this area. It also does not have a public position on whether it has got the balance between these policies right. Within the social floor policy area it explicitly does not have a view on the above discussion of targeted versus universal schemes (ILO n.d.e). It also does not engage in the general discussion of social alliances for the promotion of welfare programs in the longer run. We will return to these issues after the analysis of the Indian case.

#### ***4. Decent Work in India***

In February 2010 the Government of India (GoI) and the Indian employers and workers organizations agreed a decent work program (DWP) with the ILO. The ILO hailed it as ‘the biggest and most widespread DWP to be launched by the ILO and social partners in a country so far’ (ILO 2010d).



India could do with such a program as most work in this country is not at all 'decent'. By far most of the workforce (93 percent) is in informal work and by far most of the population (77 percent) survive on less than PPP\$ 2 a day (in 2004–05) (Sengupta et al. 2008). Informal and vulnerable work is increasing as formal labour is being replaced by informal labour and self-employment, the latter constituting 57 percent of the total workforce (2004–05). In the non-agricultural sectors this is due to a proliferation of small informal units and of informalized contract workers within formal sector firms, subcontracting to informalized firms, and increasing numbers of homeworkers. Self-employment is not primarily an avenue of economic progress but mainly an activity undertaken where no suitable wage labour is available (Abraham 2009, Ghosh 2009, NCEUS 2009, Sengupta et al. 2008, Srivastava this volume).

The Decent Work Programme is aligned to the present Indian Five Year Plan (2007–2012). The program focuses on a) employment creation through skills development; b) continued extension of social protection for groups in the informal economy; and c) continued elimination of 'unacceptable forms of work'. No specific new government initiatives or activities are promised, but the ILO is to fund studies, technical support and capacity building and assist policy formulation in all the above areas – a good deal of which is already ongoing (GoI and ILO 2010).

It is interesting that the Indian Government has found it expedient to agree to the program. So far it has done little to get rid of 'unacceptable forms of work'. It has been argued that India 'probably has the most comprehensive legal structure for labour welfare and protection in the world' (Deshingkar 2009: 7). But the 93 percent of India's workers who are in informal employment do not form part of this. As the Indian government's National Commission for Enterprises in the Unorganised Sector (NCEUS) concluded, informal workers do not enjoy 'comprehensive protection of minimum conditions of work' (NCEUS 2009: 180). Most labour market laws only relate to formal sector firms, as establishments employing below a certain number of workers are exempt from them. This includes main labour laws such as the 'Factories Act' regarding health, safety and welfare of workers, the 'Industrial Employment Act' which deals with conditions of employment, and the 'Industrial Disputes Act' (Deshingkar 2009). The NCEUS (2007: 155–168) outlines the laws which apply to some sections of informalized labour. This includes the Minimum Wages Act, but the guaranteeing of (very low) minimum wages is rendered farcical by the fact that even the government's own employment programs are openly entitled to pay workers less than this stipulated amount (Sankaran 2011b). Informalized workers in enterprises with more than five workers employed should also be covered by the Inter-state Migrant Workmen Act which stipulates minimum conditions and pay for migrant workers and by the Contract Workers Act (when more than ten workers are employed) which regulate the market for cheap contract labour. The Bonded Labour System (Abolition) Act which outlaws forced labour and the Child Labour (prohibition and regulation) Act also cover informalized labour. Sector-specific legislation, not least for the construction and the beedi (country cigarette) industries, as well as some state-specific laws, are also of relevance for informal labour. However, as stated by the NCEUS, non-observation of all the above laws is endemic. For example, it has been calculated that '85 percent of all casual workers in rural areas and 57 percent of them in urban areas get wages below the minimum wages'



(NCEUS 2007: 48). The labour law enforcement machinery is extremely thin on the ground and concentrates on formal sector inspections. It is exiguous since penalties tend to consist of minimal fines – for example, INR 500 (less than US\$ 7) for breaking the Minimum Wages Act (Sundar 2010a: 97). Presently the trend is towards further deregulation and simplification of labour laws and inspections, not towards the implementation of the existing regulatory framework, let alone making it more comprehensive for informalized workers (Sundar 2010b). To add insult to injury, none of the above regulations cover the 57 percent of Indian workers who are self-employed (NCEUS 2007: 155–168).

By now it should be clear that Government of India policies are far from aligned to the decent work agenda. In fact the government's own web pages are critical of the ILO agenda. The Ministry of Labour and Employment states categorically that the first objective of the Ministry is to achieve employment for 'any potential worker' and only afterwards is it appropriate to consider the quality of work – it is even stated that decent work will follow 'automatically' after employment has been achieved (GoI, n.d.). The ILO would agree that employment creation is an important part of the decent work agenda but it is a core aspect of the agenda that employment creation cannot be separated from the need to create *decent* work. Opposed to this, it appears that for the foreseeable future GoI wants to keep conditions of work in the informal economy as unregulated as they are today. This extreme rejection of the need to improve conditions of work, except at some point in the future, is opposed even by organizations such as the IMF (IMF 2010), and is also in direct contradiction to the objectives of the ILO – India Decent Work Country Programme.

Another contradiction is that GoI has only signed four of the eight core conventions that the decent work agenda requires. Forced labour and anti-discrimination conventions have been signed but child labour-related and social dialogue-related (right to organize and freedom of association) core conventions have not (EPW 2011, GoI n.d., ITUC 2007). National legislation in these areas is not fully in line with ILO conventions and the government has chosen simply not to sign the ILO conventions as opposed to amending the Indian legislation. That said, government and NGO implementation systems and development projects do exist regarding child labour and forced labour eradication, including some with ILO financial support, but their impact is limited. Official statistics show successes in dealing with child labour but this is disputed by NGOs and even by NCEUS (ILO 2010c: 23, ITUC 2011, NCEUS 2007: 165). Regarding forced labour, there has been no measurable success even though the legislation actually bans forced labour. The overall conclusion is that GoI does not seriously want to regulate labour markets in the informal economy with regard to conditions of recruitment, work and pay, not even regarding the worst forms of un-decent work. It is in spite of this that the ILO has signed the decent work country programme with India, while quietly making an exception to the (very limited and very basic) formal minimum requirements of the decent work agenda in order to get India 'on board'.<sup>9</sup>

The one area within the decent work agenda where India has taken significant initiatives is social protection, with three major initiatives. First and foremost, in 2005 the National Rural Employment Guarantee Act became law (NREGA or 'Mahatma



Gandhi NREGA'). It guarantees 100 days of employment per year to one member of any rural household in government-funded local employment programs. While NREGA suffers problems such as corruption and only partial implementation, in the two first years it did manage to deliver on average 42 to 43 days of work to each participant (Mehrotra 2008). There are major regional variations in the implementation of the program, with those in power seeking to stop it in places, sometimes through violent means, and various social movements fighting for its implementation. Case studies also show that in places it has been successful in raising local wages across the economy (Dreze and Khere 2009, Banerjee and Saha 2010, Roy and Dey 2009). According to some, its impact can be seen in an overall increase in wages in the country (Chandrasekhar and Ghosh 2011). Others, however, dispute that the statistics indicate that such wage increases have occurred (Usami 2011). There is no doubt that rural workers have benefited from NREGA but even now, five years after its inception, its overall impact on the rural working poor is not clear.

The second main initiative is the social security bill which was passed in 2008. Its objective is to deliver social security to all workers. However, there is no timeline for its implementation, no dedicated government funds set aside for it, no built-in minimum universal entitlement to social security and it is left to each state to implement it as they see fit (*Economic and Political Weekly* editorial 2009, Sankaran 2009). Its limited impact is indicated by a recent survey of Indian government social policy and social expenditure by John Harriss. It shows that the combined central government and state government social expenditure has not increased in recent years in spite of these new programs (Harriss 2011: 134–5).

However, it is well known that Indian states, regions and even localities differ significantly in social policies and capacity and willingness to implement them (Harriss 1999; Kannan 2010). Specifically, southern states such as Kerala and Tamil Nadu are well ahead of most other states. For example, before the social security bill welfare funds existed for certain groups of unorganized workers in some states, especially in Kerala (where 57 percent of all workers are covered), but also in Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, West Bengal and Tripura (Srivastava 2008: 120).

The third major initiative is the National Food Security Bill which the government, in December 2011, announced would be taken to parliament. It is a targeted program that would guarantee subsidized food grain to 75 percent of the population, with 46 percent of the rural population and 28 percent of the urban population receiving even cheaper food grain. (Himanshu and Sen 2011, *Economic and Political Weekly* editorial 2011). It would also move towards cash transfers instead of the actual provision of cheap food grain (Ghosh 2011). However, a number of states already have more universal provisioning of strongly subsidized food grain in place (Khera 2011).

Overall, Indian social policies take a non-universal approach. Of the programs, NREGA stands out as the one national social policy initiative which has importance in a pro-labour perspective, but it has not counteracted the increased inequality which has been documented, at least for the first decade of neoliberalism in India (1991–2002) (Jayadev et al. 2011). Compared to the Brazilian social programs its impact is clearly less.

The decent work-related policies in India are closely linked to the general relationship between workers, employers and the government in India. The Indian



government is not the main driver of the decent work agenda. It is well documented that since the government's forceful suppression of the 1974 national railway strike it, and the Indian employers, have been on the offensive against organized labour while successfully seeking to informalize production and employment. The overt liberalization policies from 1991 onwards strengthened their hand even further. Today organized labour is reduced to negotiating from a position of weakness, mainly seeking to avoid job losses and cutbacks while informalized contract workers and self-employed workers are on the rise. Global competitiveness is, of course, an argument oft-used in support of such policies and it is indeed the case that a major export sector, such as the garment industry, is heavily informalized; but so too are domestic sectors such as, for example, construction. It is hardly surprising that workplace or wage-related actions by informalized labour are very rare and that organizations working with labour in informal employment often channel their efforts towards workers' access to government social schemes (Banerjee 2005: 123–5; Datt 2002; Ghosh 2002; Harriss-White 2003, 2010b; Harriss-White and Gooptu 2000; Lerche 2007; Lerche 2010; Mezzadri 2008; Picherit, this issue; Srivastava, this issue).

In this context social movements, academics and labour movements working with informal labour have been the main movers of decent work issues. Since the 1990s India has experienced concerted rights-based movements which have created political momentum for a variety of reforms, including rights to education and rights to information. The three major reforms detailed above are but the latest outcomes of the political pressure built up by such movements (Srivastava 2008). At the central political level these initiatives have been supported by the left wing parties and, more crucially, by a section of the ruling Congress party led by the Gandhi family who have long seen the need for the Congress party to have a social profile in order to be electable.

The specific social and economic context of the reforms was nearly a decade of agrarian crisis in the country (1997–2004). The withdrawal of government subsidies and credit as well as the collapse of output prices of certain crops led to low and even negative incomes for farmers in some parts of India. Politically most important perhaps, this led to a much-publicized increase in farmer suicides and it became a political imperative to be seen to react to the crisis (Lerche 2011, Ramachandran 2011, Reddy and Mishra 2009). NREGA was adopted by the Congress government after a sustained civil society campaign. Since then the National Commission for Enterprises in the Unorganized Sector – a commission set up after the joint Congress/Left election victory in 2004 and which had unusually strong ties to left-leaning activists and academics – has played a major role in making the decent work discourse relevant to the Indian context, to the extent where a critique of the Commission refers to 'NCEUS's Indian gospel of decent work' (Deshpande 2008). In 2006 it drafted a Social Security Bill, a rump version of which was eventually passed. Among other things it also developed a strategy for promoting decent employment (NCEUS 2009).

Outside government circles the decent work agenda and direct project funding and campaigning support from the ILO have been welcomed. The NCEUS has been working closely with the ILO. The ILO also interacts with academics and activists through workshops, conferences and ILO programs in India. There are many commonalities in the analytical points of departure of Indian Left political activists,



intellectuals, union organizers working with informal workers and the ILO. For example, like the ILO, the activists also tend to see the self-employed as 'workers'. The fact that SEWA is registered as a *Union for self-employed* (women) is a case in point. So too are the NCEUS analyses and policy proposals for informal workers. These analyses are squarely based on an understanding of workers similar to the 'classes of labour' approach (NCEUS 2006, 2007, 2009). The 'working poor' concept is now in common usage in India, together with its homegrown variant: 'India's common people' developed by people within the NCEUS (Sengupta et al 2008).<sup>10</sup>

Practical and political links between the ILO and labour-related activists, scholars and organizations in India are numerous. In 2011 the ILO awarded the leading left wing Indian academic Jayati Ghosh the ILO Decent Work Research Prize. It routinely commissions background papers and policy analysis by Indian academics, fleshing out ILO policies in an Indian context. This includes papers on decent work (e.g. Ghosh 2008), social protection for Indian workers (e.g. Kannan 2004, and Unni and Ranai 2002), and on specific aspects of the decent work agenda such as forced labour (e.g. Srivastava 2005).<sup>11</sup> In July 2010 the ILO South Asia Office website displayed ILO-funded India and South Asia specific publications and reports on issues such as employment creation strategies in India, industrial relations, the role of unions and movements in achieving decent work and the role of tripartite structures, all of which relate to the decent work agenda (ILO n.d.b). Indian social activists and academics are more than happy for the ILO to promote policies which they themselves seek to further vis-à-vis their own government.<sup>12</sup>

Both classic unions and new unions such as SEWA as well as movements such as the National Domestic Workers' Movement and the Fishworkers' Movement in India receive campaign assistance from the ILO, and campaign under the decent work banner (DISHA n.d., NDWDM 2010, WDDW 2009). This is part of a clear ILO strategy as the ILO argues that the actions of organized labour movements, including both unions and other movements, are necessary in order to achieve decent conditions of work and pay. The ILO helps to legitimize the demands of such movements.

Under these circumstances, the sign-up of the government to a Country Decent Work Programme can be interpreted in part as the result of pressure from civil society organizations and the ILO. It may be argued that the CDWP can provide further legitimacy for the decent work agenda and enable movements and unions to make use of this in their struggles.

For the ILO it is arguably important to have success stories to feed into its push for worldwide social floor policies. NREGA has become a central, non-Latin American, example of modern income security-related policies in the South, referred to by the ILO as 'one of the largest rights-based social protection initiatives in the world' (ILO 2010c). It is debated at ILO retreats (ILO 2011d), and is the object of ILO supported studies (ILO 2010e). However, as pointed out by Harriss-White (2010), there is a mismatch between the positive, if patchy, NREGA social floor policy, and the extreme lack of rights and extremely poor bargaining position of informalized labour regarding work conditions and employment relations. As stated above, a positive interpretation is that the NREGA floor will lead to an improvement of the bargaining position of labour, but as a generalized phenomenon this is yet to materialize.<sup>13</sup> The question is whether the wish



of the ILO to support Indian social floor policies is counterproductive for progress on other decent work-related policies in India? By entering into the DWCP the ILO criticism of the absence of government regulations regarding the terms and conditions of informal workers employment is significantly weakened.

## *5. Conclusions*

The ILO has reacted to the changes that have occurred within the 'labouring classes' as part of the neoliberal drive towards flexibilization and informalization and its corresponding loss of influence and power. Its decent work approach has become the new main framework for international labour policies. Part of its strength is that it covers both work conditions and social floor policies but it remains that the ILO is without any meaningful means to enforce it.

In practice the decent work agenda has had little impact on the conditions of informal labour and even its focus on child labour and forced labour is yet to show major results. In the area of national social policies that there has been progress, especially in some Latin American countries where the dominant political coalitions have been sufficiently pro-poor. However, even in such countries the social policies lack depth and sustainability, as the social and economic basis for a continued alliance between the middle class and the poor is tenuous. As discussed earlier such alliances have classically formed the basis for more stable welfare regimes. They have coalesced both around social policies with universal coverage and which thus appeal across narrow social hierarchies, and around policies against inequalities in the labour market. This has created a common platform for welfare for workers and middle classes. The policies in Latin America have not been built in ways encouraging such alliances. The level of political mobilization among the working poor for the programs and against economic inequalities is also in its infancy. The development of crosscutting platforms and outright political mobilization is not part of the ILO decent work agenda and therefore leaves this agenda without sustained transformative power. This matters a great deal, even where the existing decent work agenda is far from being implemented in the Global South, because it has an impact on what to focus on within this agenda.

In India, conditions of work and pay are not improving for informalized labour. Labour finds itself in a very weak bargaining position, while government and employers push for further informalization. Social floor policies do exist, especially NREGA, but so far their impact on informal workers is patchy. Moreover, they are targeted as opposed to universal programs. There are also no policies aiming at dealing with economic labour market based inequalities.

The Indian political landscape also does not further the creation of broad pro-poor alliances. Social policies have been pushed through by middle class activists and by top-down initiatives, not by broad-based movements. Informal labour is not a political force to be reckoned with, neither in labour market relations nor in wider political contexts. This does not bode well for the sustainability of the alliance behind the social floor policies. The outcome of the existing policies is more likely to be 'management of poverty' than the creation of new social alliances that can carry through the decent work agenda in its entirety.



There are pitfalls in leaving behind the workplace-related parts of the decent work agenda in the push for social floor policies; there are no guarantees that non-universal social floors will lead to overall improvements in decent work. In India organizations such as the NCEUS are aware of this and have argued for policies combining the introduction of a social floor with the generation of decent work for labour (NCEUS 2009). In India and elsewhere this, however, is not about to become government policy. The lesson for the decent work agenda is that it needs to treat work conditions, employment rights and social policy-related rights as interlinked so as to deal with the underlying social and economic inequalities. The absence of policies that can catalyze wider alliances on the ground is a threat to the possibility for political mobilization. The lack of efforts and initiatives seeking to deal with employment-related inequalities and to promote universal welfare programs, may well stall the progress of the agenda. Except, of course, if the existing targeted social floor policies actually do end up strengthening the bargaining position of wide sections of informal labour.

## NOTES

1. By August 2011, the decent work country programs had reached 'final document' status in 61 countries, while 86 country programs were at preliminary stages (ILO n.d.a).
2. Its approach to labour issues is, by definition, consensual; something which is furthered by the fact that as the only UN agency it has a tripartite setup, with national governments, and employer and labour organizations as its three constituents.
3. The ILO 1944 Philadelphia Declaration statement, 'labour is not a commodity' is identical to Polanyi's view on labour, also published in 1944 (ILO 1944, Polanyi 1944).
4. It should also be recognized that, structurally, all positions in the production process held by members of the 'classes of labour' are not the same. As argued by Harriss-White, there are differences between PCPs and wage labourers. Most importantly PCPs are involved in more markets than wage labourers; namely in rent, interest and commodity exchange markets. It may also be that capital uses PCPs and wage labourers in different ways in the production process (Harriss-White 2010a: 3–4).
5. The eighth convention (ILO Convention No. 182 on the worst forms of child labour, 1999) was added when it was approved by the ILO a year after the initial announcement of the decent work agenda (Sankaran 2011a).
6. The ILO also came out in support of national minimum wages in 2008–9 (after a more subdued endorsement in 2004) (ILO 2004b, 2008–09).



7. By January 2012, 135 countries had signed all eight core conventions; 18 had signed seven only and 30 had signed six or less (ILO n.d. c)

8. This decline has in fact slowed down since the onset of the financial crisis in 2008 (ILO 2011a: 21–25).

9. India was one of only four countries which opposed the 2010 ILO convention for domestic workers. The Indian domestic workers' movement declared this convention a 'major victory for domestic workers' (NDWDM 2010). The ILO has long supported the movement's campaign in India for government regulation of the conditions of work and pay of domestic workers (ILO 2009c).

10. That said, it should be noted that a different, out-and-out in favor of self-employment view is prevalent among dalit political parties (e.g. the BSP) and among some dalit activist-intellectuals. This leads to the propagation of policies such as 'supplier diversity' – quotas within government procurement for SC/ST entrepreneurs which, if implemented, would lead to the strengthening of a class of SC/ST small-scale capitalists (Thorat and Sandana 2009). This is less relevant from a working poor perspective as it is well acknowledged that affirmative action is not particularly effective for poverty reduction as such policies tend to benefit the already better-off within the groups they are directed towards (Lerche 2008).

11. Ravi Srivastava and K.P. Kannan were two of the six members in charge of the NCEUS under the chairmanship of Arjun Sengupta.

12. See Lerche (2008) regarding this 'boomerang strategy' in relation to dalit movements in India.

13. More negative views of the social floor policies also exist. Harriss-White argues that in their present form they actually subsidize labour for capital (Harriss-White 2010b: 177); but so far there is little evidence in support of this hypothesis. Based on examples from Tamil Nadu, others argue that NREGA defuses the struggle for better pay and working conditions and exempts capital from responsibility to offer decent work conditions and pay (Vijaybaskar 2011).

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#### BIOGRAPHICAL NOTE

JENS LERCHE is Senior Lecturer in the Development Studies Department at the School of Oriental and African Studies (SOAS) of the University of London. His research interests include labour and the ILO, and labour, agrarian relations and caste in India. Recent publications include articles on work hierarchies and social mobilisation and on agrarian transition and agrarian crisis in an Indian context. He is editor of the *Journal of Agrarian Change*. His present research is on labour conditions and the working poor in India and China.



# *Reflections on Globalisation and Labour Standards in the Indian Garment Industry: Codes of Conduct Versus 'Codes of Practice' Imposed by the Firm*

*Alessandra Mezzadri, School of Oriental and African Studies*

## **ABSTRACT**

The 'globalisation' of the garment industry has taken place in a context of increasing flexibilisation and informalisation of labour. Concerns of corporate social responsibility, especially in the form of codes of conduct, have been presented as a potential way to address this 'race to the bottom' for labour. Focusing on the experience of two important garment producing areas in India, Delhi and Bangalore, this paper shows that these codes have limited impact on improving working standards. This is due to a sharp mismatch between codes of conduct and the effective 'codes of practice' imposed by firms to deploy labour and organise the labour process. Firstly, codes are mainly elaborated as factory-based regulations, and are inapplicable to non-factory realms of production. However, these are remarkably significant in India. In Delhi, armies of urban and rural homeworkers are employed in highly complex production networks. Secondly, even in the factory-based realm of production, codes are only designed to target a workforce enjoying permanent status. However, in the Indian garment sector, the very meaning of 'permanent work' is currently being challenged by exporters in new innovative ways. In Bangalore, exporters engage in different processes of feminisation and re-feminisation of the factory workforce in order to minimise their responsibility towards labour. The analysis shows how local architectures of production crucially mediate the impact of given formal regulatory measures. Moreover, it also highlights how the firm can effectively be used as a fundamental prism through which to study labour and labour standards.

## **KEY WORDS**

garment industry, India, informalisation, labour standards

## ***1. Introduction***

This paper discusses the limitations of Corporate Social Responsibility (CSR) approaches to labour standards drawing on evidence from the Indian export-oriented garment industry. The garment industry is one of the most 'globalised' industries in the world. Production is scattered across an increasing number of countries, particularly in Asia and



Latin America. Its progressive globalisation and transnationalisation have taken place in a context of increasing casualisation and informalisation of labour; a real 'race to the bottom' for workers in developing regions. Informalisation patterns have involved both the spread of informal employment relations as well as the increasing use of informal mechanisms of labour control that exploit deeply-rooted local structures of power. Patriarchy has been one of the leading tools used to discipline and control the garment labour force in East Asia and Latin America, paving the way to the feminisation of labour in the industry. In India there are today multiple and complex ways in which the process of informalisation of labour manifests itself, exploiting caste, gender, age, mobility and geographical provenance. Overall, the garment industry seems systematically unable to deliver 'decent work' to its labourers. Increasing awareness over the vulnerable and precarious conditions of the garment workforce in developing regions has led to increasing anti-sweatshops campaigning and to the rise, in the 1990s, of CSR initiatives. In the context of these initiatives, global buyers have elaborated voluntary codes of conduct that are meant to set given global labour standards. This paper first makes some general reflections on the theoretical flaws of the CSR agenda and its inability to speak for the working poor. It then moves on to illustrate the lack of effectiveness of the CSR agenda on the ground through the experiences of two Indian garment centres: Delhi and Bangalore. In Delhi, the limited effectiveness of codes of conduct is linked to their elaboration as factory regulations targeting a permanent labourforce, in a context where, on the contrary, labour relations are temporary and where a considerable part of the product cycle takes place outside the factories. However, also in Bangalore, where product cycles are more stable and standardised and where the workforce is effectively permanent, codes of conduct have limited applicability. In fact, even in a context apparently dominated by permanent labour relations, exporters engage in strategies and tactics to circumvent labour laws and to challenge and re-craft the very meaning of permanent work to their own advantage. The factory workforce, mainly composed by female workers, is today going through new patterns of feminisation and greater vulnerability.

In both these two cases, attempts to impose given codes of conduct clash with the 'codes of practice' imposed by firms and local actors on the ground. These codes of practice, that mediate different and complex processes of informalisation of labour, cannot but escape attempts at standardising working conditions. Where CSR norms are aimed at the creation of a universal system of knowledge (Blowfield 2005), firms actively use very locally embedded and diverse forms of knowledge to their advantage. Arguably, it is through firms' practices that *real* labour standards are created on the ground, and these differ substantially from the idealised benchmarks set by global business. This point may have useful methodological implications for future studies on labour standards. These studies should take into much greater consideration the relevance of local architectures of production as they are shaped by local actors and firms. This paper is based on quantitative and qualitative findings gathered during two rounds of fieldwork in India, between October 2004 and July 2005, and between March and April 2010.<sup>1</sup>



## ***2. The Garment Industry: Globalising Production, Informalising Labour***

The garment industry is well known to be a 'global' industry. Organised in what Gereffi and Korzeniewicz (1994) defined as 'buyer-driven global commodity chains', this industry went through different processes of location and relocation of production, acquiring a prominent place in the development strategies of several developing regions. By the 1970s, garment production had largely relocated to East Asia, where it became one of the leading export sectors. In the following decades, the rapid growth of what the World Bank called the East Asian 'miracle economies', together with the establishment of a quota system for exporting countries – the Multi Fibre Agreement (MFA) – triggered further processes of relocation of the industry. Soon, production reached Southeast Asia, Latin America, China, and finally South Asia (see Gereffi and Ramaswamy, 2000). This progressive 'globalisation' of production went hand in hand with the establishment and perpetuation of very flexible, casualised and informalised employment relations. It can be argued that the garment industry has always been characterised by casualised and precarious working arrangements. As early as 1901, the economist John R. Commons (quoted in Howard, 1997: 152) used the expression 'sweatshop system' with reference to clothing production. This was defined as a system of subcontract, wherein the work is led out to contractors to be done in small shops or homes', to be contrasted with the factory-system, 'wherein the manufacturer employs his own workmen...in his own building' (ibid).

Since its first move to the developing world in the 1950s and 1960s, the now 'global' garment industry reproduced and strengthened these specific employment features. Numerous studies of the industry in East Asia stress the highly casualised and precarious nature of jobs provided and promoted by the industry (see, for instance, Bonachich et al 1994, Bonachich and Appelbaum 2000, Rosen 2002, Chang, 2009). Indeed, the industry was among the first in exploiting local gender differences and patriarchal structures to provide the global economy with an easily controllable labour force, mainstreamed as 'docile' and highly productive (Rosen 2002). This process of 'feminisation' of labour (Standing 1999) responded to the need to reproduce labour as a cheap, disposable commodity. Feminisation has meant both a rise in women workforce participation rates and an expansion of insecure and precarious jobs, traditionally geared to women (Standing 1999, Salzinger, 2003).

Although indeed gender is a crucial axis of differentiation to segment the labour force, it is not the only social structure that can be deployed for this task. As the globalisation of garment production progresses, evidence from different exporting regions highlight the multiple types of strategies and tactics through which labour flexibility is achieved and reproduced. In China, the leading world player in garment export since the expiry of the MFA in 2005, evidence from the export-hubs situated in the Guangdong region show the increasing role of mobility, rural-urban differentials and structural inequalities in producing a vast pool of flexible and 'disposable' workers (see Pun 2006, and Chan 2002).

This process whereby casualisation is increasingly obtained via the exploitation of different pre-existing structural differences and inequalities is considered here as one of the leading features of the process of *informalisation* of labour. It must be noted that informalisation, in this sense, refers to both the increasing dominance of informal labour



in given industrial regimes as well as to the increasing regulation of such labour through given social mechanisms which generally pertain to the informal economy. The globalisation of garment production has gone hand in hand with this process of informalisation. In India, this dual development of the industry is mirrored in aggregate data as well as in qualitative accounts of garment production and labour trends in different industrial areas.

### *3. The Indian Garment Industry and Its Rising Informalisation*

In India, garment export started rising considerably by the early 1980s (see Table 1). By 2005 India was exporting US\$9.2 billion in apparel (Tewari 2008). By 2007, exports reached 9.45 billion, and India ranked 7<sup>th</sup> among the top 15 apparel exporters, with a share of world export set at 4.00percent (UNIDO 2009). In India, garment production is concentrated in a number of key industrial areas. The Apparel Export Promotion Council (AEPC), the government institution in charge of quota allocation under the MFA, identified these areas as Delhi, Ludhiana, Jaipur, Calcutta, Mumbai, Chennai, Bangalore and Tiruppur. According to AEPC, there are also two Export Processing Zones (EPZs) in Hyderabad and Cochin, although export turnover from these industrial areas still appears to be negligible (AEPC 2004).

*Table 1. Share of readymade garments in India's exports 1960-1961 to 2000-2001*

Year Value/ Percentage	Readymade garment export (Rs. Million)	Total export (Rs. Million)	Percentage of readymade out of total export
1960-61	10	6430	0.16
1970-71	290	15,350	1.89
1980-81	5,500	67,110	8.20
1990-91	40,120	886,690	12.32
1994-95	103,050	886,690	11.6
2000-01	254,780	2,035,710	12.52

Source: Author's adaptation from Table 3.1 in Singh and Kaur Sapra (2007: 43); based on DGCI&S data cited in Economic Survey 2002-2003, Table 7.3, 7.4, Government of India, various issues.

As Indian garment centres are increasingly incorporated into global networks, a rising number of workers tie their livelihoods to the fortunes of this sector. According to the Ambekar Institute of Labour Studies (1980), by the late 1970s, the larger share of labour in garment export was located between Delhi, Tamil Nadu and Maharashtra. There were some 45,000 garment workers in Delhi, 32,000 in Tamil Nadu, 112,000 in Maharashtra (Ambekar Institute of Labour Studies 1980). Today, these estimates have



risen exponentially. According to informal estimates provided by various AEPC local branches, by the Clothing Manufacturer Association of India (CMAI) and by the Tiruppur Exporters Association (TEA), the export-oriented garment industry employs approximately 1,826,000 in Delhi, Jaipur, Mumbai, Chennai, Bangalore and Tiruppur alone (Table 2). These estimates generally refer to factory-labour, and thus omit the vast number of non-factory based workers.<sup>2</sup>

*Table 2. Factory-based employment estimates in selected garment export clusters*

Indian garment cluster	Employment estimate (factory sector)
Delhi	336,000
Jaipur	50,000
Mumbai	140,000
Chennai	700,000
Bangalore	300,000
Tiruppur	300,000
Total	1,826,000

Source: fieldwork finding, based on interviews with AEPC-Delhi, AEPC-Jaipur, AEPC-Chennai, CMAI-Bangalore and TEA held between October 2004 and July 2005.

According to Rani and Unni (2004), patterns of employment generation in the garment export industry in India have gone through two different phases. In the first phase, until the mid 1990s, employment was mainly generated by the formal sector. In the second phase instead, from the mid 1990s onwards, the industry mainly generated informal employment. The same trend applies to the generation of value-added in the industry. Mainly led by the formal sector until the mid 1990s, increases in value-added from the mid 1990s onwards started being primarily provided by the informal sector.<sup>3</sup>

*Table 3. Growth rates employment and value-added in Indian organised & unorganised wearing apparel*

Wearing Apparel	Value added		Employment	
	1989-90 to 1994-5	1994-5 to 1999-2000	1989-90 to 1994-95	1994-5 to 1999-2000
Organised	27.0	2.3	17.3	3.8
Unorganised	6.2	14.9	0.7	15.2

Source: adapted from Rani and Unni (2004: 4577, Table 7; data from NSSO 1989-2002, CSO 1985-2002).



These figures show that the Indian garment sector is effectively going through a steady process of informalisation. Fieldwork findings show that informalisation manifests itself with different local modalities in the eight main export hubs (Mezzadri 2009). In each area, exporters exploit to their advantage the many social structures and structural differences already paving the way to accumulation patterns in the Indian informal economy (see Harriss-White, 2003).

In northern export areas, industrial systems are particularly fragmented and layered, and informalisation patterns involve the exploitation of gender, caste, age, and geographical provenance. In southern areas, particularly in Bangalore and Chennai, where industrial systems are less fragmented, the local modalities of informalisation are crafted around the feminisation of labour.<sup>4</sup> Both typologies of informalisation are based on industrial regimes that are highly 'unfriendly' towards the labourforce. In India as elsewhere, the garment workforce is a very vulnerable workforce, characterised by precarious working conditions. The 'global' garment industry seems to be systematically unable to generate what the ILO calls 'decent work' (ILO 2004). The recognition and codification of this problem as 'global', as impacting upon all garment producing countries, is at the centre of a rising consensus on the need for global labour standards. That is, global problems need global solutions. However, the next sections will attempt to challenge this view. First, it will focus on the general theoretical contradictions of global labour standards and CSR initiatives in addressing the problems of the working poor. Second, it will discuss their empirical, effective limitations in the Indian case. For this last purpose, the paper will discuss in depth the cases of Delhi and Bangalore. These two Indian garment clusters are experiencing the two different typologies of informalisation briefly mentioned above.

#### *4. The Globalisation of Labour Standards: Speaking for Capital, Not for the Working poor*

By the 1990s, it became clear that several global industries had disappointing labour 'outcomes'. This was paralleled by the rise of CSR concerns, and the proliferation of what have become known as 'codes of conduct'. These codes, which take the form of factory-based regulations, effectively propose the elaboration and imposition of global labour standards for workers in the 'production nodes' of global commodity chains. Garment production, as one of the key light manufacturing industries largely based on the exploitation of cheap, Southern labour, has been particularly targeted by these codes. Arguably, ideas over the 'social responsibility' of corporate capital trace back to the 19<sup>th</sup> century. In the US, the consolidation of the first large corporations was soon followed by the rise of anti-trust regulations and movements. New efforts to regulate corporate activity re-emerged first in the aftermath of the Great Depression, and then by the 1960s, when the main focus of regulation turned towards consumer and environmental protection (Jenkins 2005). By the 1960s and early 1970s, as manufacturing production started being relocated to poorer regions, many developing countries increased efforts to regulate the activities of foreign corporations (Jenkins et al, 2002). At the same time, the regulation of corporate activity became an international effort. In 1974, the UN developed the Draft Code of Conduct on Trans-National Corporations (TNCs). In



1977, the ILO drafted the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy. It is in this document that the ILO first suggested given standards for labour employed in TNCs. Core labour standards identified were: the abolition of forced labor; the abolition of child labor; the respect for the principle of non-discrimination at work; and the right to freedom of association (Jenkins et al, 2002).

Unsurprisingly, both national and international efforts towards regulation substantially faded away during the 1980s. The rise and establishment of the neoliberal paradigm and its emphasis on free markets left little room to regulation. In particular, the imposition of any labour standard to developing regions was in open contradiction with policies which praised cheap labour as their main comparative advantage (see Breman 1995). However, by the 1990s, the social responsibility agenda was resuscitated once again, and started focusing particularly on labour. In fact, during this period, a number of consumers' initiatives started exposing the unfair labour practices deployed by MNCs in poor regions. According to Naomi Klein – who would soon become one of the main anti-brands gurus after writing her 'No-Logo' – the year 1995-1996 in the US could be re-labelled the 'year of the sweatshop'. As campaigning peaked, Kathie Lee Gifford cried on national TV when publicly accused of 'new slavery' (Klein 2000). The business world responded to campaigning, and soon a number of companies started elaborating their own voluntary labour standards; codes of conduct imposing 'fair' labour practices in their factories. This final re-birth of the social responsibility agenda also signalled its profound transformation; it was *internalised* by corporations. Today, all big global buyers have their own voluntary codes of conduct, broadly inspired by the earlier ILO core standards for labour. Many buyers adhere to multi-stakeholders initiatives, such as the Ethical Trade Initiatives (ETI).<sup>5</sup> Increasingly, CSR is mainstreamed in the work of international organisations and donors. It is an important component of the new ILO 'decent work agenda' (ILO 2004). ETI itself was created thanks to the pressures of the DFID Responsible Business Unit in 1997-1998 (Jenkins 2005, see also O'Rourke 2006).

Early critics of the CSR agenda underlined what Aristotle would define as its 'impossible probability'. After all, as famously summarised by Milton Friedmann, 'the business of business is business'. This business can hardly be 'self-regulating', as far as labour standards are concerned (Jenkins et al 2002). Others argued that CSR could become 'protectionism with a human face', as the so-called 'social clause' could create strong non-tariff barriers against a number of poor countries unable to comply with a new diktat that effectively imposed new forms of private-led conditionality (see Kabeer 2000).<sup>6</sup> Moreover, empirical research started showing how codes were often a merely managerial practice, while their impact was very difficult to monitor.<sup>7</sup> They seem to have variable impacts in different regions and sectors (Jenkins et al 2002) and on different social groups.<sup>8</sup>

More recently, it has been argued that the CSR agenda perfectly mirrors globalisation, as a process whereby the capitalist logic is mainstreamed as the dominant and *legitimate* one (Blowfield 2005).<sup>9</sup> Effectively, in the context of CSR, capitalist assumptions become universally valid and are made applicable to realms generally outside that of business practice. In this process, as rightly noted by both Jenkins (2005) and Utting (2009), the relationship between business and society is fundamentally re-crafted. Effectively, the mainstreaming of the CSR agenda can be portrayed as an attempt by



capital to expand its reach, and escape older forms of control previously imposed by society on business. Moreover, once business is able to define what is 'ethical' or 'unethical', it can not only avoid external control, but it can also create new markets. The proliferation of fair-trade and ethically-responsible consumer goods in western department stores exemplifies this last point. Therefore, the rise of CSR does not simply represent the elaboration of a 'new business model'; rather, it represents the emergence of new organising principles through which business seeks to supersede its traditional social constraints, whilst also expanding its reach to new arenas. It is, in many ways, an active attempt towards the *commodification of ethics*. It must be noted that this 'moralisation' of markets and the progressive privatisation of regulation are clearly in line with the neoliberal capitalist project (O'Laughlin 2009) and its increasing emphasis on private-led development (Blowfield 2005).

Based on the abovementioned considerations, one could quite easily already conclude that today CSR is a clearly pro-capital agenda, which is not meant to speak for the working poor. Nevertheless, in areas where national labour laws are missing or scarcely implemented, CSR is understandably appealing, and it is hard to simply dismiss it on the basis of theoretical considerations. In some areas and sectors, it is increasingly presented as the only option currently available. Many argue that, even if pro-capital, CSR can also speak for labour. However, it is argued here that this position can be problematic. In fact, as rightly observed by Blowfield (2005), CSR presupposes a universalising economic system, based on a universally legitimised, 'transcendental' form of knowledge. This construct actually clashes against the presence of multiple and varied forms of power and knowledge one can find in the different areas where production is increasingly decentralised.<sup>10</sup> This point is particularly relevant for the scope of this paper. In fact, the multiple and varied ways in which today the process of informalisation of labour is mediated, produced and reproduced cannot but escape any attempt at imposing global labour standards. The theoretical 'impossible probability' of CSR as an effective agenda for the working poor is empirically confirmed by its limited impact on the ground. In particular, drawing from the experience of the Delhi and Bangalore garment industry, the next sections will show that, on the ground, codes of conducts clash with the 'codes of practice' imposed by local actors and firms.

## ***5. 'Codes of Practice' in Delhi: Migrantisation of Factory Production, Homeworkisation of Value Addition***

In the Delhi garment cluster, the limited impact of CSR practices in the form of labour standards is due to the great fragmentation and parcelisation of the production process and the great variety of mechanisms for labour discipline and control. Here, garment production is a complex world of multiple production spaces. Different agents and actors shape a variety of networks within those spaces, crafting a particular fragmented and layered product cycle. Export firms are at the top of the production hierarchy and of the organisation of the product cycle.

High levels of fragmentation have their roots in Delhi's artisanal heritage in tailoring, which traces back to the Mughal Empire. Shahjanabad, today known as Old Delhi, was already a specialised tailoring centre by 1648, particularly known for



embroidery. During the Mughal period, skilled artisans operated from household karkhanas (workshops) and catered to royal households. With the decline of the Mughal dynasty, artisans either migrated or created caste or craft-based mahallas (craftsmen shops). With the arrival of the British colonisers, production was organised in market forms of distribution (Blake 1993, Singh and Kaur Sapra 2007). This old artisanal legacy still informs the organisational make-up of the 'modern' export industry. By the 1960s, when export production rose in Okhla (Alam 1992), it was still characterised by small tailoring units organised in putting-out system of production. Until the 1980s, a core of powerful merchants – connected to overseas importers – towered over this army of little artisans without access to final markets (Singh, Kaur and Kaur Sapra 2004; Ambekar Institute of Labour Studies 1980).

Since the 1980s, growth in exports pushed the industry towards new areas; the New Okhla Industrial Development Area (NOIDA) in UP, and Gurgaon and Faridabad in Haryana. Together with Delhi city these areas form the National Capital Region (NCR).<sup>11</sup> Fieldwork findings reveal that although merchant capital is still very high to date, manufacturing capital is on the rise, and unit size is increasing (see also AEPC data, 2004). On the other hand, however, exporters generally own multiple small or medium firms, rather than single larger factories. AEPC-Delhi reports that there are between 3,000 and 4,000 units in the NCR today, but the number of exporters is much lower. Direct export firms still have limited manufacturing capacity, and rely on high levels of subcontracting. Fieldwork findings also suggest that direct export firms subcontract around 60-70percent of their export orders to a large pool of smaller garment producers, or job-workers, without access to export markets. Therefore, the factory-based realm of production in Delhi is still highly fragmented, and defined by very uneven and hierarchical relations of power between different actors on the basis of their link with final markets. Production techniques inside the units still make substantial use of 'make-and-through' techniques, where one tailor stitches the entire garment. However, group-systems – where groups of tailors work on one item – and semi-assembly lines are also present. Subcontracting is used to increase manufacturing capacity, but also to perform processing and ancillary activities. Delhi specialises in ladieswear production, where ancillary activities, especially embroidery (as in Mughal times), are very important. After embroidery, the production price of one garment can double (Lal 2004). Embroidery activities take place in a vast, non-factory realm of production, connected to the factory according to the needs of the export firm.

Fieldwork findings show that both factory and non-factory realms of production are inhabited by very casualised and informalised types of labour. However, informalisation in these two realms takes place in qualitatively different ways. The factory-based realm of production makes substantial use of migrant workers from UP and Bihar, among the poorest states of the Hindi belt (Fieldwork interviews; see also Singh and Kaur Sapra 2007). Around 80percent of these workers are casual or temporary labour. Their wages vary very significantly, from firm to firm (direct export firms, for instance, apply higher wage rates than subcontracting firms), and on the basis of workers' skills and experience. Field findings reveal that by 2005 unskilled workers earned just above 2,000 rupees per month, while skilled workers' salaries could range from 3,000 to 10,000 rupees. However, generally only master cutters and master tailors were paid



between 8,000 and 10,000 rupees. Moreover, wage levels in the industry, as well as systems of payment, also depend on who organise and manage labour networks.<sup>12</sup> In fact, migrant workers are often organised by local labour contractors, who recruit them in the villages and bring them to Delhi. In Delhi, resident contractors are in charge of dealing with the labour needs of the export firms. The management of the labour process heavily depends upon these agents, who shape patterns of *in-contracting*. In fact, if a significant share of garment orders is contracted *out* by garment firms, labour instead is contracted *in*; a process already described by Portes and Castells (1989) with reference to Latin America. In this fashion, the formalisation of production – linked, for instance, to increases in unit size – can take place without a parallel formalisation of labour relations. Due to their precarious working arrangements, migrant workers aim at maximising their cash inflows during peak season. According to the labour organisations and unions interviewed in the NCR, the average working day in the Delhi garment industry is of at least 14 hours. Migrant workers go back to their villages in UP and Bihar during the lean season, starting in April. According to field findings, this process of circular migration implies a yearly labour turnover in the sector of around 60percent. Exporters argue that these astonishingly high levels of break in service are due to migrant workers' choices. However, these working arrangements benefit tremendously the industry, as they provide a flexible and casualised reservoir of labour. This *migrantisation* of factory production represents the dominant modality of informalisation in the factory-realm of production in Delhi, and allows for a very efficient minimisation of labour costs.

In the non-factory based realm of production, informalisation processes are particularly complex. Embroidery activities, or *embellishment networks* (Mezzadri 2008), are orchestrated by specialised agents called thekedaars, and are sub-divided in machine or hand-based activities. Generally, thekedaars specialise in either of these two different activities. Machine-embroidery is carried out on pedal machines; hand-embroidery can either make use of a particular handloom, called the adda, or be simply based on needlework. Machine embroidery takes place in informal units in and around the main industrial areas, in small informal workshops which resembles the old artisanal mahallas Delhi was famous for. Adda-work can either take place in similar informal units, scattered around the main industrial areas, or be entirely decentralised to periurban areas and villages in and around Bareilly, in UP. Here, adda-work, locally mostly known as zari-work, is a traditional skill. Thekedaars mostly need Delhi-based units for sampling purposes, and small or urgent deliveries. However, they decentralise the bulk of embroidery activities to rural household units and homeworkers in UP, in order to benefit from lower labour costs. In Bareilly, adda is an abundant skill. It is practiced by a significant share of local Muslim communities, so it is readily available and less expensive.<sup>13</sup> Urban-rural wage differentials between Delhi and rural UP are a very effective tool for cost minimisation. Labour costs in the Delhi units, instead, are contained through the substantial use of migratory child labour. Field findings suggest that a large share of these working children come from Bihar. A child labourer is paid half the wage of an adult worker within the piece-rate system adopted by the contractors (Fieldwork interviews and findings, see also Mezzadri 2008). What exporters and contractors call 'simple' needlework, also known as beading or moti-work, takes place in different residential, industrial or commercial areas in Delhi, and it is mostly carried out



by female homeworkers, who, in this particular production system as in many others in India, are at the bottom of the employment ladder. Overall, in the non-factory realm of production, informalisation manifests itself through different processes of *homeworkisation* of value-addition. Both in the factory and non-factory based production realms, the process of informalisation reproduces different types of informality, whilst, at the same time, it strongly relies on informal structures and differences- such as gender, age, mobility and/or geographical provenance- to control labour and contain labour costs.

The combination of these different modalities of informalisation is part and parcel of the *modus operandi* of the export firm in Delhi. It allows cost minimisation and it guarantees the flexibility required by the firms to reproduce their incorporation into global markets, in the specific segment of ladieswear production, which is particularly volatile and characterised by small and fast-changing orders. In this particular setting, global labour standards are deemed to failure. In fact, corporate codes of conduct are elaborated as factory regulations, and assume the presence of a stable and permanent factory labourforce as the *a priori* condition for their effectiveness. This is hardly the case in Delhi, where factory labour is mainly composed by migrant workers on casual or short-term contracts, and where a significant share of the production process takes place outside the factory realm. Here, codes are not only ineffective, but simply inapplicable. Arguably, they simply replicate the failure of national legislation, whose scarce effectiveness is also due to the large presence of non-permanent labour relations. Recent attempts are currently being made to address this issue. In Bareilly, ETI has recently started a pilot project aimed at improving the conditions of artisans incorporated in the last part of the production process. This project has involved the creation of an organisation gathering a number of local contractors, who are generally seen as the 'evil link' within the chain.<sup>14</sup> Although at an embryonic stage, this project highlights the presence of great power imbalances in the industry. These imbalances can be measured not simply in terms of capital-labour relations, but also in terms of different 'capitals' and their struggle to survive in the global economy. While contractors are pressurised to change their unfair labour practices, export firms in Delhi refuse to change their use of contractors as a form of disposable capital, and continue to work with them on the basis of *kachcha* ('raw', informal) contracts and word of mouth. Faced with increasing pressures, contractors continue dumping their rising risks on home-based workers. In this complex scenario, codes cannot possibly regulate labour and improve the lives of the working poor. In fact, this regulation is incompatible with the local architecture of production and the local modalities of informalisation. Labour regulation is instead shaped by specific 'codes of practice' imposed by local actors and firms.

## ***6. 'Codes of Practice' in Bangalore: Feminisation and Re-feminisation of Production***

If the lack of permanent, stable employment relations severely limits the effectiveness of codes of conduct, the presence of such relations does not necessarily guarantee their success. In fact, firms can elaborate strategies and practices in order to



circumvent labour legislation in ways which effectively even risk re-crafting the very meaning of 'permanent work'. This is the process which seems to take place in Bangalore. The garment industry in Bangalore and Delhi are organised in substantially different ways. Bangalore is characterised by a more compact and centralised production space. It is a 'younger' production centre, and its late entry into garmenting is likely to have impacted both its local industrial trajectory and its product specialisation. Fieldwork findings reveal that the initial growth of garment production was facilitated by the proximity to the fabric producing centres of Salem, in Tamil Nadu, and Kannur (previously Kanannore) in Kerala.

The first garment export economic boom started in the early 1970s, and was led by one family, whom I will call Pakeeza. Arriving in Mumbai from Pakistan after the Partition, the Pakeezas moved to Bangalore where they initially specialised in silk yarn trade.<sup>15</sup> They moved into garment export in the 1970s. As northern export centres like Delhi had an advantage in mercantile production, the family soon set up its first garment manufacturing unit. By the end of the decade their blossoming export business was divided between the two Pakeeza brothers who founded the two garment colossuses Garment Export and Garment Image. Interviews with key informants and with one family representative (currently running Garment Image) reveal that today the two companies together employ over 30,000 workers, respectively scattered across thirty-six and eighteen units. The Garment Group accounts for a very large share of the whole Bangalore garment export business. The second economic boom started in the second part of the 1990s, and was primarily due to the relocation of garment firms from Mumbai.<sup>16</sup> Today Bangalore is considered one of the key garment export areas in Southern India, and specialises in basic menswear and outerwear (AEPC 2004, Ambekar Institute of Labour Studies 2005). This type of product is mass produced and requires a more stable and continuous product-cycle than that which characterises Delhi's ladieswear production.

In the 1970s, the Bangalore garment industry was largely concentrated around the Lalbagh area, a crowded commercial neighbourhood. However, soon firms started moving towards the outskirts of the city. Today, production clusters around a few industrial estates; Peenya industrial area, Boomsandra and Mysore Road (RoyChowdhury 2005); as well as Whitefield and Hosur Road (fieldwork interviews). By 2003, there were officially 788 garment manufacturing units in Karnataka, of which 729 were in Bangalore (Sharma 2005). As in Delhi, Bangalore exporters own multiple export units. According to CMAI-Bangalore there are no more than 300 exporters in the city. However, export units are larger than in Delhi, and levels of subcontracting substantially lower. In fact, these units make a more general use of semi-assembly and assembly line production, due to their product specialisation in basic-wear garments. This implies higher entry barriers for subcontractors since direct exporters require that they have at least one batch of assembly line, composing 30-35 machines. In addition, ancillary activities are negligible compared with Delhi; embroidery is generally computerised, and it takes place inside the factories on specialised, capital-intensive machines called 'heads'. Overall, fieldwork findings suggest that factory production dominates the Bangalore garment sector.



This more compact and even production space, defined by less fragmented product cycles, is inhabited by a very different labourforce compared with what one finds in Delhi. Moving from north to south, the heterogeneous labouring classes which characterise the Indian garment sector makes way for an apparently homogenised labourforce, composed mostly of female factory workers. Trade unions, the Bangalore Labour Commissioner Office and CMAI-Bangalore agree that female labour represents around 90percent of the total factory workforce. At present, next to the beedi industry, the garment industry is considered among the largest employers of women in Karnataka (Roy Chowdhury 2005). According to Sharma (2005), in Bangalore, it is the largest employer in absolute terms. Women workers mainly come from local areas in and around Bangalore, and are generally recruited directly by the firms, through advertisement on notice boards outside the factory, and therefore without the use of labour contractors. Walking around in Peenya industrial area, one can see numerous recruitment notices announcing: ‘experienced ladies tailors needed’. Trade unions and labour organisations such as Civic Initiatives for Development (Cividep), which is particularly active in the area and sector in question, confirm that these female workers generally enjoy permanent status. They are paid monthly wages, and employers regularly pay their Provident Fund (PF) and Employee State Insurance (ESI), as accorded by Indian labour legislation. In the Bangalore case, the use of more stable and continuous employment relations is coherent with the industrial requirements of a more standardised and continuous product cycle. At the same time, the use of these employment relations does not clash with – but rather reinforces – the logics of labour cost minimisation in this particular context. Women workers are paid relatively low – albeit stable – factory wages. Also here, wages vary tremendously, particularly from firm to firm and on the basis of experience. Direct export units pay higher wages. Then, in all units, women workers are classified in three different categories; A, B, and C. Category C workers are ‘newcomers’ in the sector. In 2005, according to Cividep and to the Bangalore Labour Commissioner Office, they were generally offered apprentice wages of around 800 rupees. According to the same informants, Category A workers earned 2,100 rupees per month. Garment Image, instead, claimed to pay 2,100 rupees for unskilled workers and 2,875 for very skilled ones. Either way, factory wages are significantly lower than those paid to male tailors in Delhi. In fact, exporters who own units in both Delhi and Bangalore underline that factory labour costs are much lower in Bangalore. Many explicitly praise Bangalore’ docile and cheap ‘loving population’.

In a context where factory labour costs are the major share of the overall labour costs, the availability of low factory wages is crucial for export firms. Arguably, low wages are legitimised on the basis of a discourse of de-skilling. Working on assembly and semi-assembly lines, women workers are seen as semi-skilled operators rather than skilled tailors, like in Delhi. Gender discrimination reinforces this discourse; these workers are seen as only semi-skilled because of the segmentation of production techniques *and* because they are women. De-skilling, in this case is constructed in a twofold way; through shop floor organisation and practices, and through gender. Also, women workers are overall perceived as less threatening in terms of potential for unionisation, and therefore they are considered an ideal labourforce to be employed in the larger industrial



units which characterise the Bangalore garment industry (fieldwork interviews and findings).

The 'permanent status' these women workers supposedly enjoy needs to be questioned. On the one hand, these female workers are directly recruited and provided with permanent contracts; very different from the labourforce engaged in garment production in Delhi. On the other hand, permanent status seems to be progressively subject to a given 'deadline'. Such a deadline, as bitterly put by a trade unionist, is 'four years and eleven months'. In fact, after five years inside the same export firm as a permanent worker, employees are entitled to the payment of a number of bonuses under the Indian labour legislation. The most important of these is gratuity, which is the payment by the employer of fifteen days of work for every year spent in the same firm. Exporters interviewed in Bangalore reported a very high annual labour turnover in their factories. Garment Image factories, for instance, reports an annual labour turnover of 26percent; that is, they effectively change one third of their entire factory workforce every year. This is somehow a striking estimate considering that the industry is formally characterised by a permanent workforce. Firms attribute this trend to voluntary leave, especially on the basis of 'marriage-related' break in service; when workers – whose age group is increasingly young – marry, they either relocate with their husbands, or they stop working altogether. According to unions and labour organisations, workers are forced to leave in order for the firm to avoid payment of gratuity and other bonuses required by Indian labour legislation. Workers are then often encouraged by employers to start working for another unit under a new 'permanent' contract (fieldwork interviews and findings). This particular code of practice adopted by firms in Bangalore mainstreams the logics of informalisation to the permanent factory labourforce – a process Chang (2009) has recently called the 'informalisation of the formal' – effectively challenging the very meaning of permanent work. In this sense, Bangalore's feminised labourforce is subjected to a *further wave* of feminisation. This labourforce, in fact, experiences a further deterioration of working conditions and a further increase in employment insecurity, even in a context of supposedly secure labour relations. In Bangalore, new and innovative modalities of informalisation, apt at circumventing rather than openly breaching existing labour laws are actually based on these processes of feminisation and re-feminisation of the workforce (see Mezzadri 2009).

Also in this scenario, the potential for codes of conduct to address the needs and problems of the local working poor seems drastically limited. Once again, codes may simply reproduce the failure of national regulation, which is so skilfully circumvented by exporters. The limitations of codes of conduct are more obvious in the case of Delhi; they are elaborated as mere factory regulations, in a context where the factory-realm of production is informally organised and where non-factory production spaces are particularly relevant. However, even in the Bangalore case, the predominance of the factory as the main space where production occurs is not a sufficient condition to guarantee the potential effectiveness of codes. Also in this case, firms engage in practices which have opposing objectives to those formally put forward by the CSR agenda. Firms actively try to avoid the establishment of the very universally legitimised form of knowledge that CSR is supposedly trying to impose. The aim of export firms is still labour fragmentation, lack of cohesiveness and lack of organisation, as they guarantee –



and in turned are reinforced by – labour cost minimisation. These are fundamental objectives for export firms. They guarantee firms' incorporation into global production networks, by reproducing their comparative advantage in (cheap) labour-intensive production. This advantage, far from being 'natural' as conceived by classic models of international trade, must be actively constructed, produced and reproduced; and firms do so by subjugating labour in a variety of different ways. Through their practices, export firms ensure that, even in their permanent status, Bangalore female workers are still subject to high levels of insecurity. The very logic of feminisation is strongly based on gender discrimination at work; it is crafted to circumvent that right of association which almost all codes of conduct refer to; and the politics of 'PF retention' practiced by employers is not completely inconsistent with that of bondage (indeed, this is the very provoking argument put forward by some unionists).<sup>17</sup> Once again these practices, which already severely limits the ability of national legislation to protect workers, and which are at the very basis of the local architecture of production and labour control, seem fundamentally inconsistent with attempts to globalise labour standards.

## ***7. Conclusions: Local Firms, Codes of Practice and the Real Labour Standards***

Today, the question of labour standards is a pressing one. As the globalisation of garment production progresses, its impact on labouring classes seems increasingly harsh. Production nodes of global commodity chains and production networks are characterised by different sweatshop systems, where labour is increasingly casualised and informalised in multiple different ways. Informalisation involves a systematic exploitation of informal mechanisms to control the labourforce, based on deeply-rooted inequalities and structural differences, such as gender, age, geographical provenance and rural-urban wage differentials. India is experiencing a process of de-facto informalisation pictured by aggregate data (Rani and Unni 2004). Here, fieldwork findings reveal that informalisation manifests itself with different modalities, producing and reproducing very different labouring classes who share very insecure and vulnerable working conditions. The general race to the bottom experienced by garment workers in different regional settings has been progressively conceptualised as a global concern that needs global solutions. Since the mid 1990s, CSR initiatives and in particular codes of conduct for labour have been put forward as one possible global solution. However, these initiatives, seem to be clearly pro-capital, as they are increasingly mainstreaming business values to the realm of 'the social', altering the original balance between business and society in favour of the former (Jenkins 2005, Blowfield 2005). CSR is pushing business well outside its traditional boundaries; at the same time it is also providing it with new market possibilities.

Despite its theoretical flaws, CSR is difficult to dismiss. In many regions, where labour laws are missing or poorly implemented, the corporate world starts being seen as the regulator of last resort. Corporate labour standards – as the argument goes – are better than no standards. However, even this point is problematic. In fact, a key question to address is: who really sets labour standards *in practice*, why and how? This paper has shown that these standards are crucially influenced by firms' codes of practice. These help



pave the way for given patterns of informalisation, sustaining firms' comparative advantage in cheap labour, and reproducing their incorporation into the global economy. Standards are crucially shaped by these codes of practice, which are elaborated by firms to guarantee labour control and labour cost minimisation. The attempt at globalising labour standards through the imposition of general corporate codes of conduct clashes against these codes of practice, as the latter are instead deeply embedded in the local economy, in local forms of knowledge and power. In fact, these codes of practice do not aim at a universal codification of the labour relation. On the contrary, they aim at splintering and disorganising, making 'the labour experience' as atomised as possible.

The two cases discussed in this paper highlight the different ways in which the codes of practice imposed by local firms, which already clash with Indian labour legislation, effectively also clash with corporate codes of conduct. In Delhi, these codes of practice trigger patterns of informalisation based on the *migrantisation* of factory work and different types of *homeworkisation* of value addition. Here, the limited applicability of codes is due to their prime elaboration as factory regulations, in a context where, instead, very fragmented and informalised industrial and labour regimes dominate, and where a substantial part of the production process takes place in non-factory settings. Despite the dominance of the factory realm of production and apparently permanent labour relations, the applicability of codes of conduct also needs to be questioned in the case of Bangalore. Here, firms engage in practices which are apt to circumvent labour laws- without necessarily breaching them- and which are effectively changing the very meaning of permanent work. Bangalore, characterised by a feminised labourforce, is today experiencing new, 'innovative' modalities of informalisation based on new waves of feminisation and re-feminisation of the workforce. Firms' strategies actively empty the 'permanent status' of workers of real meanings in socio-economic terms, exposing also permanent workers to increasing levels of insecurity.

The theoretical and empirical analysis discussed here allows for some concluding methodological reflections, which can be relevant for the study of labour standards in the future. In fact, the recognition of the relevance of firms' codes of practices in crafting and reproducing such standards has clear methodological implications. The firm, in this case, becomes a fundamental analytical prism through which the study of labour conditions can actually be enhanced. It is not simply the physical space where one can analyse labour trends, dynamics and shop floor organisation; it is a highly charged political space where one can observe capital's daily struggle to subjugate and domesticate labour and reproduce its commodification in multiple ways. This struggle has a crucial impact on patterns of labour deployment, exploitation and on patterns of labour control. Working conditions – the *real* labour standards – are an outcome of this struggle. By looking at labour through capital, very useful lessons can be learnt on how specific working conditions are imposed, reproduced, and why. This can be an important exercise in order to find new ways to improve those conditions, and to move towards an agenda that could finally speak for the working poor.

These are methodological reflections; however, they also have clear political implications. While we need the elaboration of new, meaningful labour rights agendas, these agendas should start from an understanding of how capital works in given geographical settings, not simply focusing on technicistic, one-size-fits-all approaches to



working conditions. In this sense, the author still sees national legislation as the key, crucial sphere of competence in terms of labour standards, particularly in a country like India, which hosts a huge share of the world's working poor. Potential failures in the implementation of national labour norms (like in the two cases discussed here) do not necessarily imply the need for supranational forms of legislation, as the latter may simply replicate such failures (like in the two cases discussed here). Rather, they indicate the need for a re-tuning of such national norms, in the light of contemporary processes of capital reorganisation. The extent to which supranational legislation can at least provide useful platforms for national labour struggles is a compelling question, and one which deserves both research and political attention in the future. However, so far, this type of legislation has too often led to projects which can be very easily highjacked by capital.

## NOTES

1. Qualitative material is based on interviews held with exporters, contractors, unions, business and labour organisation and, occasionally, focus groups with workers. The fieldwork aimed at exploring production and labour regimes in the eight main export centres in India, their different incorporation into global production networks, and the different modalities of local processes of informalisation. This paper focuses only on two centres – Delhi and Bangalore. The 2004-2005 fieldwork round was highly mobile, as I travelled numerous times across the different garment centres. Disaggregating 'field time' spent in each centre is therefore not an easy task. My understanding of the industry benefited greatly from constant comparisons across centres, made possible via this process of relentless travelling. This is particularly true for the Delhi case. While I have engaged in in-depth fieldwork in and around Delhi between October and November 2004 and between May and July 2005, my understanding of the industry was also greatly enhanced by shorter fieldwork spells carried out throughout the year. Between April and May 2010, a new round of fieldwork was carried out in Bareilly, in Western Uttar Pradesh, a core site for *embellishment networks*. Fieldwork in Bangalore was mainly carried out between December 2004 and January 2005. A second short trip was also arranged, in May 2005. For a full analysis of the Indian garment industry, see Mezzadri (2009).

2. This is the case for Delhi, Jaipur, Chennai, Bangalore and Mumbai, while for Tiruppur TEA suggests these estimates account for both factory and non-factory based labour (TEA, interviews).

3. See also Unni and Rani (2008).

4. For a detailed picture of local processes of informalisation in the industry, see Mezzadri (2009).

5. For a discussion of other multi-stakeholders initiatives, see Sum and Pun (2005).



6. On a similar vein, but focusing on buyers-suppliers relations, De Neve (2009:71) more recently defined ethical standards as 'new yardsticks of modernity'.
7. Looking at the case of two factories in China, Pun (2005) underlines how in many instances training sessions on social compliance target middle and upper managerial staff (such as supervisors or line-leaders) rather than workers. Seidman (2009) highlights the general limitations of voluntary monitoring systems in South Africa, India and Guatemala.
8. Looking at the African export horticulture sector, Barrientos, Dolan and Tallontire (2003) discuss the limited impact of codes on women. Prieto-Carron *et al* (2006) highlight the relevance to explore how power, class and gender mediate CSR interventions.
9. This proliferation of codes of conduct during the global era has been defined by Sum and Pun (2005: 198) as 'neo-liberal globalisation with an audit'.
10. For instance, in his study of child labour in Sialkot, Nadvi (2008) refers to the disjuncture between CSR discourse and local discourses on apprenticeship systems.
11. The industry is further spreading towards greater NOIDA (further down in UP) and along the Delhi-Jaipur highway.
12. Tailors can be paid piece rate, daily or weekly wages, based on different production techniques and arrangements with contractors. Singh and Kaur Sapra (2007) show that contractors retain a percentage of workers' wages – generally between 15 and 30percent. Due to all these variables, it is hard to calculate average wages in the sector.
13. Unni and Scaria (2009) analyse the different local Muslim communities engaged in this activity, highlighting capital-labour distinctions. According to their study, upper caste Muslims such as Khans are highly represented among contractors, while lower castes such as Ansaris are overrepresented among workers.
14. See for instance, the Panorama documentary 'Primark on the Rack', screened by the BBC in 2008.
15. Bangalore is also close to two silk clusters: Kancheepuram, in Tamil Nadu, and Ramanagaram, in Karnataka (Benjamin, 2000).
16. In Mumbai, many garment units started closing down in the early 1980s (Krishnaraj 1987), due to increases in real estate prices (see D'Monte, 2002), land shortage, and the impact of the famous labour strikes in the mills sector (see Chandavarkar, 1992).



17. It is reported that employers retain PF until workers accept to 'voluntary' terminate their former permanent contract and start a new one. According to some unionists, this praxis effectively bond workers. While this is a provoking statement, indeed many workers in the Indian garment sector experience different degrees of 'unfreedom'. In fact, drawing from Jairus Banaji's (2003) work, I have already shown elsewhere (see Mezzadri 2008) how the Delhi garment industry incorporates and exploits different forms of 'unfree' labour.

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#### **BIOGRAPHICAL NOTE**

ALESSANDRA MEZZADRI is a lecturer in Development Studies at SOAS, London. Contact email: am99@soas.ac.uk. The author wishes to thank Geert De Neve, Marina Prieto-Carron, Sally Smith, Khalid Nadvi, Kate Meagher, Paolo Novak, Susan Newman, the editors of this special issue – Isabelle Guerin, Ravi Srivastava and Jens Lerche – and two anonymous reviewers for their constructive comments on earlier versions of this paper.



# *Changing Employment Conditions of the Indian Workforce and Implications for Decent Work*

*Ravi Srivastava, Jawaharlal Nehru University*

## **ABSTRACT**

This paper analyses recent macro employment trends in India. Analysis of recent data shows increasing informalisation and flexibilisation of labour and challenges the notion that casualisation is the only manner in which flexibilisation and informalisation of labour is occurring in India. It argues that the concern with decent work has to be based on analysis of labour conditions in all major forms of employment. The paper also discusses the main strategies proposed for introducing labour standards and decent work in the Indian context. We argue that in the recent post economic crisis period, there is greater acceptability to improving labour standards and income distribution as a way of sustaining long term growth. This has raised the profile of those Indian initiatives which build upon social and economic rights. Although this paper is based on detailed Indian empirical evidence, the trends that it adduces and its policy implications are of much greater general significance.

## **KEYWORDS**

decent work, employment structure, flexible labour, homeworkers, India, informal employment

## *Changing Employment Conditions of the Indian Workforce and Implications for Decent Work*

### **1. INTRODUCTION**

For a long time, an important debate on changes in the Indian workforce have revolved around trends towards increasing ‘casualisation’ of the workforce and its implications for deterioration in the quality of work.<sup>1</sup> On the other hand, ‘regular’ or salaried employment has been seen to be associated with better quality or decent work due to its general association with higher job security, better remuneration and conditions of work, and social security.

While studies for 1990s focused on higher numerical flexibility in the organized sector (Deshpande 2001), recent data on employment in India establishes that the Indian labour market is experiencing greater flexibility in all the respects mentioned by Standing (1999).<sup>2</sup> This challenges the



notion that casualisation is the only way in which flexibilisation of labour is occurring. Moreover, it further establishes that the lack of decent work is not restricted to casual work (although casual/contract work does encompass the poorest conditions of work).

The trends towards greater labour flexibility and informalisation of all types of employment, driven by globalization, is not restricted to India alone. China, along with India, has also experienced greater labour flexibility and informalisation (Unni and Lu 2007). Chang (2009) also argues that with the emergence of the 'global factory', the formal is becoming informal in a variety of ways. Although driven by globalization, the trends in India also pervade the non-tradable sectors as well, pointing to wider tendencies at work.

As we shall see later the paths to labour flexibility and informalisation (both through 'putting out' petty production systems, and 'regular' wage employment) have been explored in several micro studies. This paper will instead focus on an analysis of recent macro employment trends and what they reveal viz. that self-employment and regular work (which refers to hiring for longer periods than a day, and the payment of wages at weekly or monthly durations) occupy an important niche in changing employment relations in India – the former because it incorporates growing trend towards putting-out, and the latter because it incorporates an ever growing proportion of flexible work at different skill levels required by the changing needs of the growing economy. These changes also have important gender dimensions as women form a large component of the most vulnerable lowest paid sub-contracted and regular workers. Thus, the paper argues, the concern with decent work has to be based on analysis of labour conditions in all major forms of employment.

The paper is structured in the following fashion. In the next section, we draw certain stylized facts about employment conditions in India and focus attention on how these are changing with market induced reform and globalization. We then discuss the main strategies proposed for introducing labour standards and decent work in the Indian context. In a globalising world, these strategies are closely connected to strategies being pursued elsewhere. We argue that in the recent post economic crisis period, there is greater acceptability to improving labour standards and income distribution as a way of sustaining long term growth. This has raised the profile of those Indian initiatives which build upon social and economic rights. Although this paper is based on detailed Indian empirical evidence, the trends that it adduces, and its policy implications, are of wider significance.

## **2. THE WORLD OF WORK IN INDIA AND HOW IT IS CHANGING**

The purpose of this section is to delineate some of the important features of the Indian labour market and the changes taking place in it in the recent decades during which the Indian economy has undertaken market oriented reforms and has rapidly globalised. We base ourselves on the Employment-Unemployment surveys carried out by the National Sample Survey Organisation (NSSO) on a quinquennial basis. Individual level data from these surveys for the period 1983 to 2004-05 is analysed in this paper. The surveys carried out in 1999-00 and 2004-05 give us further details on formal and informal employment which is the main focus of this paper. In addition, the NSSO also carried out a survey on informal sector enterprises in 1999-00 which has been used to delineate the character of these enterprises.



The main results of the changes in employment and the labour market is that while the formal sector of the economy, particularly the services sector has grown rapidly, employment relations have become more informal and flexible, and informality and flexibility are experienced in relation to all forms of employment, including those forms not normally associated with informality/flexibility.

*Table 1. Structure of employment (percent to total workers), 1983 and 2004-05*

	Industrial Group	Rural		Urban		Total	
		1983	2004-05	1983	2004-05	1983	2004-05
<b>Male</b>	<b>Agriculture</b>	<b>77.7</b>	<b>66.5</b>	<b>10.3</b>	<b>6.1</b>	<b>62.0</b>	<b>48.9</b>
	Mining & Quarrying	0.6	0.6	1.2	0.9	0.7	0.7
	Manufacturing	7.5	7.9	29.7	23.5	12.7	12.5
	Electricity, etc	0.2	0.2	1.1	0.8	0.4	0.4
	Construction	2.3	6.8	5.1	9.2	2.9	7.5
	Trade & hotels	4.4	8.3	20.5	28.0	8.1	14.1
	Transport, etc	1.7	3.8	10.0	10.7	3.6	5.8
	Services	5.6	5.9	22.1	20.8	9.5	10.3
	<b>Total Non-Agriculture</b>	<b>22.3</b>	<b>33.5</b>	<b>89.7</b>	<b>93.9</b>	<b>38.0</b>	<b>51.1</b>
<b>Female</b>	<b>Agriculture</b>	<b>87.7</b>	<b>83.3</b>	<b>31.2</b>	<b>18.1</b>	<b>81.0</b>	<b>72.5</b>
	Mining & Quarrying	0.3	0.3	0.7	0.2	0.4	0.3
	Manufacturing	6.4	8.4	27.0	28.2	8.8	11.7
	Electricity, etc	0.0	0.0	0.2	0.2	0.0	0.0
	Construction	0.7	1.5	3.2	3.8	1.0	1.9
	Trade & hotels	2.0	2.5	9.5	12.2	2.8	4.1
	Transport, etc	0.0	0.2	1.5	1.4	0.2	0.4
	Services	2.8	3.9	26.7	35.9	5.6	9.2
	<b>Total Non-Agriculture</b>	<b>12.3</b>	<b>16.8</b>	<b>68.8</b>	<b>81.9</b>	<b>18.9</b>	<b>27.6</b>
<b>Persons</b>	<b>Agriculture</b>	<b>81.6</b>	<b>72.6</b>	<b>14.7</b>	<b>8.7</b>	<b>68.6</b>	<b>56.6</b>
	Mining & Quarrying	0.5	0.5	1.1	0.7	0.6	0.6
	Manufacturing	7.1	8.1	29.3	24.5	11.4	12.2
	Electricity, etc	0.2	0.1	0.9	0.7	0.3	0.3
	Construction	1.7	4.9	4.7	8.0	2.3	5.7
	Trade & hotels	3.5	6.2	18.4	24.6	6.4	10.8
	Transport, etc	1.1	2.5	8.3	8.7	2.5	4.1
	Services	4.6	5.2	23.2	24.0	8.2	9.9
	<b>Total Non-Agriculture</b>	<b>18.6</b>	<b>27.4</b>	<b>86.0</b>	<b>91.3</b>	<b>31.6</b>	<b>43.5</b>

Source: Computed from individual level data, Various NSS Rounds on Employment – Unemployment



## *Industrial Structure of Employment*

Employment in the Indian economy continues to exhibit a traditional structure with the overall dominance of agriculture and of petty commodity production within manufacturing. Even in 2004-05, 56.6 percent of total workers (combined rural and urban) were employed in agriculture, having declined from 68.6 percent in 1983. Table 1 shows that the percentage of total employment in mining, manufacturing, and electricity etc, has remained more or less constant over the years, with about one in eight workers being employed in manufacturing. The construction sector and the tertiary sector have experienced corresponding increases in employment share. Overall employment diversification is much more prominent for male workers, for whom agricultural employment now accounts for less than half the total male workforce. Interestingly, although females continue to be predominantly in agriculture, the share of female employment in manufacturing has increased over these years denoting the incorporation of female labour in manufacturing value chains. We revert to this in our discussion of homeworkers later in this paper. Within the industrial sector as a whole, the share of informal sector employment rose from 69.05 percent in 1999-00 to 70.4 percent in 2004-05 (NCEUS 2008: 31) showing the increasing dominance of petty commodity production in this sector.

## *Revival of Self-employment?*

Over the years, there was a gradual decline in self-employment along with increased casualisation. This was more prominent in rural areas and for males (urban female workers were absorbed in regular work but at two ends of the job spectrum). However the 2004-05 survey round shows a change in this trend. The share of self-employed increased for both males and females and in both rural and urban areas. The increase in share of female rural self-employed workers was the highest. Self-employment increased both in agriculture and in manufacturing, but probably as a result of different processes. While agriculture is mainly a 'fall back' sector, in manufacturing, increase in sub-contracting in own account units appears to have increased. Second, the process of casualisation showed a slowdown in this period as the share of casual labourers declined. Third, regular employment showed a small increase in the rural areas, more in case of females. In urban areas the share of male regular workers slightly dipped while it increased for female workers. Both self-employment and regular employment show accentuation of new features which we comment upon later in this paper.



*Table 2. Percentage of employment by type of employment, various years*

	Self-employed	Regular	Casual Labour	Self-employed	Regular	Casual Labour
	Rural Male			Rural Female		
2004-05	58.1	9.0	32.9	63.7	3.7	32.6
1999-00	55.0	8.8	36.2	57.3	3.1	39.6
1993-94	57.7	8.5	33.8	58.6	2.7	38.7
1987-88	58.6	10.0	31.4	60.8	3.7	35.5
1983	60.5	10.3	29.2	61.9	2.8	35.3
	Urban Male			Urban Female		
2004-05	44.8	40.6	14.6	47.7	35.6	16.7
1999-00	41.5	41.7	16.8	45.3	33.3	21.4
1993-94	41.7	42.0	16.3	45.8	28.4	25.8
1987-88	41.7	43.7	14.6	47.1	27.5	25.4
1983	40.9	43.7	15.4	45.8	25.8	28.4

Source: Computed from individual level data, various NSS Rounds on Employment – Unemployment

### *Slow Down in the Rate of Growth of Employment*

Despite some acceleration in the growth rate of the economy in recent years, available evidence (up to 2004-05) does not indicate an increase in the growth rate of employment. In fact, the total growth rate of employment declined from 2.1 percent during 1983/1993-94 to 1.9 percent during 1993/94-2004/05. This was mainly due to a slower growth of male rural employment (Table 3) in the agricultural sector (Table 4).

*Table 3. Growth rate of employment, 1983 to 2004-05*

Table 8: CAGR (%) of Work Force All India 1983-2005									
Year	Rural			Urban			Total		
	M	F	T	M	F	T	M	F	T
1983/1993-94	1.9	1.4	1.8	3.2	3.4	3.2	2.3	1.8	2.1
1993-94/2004-05	1.5	1.7	1.6	3.2	3.4	3.3	2.0	1.9	1.9
1983/2004-05	1.7	1.5	1.7	3.2	3.4	3.3	2.1	1.8	2.0

Source: Computed from, individual level data, NSS Rounds on Employment – Unemployment, 1983, 1993-94 and 2004-05



In fact, the growth of agricultural employment in the second period (1994/05) slowed down to 0.8 percent while non-agricultural employment grew at almost at the same pace during the two periods (slightly higher 3.7 percent in the second period). A slowdown in the rate of growth of agricultural employment can be anticipated but it should be accompanied by adequate growth of quality non-farm employment. However, the growth of non-agricultural employment has not only not been sufficient to compensate for the slowdown in agricultural employment, *it also has been of an informal kind.*

**Table 4. Growth rate of agricultural and non-agricultural employment, 1983 to 2004-05**

			1983/94	1994/05	1983/05
<b>Rural</b>	<b>Male</b>	Agriculture	1.5	0.5	1.0
		Non-Agriculture	3.4	3.9	3.7
	<b>Female</b>	Agriculture	1.2	1.4	1.3
		Non-Agriculture	2.5	3.5	3.1
	<b>Total</b>	Agriculture	1.4	0.9	1.1
		Non-Agriculture	3.2	3.8	3.5
<b>Urban</b>	<b>Male</b>	Agriculture	1.9	-0.4	0.7
		Non-Agriculture	3.3	3.5	3.4
	<b>Female</b>	Agriculture	1.2	0.5	0.8
		Non-Agriculture	4.3	4.3	4.3
	<b>Total</b>	Agriculture	1.6	0.0	0.7
		Non-Agriculture	3.5	3.6	3.6
<b>Total</b>	<b>Male</b>	Agriculture	1.2	1.3	1.3
		Non-Agriculture	3.3	3.9	3.6
	<b>Female</b>	Agriculture	1.5	0.5	1.0
		Non-Agriculture	3.4	3.7	3.5
	<b>Total</b>	Agriculture	1.4	0.8	1.1
		Non-Agriculture	3.4	3.7	3.5

Source: Computed from individual level data, NSS Rounds on Employment – Unemployment, 1983, 1993-94 and 2004-05

### ***Increased informalisation***

Estimates of the informal economy in India have until recently been based on organized employment data reported to the Director General of Employment and Training (DGET). These suffer from underreporting (NCEUS 2009, Sundaram 2008). Since 1999-00, the NSS Employment-Unemployment Surveys enable us to estimate the size of the unorganized sector directly but to do this, definitional issues need to be resolved. The NCEUS (2007, 2009) has



defined the unorganized/informal sector as all partnership/proprietary unincorporated enterprises employing less than ten persons in non-agriculture, whereas in agriculture, all private farming except plantation agriculture or large cooperatives are included in the informal/unorganized sector. The NCEUS (2007) has also separately defined informal/ formal employment, the former covering those workers who do not have employment security or employer provided social security.<sup>3</sup>

The two consecutive rounds of the Employment-Unemployment surveys (in 1999-00 and 2004-05) have enabled an examination of the relationship between the formal/informal sector and formal/informal employment. This is shown in Table 5.

*Table 5. Relationship between sector and type of employment, 1999-2000 and 2004-05*

Sector	1999-2000			2004-2005		
	Informal Worker	Formal Worker	Total	Informal Worker	Formal Worker	Total
Unorganised Sector	341.28 (99.60)	1.36 (0.40)	342.64 (100)	393.47 (99.64)	1.43 (0.36)	394.90 (100)
Organised Sector	20.46 (37.80)	33.67 (62.20)	54.12 (100)	29.14 (46.58)	33.42 (53.42)	62.57 (100)
Total:	361.74 (91.17)	35.02 (8.83)	396.76 (100)	422.61 (92.38)	34.85 (7.46)	457.46 (100)

Note: Figures are in million. Figures in bracket indicate percentages.

Source: NCEUS (2007), p. 6. Figures computed from NSSO 55th (1999-2000) and 61st (2004-05) Round Survey on Employment – Unemployment

Between 1999-00 and 2004-05, while the total workforce expanded from 397 m to 457 m, formal employment actually declined marginally from 35.02 m to 34.85 m. The formal/organised sector saw an increase in employment from 54.12 m to 62.57 m, *but this entire increase was accounted for by informal employment.*

Table 6 shows the sector wise change in formal and informal employment between 1999-00 and 2004-05. In each of the three sectors, agriculture, industry and services, virtually the entire increase in employment is in the form of informal employment. This is also shown in Table 7 which gives the sector-wise growth rate of formal and informal workers.



*Table 6. Distribution of workers by type of employment and economic activity*

Economic Activity	1999-2000			2004-2005		
	Informal Workers	Formal Workers	Total Workers	Informal Workers	Formal Workers	Total Workers
Agriculture	234.79 (98.79)	2.89 (1.21)	237.67 (100)	256.07 (98.89)	2.86 (1.11)	258.93 (100)
Industry	55.52 (85.56)	9.37 (14.44)	64.89 (100)	76.64 (89.39)	9.09 (10.61)	85.73 (100)
Services	71.43 (75.83)	22.77 (24.17)	94.20 (100)	89.91 (79.70)	22.90 (20.30)	112.81 (100)
Total:	361.74 (91.17)	35.02 (8.83)	396.76 (100)	422.61 (92.38)	34.85 (7.62)	457.46 (100)

Note: Figures are in million. Figures in bracket indicate percentages.

Source: Computed from NSSO 55th (1999-2000) and 61st (2004-05) Round Survey on Employment – Unemployment

*Table 7. Employment growth rates of informal and formal workers by economic activity in India, 1999-00 to 2004-05*

Economic Activity	Growth Rate (%)		
	Informal Workers	Formal Workers	Total Workers
Agriculture	1.75	-0.18	1.73
Industry	6.66	-0.60	5.73
Services	4.71	0.12	3.67
Total	3.16	-0.10	2.89

Source: Computed from individual level data, NSSO 55th (1999-2000) and 61st (2004-05) Round Surveys on Employment – Unemployment

Since formal employment can largely be expected to be created in the formal/organized sectors of the economy, it is not surprising that the overall decline in formal employment in the economy coexists with decline in formal employment in the organized sector. Between 1999-00 and 2004-05, formal employment in the organized non-agricultural sector declined overall at the rate of 0.32 percent per year. The decline took place across major industry groups such as manufacturing, trade and transport whereas some of the other industry groups such as electricity, finance, real estate and hotels experienced increase in formal employment (Table 8). Some increase also took place in the construction sector, but from a very low base. By comparison, all industry groups experienced increases in informal employment in the organized sector. *It is evident that a major restructuring of*



*employment relations is under way in the formal sector of the economy, with new hiring typically being of an informal kind.*

**Table 8. Annual growth rate (%) of informal and formal employment in the organised sector, 1999-00 and 2004-05**

Major Industry Group			
	Informal worker	Formal worker	Total
Manufacturing	9.98	-2.68	4.11
Electricity	5.53	2.82	3.16
construction	7.15	2.47	6.58
Trade	1.57	-10.98	-3.68
Hotels	12.96	1.64	8.44
Transport	4.96	-0.22	1.26
Finance	21.75	3.07	5.49
Real estate	17.5	14.97	15.94
Education	16.66	3.22	6.22
Health	15.66	1.69	4.89
<b>Total Non-agriculture</b>	<b>8.05</b>	<b>-0.32</b>	<b>3.02</b>

Source: Computed from individual level data. NSSO 55th (1999-2000) and 61st (2004-05) Round Survey on Employment – Unemployment

### ***Indications of increased Outsourcing and its Gender Implications***

The NSS employment – unemployment surveys allow some sub-classification of the vast category of the self-employed workers. For example, these can be further categorized into employers, own account workers and helpers. Further they can be distinguished by place of work. The NSS informal sector enterprise of 1999-00 further allows us to classify self-employed workers who work from their homes into independent self-employed and homeworkers or dependent sub-contract workers. The latter are the homeworkers, also called industrial outworkers, as identified in the ILO Convention No. 177.

While the self-employed organise all facets of their production or service activity, the homemaker manufactures products based on the specifications of the parent enterprise or contractor, which also often supplies the raw material. Under the putting-out system, the



homeworkers often have to purchase, repair, and maintain their own tools or machines, bear the costs of some inputs (e.g., garment workers often have to buy their own thread), transportation to and from the contractor or firm, and infrastructure (space, utilities, etc.). Manufacturing or retail companies typically ‘put-out’ labour-intensive work that does not require heavy machinery. Homeworkers, like the self-employed, are not directly supervised, but like the wage workers they typically do not market final products, or negotiate prices.

Of the 68.4 million self-employed non-agricultural workers in the unorganised sector in 1999-2000 about 11 percent were homeworkers (see Table 9). The percentage of homeworkers was much higher among women. Out of nearly 16 million self-employed non-agricultural women about 27.4 percent were homeworkers (ibid.).

*Table 9. Number (in million) and percentage of self-employed and homeworkers in non-agricultural unorganised and manufacturing sectors 1999-2000*

Status	Male	Female	Total
<b>All Workers</b>			
Self Employed: Independent	49.6 (93.6)	11.1 (72.6)	60.8 (88.9)
Homeworkers	3.4 (6.4)	4.2 (27.4)	7.6 (11.1)
All Self-employed	53.0 (100.0)	15.4 (100.0)	68.4 (100.0)
<b>Manufacturing Sector</b>			
Self-employed: Independent	10.0 (80.0)	4.6 (54.1)	14.6 (69.6)
Homeworkers	2.5 (20.0)	3.9 (45.9)	6.4 (30.4)
All Self-employed	12.5 (100.0)	8.4 (100.0)	21.0 (100.0)

Note: Figures in brackets denote percentage.

Source: Computed from individual level data. NSSO 55th (1999-2000) Round Survey on Employment – Unemployment

The incidence of homeworkers was significantly higher in the manufacturing sector and that too among women workers. Homeworking in the manufacturing sector is what can be clearly identified as a system of production often within a global or domestic value chain. As Table 9 shows, among the nearly 21 million manufacturing sector self-employed workers about 32 percent were homeworkers, *while among the 8.4 million women manufacturing workers, nearly 46 percent were homeworkers.*

The predominant mode of homeworking among the manufacturing sector self-employed workers is that of vertical sub-contracting or the most dependent relationship, accounting for about



70 percent of the total in 1999-00 (68 percent for men and 71 percent for women) (NCEUS 2007: 59).<sup>4</sup>

These macro results are well corroborated by industry-specific and micro studies which provide evidence of increased ‘home-workisation’ among female workers, especially in export oriented global value chains such as those in apparel manufacturing, which connects together different forms of waged labour and ‘self-employment’ across the value chain (Mezzadri 2008, Hirway 2010). Mehrotra (2003) summarising the results of a five country study (three in South-east Asia and two in South Asia including India) of homeworkers in selected industries notes an accelerated pace of sub-contracting and feminized home-work in export oriented value chains. Arguing that in clustering theory, there is a ‘high’ and a ‘low’ road to the development of local systems through micro, small and medium enterprises, Mehrotra characterises sub-contracting in the countries of Asia as the ‘dirt road’ as it is driven by the desire of firms to cut costs to bare minimum, and the desire of marginal workers to take up work at any cost.

### *Regular Employment Ceases to be a Signifier of Quality Employment*

Regular employment is normally regarded as a signifier of good quality employment since it is more associated with security of employment, higher incomes and social protection. But under the impact of labour market flexibility, this may have begun to change.

*Table 10. Size and Distribution of the organised and unorganised sector workers by industry and status 2004 – 05*

	Agriculture			Non-agriculture			All		
	Organised	Unorganised	Total	Organised	Unorganised	Total	Organised	Unorganised	Total
	<b>Number of Workers ( Million)</b>								
Self-employed	2.3	163.9	166.2	2.9	89.2	92.1	5.2	253.1	258.2
Regular wage employee	1.2	1.6	2.8	41.9	24.8	66.7	43.2	26.4	69.5
Casual labour	2.5	87.4	89.9	11.7	28.1	39.8	14.2	115.5	129.7
Total	6.1	252.8	258.9	56.5	142.1	198.5	62.6	394.9	457.5
	<b>Percentage Distribution of Workers</b>								
Self-employed	38.1	64.8	64.2	5.1	62.8	46.4	8.3	64.1	56.5
Regular wage employee	20.1	0.6	1.1	74.3	17.4	33.6	69.0	6.7	15.2
Casual labour	41.8	34.6	34.7	20.7	19.8	20.0	22.7	29.2	28.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Percentage to total	2.4	97.6	100.0	28.4	71.6	100.0	13.7	86.3	100.0

Source: Computed from individual level data. NSSO 55th (1999-2000) and 61st (2004-05) Round Survey on Employment – Unemployment



Table 10 shows that nearly 60 percent (43.2 m of 69.5 m) regular /salaried workers in India in 2004-05 were still in the organized sector, and principally in non-agriculture. In the organized non-agricultural sector, regular workers formed 74.3 percent of total employment. Regular employment expanded at an annual rate of 2.53 percent during 2000-2005. But formal employment among such workers contracted at an annual rate of 0.75 percent whereas informal employment expanded at an annual rate of 12.42 percent (Table 11).

*Table 11. Growth rate of formal and informal employment by type of employment, 1999-00 to 2004-05*

Activity Status	Informal workers	Formal workers	Total
Increase in employment between 1999-2000 & 2004-05 (million)			
Self-employed	0.23	0.59	0.82
Regular wage employee	6.01	-1.09	4.92
Casual labour	2.07	0	2.07
Total	8.31	-0.5	7.82
Growth Rate between 1999-2000 & 2004-05 (%)			
Self-employed	8.95	6.46	7.01
Regular wage employee	12.42	-0.75	2.53
Casual labour	3.99	0	3.99
Total	8.05	-0.32	3.02

Source: Computed from individual level data. NSSO 55th (1999-2000) and 61st (2004-05) Round Survey on Employment – Unemployment

An analysis of the growth of regular employment in the formal/informal sectors (Table 12) shows that in the informal sector, there was growth of both informal and formal employment (the latter from a very low base) between 2000-2005, with a similar profile in the industries and services sectors. But in the formal/organized sector, formal employment contracted while informal regular employment expanded (at an annual rate of 12.42 percent per year). Thus informal regular employment increased at a rate much higher than the overall growth of employment. Kundu and Sarangi (2007) call this type of expansion of regular waged informal employment as ‘formal informalisation’ which they say was required to meet the demands of globalization on the production system.



**Table 12. Growth of regular wage employment between 1999-00 and 2004-05 by type of employment and sector**

Sector		Industry	Services	Non-agriculture
Unorganised sector	Informal	5.25	6.19	5.94
	Formal	6.55	5.7	5.99
	Total	5.34	6.17	5.94
Organised sector	Informal	13.74	11.39	12.42
	Formal	-1.81	-0.36	-0.75
	Total	3.65	2.01	2.53
Total worker (non-agriculture)	Informal	8.96	7.61	8.06
	Formal	-1.39	-0.14	-0.48
	Total	4.2	3.51	3.72

Source: Computed from individual level data. NSSO 55th (1999-2000) and 61st (2004-05) Round Survey on Employment – Unemployment

The impact of informalisation of regular work has been felt in the form of decline in average real wages of regular/salaried workers as a whole, across rural and urban areas, and male as well as female workers (Table 13). While wages of male regular workers declined by one percent per year between 2000-2005, that of female wages declined at an annual rate of 4.7 percent, probably also reflecting increased female employment in low quality regular employment such as domestic services.

**Table 13. Growth in Real Wages (at 1993-94 prices) of Regular and Casual Workers, 1999-00 and 2004-05**

Category	Status	Agriculture	Non-Agriculture
Rural Male	Regular Salaried	-1.44	-0.58
	Casual workers	1.74	1.04
Rural Female	Regular Salaried	0.32	-10.79
	Casual workers	1.4	1.89
Urban Male	Regular Salaried	-10.92	-0.98
	Casual workers	-1.3	-0.57
Urban Female	Regular Salaried	0.36	-4.7
	Casual workers	-2.38	-0.82

Source: Computed from individual level data. NSSO 55th (1999-2000) and 61st (2004-05) Round Survey on Employment – Unemployment



### *Increased Labour Mobility and Flexible Labour*

The above changes that we have described are indicative of two types of major changes that appear to be occurring recently in labour relations in the Indian economy: informalisation, on the one hand, principally of what would have been regular employment in non-farm employment in an earlier context, and incorporation of petty production especially by female homeworkers, in value chains. The third major aspect that we would like to focus upon is increased labour flexibility achieved through mobility of labour, which at the lowest end, could tie seasonal migrant labourers into 'neobondage'.<sup>5</sup>

Data from a migration survey carried out by the National Sample Survey Organisation in 2007-08 has recently been released. The data confirms what we already know about migration trends and the deficiency of migration surveys. We have argued elsewhere that these surveys are very poor in capturing short duration and/or seasonal migration (Srivastava 2005a, 2011a, b). This is borne out by the latest survey according to which only 1.7 percent of the rural population and 0.4 percent of the urban population were short duration out-migrants. On the other hand, the survey shows increased seasonal as well as non-seasonal migration (Srivastava 2011b). It further shows increased urban-wards migration, including urban-urban migration; higher migration for employment; higher inter-state migration; positive association of migration both with the level of education and with higher consumption deciles (ibid.).

Data from a large number of field surveys, on the other hand, captures seasonal migration and labour circulation by poor laboring households. This migration differs significantly in terms of duration, distance, and source areas. Seasonal labour migrants predominate in a number of sectors in several states. Although the role of informal networks, voluntary movement and organized recruitment varies between migration streams, in many sectors migration is organized through intermediaries on the payment of advances which are used by the migrant workers to pay off past debts or for consumption needs of the family members left behind during the lean season. The conditions of work, described by us and a number of other authors are poor and coercive and approximate conditions of neo-bondage restricting the movement of workers during the period of contract, and not infrequently, over seasons (Srivastava 2005b, 2009). Thus constrained labour mobility achieves labour flexibility for capital by tying down ever increasing numbers of labourers to contractors and employers.

### **3. CHANGES IN THE EMPLOYMENT STRUCTURE BETWEEN 2004-05 AND 2009-10**

The results of the National Sample Survey Round on Employment–Unemployment for 2009-10 (66<sup>th</sup> Round) became available when the final version of this paper was being sent for publication. Results from a preliminary analysis of this data have been discussed in this section. These confirm the main trends towards informalisation and flexibilisation brought out in the earlier sections while also indicating some changes in the labour market over this period.

Overall employment grew at only 0.21 percent per annum between 2004-05 and 2009-10, a period of high growth for the Indian economy when real GDP increased at an annual rate of 8.2 percent. The two largest sectors viz. agriculture and manufacturing experienced decline in employment. Agricultural employment declined at the annual rate of 1.71 percent per annum i.e.



from 257.8 m to 236.5 m. Manufacturing employment declined from 55.4 million to 52.7 million. On the other hand, employment in the construction sector grew at the rate of 11.27 percent per year between 2004-05 and 2009-10, i.e. from 25.9 million to 44.2 million.

The low rate of growth of employment occurred because of a decline in rural female employment (at a rate of 3.5 percent per year) and a stagnation in female urban employment. This could be accounted for by the decline in employment in both the two largest sectors employing women viz. agriculture and manufacturing.

But while employment stagnated, wages increased at a fairly high rate over this period, both for men and women, and for casual workers as well as regular wage/salaried employees. Urban and rural real wages/salaries for regular/salaried workers grew at the rate of 6.9 percent and 5.1 percent respectively, while urban and rural wages for casual workers grew at rates of 5.6 percent and 7.1 percent respectively over this period. These results need further analysis but they could be a result of temporary shortages in some sectors as well as higher reservation rural wages due to the operation of the rural employment guarantee scheme, the Mahatma National Gandhi Rural Employment Guarantee Programme (MGNREGP).

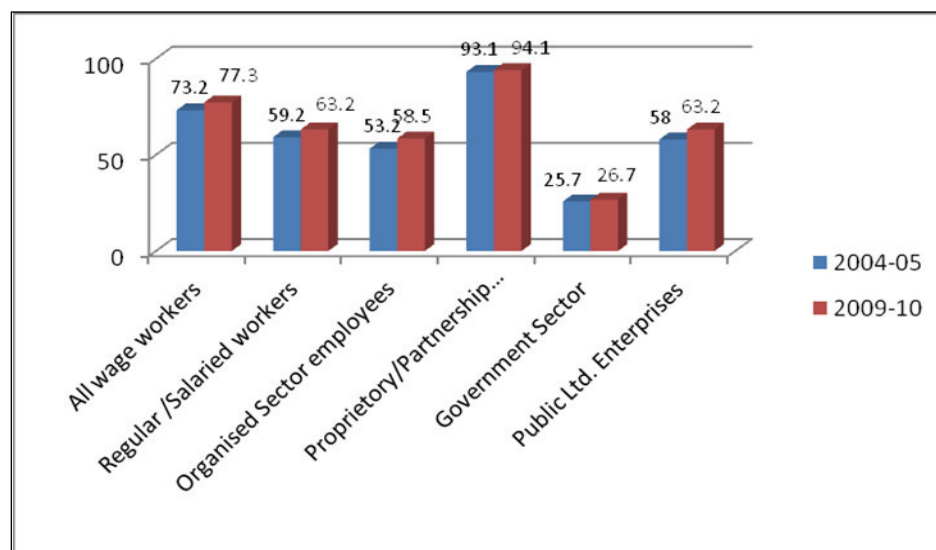
However, despite the high GDP growth and wage trends, the trend towards informality continued unabated, as shown below. One of the factors contributing to this was increased casualisation of the workforce. The increase in self-employment noted in 2004-05, which reversed a long term trend towards casualisation, was reversed in 2009-10, with the percentage of casual to total workers in the workforce increasing from 28.1 in 2004-05 to 32.7 in 2009-10, returning almost to the 1999-00 level (32.8). The re-casualisation of the workforce contributed to the greater flexibilisation and informal nature of employment over this period.

At the same time, however, regular wage/salaried employment increased further from 15.3 percent of the workforce in 2004-05 to 16.5 per cent of the workforce in 2009-10. But this did not help in creating formal employment, as more of this type of employment, too, became informal. The employment surveys of 2004-05 and 2009-10, provide us with two important indicators of informal employment. The first is the contractual status of wage employment. The other is the provision of social security to such workers.

On the basis of the first indicator, there is a clear trend towards increased informal employment with an increase in the percentage of the wage employed without any written job contract, or a job contract of less than one year duration. These results are summarized in Figure 1. The percentage of wage employees without any written job contract increased from 73.2 in 2005-05 to 77.3 in 2009-10. This percentage increased also for the segment of regular wage/salaried workers – from 59.2 to 63.2 over the corresponding period. The percentage of employees without written contracts increased even in those types of establishments or firms which would be expected to be associated with formal employment i.e. organized sector establishments, public limited companies and the government sector. In public limited companies, the percentage of workers without written wage contracts increased from 58 percent to 63.2 percent between 2004-05 and 2009-10, while in the government sector, the corresponding increase was from 26.7 percent to 38.3 percent.



*Figure 1. Percentage of non-agricultural wage workers in specific segments without any written contract in India, 2004-05 and 2009-10*



Source: Computed from individual level data, National Sample Survey Rounds on Employment-Unemployment, 2004-05 and 2009-10

The percentage of workers without contracts has grown both in the organised and unorganised segments of the economy, using the NCEUS definitions of organised and unorganised sectors (NCEUS 2007). In the organised sector, the percentage of workers without any written contract increased from 53.2 percent to 58.5 percent, while those with long-term contracts (for more than 3 years) declined from 41.7 percent to 33.6 percent.

With the latest round of results, the NSS now provides details of social security coverage for wage workers outside agriculture for three consecutive rounds (1999-00, 2004-05 and 2009-10). While these show an increase in the absolute numbers of workers covered under any social security provision, there is a decline in the percentage of workers so covered to total non-agricultural wage workers. The percentage of all wage workers covered under any social security provision declined from 32.6 in 1999-00 to 28.6 in 2004-05 and further to 26.4 percent in 2009-10 (Table 14). Between 1999-00 and 2004-05, this decline took place due to a decline in the percentage coverage of regular wage employees i.e. their greater informalisation. During 2004-05/2009-10, the further decline took place due to higher casualisation of the workforce, while there was a small increase in the percentage of regular workers covered under formal social security.



*Table 14. Wage workers outside agriculture and Social Security Status, 1999-00, 2004-05 and 2009-10*

<b>Wage Workers* with social security by activity status</b>						
<b>Usual Status</b>	Have any Social Security (in 000)			Percentage of Total (%)		
	<b>1999-00</b>	<b>2004-05</b>	<b>2009-10</b>	<b>1999-00</b>	<b>2004-05</b>	<b>2009-10</b>
Regular wage employee	28,370	29,840	33,937	50.88	44.7	45.8
Casual labour in public	19	36	165	2.91	5.5	3.6
Casual labour in others	517	540	991	1.60	1.4	1.8
<b>Total</b>	<b>28,907</b>	<b>30,415</b>	<b>35,092</b>	<b>32.59</b>	<b>28.6</b>	<b>26.4</b>
Source: 55th (1999-00), 61st (2004-05) and 66th (2009-10) rounds NSSO Unit Record Data						
Note: * Wage workers do not include Agriculture sector						

But further disaggregation by enterprise type shows a complex picture. The percentage coverage of regular wage employees under social security provisions actually increased in partnership and proprietary firms, but declined in government owned firms and in public limited companies. In the government sector, the percentage of regular workers covered by social security provisions remained the highest among enterprise types but declined from 87.23 to 86.03 percent, while in public limited companies, the percentage share of regular employees under social security declined from 61.22 percent to 58.05 percent. Thus the decline in the percentage of wage workers in non-agriculture under any form of social security coverage has occurred both due to casualisation of the workforce and due to increased informalisation of the regular employees in government sector and in public limited companies.

### *Trends in Employment as Homeworker, 1999-00 to 2009-10*

The increased trend towards the incorporation of petty production in global or domestic value chains due to outsourcing and in order to take advantage of the structural vulnerability of such labour was noted earlier in Section 1.5 of this paper. The 2009-10 survey, like the 1999-00 survey, collected information on non-agricultural home-based self-employed workers producing wholly or mainly under given specification (i.e. homeworkers), enabling us to compare the changes in the



magnitude of homeworkers and the industries in which they were engaged. The results show an increasing in outsourcing of manufacturing in certain sectors, especially manufacture of wearing apparel.

Between 1999-00 and 2009-10, the numbers of principal status self-employed workers outside of agriculture in India increased from 68.4 million to 88 million and the number of homeworkers among them increased from 7.6 million (11.1 percent of self-employed workers) to 11 million (12.5 percent of self-employed workers) (Table 15). A larger number of homeworkers continued to be women than men. Women were also 60.8 percent of all homeworkers in the manufacturing sector in 1999-00 and 57.6 percent of all homeworkers in manufacturing in 2009-10.

*Table 15. Percentage distribution of self-employed workers as independent self-employed and homeworkers, 2009-10*

Status of Employment	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Self- employed: Independent	91.9	67.9	86.9	92.8	66.7	88.2	92.3	67.3	87.5
Homeworkers	8.1	32.1	13.1	7.2	33.3	11.8	7.7	32.7	12.5
All Self-employed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

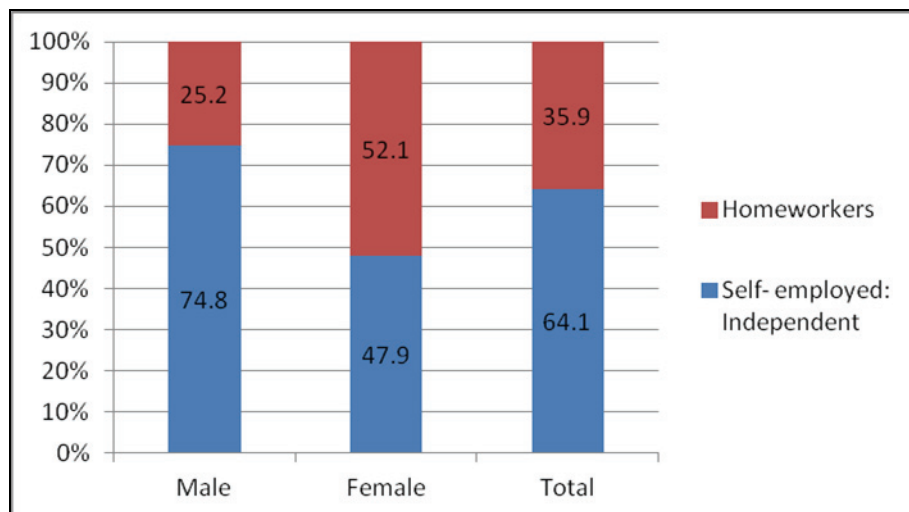
Source: Computed from individual level data, National Sample Survey Rounds on Employment – Unemployment, 2004-05 and 2009-10

Among self-employed women, homeworkers were far more predominant than among self-employed male workers, although the proportion of homeworkers increased for both female and male workers. Between 1999-00 and 2009-10, the percentage of homeworkers among self-employed women rose from 27.4 percent to 32.7 percent, while among male self-employed workers the corresponding percentage rose from 6.4 percent to 7.7 percent.

The percentage of homeworkers was again much higher in manufacturing – 25.9 per cent of male self-employed workers in manufacturing were homeworkers, while 52.1 percent of female self-employed workers were homeworkers in 2009-10. For both males and female workers, the percentage of homeworkers was lower in 1999-00 - 20 percent for male self-employed workers and 45.9 per cent for women self-employed workers in manufacturing.



*Figure 2. Percentage of independent self-employed and homeworkers among self-employed workers, 2009-10*



Source: Computed from individual level data, National Sample Survey Rounds on Employment – Unemployment, 2004-05 and 2009-10

Further analysis shows that within manufacturing, the three industries that had the most homeworkers were the manufacture of tobacco products; textiles; and manufacture of Basic Products. During the decade, there was a surge in the engagement of homeworkers in the manufacture of wearing apparel. Their numbers went up from 381,000 in 1999-00 to 1.998 million in 2009-10, while the number of homeworkers engaged in the manufacture of tobacco products declined slightly. By 2009-10, the share of homeworkers in the manufacture of wearing apparel to total homeworkers in manufacturing went up from 5.97 percent to 22.67 percent, and the share of homeworkers in three industries viz. manufacture of tobacco products, textiles, and wearing apparel together went up from 72.98 percent to 74.27 percent. Among women self-employed workers in manufacturing, the share of these three industries increased from 81.55 percent in 1999-00 to 84.47 percent in 2009-10. Among the other industries (Manufacture of Furniture; chemical products, basic metals, Computer and Electronics Products, Coke and Petroleum Products) that engaged more than a million homeworkers each in 1999-00, only two – manufacture of furniture and manufacture of computer and electronics products – gained in size and importance, the former with 673,000 homeworkers and the latter with 276,000 homeworkers.

Thus, undoubtedly the latest period for which we now have data saw a reversal of the slow down/decline in wages observed in the earlier period, but the workforce continued to acquire greater flexibility and informality, and the outsourcing of production to home based units increased, incorporating these tiny producers as homeworkers into value chains.



#### 4. IMPLICATIONS FOR DECENT WORK IN INDIA IN THE CURRENT GLOBAL SCENARIO

The detailed conditions of work of the different segment of workers in India have been discussed recently in the NCEUS Report on Conditions of Work (NCEUS 2007). The report has discussed the quality of work, including issues of employment security, remuneration, working hours, safety and health, and social security of waged and self-employed workers. NCEUS (2009) has further dwelt on dimensions of the quality of work in the Indian context.

As described by us above, and also discussed in the NCEUS (2007) report, there is a blurring of distinction between wage workers and the own account workers with growth in the category of the home workers, especially women workers in the manufacturing sector. The quality of work has also declined for regular workers. Increased informalisation has implied lack of social security and contractual security for even this category of workers. Thus, among workers, who are directly or indirectly linked to employers, vulnerability is no longer confined to casual or contract labourers but also encompasses home workers and the low paid informal regular workers. The increased flexibilisation of labour and extraction of surplus value through lengthening of working hours, greater seasonal mobility, poor working conditions, denial of social security, even where it is due under legislation, is part of capital's global strategy, and portrays its increased assertiveness.

It is worth noting that the evidence presented in this paper is not confined to sectors directly incorporated in Global Value Chains (GVC) or directly competing with global production. Some amount of attention has been focused earlier on the possibility of what has been described as 'social upgrading' within Global Production Networks (GPN) (see, for example, studies in Nathan and Posthuma 2010a). Social upgrading is considered to incorporate the four key pillars of decent work viz. employment, standards and rights at work, social protection, and social dialogue (Gereffi and Guler, 2010). The question of a 'high road' versus a 'low road' can be examined both in the context of economic as well as social upgrading. In general, since outsourcing occurs in order to take advantage of low labour costs and the passing down of risks to the lower tier firms and eventually to labour, and since firms at the bottom of the ladder face cut-throat global competition, the possibility that GVC entails a 'race to the bottom' are very high. Even if economic upgrading takes place, it may not necessarily lead to the latter. This is shown by case studies across some of the major sectors such as garments, leather manufacture, and automotive components (Damodaran 2010, Suresh 2010, Gereffi and Guler 2010). Even in sectors such as ICT where economic upgrading occurs and a higher level of skills are required, 'bad' employment may still be produced, though to a lesser extent (Upadhyaya 2010, Sarkar and Mehta 2010). But outcomes can, and do, vary, and this depends upon a number of factors such as domestic policy, labour market structures and interventions, labour organization, consumer voice, and firm strategies influenced by some of the above (Nathan and Posthuma 2010b, Tewari 2010). Firms can move on the 'high road' and still be gainers (Tewari *ibid.*).

Various options and strategies are being attempted in order to upgrade labour in GPNs. The operation of 'voluntary codes of conduct' which include labour standards and which are subject to audits by buyers, NGOs and/or trade unions can succeed in stimulating discussion and awareness on comparable labour standards, but given the context of competition and long commodity chains,



ending in homework, can hardly succeed in enforcing these outside the larger enterprises which might employ labour under more decent condition (note the growth of sweat shops in developed countries themselves).<sup>6</sup> While trying to influence the policies of the principal buyer firms towards upgrading of labour, and also influence states in taking a coordinated approach towards issues such as minimum working conditions, trade union strategies can also try to work directly with these workers and exert pressure on lower tier firms and contractors from below. Tewari (2010) shows that such a strategy has been adopted by the New Trade Union Initiative in India.

However, the challenge of decent work is not confined to the Global Production Networks. While alternative trajectories exist for firms and establishments outside the GPNs, both capital and the state in India reproduce the conditions through which social downgrading and the 'low road' predominate. One of the principal ways in which the Indian state has done this is to encourage further labour market deregulation. This has been done through a retreat of labour market regulation and has been discussed in detail in NCEUS (NCEUS 2007, chapter 11) and in a compendium of studies on labour regulation in India by the Institute for Studies in industrial Development (Papola, 2008). Low labour costs and flexible labour are seen to encourage foreign and domestic capital accumulation, but naturally this encourages capital to take the 'low route'.

As a counter strategy, the NCEUS (2007, 2009) proposed a 'social floor', which cuts across all sectors, comprising a universal minimum wage linked to a subsistence norm, some minimum provisions for social security, and a comprehensive legislation for working conditions, which would include segments of disadvantaged workers such as migrants and women homeworkers.<sup>7</sup> The principal strength of the NCEUS recommendations has been to show that such a strategy was administratively and financially feasible. The NCEUS strategy could be attractive to the large proportion of those workers who are below the proposed 'social floor' and has already become an important tool for advocacy and pressure with civil society and workers organizations who have been mobilizing on a decent work agenda. But worker unions need to develop consensus on the level and constituents of the 'floor' and strategise on how such a strategy would not be used to gradually push segments of workers above this 'floor' to the minimum level constituted by the social 'floor'.<sup>8</sup>

However, the NCEUS strategy faces strong opposition from neoliberal advocates among academics and policy makers because they see the strategy striking at the heart of a cheap and flexible labour strategy, which in turn is believed to lie at the heart of global competitiveness.<sup>9</sup>

Given that the poverty and vulnerability of the working class in India also arises from the low productivity of petty commodity production, whether agriculture or non-agriculture, the NCEUS in its two major reports as well as its other reports has also proposed a set of measures which aim to increase economic space available to small producers while at the same time increase their productivity and bring benefits of scale economies to them wherever possible. These measures are summarized in the Commission's final report (NCEUS, 2009). These supportive policies are to be complemented by a number of entitlements in the sphere of health, education, food, employment, social security and housing, which form the core of a rights based approach to development. In India, such an approach has taken root to some extent with legal entitlements being created in some areas. This has had implications for public expenditure, as pointed out by us elsewhere (Srivastava 2008). The movement towards the realization of these rights is positive but very slow and tortuous.



It has to be recognized that advances in building labour standards and social entitlements have generally not been acceptable to the Indian capitalist class and its global partners since it implies a much greater degree of social regulation and public expenditure and also, as discussed earlier, less flexible labour. Globally competitive conditions and rapid capital accumulation, it was and is widely believed by capital, is promoted by a 'race to the bottom'. This has promoted ever increasing inequality. For the large part, till recently, global capital could continue to pursue its strategy of accumulation in this fashion as it was abetted by a speculative international financial regime. In this context, an alternative paradigm which would have greater international acceptability and which was built on new rules of the game was required.

Alternative discourses to the neo-liberal paradigm have however, gained much greater acceptability in the aftermath of the 2008 economic crisis and have reinforced the role of domestic demand in stimulating revival and long term growth. This has made measures to improve demand at the bottom of the pyramid through extension of social protection, as well income distribution measures more acceptable globally (ILO 2010, 2011, Stiglitz 2009). These changes have also come at a time when countries in the global South such as Brazil and others in South America, and South Africa, had already begun to undertake significant social welfare measures which partly diluted neoliberal orthodoxy. Even countries like China, which were pursuing a model of classical capitalist accumulation had begun to change their stance.<sup>10</sup>

The challenge to neoliberal orthodoxy, although not deeply radical, is certainly deeper today than at any time in the past quarter of a century and this gives greater space to the laboring classes and provides a greater possibility of improving labour's prospects for decent work and a decent life.

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## NOTES

1. The argument that increased casualisation implies deterioration in the quality of work is, however, not universally accepted, at least when examined from the prism of wages and earnings. For example, according to Sundaram (2001), increased casualisation in the 1990s was accompanied by increase in productivity and wages, and reduction in poverty. Of course, this and similar analysis are restricted to only one dimension of quality viz. remuneration.



2. Standing divides global labour flexibility into five main categories: wage system flexibility, labour cost flexibility, employment (numerical) flexibility, work process flexibility and job structure flexibility. Each of them may be subdivided, e.g. 'employment flexibility' includes employment of migrant labour, labour circulants, labour contract workers, outworkers, sub-contractors and employed labour reserves (Standing 1999).
3. Studies in India do not use a standard definition of the informal sector or of informal employment. The NSS, in its 1999-00 informal sector survey has defined the sector as consisting of all proprietary and partnership unincorporated enterprises, with no employment ceiling. Individual studies of informal employment such as those of Sundaram (2008) and Kundu and Sarangi (2007) use definitions of informal employment which differ in detail from that employed by the NCEUS. However, the NCEUS definition represents the most careful effort in harmonizing the ILO definitions to Indian conditions and this definition has also been used in this paper.
4. The employment status of the self-employed workers and the homeworkers can be considered to be along a continuum of dependence, from being completely independent to being fully dependent on the contractor/middleman for design, raw material and equipment and being unable to negotiate the price of the product. Within this continuum of dependence, the literature on industrial subcontracting distinguishes between two types of 'business arrangements', one that contracts out production without providing raw materials and the other that provides raw materials etc. (Watanabe 1983). The latter is called 'vertical subcontracting', and tends to create more of a dependent relationship and, except for lack of supervision, the homeworker is closer to a wage worker.
5. Conditions of labour in which the degree of unfreedom and adversity facing the labourers may vary, but features of labour bondage can be identified, have been referred to as 'neo-bondage'. These conditions often exist among seasonal migrants due to advances and debt taken from contractors (see Srivastava 2009).
6. See NCEUS (2007), Barrientos, Mathur and Sood (2010) and Mezzadri (this volume).
7. This is analogous to the concept of socio-economic floor comprising a certain minimum level of social protection advocated by the World Commission on the Social Dimension of Globalization (ILO 2004). See also, van Ginneken (2009).
8. The implications of extension of social protection for the poor in the informal sector are similar to those noted by Barrientos (2009) in the case of Brazil.
9. See, for example, Deepak Lal (2007), 'Economic Atavism', *Business Standard*, April 17.
10. The extension of social protection in these countries and in several other developing countries is documented in a number of studies, which also note how this extension is seen as a macro-



developmental strategy. See, for instance, Barrientos and Hulme (2008), Chen and Barrientos (2006), Zhu and Lin (2010), Barrientos and Santibanez (2009). At an information session organized by the International Social Security Association during the 100<sup>th</sup> International Labour Conference in Geneva in 2011, representatives of BRICS countries noted the extension of social protection undertaken in their countries through various flagship programmes. BRICS countries lead the way in social security extension (ISSA, 15 June 2011, News, <http://www.issa.int/News-Events/News2/BRICS-countries-lead-the-way-in-social-security-extension>, accessed June 30, 2011).

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## BIOGRAPHICAL NOTE

RAVI SRIVASTAVA is Professor of Economics at the Centre of Regional Development, Jawaharlal Nehru University, New Delhi, India. His major areas of research are labour and employment, migration, poverty, and human development. He was member of the National Commission for Enterprises in the Unorganised Sector (NCEUS), an independent advisory Commission set up by



the government of India between 2004 and 2009 to study the informal economy and informal employment and to make appropriate recommendations.



# *Labour Standards and Social Policy: A South Indian Case Study*

*Judith Heyer, University of Oxford*

## **ABSTRACT**

The paper documents substantial improvements in the living standards of labourers over the past 30 years in villages in the Tiruppur region, a dynamic centre of garment production in western Tamil Nadu. The improvements have been associated with state programmes and policies relating to education, subsidised food, transport and communications, et al., and the growth of rural industrialisation centred on knitwear production for export and domestic markets. There are still very few opportunities for the majority to move into employment other than low skilled manual labour however. This raises questions about the strategy based on 'cheap labour' that the Indian state has been pursuing in the recent period. Alternative strategies would almost certainly serve the interests of labour better than this.

## **KEYWORDS**

garment production, labour standards, rural industrialisation, social policy, South India

## ***1. Introduction***

This paper looks at the way in which terms and conditions of employment have combined with strong state social policy to improve the position of labour in an industrialising region of South India. Social policy is defined broadly here to include social welfare as well as education, health, and employment generation policies. It has come onto the agenda for developing countries with the rise of neo-liberalism, and its 'freeing up of labour markets', encouragement of 'flexible labour markets', et al. India was one of a number of countries that expanded its social policy initiatives as part of its neo-liberal project in the 1990s and early 2000s.<sup>1</sup> The expansion of social policy could be seen as necessary to contain resistance to neo-liberal policies. Social policy could also be seen as transferring some of the responsibility for the provision for the reproduction of labour from capital to the state.<sup>2</sup> This was a project that some fractions of capital would support. At the same time however, social policy strengthened the bargaining position of labour vis a vis capital. This made it a project that labour would support as well.

This paper looks at a case in southern India in which there is clear evidence of expanded social policy initiatives at the state and national level strengthening the position



and bargaining power of labour in the 1990s and 2000s. Improved terms and conditions of employment and expanded state social policy had combined to produce very substantially improved standards of living for the labourer population between 1981/2 and 2008/9. It is only in comparison with what were very poor standards in 1981/2 that this looks impressive though. Overall, policy was supporting an economy continuing to rely on large quantities of relatively unskilled labour.

The context is one driven by dynamic industrial growth linked to the global market, part of the neo-liberal project in which India has been involved over the past 3 decades or so. The paper looks at how some of this played out at the local level in a particular case. The case in question is the expansion of the production of knitwear for export, in a relatively decentralised and labour-intensive industry dominated by small-scale production units centred on Tiruppur in western Tamil Nadu. The strong social policies that accompanied the expansion of the knitwear industry pre-dated the introduction of neo-liberal policies, originating as they did in the 1960s. They were strengthened in the 1980s, and strengthened further after that as well. These strong social policies were driven by the populist politics for which the state of Tamil Nadu has long been well known.

The paper uses data from a study of villages in the vicinity of Tiruppur between 1981/2 and 1996, and between 1996 and 2008/9. In doing so, it follows a tradition of using village studies as a basis for discussing issues that are much wider than those arising in the villages alone.<sup>3</sup> The immediate focus of the paper is on the indirect effects of industrial growth on agricultural labourers the large and increasing majority of whom were Dalits. Dalits represented a larger proportion of the population resident in the villages in 2008/9 than in 1981/2 (Table 1). They represented a larger proportion still of agricultural labourers. The paper is based on fieldwork spanning the period from 1981/2 to 2011. The first period of fieldwork, in 1981/2, pre-dated the growth of knitwear production for export, and the strong social policies which accompanied this. By the time of the second period of fieldwork, in 1996, the effects of the expansion of knitwear production were being felt in the villages, and the effects of social policies were beginning to be seen. By 2008/9, knitwear had become a major feature of the local landscape; likewise social policy. The paper traces the effects of these developments on labour. It focuses particularly on labour that continued to be employed in agriculture, an overwhelming proportion of which was Dalit by 2008/9. The terms and conditions of employment in agriculture tracked those in industry for much of the period under review.

The paper starts with a brief introduction to the region, and the study villages. It then sets out terms and conditions of employment on the one hand, and social policy on the other, in 1981/2, 1996, and 2008/9. This is followed by a discussion of the interactions between social policy and industrialisation and the effect that these had on the position of labour. The paper ends with a concluding section.

## *2. The Region, the Villages and the Data*

The study villages are part of the Coimbatore region in western Tamil Nadu, the early industrialisation of which centred on Coimbatore. Industrialisation was linked with agriculture in the 1920s and 1930s, both through textiles which depended on cotton, and through engineering which produced pumpsets for agriculture as well as textile machinery.



Industrial entrepreneurs came from the dominant agricultural castes. Dominant agricultural castes also provided much of the industrial labour. Dalits were in the minority as industrial labourers in the region as a whole.<sup>4</sup> The industrial sector diversified over time, incorporating light industries of all kinds, but textiles and engineering remained dominant. Agriculture, already relatively highly commercialised and capital intensive in the 1930s,<sup>5</sup> also played an important role. There was a further spurt of intensification of agriculture in the 1950s and 1960s with the electrification of lift irrigation and increasing levels of use of purchased inputs. The combination of relatively high levels of industrialisation with a relatively commercialised agriculture defined the development of the Coimbatore region for much of the 20<sup>th</sup> century.

(i) The first systematic survey on which this paper relies was conducted in 1981/2, before the expansion of the knitwear industry. Coimbatore was already relatively industrialised, much of its industry consisting of large and medium-scale textile and engineering units clustered in and around Coimbatore. It was not easy for people from the study villages to get access to employment in these units in 1981/2. The study villages were relatively 'remote' at the time, i.e. not on a main road.<sup>6</sup> The bulk of village employment was in agriculture. The remainder was in trade and services derivative of agriculture. The villages were dominated by an oligarchy of 'thottam farmers'<sup>7</sup> making up 12-13 percent of the household population, with holdings averaging 7 acres, some well-irrigated, some dry. These were not large farmers, but they were farmers operating intensive systems of production and making relatively good profits from doing so. Gounders were the most numerous of the landholders in the study villages in 1981/2. Naidus were much less numerous but also had significant landholdings. Chettiars, who were strongly represented in trade as well, were the other major landholding group.<sup>8</sup> The other caste groups represented in large numbers were two Dalit labourer groups, Chakkiliyars and Pannadis.<sup>9</sup> A variety of other caste groups were represented in smaller numbers.

In 1981/2, land was irrigated exclusively by deep open wells with bores, the deepest of which went down to 200ft. Cotton, sugarcane and turmeric were the major well-irrigated crops, supplemented by groundnuts, bananas, tobacco, coconut, tapioca, chillies, mulberry, paddy, cholan, ragi, cumbu and a variety of other cereals, vegetables and fruits. Cholan, groundnuts, gingelly and a variety of pulses were grown on dry land. There was also a substantial livestock economy. There was relatively little mechanisation of field operations. There were only 2 tractors in the villages in 1981/2. The system relied on large numbers of labourers working throughout most of the year.

The state played a strong role in 1981/2 providing agricultural research and extension, veterinary services, credit, et al. There were also food for work programmes on a limited scale. The state also had a presence in education, and a much less strong presence with respect to health. There were no health centres in the villages in 1981/2.

(ii) The next systematic survey was conducted in 1996.<sup>10</sup> By then the production of knitwear for export had taken off in Tiruppur and Tiruppur was growing faster than Coimbatore. Knitwear exports had grown from an estimated 10m pieces in 1984 to 257m pieces in 1996, and from an estimated value of Rs.10 crores in 1984 to Rs.1892 crores in 1996 (Singh and Sapra 2007). These are conservative estimates. Not only were exports not all captured here. Production for the local market was growing alongside that for export as well. It is difficult to estimate the numbers employed in the industry but it was probably well



over 100,000 already in 1996, and included migrants as well as local people. Tiruppur was the focus of attention in discussions of employment opportunities in the villages in 1996, and of much else too. Large numbers of individuals resident in the villages, the large majority non-Dalits, were commuting to work in Tiruppur and other nearby towns and urban centres. Only some were commuting to knitwear units though. They were also commuting to work in spinning, weaving, engineering, metalworking and a whole host of other non-agricultural activities. Much of the industrial growth was small scale and decentralised. Industrial units were also being set up in the villages and surrounding rural areas. The development of transport and communications, which had improved enormously since 1981/2, was crucial to all this. Agriculture was doing much less well in 1996. One of the main reasons for this was the rise in labour costs, with the growing competition from industry and other non-agricultural activities. Relatively fewer Dalits were moving out of agricultural labour than non-Dalits, but the exodus of non-Dalit agricultural labourers meant that employers had to pay Dalit as well as non-Dalit agricultural labourers more. Another reason for agriculture doing less well in 1996 was a decline in the water table which had been seriously depleted by the intensification of agriculture. Agriculture was also getting less support from the state.<sup>11</sup>

Agriculture was now relying on borewells which were gradually replacing open wells, the deepest going down to 600ft. Irrigation technology had become more expensive and it was producing less water than before. Though there were now 4-5 tractors in the villages, bullocks were still widely used. There was more irrigated cotton, a relatively labour-intensive crop, despite the growing shortage of labour. There were also more bananas. There was less rain-fed cultivation than there had been in 1981/2. The mix of minor crops grown on irrigated land had changed too. Fodder shortages limited the role of dairy production but it was playing a bigger role than in 1981/2.

The state had expanded its role significantly with respect to social policy (see below). Its support for production had been decreasing though.

(iii) Brief periods of fieldwork in 2003 and 2004 were followed by a new survey in 2008/9.<sup>12</sup> Knitwear production had expanded further. Exports had grown from an estimated \$5.4K in 1996 to \$2.5bn in 2008/9. There were now an estimated 400,000 people or more working in the industry, about 60percent of whom were migrants (Dorairaj 2010). The knitwear industry, producing for the domestic as well as the export market, was having a very significant effect on the villages in 2008/9, an effect that was strongly caste-differentiated too. There had been more outmigration, and some immigration which was new.<sup>13</sup> There was only a small increase in industrial units in and around the villages. There had been substantial real estate development. There had also been a proliferation of financial services.

There had been a marked decline in agriculture in the villages by 2008/9.<sup>14</sup> Much less land was being cultivated than in 1996. Water was now being tapped from as deep as 1200ft. More tractors and other motorised vehicles were being used for transport, and for field operations. There were far fewer bullocks than in 1996. There was very little cotton left, and much less sugarcane. There were more bananas and turmeric. Among the minor crops that were being grown was maize, which was one of the sources of feed for poultry units that had emerged on a number of farms too. Agricultural employment had not fallen very much however because agricultural labourers from the villages were now working over a much wider geographical area than before.



There had been significant further expansion of state welfare programmes including the NREGS (National Rural Employment Generation Scheme) which was just getting off the ground in 2008/9. These were having noticeable effects both on standards of living and on the bargaining power of labour. The caste and gender segmentation of the labour markets in these villages produced effects that differed significantly between the different segments. The NREGS increased the bargaining power of Dalit female labour, for example. Other state welfare programmes increased the bargaining power of Dalit male and female labour. There were also noticeable effects on non-Dalit labour. These are elaborated further below.

Brief return visits in 2010 and 2011 showed a substantial expansion in the uptake of the NREGS, and some new initiatives, including the spread of drip irrigation, in agriculture. Broadly, however, these visits confirmed trends already evident in 2008/9.

With this background we now look at (a) terms and conditions of employment, and (b) social policy and social welfare, in 1981/2, 1996 and 2008/9.

### *3. Terms and Conditions of Employment, Social Policy and Social Welfare: 1981/2, 1996 and 2008/9*

#### **(i) TERMS AND CONDITIONS OF EMPLOYMENT IN 1981/2**

In 1981/2, most of the working population in the villages was employed in agriculture, or in trade and services derivative of agriculture. There were three types of agricultural employees: pannayals, or bonded labourers, employed on an annual basis;<sup>15</sup> casual labourers employed on a daily basis; and sugar cane crushers working on contract outside the villages as well as within for 6-10 months in the year, staying away for months at a time. Pannayals were all male and nearly all Chakkiliyars. Casual labourers were male and female and from all caste groups. Sugar cane crushers were all men, the majority Pannadis. Table 2 shows the numbers of males involved in each of these different types of agricultural employment.<sup>16</sup>

A relatively small number of people were employed outside agriculture in 1981/2, most of them in trade and services, a few in larger scale manufacturing units outside the villages. Table 3 shows these numbers in 1981/2.

Pannayals were employed by thottam farmers who were sophisticated agriculturalists, managing relatively capital intensive enterprises, operating in a variety of different markets, and keeping up with the latest seeds and other plant varieties, agronomic practices, et al. They employed 1-5 pannayals each in 1981/2. They also employed substantial quantities of casual labour on a daily basis.

Relations between pannayals and their employers were extremely oppressive in 1981/2.<sup>17</sup> Pannayals were beck and call labourers working long hours. They were required to stay on the farm at night to look after livestock, equipment, and stores, if their employer did not live on the farm. They also did a substantial amount of night irrigation work. Boys started working as pannayals when they were 10 years old, or younger, first for their keep, gradually more as they grew up. The annual earnings of adult pannayals doing the full range of tasks were considerably higher than those of casual labourers.<sup>18</sup> There were discretionary benefits which included time off, loans and 'help' with expenditure on health care, life-cycle ceremonies, et al. Discretionary benefits were key instruments of control which pannayals



resisted by doing things like buying produce in the local markets instead of from their employers and getting loans from elsewhere.

Thottam farmers used large numbers of casual labourers for particular operations. Small farmers employed smaller numbers likewise. The standard hours for casual labourers were 9-6 in 1981/2. Some worked from 6-9 in the early morning as well. They got food at work if their employer did not want them to go off in the middle of the day. There was employment more or less round the year. Seasonal unemployment was not a major issue at the time. Moreover there were Dalits who had moved to these villages when a house became available because they knew that these were villages in which it was always possible to get work. There were problems in years of severe drought however. Then people went considerable distances to seek work to tide them over until employment in the villages became available again. There were families for whom droughts had been occasions to migrate permanently too.

Sugar cane crushing was done by groups on a contract basis. It involved working long hours in poor conditions, staying on the farm where the sugar was being crushed, earning somewhat more than pannayals. Much of what was earned was spent on the job however. Sugar cane crushers' wives complained about how little money they brought home. Sugar cane crushers responded that the work was so hard that they had to drink much of what they had earned to be able to continue to do the job.

## **(ii) SOCIAL POLICY AND SOCIAL WELFARE IN 1981/2**

Social policy is defined here to include state interventions which protect those in employment and others in the population as a whole. It includes social welfare interventions such as the provision of subsidised food and other essential commodities; the provision of housing and amenities associated with housing; the provision of health care; and pensions, maternity, accident and disability benefits. Support for education was an important component of social policy rather than social welfare. Employment generation schemes and schemes to support self-employment fall under social policy here too.

There was only a limited amount of recognisable social welfare reaching the villages in 1981/2. Not much of it was reaching Dalit labourers and their families. This was one of the reasons that labourers were so dependent on employers at the time. Most of the strong social welfare interventions for which Tamil Nadu is known only reached the villages in the later 1980s and subsequently. In 1981/2 there were intermittent food for work programmes on which manual labourers but rarely Dalits were employed. There were also the beginnings of what were to become major Dalit housing developments. New Dalit colonies were in the process of being set up in 2 of the 4 hamlets in the study villages in which there were substantial Dalit communities in 1981/2. The initiatives for these new Dalit colonies came from thottam farmers who were able to mobilise state support. This was partly a strategy on their part to capture and immobilise Dalit labour. Apart from housing, social protection was still very much a matter for non-Dalits in 1981/2.



### (iii) TERMS AND CONDITIONS OF EMPLOYMENT IN 1996

In 1996 there were nearly as many paid employees in non-agricultural employment as in agricultural (Tables 2 and 3). There were relatively few Dalits among the non-agricultural employees though. The increase in non-agricultural employment was the result of the integration of the villages into the wider local economy and the growing industrial development that had taken place since 1981/2. The non-agricultural employment was primarily in textile mills and engineering workshops as well as knitwear. There was relatively little paid employment in trade and services. There were relatively few government employees in the sample too.

The majority of employees in the industrial sector were in relatively unskilled jobs, many though not all of these jobs providing more regular employment than agriculture. Hours were longer however, and commuting added to what was already a long working day. For the majority industrial employment was not significantly better than agricultural. The generally lower social status associated agricultural labour did not appear to be a major factor here.

Pannayal employment was still widespread in 1996 though less so than in 1981/2 (Table 2); casual labour remained the dominant form of employment in agriculture; contract labour (not distinguished from casual labour in Table 2) was now being used for tasks other than sugar cane crushing; and more people from the villages were now involved in sugar cane crushing too. There was less child labour in 1996 than there had been in 1981/2.

Thottam farmers were doing less well in 1996 than they had been in 1981/2. Irrigation had become more expensive and was producing less water than it had in 1981/2. Increased labour costs were also a problem for those employing labour, but these had not resulted in much mechanisation, at least as far as field operations were concerned. Mechanisation was still a relatively expensive alternative to labour. There had been changes in cropping patterns but these were more evident in relation to minor than to major crops. Thottam farmers were less dominant in the villages. They were moving into the wider industrial economy, many still retaining their homes in the villages, others moving out. They were educating their sons to enable them to move into the wider economy as well. Thottam farmers were nothing like as buoyant or confident in 1996 as they had been in 1981/2.

Pannayals were no longer beck and call labourers. They had fixed hours of work, similar to those of casual labourers; and they had fixed holidays negotiated at the beginning of the year. It was no longer easy for employers to get pannayals to stay overnight on their farms. Employers complained that state provision of TV in the colonies meant that pannayals would no longer work long hours either. Employers also complained that pannayals taken on at the beginning of the year often left without completing their contracts, and that it was no longer possible to get Chakkiliyar elders to bring them back. Pannayal pay had increased substantially. Adult pannayals were being paid nearly twice as much in real terms in 1996 as they had been paid in 1981/2.<sup>19</sup> There were fewer boys working as pannayals, and fewer young men. Relations between pannayals and their employers were much less oppressive too.

Terms and conditions of casual labour had also improved. Hours were shorter. And pay had nearly tripled. The wages of casual labour had increased much more substantially than those of pannayals.<sup>20</sup> Seasonality was more of an issue in 1996 however than it had been in 1981/2, as crop patterns had changed and there was less irrigation than before.



Contract labour was now being used for many tasks, not just for sugar cane crushing. Many men preferred contract to casual labour because they could earn more working for fewer hours that way. There was also more sugar cane crushing work in 1996, most of it outside the villages, and women were involved as well as men. The majority of sugar cane crushers were Pannadis, as in 1981/2.

Thus, there had been a considerable improvement in terms and conditions of labour in agriculture as agriculture competed with the better terms and conditions available in non-agricultural employment in 1996. This could be attributed at least in part to the integration of the village economy into what was a dynamic local economy driven by the expansion of knitwear production for export that had been so striking in and around Tiruppur. It could also be attributed to the expansion of social policy. It was not just improvements in employment conditions that improved the position of labour. Social policy was also contributing very significantly, both directly and indirectly, in 1996.

#### (iv) SOCIAL POLICY AND SOCIAL WELFARE IN 1996

A substantial number of new social policy and social welfare programmes were in place in 1996. Earlier programmes had also been expanded. Some of the more important social welfare programmes as far as labourers in the villages were concerned were the PDS (Public Distribution System); the ICDS (Integrated Child Development Services); free school meals, school uniforms and books; pensions, and maternity, accident, and disability benefits; and housing developments. There had also been a significant expansion of education and some improvement in health coverage though there was still no health centre in the villages. The IRDP (Integrated Rural Development Programme) had been continuing as had intermittent employment generation schemes. Programmes to support production were not expanding though.

The PDS was a flagship programme<sup>21</sup> providing subsidised food and essential commodities including rice, sugar, some wheat products, and kerosene, and an annual distribution of saris and dhoties. Whereas in 1981/2 the PDS had had a very low profile, having only relatively recently been extended to the rural areas, in 1996 it was playing a significant role. Not all households were able to access it successfully. Dalits had more difficulties than others in doing so. There were problems with the reliability, and the quality, of supplies. But it *was* reaching large numbers in 1996.<sup>22</sup>

The ICDS supplemented the PDS, providing food for pregnant women and young children. It also provided child care for small numbers of pre-school children, primarily Dalit, whose mothers went out to work.

Free school meals, uniforms and books, introduced in 1984, were generally regarded as having had a significant impact on participation in education in Tamil Nadu.<sup>23</sup> Participation in education had increased very substantially in the villages between 1981/2 and 1996.<sup>24</sup> There had been a substantial reduction in child labour in Dalit households between 1981/2 and 1996 too.

Pensions and maternity, accident and disability benefits were only reaching some of their intended beneficiaries in the villages in 1996,<sup>25</sup> but the fact that they were available was significant nevertheless.



Dalit housing had improved enormously between 1981/2 and 1996 in two of the four study villages in which there were Dalit communities. The colonies being established in 1981/2 were up and running, doubling the number of house sites and houses and providing more public space as well. Similar extensions were being planned for the other two Dalit communities. Dalits were spending more on buying house sites, and building and extending houses with or without contributions from the state. This had led to increases in indebtedness, to moneylenders, to employers, and to the state.

There were a number of credit programmes providing loans for small-scale self-employment in the 1980s and first half of 1990s.<sup>26</sup> The majority of investments financed by such programmes in these villages were livestock investments, mainly but not exclusively non-Dalit. There were also employment generation schemes, but these were not very visible in the study villages in 1996.

Overall, this amounted to a significant expansion in state social policy reaching low-income households, reducing their dependence on employers and the village elite. This reinforced the impact of integration into the rapidly growing industrial economy that was also playing a role in reducing dependency in the villages.

Dominant caste employers complained that social welfare developments were undermining their position. They attributed Dalit labourers' unwillingness to work as much, or as hard, or for as long, to the 'pampering' they were getting from the government. Employers also attributed the increased assertiveness of labour to 'Tiruppur', the local shorthand for the expansion of the knitwear industry. Labourers, both Dalit and non-Dalit, also felt that the fact that there were now alternatives available to them in the knitwear industry and related sectors meant that they could resist pressure from employers in agriculture much more strongly than they had been able to before. The balance had clearly shifted in favour of labourers for other reasons too. These included changing attitudes on the part of state officials particularly where Dalits were concerned.<sup>27</sup> There were also wider social influences at work through TV and other media as well as heightened geographical mobility.

#### **(v) TERMS AND CONDITIONS OF EMPLOYMENT IN 2008/9**

Paid employment outside agriculture had overtaken that in agriculture for the villages as a whole by 2008/9 (Table 3). This was not the case for Dalits though. Also striking was that, unlike in 1996, manufacturing employment was now dominated by employment in the knitwear industry. There had been an increase in employment in miscellaneous trade and services as well, much of it associated with transport and other activities related to the knitwear industry.

The majority of people resident in the villages who were employed in the knitwear industry were in relatively unskilled jobs. These included tailors who had learned the job by working as 'helpers' for a year or more. This was not strictly speaking 'unskilled' employment. It was however employment that was easily accessible to manual labourers of all caste groups if they started young enough. People from the study villages were employed in knitwear production for the domestic market as much as for export, and this was more regular than export production.<sup>28</sup> But although much of this employment was more regular than agricultural labour, hours were long and pay was not very different. Most of the people who worked in the knitwear industry were young, male and female, Dalit as well as non-



Dalit.<sup>29</sup> They were attracted by what they regarded as relatively 'light' work, and work that was relatively social. They also liked getting out of the villages. There were few prospects of advance for these employees though. They were likely to continue in relatively unskilled low-paid positions for as long as they continued to work in the knitwear industry.

There had been only a small decrease in the overall numbers of agricultural labourers in the villages in 2008/9 (Table 2). The decrease for non-Dalits was greater than for Dalits though. Pannayal labour had virtually disappeared in 2008/9. There was no more child labour in agriculture either. Contract labour was now the dominant form of male agricultural employment. Women also did contract labour, but not as much as men. People employed on contract worked outside the villages as well as within. None of them was doing sugar cane crushing work though. Sugarcane was now being processed in mills.

Contract labour was organised informally. Non-Dalits were not involved because they were not prepared to join Dalit groups and there were too few of them to make up groups consisting of non-Dalits alone. Contract labour was organised by someone hearing about the work who would get a group together. Pay was better if the work was further away. If far away the employer would send a truck to pick the labourers up, and they would often stay for several days to complete the work. Employers in the villages complained that men were rarely willing to do casual labour in 2008/9. Daily wages for male casual labourers varied between Rs.100/- and Rs.150/- for a 6-hour day. If they worked on contract they could get up to Rs.200/- or Rs.250/- per day in the villages, and more if they worked further away. Women were also doing contract labour in the villages but they did more casual than contract labour. Daily wages had only increased in real terms by a little more than 20 percent since 1996. This was much less than the increase between 1981/2 and 1996. If one compares what men were getting on a daily basis in 1996, however, with what they were getting on a contract basis in 2008/9, the increase is nearer 35 percent

It was clear that there was not enough work in the villages for the agricultural labourers who lived there in 2008/9. However employers in the villages had to compete with employment available elsewhere in agriculture as well as employment available outside of agriculture. A significant number of Dalits were working outside agriculture in 2008/9. Agricultural labourers' discourse included the fact that there was not enough work in the villages, which was why they had to go outside for work. However, it paid, and they could get enough work if they went further away. These were people, mainly Dalits, who did not want to work in factories, or in construction, et al. They did not like working in urban areas either. Many of them felt that agricultural labour was as good as any other work that they could get.

The bargaining power of labour of all caste groups was clearly stronger in 2008/9 than it had been in 1996, or 1981/2. It was enough to keep pay in agriculture more or less on a par with industry, and to ensure reasonable relations with employers too.<sup>30</sup> There was a whole discourse on the part of employers regarding the fact that they felt they had to treat their labourers really carefully if they were to get them to come to work.<sup>31</sup> Pay may have increased year by year, but this alone was not enough.

It was not only competition for labour from industrial and other non-agricultural activities that had strengthened the position of labour. It was also the expansion of social policy and social welfare. We turn to this now.



(vi) **SOCIAL POLICY AND SOCIAL WELFARE IN 2008/9**

Further developments in social policy included a substantial expansion of the PDS. School meals had also improved and their uptake had increased. There were more pensions, and maternity, accident and disability benefits reaching Dalit households. There had been significant further improvements in Dalit housing. Education had improved too, as had health care – there was now a health centre in one of the study villages. There was less support for small scale self-employment and what there was now channelled through SHGs (Self Help Groups). Earlier employment generation schemes had been replaced by the NREGS. This was a new initiative with major long term implications that was getting off the ground in the villages in 2008/9.

Dalit households were getting a substantial proportion of their rice through the PDS in 2008/9. They were getting a range of other foodstuffs, and other commodities, as well.<sup>32</sup> The price of PDS rice was reduced in 2006, from Rs.3/50 to Rs.2/50, and then Rs.2/00, and finally, in September 2008, Rs.1/00 per kg., by the DMK government which was elected in 2006. These moves took the price way below the Central issue price, substantially increasing the subsidy born by the state.<sup>33</sup> The food subsidies were particularly important in 2008/9 when food price inflation was high. Rs.1/- per kg rice when the open market price was Rs.14/- per kg or so for the poorest quality was a real boon to the poor.<sup>34</sup>

Another initiative of the DMK government elected in 2006 was the distribution of free colour TVs to individual households. In 1996, TVs had been distributed to Dalit colonies only. Almost all Dalit households and a large number of non-Dalit households in the villages had free 'Karunanidhi TVs'<sup>35</sup> in 2008/9.

There had been further improvements in Dalit housing by 2008/9. The new colonies being planned in 1996 were up and running, one Chakkiliyar, one Pannadi. Pannadis had also got an extension of their old colony. Significant numbers of Pannadis had bought houses in the main village as well. This was something that would have been unthinkable for Chakkiliyars. One of the reasons for Pannadis being in a stronger position here was that they were regarded as having higher status than Chakkiliyars. Another reason was that Pannadis all lived in a single village/hamlet from which relatively large numbers of Gounders had left. There were no Chakkiliyars living in that village/hamlet. One of the villages in which Chakkiliyars had got a new colony earlier, in 1981/2, had added another colony by 2008/9. Efforts were being made to get more house sites on another piece of land there too. There still seemed to be an insatiable demand for Dalit house sites. Some of this was a demand for the future for children. Most was simply to get away from multiple occupancy and crowding, still quite widespread in 2008/9.

Participation in education had continued to increase. All Dalit (and non-Dalit) children under 15 were in school in 2008/9.<sup>36</sup> There was very little child labour in the villages any more. This reflected a major change in attitudes to children and children's education. Children were now the focus of attention, and seen as investments in the future, in labourer as well as other households. This was a far cry from 1981/2, and even 1996.

In 2008/9 all state provided credit was being channelled through SHGs, as in many other parts of India. The SHGs in the study villages had not proved at all effective though. There was a spurt of activity in 2000/01 when the first were set up, but this soon petered



out. More support would be needed if SHGs were to generate finance for self-employment et al.<sup>37</sup>

A limited amount of employment was being provided by the NREGS in 2008/9. This was an initiative on an altogether different scale from the employment generation schemes of the 1980s and the 1990s. The NREGS guaranteed up to 100 days of work per rural household per year in theory, for all who claimed it. The NREGS was started in selected districts in 2006, and extended to all rural areas in the country, including the study villages, in 2008/9.

The scheme was only attractive to women in the study villages.<sup>38</sup> Men's wages for agricultural and other manual labour were much higher than those of women, and much higher than those being paid by the NREGS. There was little demand for NREGS work in the villages at first. But the demand gradually picked up. In 2011 it was attracting significant numbers from all Dalit colonies.<sup>39</sup> There was also some non-Dalit uptake in 2011.<sup>40</sup> It was still the case that only a minority of Dalit women were involved though, and many for far less than the maximum 100 days per year.

Agricultural employers regarded the NREGS as another assault on agriculture which was already short of labour at a time when agriculture was getting little support from the state. While the wage of Rs.80/- per day was on a par with what they were paying women for agricultural labour prior to 2010, when the wage went up on 1 January 2010 to Rs.100/-, they raised what they were paying to Rs.100/- too.<sup>41</sup> Industrial employers also complained about the NREGS. Agricultural employers were putting some pressure on NREGS supervisors to try to get them to organise less NREGS work particularly in peak seasons. Pressure may also have been exerted at higher levels. This was not something that this research inquired into though.

Thus there had been a significant further expansion of state social policy reaching both Dalit and non-Dalit low income households, strengthening their overall position, by 2008/9. It had reinforced the impact of further integration into a fast-growing local industrial economy too.

Employers complained more than ever about the difficulty of getting people to work in agriculture, attributing these to state social policy as well as to 'Tiruppur'. Dalit labourers, on the other hand, were now talking about not having to work as much, or as hard, because of the PDS et al. The NREGS was an added bonus as far as labourers were concerned, increasing the wages of Dalit female agricultural labourers particularly. The combination of social policy with the continuing expansion of the industrial sector was continuing to shift the balance in favour of labour, both Dalit and non-Dalit. There were powerful interactions here.

#### *4. Discussion*

The paper has focused on the evolution of employment, and of terms and conditions of employment in agriculture, and the evolution of social policy, over the period from 1981/2 to 1996, and 1996 to 2008/9. The combination of increased employment opportunities in the growing industrial economy, albeit less for Dalits than for non-Dalits, and the expansion of social welfare programmes et al., led both to an increase in the wellbeing of labourers and their families, and to a strengthening of the bargaining position of



labour vis a vis employers. It was the association of strong, decentralised and labour-intensive industrial growth in the local economy with the expansion of social policy and social welfare that produced these results.

We consider a number of issues that arise from these findings: first, issues relating to the tightening of the labour market; second, issues relating to the division of responsibility for the wellbeing of labour between employers on the one hand, and the state on the other.

#### (i) THE TIGHTENING OF THE LABOUR MARKET

One of the more striking features of the period under review was the tightening of the labour market.<sup>42</sup> This was a regional phenomenon as far as the villages were concerned. Thus though there was no longer enough work in agriculture in the villages themselves, agriculturalists had difficulty attracting sufficient labour because there was enough work in the region as a whole, and this was work to which labourers in the villages also had access. The corollary of this was that to get enough labour agriculturalists had to treat labour well. The shortage of labour in agriculture was connected with the shortage of labour outside agriculture. Thus, although Dalits remained heavily involved in agricultural labour and less involved than non-Dalits in non-agricultural labour, the general shortage of labour spilled over from outside agriculture to agriculture.

Although relatively few Dalit and non-Dalit women were employed outside agriculture, and employment available to them outside agriculture was much less attractive than that available to men, the fact that more were staying at home, relying more heavily on income brought in by men, meant that female labour was in particularly short supply as far as agriculture was concerned.

The tightening of the labour market, and the reasons for the tightening of the labour market, differed in different segments of the labour market here. They were the product of longer-term processes affecting both the supply of labour and the demand, both overall, and segment by segment.

The increase in the overall *demand* for labour in this case was dominated by the growth of the knitwear industry and all the subsidiary activities associated with this. Other textiles, particularly spinning and weaving, engineering, and metalworking contributed too. The growth of employment in the knitwear industry centred on Tiruppur outweighed all of these others though. Tiruppur has acted as a magnet drawing labour from all over Tamil Nadu, from where the majority of Tiruppur's migrant labourers come. It has been drawing increasingly on labour from other states recently as well. This may in part be in order to get more docile labour. It was discussed primarily however in terms of an increasing shortage of labour from nearer by.

While the shortage of labour in the region was driven primarily by demand, reductions in supply made their contribution to the tightening of the labour market as well. The labour *supply* had been affected by such things as the longer-term effects of fertility decline on the growth of the labour force, increasing participation in education reducing the number of young people in the labour force,<sup>43</sup> and increases in wages and earnings making it less necessary for members of labourer households to put in as much work as before. This latter was countered only to some extent by increasing aspirations providing incentives to put in more.



Social policy and the expansion of social welfare made a strong contribution to the decrease in the labour supply. The PDS, the ICDS, school meals, maternity benefits, accident benefits, pensions, et al. made it possible for people to meet their consumption needs with less labour. This became clear in discussions with members of Dalit labourer households in the villages in 2008/9 in which men said that the Rs.1/- per kg rice made it possible to feed their families with 2-3 days work a week, instead of 5-6. It also made it possible for women to spend more time at home and less time doing paid work. These 'negative' incentive effects should be regarded as improvements in a context in which poverty and under-nourishment have hitherto been associated with long hours and low pay.<sup>44</sup>

Increased aspirations, reflected in increased spending on housing, and increased spending on children, in labourer households have not been strong enough to outweigh the incentives to supply less labour. There was a striking change between 1981/2 when very little was spent on children, and children brought in earnings from an early age, on the one hand, and 1996 and 2008/9 when households were having to do without children's contributions to earnings and were involved in substantial additional expenditure associated with the improved standing of children within the household as well, on the other.<sup>45</sup> Significant reductions in the supply of the labour of children, and of women looking after children, were being offset only to some extent by increased incentives to put in more labour to support new demands on household budgets.

There were contradictory tendencies here. The net effect was to reduce the supply of labour over time, however. This could be seen in the reduction in numbers of young people in the labour force, the reduction in numbers of women in the labour force, even with their participation in the NREGS, and the reduction in numbers of days of paid work that men were putting in too.

It should also be noted here that social welfare interventions dampened the increase in wages and earnings, by keeping the costs of living down, and by providing some of the things like pensions, maternity benefits, housing, et al. that one would normally expect employers to provide.

## **(ii) THE DIVISION OF RESPONSIBILITY BETWEEN EMPLOYERS AND THE STATE**

This paper has focused on the interplay between terms and conditions of employment on the one hand, and social policy on the other. This leads to questions concerning the division of responsibility for providing for labour between employers and the state.

One can focus on employer responsibilities – not wanting to let employers off the hook. An alternative is to focus on what the state can do. The policy emphasis in India in the recent period, and in neo-liberal regimes generally, has been on reducing the responsibility of employers for providing fully for labour. Policies reducing the restrictions on employers, and reducing the obligations of employers, with respect to labour, have been accompanied by an expansion of state social policy, increasing the responsibility of the state.

One of the questions that arises in connection with the state taking on more responsibility for providing for labour is its capacity to do so. There are many states in India that are poorly equipped to intervene effectively here. Tamil Nadu has a better record than



most states in India on this count. Not all states have the capacity to deliver on the scale that the Tamil Nadu state has done.

There is also the question of the financing of state provision. The state may take responsibility for some of the provision for labour and finance it from taxes on employers – effectively making employers pay through another route. An alternative is to finance it through things like VAT, taxes on alcohol etc. The Tamil Nadu state appears to have done the latter,<sup>46</sup> making it look as though labour is benefiting, masking the extent to which it is effectively paying for these benefits as well.

Another relevant question in the Tamil Nadu case is whether state provision is being successful at too high a cost. The prime example here is the PDS. A good deal of the official Food and Consumer Protection Policy Note 2010/11 on the PDS (Government of Tamil Nadu, 2010a) is taken up with accounts of controls designed to reduce inefficiencies and limit the potential for corruption. There are undoubtedly inefficiencies in the system, though Swaminathan (2000) argues that for a programme of this kind these are not large. There is also widespread corruption.<sup>47</sup> This may have to be accepted as necessary in a system that is providing a safety net for the poor. It is a serious question though, particularly if the poor are also paying a large part of the cost.

This brings us to the bargaining power of labour. Trade unions which were powerful in the region in the 1960s and 1970s declined as industry became more fragmented and relied more on casual and migrant labour.<sup>48</sup> Agricultural labour was never unionised in this area. Collective bargaining was generally rather weak in the industries that were important in the 1980s, 1990s, and early 2000s. There is also the question of the bargaining power of labour vis a vis the state – the ability of labour to mobilise around state benefits et al. Party politics has played an important role in getting social policies introduced, and implemented. Populist politics in Tamil Nadu are usually regarded as responsible for the fact that Tamil Nadu was the first to introduce many social welfare policies that have now been adopted at the national level in India. Organised labour has not played a strong role here. There may be more to be gained by mobilising outside the workplace to put pressure on the state to deliver better on its social welfare policy though. This is an area in which labour mobilisation *outside* the workplace could play a role, through political parties, social movements, et al.<sup>49</sup>

## 5. *Conclusions*

The paper has shown how terms and conditions of employment changed between 1981/2 and 1996, and between 1996 and 2008/9, as the rural areas became more closely integrated into the growing industrial economy. Terms and conditions of employment in agriculture were harsh and oppressive in 1981/2 when a large majority of the population in the villages was working in agriculture. By 1996, the proportion working in agriculture had fallen, and terms and conditions of employment in agriculture had improved. The majority of labourers working outside agriculture were working on terms and conditions that were not very different from those in agriculture too. In 2008/9, there had been a further decrease in numbers working in agriculture, though much smaller than between 1981/2 and 1996. Terms and conditions of employment in agriculture had improved again, on a par with those in non-agricultural employment.



The paper has also shown how state social welfare policy developed over this period from playing a very limited role in 1981/2, to a significant role in 1996, and a very much expanded role in 2008/9. By 2008/9 it was clear that it was making a major contribution to labourers' standards of living, something that it had not been doing either in 1996, or in 1981/2.

Improved terms and conditions of employment and expanded state social welfare policy had combined to produce very substantially improved standards of living for the labourer population between 1981/2 and 2008/9. It is only in comparison with what were very poor standards in 1981/2 that this looks impressive though. Labourers were still working hard for long hours for low pay in 2008/9. There were still very few opportunities to move into employment other than low skilled manual labour. State social policies may have improved the conditions of manual labourers, but they were not equipping many to move out of manual labour. These were policies supporting an economy relying on large quantities of relatively unskilled labour still.

This raises questions about the strategy based on 'cheap labour' that the Indian state has been pursuing in the recent period, a strategy in which the responsibility for capitalist enterprises to provide fully for labour is reduced, and the state takes on more of this responsibility, the state pursuing a strategy of increasingly unequal development while providing safety nets to cater for the poor. An alternative is for the state to focus on increasing the skills and productivity of labour as a basis for enabling capitalist enterprises to compete in the world economy. If the state moved towards getting employers to pay the full cost of providing for labour, employers would have greater incentives to contribute to increasing the productivity of labour too. Increasing the skills and productivity of labour would enable employers to take responsibility for providing fully for labour and still remain competitive. It would enable labour to earn higher incomes as well. A strategy of the state promoting development that takes care of inequality in this way has much more to recommend it in the longer term than the strategy that is being pursued in India now.

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## NOTES

1. See Barrientos and Hulme (2008) for examples of other developing countries that also did so.
2. See Vijayabaskar (2011) on this too.
3. Other examples include Harriss-White and Janakarajan (2004), Breman (2007), Harriss et al. (2010), Rodgers and Rodgers (2011).
4. Baker (1984), Chari (2004), and Damodaran (2008).
5. Chari (2004).
6. The study villages comprise 6 hamlets in 2 revenue villages 40-60 km from Coimbatore and 25-30 km from Tiruppur. Members of a random sample of 20 percent of the households in these villages were interviewed between August 1981 and March 1982, a sample of 230 households in all. Sample interviews and discussions were supplemented by in-depth interviews with people outside the sample as well.
7. Thottam farmers were farmers with enough well irrigated land to support the employment of permanent labour in 1981/2.
8. These were 501 Chettiars, not to be confused with Devanga Chettiars, a weaver caste, represented only in small numbers in the villages in 1981/2. 501 Chettiars are Tamil-speaking; Devanga Chettiars speak Telugu.
9. Chakkiliyars, were leatherworkers, also known as Madaris, or Arunthathiyars. Pannadis were Pallars, also known as Devendras. There were no Paraiyars, the other large Dalit group in Tamil Nadu.
10. 1996 data come from a May-June re-survey of the 85 percent of the 1981/2 sample households that still had descendants living in the villages. Some information about those who had left was also obtained. 1996 sample interviews and discussions were supplemented by interviews with people outside the sample again too.
11. This was true in large parts of India. See Government of India (2007) for example on this. See Government of India (2005) on Tamil Nadu too.
12. Selective interviews were conducted in May 2003 and August 2004. In 2008/9, members of a new 20percent sample of households in the hamlets and revenue villages surveyed earlier were interviewed as part of a larger project on the impact of the Tiruppur knitwear industry on the region. Sample interviews and discussions were supplemented by selective in-depth interviews again.



13. The Census data show that the population remained more or less unchanged between 1991 and 2001. School Census data show that this remained the case between 2001 and 2008 too.
14. See Heyer (forthcoming 2012).
15. Pannayals, or bonded labourers, were labourers employed on an annual basis, with an advance at the beginning of the year. See De Neve and Carswell (2011) for more detail on this.
16. This paper focuses on male employment. Female employment is dealt with elsewhere (Heyer, 2011).
17. Cederlof (1997)'s account of relationships between Gounders and Chakkiliyars in the 1930s and 1940s resonates with relationships still prevailing in the villages in 1981/2. See Breman (1974) for an account of similar types of relationships in Gujarat too. Heyer (2000) has more detail on this too.
18. The annual rate of pay for pannayals in 1981/2 was Rs.2400/- for an adult doing the full range of tasks, with or without one or more meals per day. This was equivalent to the highest daily casual labour wage of Rs.7/- for 343 days of the year without taking account of any of the additional perks available to pannayals. Male wages for casual labour in 1981/2 were Rs.5/-, Rs.6/- and Rs.7/-.
19. In 1996, adult pannayals doing the full range of tasks were paid Rs.10-11,000/- p.a. This represents an up to 100 percent increase using the Coimbatore rural rice price, and up to 90 percent using the CPIAL. (The *India Labour Journal* is the source both for the rice price and for the CPIAL.) This overstates the real rise though. There are a number of items of increased expenditure that are not included in the CPIAL, things like health care et al. Many new items were now regarded as necessities which they certainly were not before.
20. Daily agricultural wages for men were Rs. 5/-, Rs.6/- and Rs.7/- in 1981/2. In 1996 they were Rs. 40/-, Rs. 45/-, Rs. 50/-. This represents an up to 200 percent increase using the Coimbatore rural rice price, and up to 175 percent using the CPIAL.
21. cf. Venkatsubramaniam (2006).
22. See Harriss-White (2004a) for more detailed information on this in north eastern Tamil Nadu villages in 1993/4.
23. cf. Kajisa and Palanichamy (2010).
24. See Heyer (2010a).
25. See Harriss-White (2004b) on this too.



26. See Swaminathan (1990) for example on the IRDP.
27. State officials involved in implementing social policy programmes were now dealing with Dalits directly. Dalits were also going to the police to seek redress in disputes with non-Dalits. Dalits were getting the tahsildar and other officials involved on their behalf in cases involving their burial grounds too.
28. See De Neve (2010) for more on employment in export units.
29. See Heyer (2010b) for more details of this.
30. A Muthuraja, a member of a low-caste group ranking just above Dalits in the caste hierarchy, from one of the study villages who was working in a knitwear unit commented that agricultural employers were having such difficulty getting labour in 2008/9 that agriculture was now paying better than the knitwear industry.
31. See De Neve and Carswell (2011) on this too.
32. Tur dhal, urid (sic) dhal, palmolein oil, and more wheat products were added in May 2007.
33. The Central Government issues food for public distribution to the states at subsidised prices, and states like Tamil Nadu provide additional subsidies of their own. Since 1997 the Centre has provided greater subsidies for households that are below the poverty line (BPL households) than for households that are above (APL households). Tamil Nadu is one of the states that has continued with universal provision making no distinction either with respect to prices or with respect to quantities to which BPL and APL households are entitled. Tamil Nadu does make a distinction for AAY (Antyodaya Anna Yojana) households though, giving them greater entitlements than others. AAY is a Central scheme that was started in 2001 for the bottom 5percent. It was extended in 2004 to widows, destitute people, et al.
34. There were complaints about the quality of PDS rice but it was used extensively in Dalit households nearly all of whom obtained the maximum to which they were entitled. Khera (2011) suggests that there has been a revitalisation of the PDS elsewhere in India too.
35. After Karunanidhi, the Chief Minister of the state at the time.
36. This is mirrored in the state as a whole. Tamil Nadu has seen enormous advances since the early 1980s. It is within reach of achieving universal secondary education now (Kajis a and Palanichamy, 2010).
37. See Kalpana (2005) for a discussion of the issues here. SHGs have been more successful in some other parts of Tamil Nadu than in the villages on which this paper focuses. Kalpana



(2011) shows that their 'success' has not all been associated with increased self-employment though.

38. 83 percent of beneficiaries in Tamil Nadu were women in 2009/10 (Government of India, 2010).

39. See Jeyaranjan (2011) for an account from villages in another part of Tamil Nadu in which an unpromising start was followed by adjustments that made the scheme more attractive after the first year or so.

40. The uptake of the NREGS has been very substantial in Tamil Nadu to date (Government of India, 2010). Tamil Nadu had the 5th largest uptake in 2009/10, after Rajasthan, Andhra, UP and MP, when 4.4 million households in Tamil Nadu were provided with a total of 239 million days of work (Government of India, 2010b). The number of days of work nearly doubled in Tamil Nadu between 2008/9 and 2009/10. It increased again in 2010/11 too.

41. Ravallion (1991) suggests that this was one of the main benefits of the Maharashtra Employment Guarantee Scheme earlier too. Similar comments are being made on the NREGS now (Rajshekhar, 2011).

42. The increasing shortage of labour was being recorded elsewhere in Tamil Nadu too, not just in the Coimbatore/Tiruppur region (see Harriss et al. [2010] for example).

43. This has been an all-India phenomenon as well.

44. See Heyer (2011) for more on this, particularly where women are concerned. Jeyaranjan (2011) discusses this too.

45. Very few labourer households in these villages sent their children to private schools, and the majority were benefiting from free school uniforms and books, but they were incurring additional expenditure on clothes et al., and on providing a good enough diet in addition to what children got at school.

46. It is possible to see this by looking at figures reproduced in Government of India (2005), and Government of Tamil Nadu (2010b). Budget categories do not make it very easy to do this though. See also Vijayabaskar (2011).

47. Transparency International's India Corruption Study ranked 5 states alarming, 3 states very high, 7 states high, 7 states moderate for corruption with respect to the poor and specifically the PDS (Transparency International, 2005). Tamil Nadu was one of the 3 states in the 'very high' category.

48. See Chari (2004).



49. See Vijayabaskar (2011) on this too.

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## BIOGRAPHICAL NOTE

JUDITH HEYER was formerly a Lecturer in the Department of Economics, and Tutorial Fellow at Somerville College, Oxford University. She is currently an Emeritus Fellow of Somerville College, an Associate in the Contemporary South Asia Programme at the School of Interdisciplinary Area Studies, and an Honorary Associate of the Department of International Development, Queen Elizabeth House, Oxford. She has written and edited a number of books on rural and agricultural development in Kenya and Africa. Her more recent work has focused on rural development in South India.



*Table 1. Sample population by caste, 1981/2, 1996 and 2008/9 (numbers and row percentages)*

		Chakkiliyars*	Pannadis	Dalits	Naidus	Gounders	Chettiars	Others	Non-Dalits	All
1981/2	no.	201	177	378	55	399	171	177	802	1180
	(%)	(17)	(15)	(32)	(5)	(34)	(14)	(15)	(68)	(100)
1996	no.	203	182	385	47	394	199	139	779	1164
	(%)	(17)	(16)	(33)	(4)	(34)	(17)	(12)	(67)	(100)
2008/9	no.	276	136	412	50	318	159	96	623	1035
	(%)	(27)	(13)	(40)	(5)	(31)	(15)	(9)	(60)	(100)

Source: Village Surveys

\* The numbers of Chakkiliyars were underestimated in 19812 and 1996. It remains the case that the proportion of Chakkiliyars in the population increased over the period nevertheless.



*Table 2. Male agricultural labour force by caste, 1981/2, 1996 and 2008/9 (numbers and column percentages)*

1981/2		Chakkiliyars	Pannadis	Dalits	Naidus	Gounders	Chettiars	Others	Non-Dalits	All
Casual	no.	47	43	90	1	21	10	9	41	131
	(%)	(59)	(70)	(64)	(50)	(91)	(63)	(82)	(79)	(68)
Pannayal	no.	30	3	33		1		1	2	35
	(%)	(38)	(5)	(23)		(4)		(9)	(4)	(18)
SCC**	no.	3	15	18	1	1	6	1	9	27
	(%)	(4)	(25)	(13)	(50)	(4)	(38)	(9)	(17)	(14)
All	no.	80	61	141	2	23	16	11	52	193
	(%)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	100

1996		Chakkiliyars	Pannadis	Dalits	Naidus	Gounders	Chettiars	Others	Non-Dalits	All
Casual	no.	39	11	50		14	2	7	23	73
	(%)	(64)	(30)	(51)		(100)	(67)	(100)	(96)	(60)
Pannayal	no.	20	2	22						22
	(%)	(33)	(5)	(22)						(18)
SCC**	no.	2	24	26			1		1	27
	(%)	(3)	(65)	(27)			(33)		(4)	(22)
All	no.	61	37	98		14	3	7	24	122
	(%)	(100)	(100)	(100)		(100)	(100)	(100)	(100)	(100)

2008/9		Chakkiliyars	Pannadis	Dalits	Naidus	Gounders	Chettiars	Others	Non-Dalits	All
Casual	no.	71	23	94		6	8	4	18	112
	(%)	(99)	(100)	(99)		(100)	(100)	(100)	(100)	(99)
Pannayal	no.	1		1						1
	(%)	(1)		(1)						(1)
SCC**	no.									
	(%)									
All	no.	72	23	95		6	8	4	18	113
	(%)	(100)	(100)	(100)		(100)	(100)	(100)	(100)	(100)

\* casual and contract labour

\*\* sugar cane crushers

Source: Village Surveys



*Table 3. Male paid non-agricultural employment by caste, 1981/2, 1996 and 2008/9 (numbers)*

1981/2	no.	Chakkiliyars	Pannadis	Dalits	Naidus	Gounders	Chettiars	Others	Non-Dalits	All
Knitwear factories						7			7	7
Textile mills					2	3	1	1	7	7
Powerlooms										
Workshops						1	1		2	2
misc factories					1	1		2	4	4
Trade & services						4	2	5	11	11
Govt.employment	2	1	3	1	7	6	6		21	21
misc salaried										
All non-agric.	2	1	3	4	23	10	15		52	55

1996	no.	Chakkiliyars	Pannadis	Dalits	Naidus	Gounders	Chettiars	Others	Non-Dalits	All
Knitwear factories	4	2	6			21	6	6	33	39
Textile mills	1	4	5	2		4	4	5	15	20
Powerlooms	4	2	6					1	1	7
Workshops		4	4	2		4	4	1	11	15
misc factories						5	1		6	6
Trade & services		8	8			1	1	4	6	14
Govt.employment	2		2			3	4	2	9	11
misc salaried										
All non-agric.	11	20	31	4	38	20	19		81	112

2008/9	no.	Chakkiliyar	Pannadi	Dalits	Naidu	Gounder	Chettiar	Other	Non-Dalits	All
Knitwear factories	20	4	24			23	18	14	55	79
Textile mills		2	2	1					1	3
Powerlooms		6	6			2			2	8
Workshops					1	1		1	3	3
misc.factories	1		1				1		1	2
Trade services		2	2			13	3	9	25	27
Govt.employment	1		1			1	4		5	6
misc salaried						1	1		2	2
All non-agric.	22	14	36	2	41	27	24		94	130

Source: Village Surveys



# *Ambiguities and Paradoxes of the Decent Work Deficit: Bonded Migrants in Tamil Nadu*

*Isabelle Guérin, University Paris I Sorbonne/Institute of Research for Development*

*Subramanian Ponnarasu, French Institute of Pondicherry*

*Govindan Venkatasubramanian, French Institute of Pondicherry*

*Sébastien Michiels, Bordeaux IV University/French Institute of Pondicherry*

## **ABSTRACT**

This paper examines the brick kiln industry in Tamil Nadu as a case study to highlight the discrepancy between normative categories of decent work and workers' experiences and subjectivities. It highlights the extreme vulnerability of circular migrants while stressing the diversity of circulation channels and how these are both shaped by and constitutive of distinct eco-type systems and village economies. The paper also shows how employers and labour recruiters exploit many different forms of agricultural decline, and how they influence and take advantage of workers' constraints, expectations and aspirations. It is argued that debt bondage in the brick industry is supported by the decline in agricultural labour and lack of social protection but also partly by the growing consumption needs of labourers. Paradoxically, increasing aspirations for equality and integration are helping to reproduce the conditions for capitalist exploitation and extraction of surplus value.

## **KEYWORDS**

brick kiln, capitalism, debt bondage, eco-type systems, labour standards, modernity

## ***Introduction***

This paper takes the case study of Tamil Nadu's brick kiln industry to highlight the discrepancy between normative categories of decent work and that of workers' subjectivities, showing how employers use and take advantage of the diversity of workers' lived experience. Industrial brick production is a typical form of neo-bondage (Brehman 1996, 2007). Labourers become indebted to their employer via an advance that is contracted in the off-season in their place of origin. Combining wage advances, a piece rate system and postponed payment allows employers to attract a loyal, underpaid labour force while ensuring productivity. Debt bondage is the polar opposite of decent



work, forcing labourers to work for low or zero wages because they are struggling to repay a loan. Recent evidence suggests that debt bondage is a widespread form of forced labour, particularly in South Asia and above all in India (ILO 2009). While 'old' forms of agrestic bondage are fading away, new forms are emerging which often qualify as 'neo-bondage'.<sup>1</sup> In contrast to older forms of bondage, which were embedded into a wide set of rights and obligations and were often inter-generational, neo-bondage is time-restricted and more economic in nature (Breman 1996). Neo-bondage is present in a wide variety of seasonal work sites such as brick kilns, salt pans, stone quarries, construction sites (irrigation canals, dams, road building). It can also be found in the agro-business industry (e.g. sugarcane harvesting) as well as in rural or urban-based industries (mines, rice mills, small-scale carpet and weaving workshops, gem processing ateliers, *bidi* making, fish processing, silver work, salt plains, etc.) (Breman *et al.* 2009, Lerche 2007, Srivastava 2009). Neo-bondage is estimated to incorporate around 10 percent of the working population in the informal sector in India's urban and rural economy, namely around 40 million (Breman 2011: 345, Heuzé 2009). It appears to originate from the combined effects of social hierarchies, chronic under-employment and specific modes of extraction of labour surplus (Breman 2007, Breman *et al.* 2009, Lerche 2007, Srivastava 2009). On the labour side, the decline of agricultural employment in many parts of rural India has created masses of poor people and a reserve army of both vulnerable and incredibly malleable labour. Agricultural labour has declined over the past few decades, whether through the adoption of capitalist technology and less labour-intensive production, or the severe crisis faced by small peasants (Ramachandran and Rawal 2011). The total share of agricultural work in rural labour was 77.7 percent in 1983, in contrast to 66.5 percent in 2004-2005 (Srivastava, this volume). For capital, bondage can be a deliberate strategy to discipline and control seasonal labour (Breman 2007, Breman *et al.* 2009). But it may also help to attract and retain skilled workers, as in the case of weaving (De Neve 2005), diamond (Engelshoven 1999) or gem-cutting industries (Kapadia 1999). It can also be a way to block so-called self-employed workers' free access to the market, as observed in coal mines (Heuzé 2009). Bondage as a labour management strategy evolves with technological change and/or market fluctuations. When markets stagnate or decline, the advance system may become less attractive (de Neve 2006) or even disappear (Engelshoven 1999). Conversely, when markets are booming, bonding labourers with debt can be a way to cope with the 'labour problem' (i.e. attracting and disciplining workers). This is especially true with brick kilns: given that there is continuous growth in a dynamic construction sector, migration and debt are increasingly strategically used by employers to attract and control labourers while maintaining very low wages.

Labourers' subjectivities, however, hardly fit with normative categories of labour standards and this is what the paper intends to explore. We are not the first to highlight the ambiguity of these contemporary forms of bondage. It is well-known, for instance, that where there are very high unemployment rates and sharp fluctuations in labour demand, workers may experience dependency on an employer or a recruiter as a safeguard and as job security. In the brick kilns, many workers do not experience advance payment as bondage, but as a strengthened bargaining position (Breman 2007: 88; see also Guérin and Venkatasubramanian 2009). In a climate of violence and in the absence of formal institutions guaranteeing everyone's basic rights, dependency on an employer or recruiter might appear as a form of 'protection', as thin as it might be in practice (Heuzé 2009, Picherit 2009). Moreover, regardless of its conditions, migration might be considered a form of



emancipation where local social norms are oppressive. In a provocative essay on brick kiln migrants in Jharkhand, Shah (2006) for instance argues that far beyond economic motivations, and notwithstanding harsh working conditions, brick kiln migration is frequently experienced as a liberation from local oppression resulting from rising moral Puritanism in areas such as sexual lifestyles, food or domestic disputes.

In the same vein, this article aims to highlight workers' subjectivity and agency, considering their diversity and how they are constitutive of workers' exploitation. Although all brick kiln migrants are bonded, poor and from the most marginalized community in Tamil Nadu (Paraiyar, ex-untouchables), we argue that brick labour incorporates a wide range of strategies, perceptions and experiences. Labourers indicate in their narratives that they experience bonded migrancy either as a means to integrate and participate in the global economy, or as a sign that they are no longer in a position to work on the land. We argue that migration patterns and workers' subjectivities are shaped by and constitutive of local production relations, within which agro-ecological conditions play a central role, in particular as regards the distinction between dry and irrigated zones. As various works on both past and present rural South India have pointed out, eco-type distinction pertains not only to matters of agricultural production but also to social stratification, shaping identities, the intensity of dependency ties and the extent to which caste and class overlap.

Stressing migrants' subjective feelings of upward mobility does not mean we should underestimate the violence of bonded labour. On the contrary, workers subject themselves to extremely bad working conditions not only because they have no other choice, but because of this feeling of relative upward mobility. In order to understand the current logics of capital, we need to examine not only how capital exploits labour, but also how capital accommodates, facilitates or blocks labourers' aspirations for modernity. Our analysis shows how labour intermediaries and employers use a variety of strategies to discipline the workforce while taking advantage of distinct circulation channels, which in turn strengthens them.

In short, the most inexperienced and vulnerable wetland workers suffer from the worst working conditions and are considered a flexible workforce to be used at peak production times. By contrast, dry land labourers, who have specialized in brick moulding for almost four decades, have learnt the tricks and techniques of this particular migration channel. They are considered a permanent and 'reliable' workforce and have stronger bargaining power, which they use to obtain slightly better working conditions. However they also use their position to obtain high advances, which feed their growing needs for consumerism, which arise from their migrant worker status. These advances mainly reinforce their own exploitation. As a result, as paradoxical as it might be, employment standards violations are not only compatible with rising aspirations for equality and integration, as exemplified by the desire for consumption, but they rely on them.

### *Setting*

Because of the strong growth in construction sector, Tamil Nadu is one of India's most important brick making states (Prakash 2009). Our study focused on brick kilns in the Tiruvallur and Kancheepuram districts (north-east of Tamil Nadu), where a significant portion of the production is concentrated. We studied 10 hamlets located around 150 km south-east of production



sites in the Villupuram district (formerly South Arcot), where a significant part of the population migrate for brick kiln work every year.

Our fieldwork began in 2003. Three of us spent intensive time in the villages between 2004 and 2006 and then continued with regular visits until 2009, mainly in the villages but also at the workplaces. We focused on the lowest castes (Paraiyars, ex-untouchables) as they represent the bulk of the subaltern workforce in the brick industry. A large part of the research was qualitative and aimed at understanding both the functioning of the industry and the labourers' experiences. The fieldwork concentrated on the workers, but we also held many interviews with recruiters, who as we shall later discuss play a decisive role, and with supervisors and employers. We also spent time studying the functioning of village life, which was quickly apparent plays a central role in the fabric of migration patterns. In order to quantify specific information such as living and working conditions, we also carried out a household survey. In 2004 we interviewed 198 households, which were randomly selected from two sets of dry and irrigated villages.

Working conditions in the brick kilns are very poor. Wages are miserable (around 45 INR per day in 2004, that is around 1US\$), working days are extremely long (twelve to sixteen hours, half of which are at night), and workers experience ongoing exposure not only to dust and heat, but to harassment from brick kiln supervisors, unsanitary conditions, etc. (Guérin and Venkatubramanian 2009). Here our focus is labourer heterogeneity. To understand this we first used a Multiple Correspondence Analysis (MCA). MCA as a statistical technique allows the analysis of the relationship pattern of several categorical dependent variables. For a given sample of heterogeneous individuals MCA is usually used to build typologies, with the two main purposes of collating the most similar individuals, and then identifying the most important sources of similarities and dissimilarities. Given the multiplicity of interrelationships between variables, a regression-type analysis, aiming at quantifying causality, was not suitable.

Our MCA was designed to classify households according to their socio-economic characteristics and place of residence (Michiels 2009). In terms of the most important results, our analysis revealed two sets of differentiating factors: firstly place of origin (wet/irrigated), and secondly a number of socioeconomic and household demographic characteristics. Two distinct groups of workers emerged, the first consisting of households coming mostly from dry areas (92 percent). They are economically better off, more often owning a piece of land and concrete houses, more jewellery, and often not experiencing food insecurity.<sup>2</sup> These households are bigger, older and less educated. Most are able to borrow outside the usual sources of pawnbrokers and landlords, and they more frequently combine brick kiln with agriculture on their own land for a living. The second group consists of households with the opposite characteristics. They mostly come from irrigated areas (98 percent) and are economically more vulnerable, with fewer assets, no land, poor housing and many suffering from food insecurity. Very few borrow from outside the usual sources, this perhaps indicating that their social network is restricted. These households are also younger, smaller and slightly better educated at both primary and secondary level.

Given that ecotype system distinctions emerged as a central factor, we then looked to focus on the reasons and meaning behind this distinction. Our analysis suggests that these two groups reflect distinct patterns of circular migration, which in turn are both shaped by and constitutive of



distinct village economies and forms of integration into the global economy. The next section explores the fabric of these differing circular migration patterns.

### *The Fabric of Circular Migration Patterns*

Labourers' agency is significantly affected by what they are likely to be offered in terms of employment, safety nets and protection by the villages of origin or workplaces. Given that the basic rights of labour exist on paper but are implemented mainly through personal bonds of allegiance and patronage, the poor seek out the most supportive – or least hostile – environments. As argued by Wood (2003), when the poor negotiate their own agency they have no choice but to arbitrate between the local moral economy, which is both protective and oppressive, and migration as a potentially liberating but extremely risky exit. This kind of dilemma certainly exists in Tamil Nadu, where agricultural employment has declined much more markedly than elsewhere in India, but at varying levels depending on the region and territory (NCEUS 2007). Local patronage has also eroded, but in a number of different ways. Village moral economy ethnographies indicate that patronage can decline, persist or take new forms,<sup>3</sup> especially with the blossoming of public and private anti-poverty programs, for which local elites often act as intermediaries (Pattenden 2011; see also Picherit, this volume). Changes in agricultural labour and local patronage shape both the nature and intensity of circulation flows. In our case study, socioeconomic and political changes are closely associated with eco-type distinctions. These are not only a matter of production processes, technical constraints and crop type. Agro-climatic conditions are also constitutive of identities, social hierarchies and both spatial and social mobility circuits. Available literature indicates that drylands are more likely to have better landownership distribution, a greater dependence on outside and non farm labour – whether rural or urban – and lower caste interdependence.<sup>4</sup> The low value of the land makes it more accessible, while job scarcity causes circulation. This in turn allows for the loosening of local ties of dependence and a broadening of horizons, expectations and aspirations, as pointed out for instance by Epstein (1973). To be free may simply mean freedom to starve (Bremner 1996). What is certain however is that the physical character of the land is instrumental in the making and unmaking of local systems of rights and obligations. As we shall see here, it is also instrumental in forging varied degrees of rural/urban inter-linkages and in doing so in the shaping of labourers' agency, the range of their constraints as well as their expectations and aspirations.

While the district of Villupuram is one of Tamil Nadu's most important agricultural producers, circular migration to both rural and urban destinations is widespread. As elsewhere in the state, the nature and the intensity of rural-urban linkages are highly diverse. Land quality and water availability, crop type, particularly in terms of labour intensiveness, proximity to transport infrastructures, social networks and individual circumstances all contribute to this. The Pennaiyar River crosses the district from west to east, from which many irrigation canals are derived. Nearby villages can produce two to three crops per year and enjoy both water and a rich alluvial soil. Moving away from the delta, the land becomes rocky, and the water table dries up. Farmers limit their production to one or possibly two crops a year, focusing on crops demanding little water such as groundnuts, black gram (lentils) and ragi (a millet). With the passing of the years, the gap has widened between those owning land and who managed to dig a well, and the others. Water resources



have significantly degraded: in the villages we studied, farmers say that they have to dig 250 feet to reach water, as opposed to 100 feet twenty years earlier. As a result, migration and circulation have steadily increased. Not all wet villages are necessarily agricultural however. Roadside villages notably have contributed to building rural-urban interlinkages. More recently the introduction of low-labour intensive crops such as fruit has tightened local labour markets, forcing the workers and especially the landless to move out.

Circulation channels are both multiple and segmented.<sup>5</sup> Villupuram district is no exception. Higher castes and classes are more likely to create businesses and to invest in profitable urban-based activities such as transport, construction or moneylending in nearby small and medium-sized towns such as Villupuram or Pondicherry. Those at the bottom of the hierarchy are more likely to enter into debt bondage relationships, most often as sugar cane harvest or brick kiln labourers. Meanwhile many activities hover between disguised wage work and self-employment, such as masonry work on construction sites and loading or unloading in markets. Circular migrants are mainly male, while debt bondage can involve whole families, as discussed later: women, the elderly and children are drafted in to raise productivity and to help pay back the advance. Migration channels are also shaped by individual circumstances where personal relationships are fundamental (Racine 1994). The emergence and evolution of migration channels to the brick kilns reflects these combined structural factors and individual circumstances.

### *Brick Kiln Circular Migration From Dry Areas*

Large-scale brick kiln production on the outskirts of Chennai dates back to the mid 1970s. The massive expansion in production rapidly led to the use of migrant labour. Initially employers themselves went to the villages to recruit labourers. They focussed on dry villages which were already active in local traditional brick moulding.<sup>6</sup> At the time there were only very small units of production in the countryside, which lasted only for the time of moulding and baking. Such production units, which are less common today, were often managed by the local middle castes (Vanniyars) while the workforce consisted of Paraiyars. Modern brick kilns managed to reproduce this labour hierarchy: Vanniyars were recruited as loaders and firemen, and then as labour intermediaries, while Paraiyars made up the bulk of the subordinate workforce as moulders. The advantages of employing the dry village labourers included that they were ready and available to leave their village for six to eight months per year, and desperate enough to accept very poor employment conditions. Employers were also looking for 'reliable' and 'hard' workers, which is where personal contacts came in. To control workers requires powerful networks in the source village. Villages whose workers were considered the most committed gradually gained a good reputation with employers, while others were discarded. Nowadays employers still discuss these matters and exchange information, drawing up black lists of places not to recruit from because workers from there are more rebellious than elsewhere, or because alliances with local leaders are more difficult.

To return to the evolution of brick kiln worker circulation, workers considered the most reliable, primarily selected from the Vanniyars, have taken charge of recruiting and controlling labour, and distributing advances. What began as a marginal phenomenon gradually led to massive flows of seasonal migrants who travelled back and forth every year, dividing their time between the



brick kilns and their home place. Whole colonies of Paraiyars have gradually specialized in brick making. Nowadays brick kiln circulation sustains whole village economies. In the villages of our case study, around 90 percent of Paraiyar households work in the sector. Brick kiln circulation is both continuous and family-based. Most labourers bring other household members with them, with an average of three members. 80 percent have never stopped migrating, and it was once described to us as 'our gold and our god'. The villages are thus deserted for part of the year.

Initially the Paraiyars had little choice, as there was no local employment available. Over time they have managed to reap some benefits, and many of them today – 73 percent according to our survey – consider that their situation has improved over the past 25 years, although inequalities have increased as we shall see later. They insist on the hardness of the work, are perfectly aware of the extent of their exploitation. Mothers aspire to escape from the hell of the brick kilns when they discuss their daughters' weddings. Brick moulding is not seen as something positive in itself, but rather as a source of progress as it allows the workers to escape from the oppressive realities in the home villages and enables changes to these realities (in line with Shah 2006).<sup>7</sup> Labourers' subjectivities should be viewed in the light of broader evolutions in village life. The construction industry boom has coincided with significant changes in land ownership and management in these villages. From the 1970s onward most upper castes – Reddiars, Naidus, Chettiars, Mudaliars – had begun to desert the area, selling all or part of their land and relocating to urban areas. Most still own a house in the area, but no longer live there. The Paraiyars who used to work for them were therefore forced to seek a new source of livelihood. Land transactions mostly benefited the middle caste Vanniyars, who today are the main landowners. As Bêteille observed of another Tamil district (Bêteille 1965), these changes have tended to loosen the grip of caste on many areas of social life. Attached labour for instance has totally disappeared after persisting until the 1980s, when it slowly started to fade with the departure of upper castes. The sense of independence is particularly evident when social and religious rituals are held, where gaining prestige and status depend upon the scale of the ceremony, the degree of ostentation, but also upon its mode of financing. Paraiyars traditionally used to rely on their landlords, but now manage a loan by borrowing considerable sums from multiple sources. During one of our field visits, Mayavel, a Paraiyar *maistry* (labour intermediary), showed us around the small temple that he had managed to build with his brothers, and the first thing he told us was: 'we have built it without their money'.



*Table 1. Labourers from the drylands. Socioeconomic profile*

N = 103	
Concrete housing (% HH)	31.10%
House size (% HH with more than 2 rooms)	14.60%
Average size of the HH	5.35
Illiteracy level (%HH)	57.70%
Landowners (%HH)	52.42%
Food insecurity (% HH)	19.42%
Extended social networks (%HH)	67.90%
Average total household income per year in INR (dispersion)	30016 (15843)
% Brick kiln income / total household income	75.6%
Occupation other than brick kiln work	
Agricultural production	51.4%
Agricultural coolie	41.1%
Casual urban-based job	5.6%
Permanent job	1.9%
Total	100%
Average outstanding debt in INR (dispersion)	25101 (17311)
Ratio outstanding debt / total income	83.6%
Average cost of marriages in INR	32091

Source: fieldwork

Although the Paraiyars are still at the bottom of their local social hierarchy, many still consider their situation better than that of their parents, often stating: ‘we have improved’. This highlights a general sense of an improved position within the local hierarchy, where they are no longer fully controlled by the upper castes and can even compete with the Vanniyars. Labourers are proud to say ‘we work outside’. The kind of work they do is not a concern – for most, it is brick kiln work but it could just as easily be anything else, as what counts is to feel independent.

Such improvement proves highly unequal and ambiguous at the household level, however. Brick moulding has certainly prevented most, although not all workers, from starving. Today, 19 percent still suffer from food insecurity. The average annual income is 30 016 INR, and most of them are still poor.<sup>8</sup> However the ability to access cash, the desire to climb in the local hierarchy, and the success of a few is pushing most of the others to borrow large sums of money for consumer



expenditure and ostentatious purchases. This debt burden inevitably restricts possibilities for significant improvements.

These hamlets' brick kiln workers define themselves and are seen by others as people 'who access money'. This means that they are both able to borrow money and to lend to others. Several interrelated factors contribute to this. Firstly, the wage advance of course is key. The advance represents a lump sum otherwise out of reach for Paraiyars. In 2004, the advance amount per household was on average 12,287 INR, which is 40 percent of the average annual household income. When the workers have good established relationships with their maistries and need bigger sums – for instance for marrying their children – they can negotiate several years' worth of advance. Reciprocal exchanges with relatives are also frequent, where a household will take two years worth of advances and give up its turn the following year. With such arrangements, a single household can easily obtain 50,000 INR in one payment. Secondly, the very fact of being a brick kiln worker gives them to access to many other sources of funds, both in the village and the workplace. The advance serves as a form of guarantee, as payments to other lenders can be made from this and, in addition, maistries quite often act as official guarantors. Most households are thus highly indebted. The average outstanding debt per household was 25,101 INR, which represents 83.6 percent of the average annual income. The purposes for which the money is used also matter. According to our survey, 95 percent of the families spend part of the advance on daily survival (Table 2). But some manage to use it for a 'good cause', which can mean a variety of things. It can be firstly an investment in self-employment activities such as small businesses (7 percent of the households have used part of the advance for this purpose) or agriculture (34 percent). In both cases, profits are meagre and uncertain. In the case of agriculture, 50 percent of households are small producers. 71 percent earn an average of less than 5,000 Rs per year, and lose money in some years. Notwithstanding financial gains however, the very fact of being self-employed is highly valued. Running a petty business or cultivating one's own land was something their parents barely knew of. Although this was not reported in the questionnaire, advances are also frequently used to lend money to others, usually with interest.



*Table 2. Advance use (labourers from dry villages)*

	Dry areas
Food	94.3%
Health	21%
Household items	14.3%
Education	1.9%
Marriage	8.6%
Other ceremonies	12.4%
Housing	2.9%
Business investment	6.7%
Agricultural investment	34.3%

Total exceeds 100% because of multiple responses

Source: fieldwork

Social events and rituals are also considered a ‘good cause’. 20 percent of the households had spent part of their advance for this purpose. In these hamlets the cost of social and religious events has significantly increased over recent decades, to which the wage advance is likely to have contributed. While their own marriage barely cost a few thousand rupees, labourers now spend tens of thousands for their children’s: in 2004 the average amount spent was 32,000 INR. 28 percent of households had spent more than 50,000 INR. Detailed analysis of the funding of marriages highlights the fundamental role of wage advances. The events are experienced with ambivalence, as they are incontestably a source of dignity and social recognition, both for individuals, households and the whole community. Paraiyar brick kiln labourers are often proud to state that they use the same marriage halls as the Vanniyars. Many however complain about the burden of social pressure: we were often told spending big money had become a ‘duty’. People say that they spend much more than they can afford, because they are able to ‘access money’. There are frequent reports of brick kiln labourers trying to ‘follow the urban culture’, making their desires exceed their financial means.

Last but not least, patterns of improvement are highly unequal. Around 15 percent of brick kiln workers in these hamlets are better off than the rest. They own concrete houses with two rooms, and earn over 40,000 INR per year. Most of the households own at least two acres of land and combine their surplus from the land with brick income. The best off work as maistries, of whom there are very few (4 percent in our sample). Many have tried to become maistries but very few have succeeded. As with any marginalized group social mobility process, the maistries attract both envy and jealousy. Feelings are all the more ambivalent given that the maistries to some extent reproduce the ambiguity of the hierarchical relations with their own caste fellows, in a mixture of protection and exploitation (Bremar 1996, Guérin and Venkatasubramanian 2009, Picherit 2009). In the



villages studied here, the well-established maistries are all involved in politics, either through alliances or direct party representatives. Their role is also to help workers to take advantage of the few rights they have in the village. What is important for the purposes of the present analysis is the fact that they act as role models. For instance Mayavel, who managed to build a small temple, is often cited as an example. A few years earlier he was an ordinary labourer, who then managed to climb the social ladder. His story demonstrates to people that some sort of upward mobility is possible. Other workers often talk about him as a 'big man'. There is no doubt that these few success stories lead to desires and aspirations.

### ***Brick Kiln Circulation From Wet Areas***

In the mid-1990s, brick kiln work also began to become a source of employment in certain irrigated areas, and in particular in those areas which had opted for less labour intensive crops, i.e., where villages had partially converted from paddy and sugar cane to guava and flowers. Many agricultural workers, and particularly men, were thus forced to seek a living outside the village. Brick kilns are one option among others, while sugarcane harvesting work in the south of the state is another frequent destination. The proportion of migrants is much lower than in dry areas. We estimate that around 20 to 30 percent of Paraiyar households are involved. Compared with dry areas, brick kiln migration is a more recent phenomenon. A quarter of the workers (23.4 percent) from wet zones began more than 10 years ago, while over half did from dry zones (55.7 percent). For many (67 percent), it is a temporary option to which households resort when local agriculture labour is unavailable. It is also more often undertaken individually, and only 37.5 percent of the households bring their whole family, as opposed to 86.9 percent from dry areas. In many cases, brick production is not part of their livelihood portfolio; deciding for bricks depends upon specific circumstances: one's own needs or the brick kiln industry employment demand.

The wet hamlets in our case study are still typical of an agrarian economy, characterized by both the importance of agriculture and strong caste interdependence. In wet areas, the higher value of the land frequently makes it less accessible to the lowest castes. Here, Paraiyars have never owned land and nor do they today. This is particularly the case for those who migrate to the brick kilns. Most big landowners, all of whom are high caste, increasingly combine agricultural and non-agricultural income, but they still cultivate land and live in the village. Over the past few decades agriculture has become increasingly capital intensive, especially for big farmers. This started in the 1970s with the introduction of sugar cane. A new shift came in the mid-1990s with the introduction of less labour-intensive crops such as fruits. The ensuing shortage of labour demand accelerated the attached labour system's disappearance, while circular migration became increasingly common. However the experience of circular migration, whether in terms of its social meaning or material conditions, differs sharply from the drylands.



*Table 3. Labourers from the wetlands. Socioeconomic profile*

N= 98	
Concrete housing (% HH)	4.20%
House size (% HH with more than 2 rooms)	0.00%
Average size of the HH	4.47
Illiteracy levels	44.2%
% of landowners	6.30%
Food insecurity (% HH)	96.84%
Extended social networks ((% HH who can borrow money outside usual sources)	15%
Average annual total household income ( <i>dispersion</i> )	16766 (2720)
% brick kiln income / total household income	85.6%
Agricultural production	1.9%
Agricultural coolie	76.7%
Casual urban-based job	21.4%
Permanent job	0.0%
	100%
Average outstanding debt ( <i>dispersion</i> )	6192 (4998)
Ratio outstanding debt/ total income	35.9%
Average cost of marriages in INR	6220

Source: fieldwork

In wet villages, agriculture is still considered a main occupation and as a primary aspiration. Working outside the village is most often viewed as a last resort and a way to make ends meet between two harvests, and it is only the most vulnerable who go. As indicated in Table 3, almost all of them suffer from food insecurity (96.84 percent), very few have concrete housing (4.2 percent) or land (6.4 percent). Their average annual incomes are far below decent living conditions (16,766 INR), and most of it (85.6 percent) comes from brick labour. Most of the stories are similar: the workers leave to work in the brick kilns to pay off a debt due to marriage, death or illness. Here too contracting an advance before leaving for the chambers is a rule but amounts are lower than in dry lands (8,849 INR on average per household). In contrast to dry lands, the advance is almost exclusively used for emergency expenses. It is 'like a cloud', as the labourers often say. Investments, whether economic or non economic, are only exceptional (see Table 4).



*Table 4. Advance use (labourers from wetlands)*

	Irrigated areas
Food	91.3%
Health	18.3%
Household items	38.5%
Education	0
Marriage	12.5%
Other ceremonies	1.9%
Housing	24%
Business investment	0
Agriculture investment	2.9%

Total exceeds 100% because of multiple responses

Source: fieldwork

Labourers' responses as to why they do not migrate more often are very clear: they define themselves as 'peasants' and often state: 'we are born to the land and this is our land'. Even if most are landless, they are strongly attached to the village and agriculture. This might be a question of habit and identity or simply a lack of alternatives: some want to leave, but fail as they lack contacts with labour intermediaries.

Staying in the village is also a matter of security. Brick kiln advances far exceed the amounts that workers can get locally, but being away from the village for around six months cuts them off from numerous local protection links. Labourers say that they lose 'many sorts of help' from the upper castes, which include the potential access to labour, loans, governmental schemes or NGOs. Conversely, upper castes are categorical that they do not provide 'help' or 'recommendation' for those who are unavailable for work. Although the upper caste landowners are not the masters they used to be, primarily because they fail to provide jobs, they still behave as benevolent patrons. Social and religious rituals illustrate this. In comparison to dry lands, rituals in wet areas are much less conspicuous – on average households spend three times less – and moreover they are still funded in large part by upper castes.

### *Production Sites: Diversity of Workers and Forms of Exploitation*

Heterogeneous circulation patterns are both reflective and constitutive of differences in positions within the industry, degrees of bargaining power and thus differing working conditions. Workers' capacity to resist exploitation is extremely limited. This is even more the case for migrants coming from wetlands. Incomes are lower: according to our survey in 2004, the average wage per head and per season was 5,863 INR for workers from the wetlands as opposed to 7,656 INR from



the drylands, namely 23 percent lower. Their working conditions and relationships are worse (see Table 5): child labour is more prevalent, housing conditions are poorer, workers have fewer days off, freedom of movement is highly limited, wage conditions are not transparent, and the workers complain more frequently of harassment and cheating problems. They are less frequently able to bargain, and those who try do so mainly as regards the advance, while workers from the dry zones negotiate wages.

*Table 5. Working conditions*

	Labourers from dry areas	Labourers from wetlands
% of HH who use child labour	23.30%	53.70%
% of HH who report no freedom to move from the workplace (to the market, cinema, meeting friends, returning to place of origin)	6.80%	47.30%
% of HH who report harassment problems	43.70%	82%
% of HH who feel cheated	23.3%	76.70%
because wages are not disclosed	8.5%	41.3%
because production records are not disclosed	12.3%	29.8%
other reasons	2.8%	6.7%
% of HH who know the wage	83.50%	24.20%
% of HH who bargain with maistries or employers	92.50%	86.5%
for better wages	42.50%	1%
for bigger advances	45.30%	69%
for other things	5.60%	16.3%

Source: fieldwork



Various factors contribute to this. Dry zone households remain at the brick kilns for longer periods of time and thus produce more. Their growing season at the village is shorter, allowing them to depart by the end of December, while workers from the wetlands leave only in late January after the last harvest. As previously discussed, dry zone workers are more experienced. Insofar as employment conditions are extremely opaque and many issues are negotiated personally, this gives them a clear advantage. Their experience allows them to get better positions within the production hierarchy as loaders, bullock card drivers or maistries. As Table 6 shows, workers from drylands are more able to occupy such positions.

*Table 6. Occupation within the brick kilns*

Worker Position within the industry	dry	irrigated
Moulder	75.73%	96.84%
Loader/unloader	11.65%	2.11%
Bullock card driver	8.74%	0.00%
Watchman	0.00%	1.05%
Maistry	3.88%	0.00%
	100.00%	100.00%

Source: fieldwork

To compare wages just for moulders, and taking into account a shorter working time, there is still a wage difference of 18 percent. Two main factors explain this difference: the workers' industry know-how, and their bargaining power with the maistries.

Labourers from dry villages have explored and worked in many – sometimes dozens – of places, and know their strengths and weaknesses. The biggest units are concentrated in the Red Hills area in suburban Chennai. They have not only large production capacities but also storage facilities. This allows them to enjoy much better market prices than chambers obliged to sell bricks immediately. They are located in towns, which facilitates travel and access to health care and sometimes education (through partnerships with NGOs). Many small units are then located further south in different parts of Kancheepuram district, well known for its sand quality. Production is often much lower and fluctuating, owing to competition and access to sand. While the Red Hills chambers are able to negotiate group licenses, this is not the case for the southern kilns. These units are far more notorious for poor working and living conditions, probably because of their geographical



isolation and higher productivity pressures (although this interrelationship needs to be investigated further). When they have the choice, workers try to avoid Kancheepuram chambers.

Relationships with maistries are also clearly important. They recruit, distribute the advances, partly supervise the work, and settle the accounts at the end of the season. This comes at a cost: the maistries' remuneration comes as a percentage of workers' wages. The more the workers produce the better the maistries are paid, and the higher the piece rate, the more they can get. This is negotiated at the end of the season with the brick kiln supervisor, when all the accounts are settled. Workers are excluded from the negotiations. Then they are informed about their own accounts, but never the details of the calculations. This gives the maistries some freedom, but they also have to retain their workers' loyalty, and for at least this part, the workers' bargaining power is crucial. Here too, workers from the dry villages have an obvious advantage, as they know the maistries. In the villages we studied, all of the maistries without exception came from dry villages. The industry relies on the labourers from drylands to keep themselves in business, a point on which the maistries and employers are very clear: without the workers from dry areas, they cannot work. Recruiting and monitoring labourers from the wet areas is much more complicated, as they are so dispersed. Murali, who has been a maistry for around ten years, explained that in wet areas he needed to visit at least 10 villages to mobilize a batch of 20 labourers, while in dry areas one village is enough. The maistries have to ensure that workers will turn up on the departure day and that they won't disappear before the end of the season.

When labourers are dispersed spatially it is therefore much more challenging to control them. Other maistries complain about workers' unreliability. Perumal, for instance, explains that 'labourers from wet villages are not reliable. They only come when they need us. How can we manage the production? Good workers we can help. We give big advances, bonus. Bad workers, we can't. They should understand our constraints'.

Workers from wet zones have therefore limited choices. Even if they wished to specialize in brick kiln work, they could not. If they are not 'reliable, very simply this is also because they cannot reliably expect work to be available. Brick kiln production is not only seasonal but also highly fluctuating, due to climactic factors – unexpected rain stops production – access to raw material and variations in the construction market. Some maistries clearly state that they only look for workers from wet areas at times of a production peak or when they are unable to offer the large advances demanded by workers from dry areas, as workers from wet areas are less demanding. For instance Rajendran, a young maistry, explained to us that last year ten workers escaped and he lost around 100 000 rupees. This year he is bringing new labourers, but with lower advances. Though there are many labourers available in the area, he went to wet villages to enrol labourers. 'Here they are asking for 20 000 rupees, he says, whereas there they only ask for 8000 rupees'.

One might think that workers from the drylands profit from their relatively better situation to struggle as a group for better working conditions, but their slightly better conditions still fall far below decent labour standards, and there are no forms of collective action. Murali, a maistry, explained that the situation comes down to the following:



‘There is one [labour association] for the chamber owner. [For workers] there is no use for that, as the owners decide to pay high if the worker works fast. And less if they don’t work. And moreover the workers are varied and so we cannot form a group’.

To the question of labour legislation, he replies: ‘we don’t follow any law. We just pay the advance from the employer, collect the workers and take them to the chamber, get the work done and then return to the place’.

We met some workers who had subscribed to social insurance schemes, but they had all dropped them. Some were unable to renew their subscription, while others had failed to enforce their rights and were totally discouraged. The maistries represent the workers to the brick kilns supervisors and employers. When they have some room for manoeuvre, they use it mainly to negotiate their own commission. Meanwhile some of the workers, particularly the more experienced ones, try to discuss wages. However our data collected from the maistries reveal that while between 2000 and 2009 wages significantly increased, advances increased much faster. One can therefore suspect that a growing number of workers returning indebted at the end of the season.

*Table 7. Advances and wages from 2000 to 2009 (index price 2004)*

	2000	2004	Diff 2004-2009	2009	Diff 2009- 2004	Dif 2009- 2009
Advance	8743	10610	+21.35%	16214	+52.82%	+74.17%
Total wage	16517	18096	+9.56%	23217	+28.29%	+37.85%

Source: fieldwork

During our last field visit in 2009, we met employers who had built partnerships with consumer goods companies providing motorcycles, fridges, grinders, etc. to the workers. Here too repayments are deducted from the wages. Our observations show that purchases on credit are 20 percent more expensive than cash. The employers argue that this is a ‘boon’ for the workers, claiming that they offer ‘favours’ to ‘good’ workers, allowing them to save money. Murali, a maistry, gives us a different picture:

‘There is not just the health problem, they cannot send their children to school, they cannot have animals in the house. If you visit the chamber we cannot find out who is who, they look not as humans. It is because they have to work more as they had taken an advance greater



than what they can repay. Sometimes the couples run off without repaying the money and we have to get the help of the police to get back the money’.

It is likely that the employers’ strategy is above all a means to cope with the strong growth of the construction sector over the recent years. The brick industry has been backed by a vast housing scheme from the Tamil Nadu government and was unaffected by the global economic crisis, unlike the rest of the informal economy (Venkatesh 2009). The price of bricks has more than doubled over the past few years. To overcome labour shortages, employers increased wages but also and above all advances: as indicated in Table 7, real wages increased by 38 percent and advances increased much faster (+74 percent on average).

### *Conclusion*

This microstudy sheds light on the diverse nature of brick kiln circulation experiences, how it is shaped by village life and the needs of capital, and how this leads to increasing differentiation of rural labour. Brick moulders come mainly from villages from dry areas. With agricultural decline and the departure of the big high-caste landowners, over time these villages have specialized in a specific, well-established migration circuit. Although working conditions violate the most basic labour standards, the brick kiln sector is seen by workers as a tool for integration into ‘modern’ life. It is also considered as a tool for emancipation from local hierarchies, although these disappeared a long time ago and no longer offer any prospect of employment or protection. In wet areas by contrast, where both agriculture and social stratification have evolved but still continue to play a more important role, brick kiln circular migration is both sporadic and unstructured. For this reason, it offers even worse working and living conditions, which only the most vulnerable accept – and some even cannot access kiln employment as they lack the right contacts. This leaves the village moral economy as a better option.

One might ask why seasonal migrants persist in the brick industry, when other occupations and destinations in different parts of Tamil Nadu or South India offer far better working conditions. This is the case for instance in construction (see Pattenden in this volume) or in knitwear (Heyer in this volume). The advance is a first factor. The workers do not experience advance payment as bondage, but as a strengthening of their bargaining position (Bremner 2007: 88; see also Guérin and Venkatasubramanian 2009). The great merit of the wage advance – and here lies the whole perversity of the system – is to act as a job guarantee. Until the debt is repaid, borrowers are forced to work, but they are also confident in having a job! The workers meanwhile need these lump sums to cope with the slack season, to deal with health problems and address their growing consumer needs. The social regulation of migration channels is the second factor (Harriss-White 2003, 2010; Harriss-White and Gooptu 2001). Although labour relations are outside all forms of legislation, they are highly structured, so that not just anyone can leave to take up work anywhere (see also Picherit, this volume). Employers need a productive, disciplined, loyal and cheap workforce. Debt is a means to attract and retain workers until the end of the season, and to compress wages. Personal links with both labourers, their neighbourhoods and the power structures of the source village, and labour intermediaries are a way to control workers and ensure they do not ‘escape’. Workers are thus



selected cautiously, and in turn, whatever the destination, workers rarely take the risk of leaving alone. Intermediaries are needed to find a place to live, an employer who is willing to recruit, and to withstand harsh competition from other workers. In the absence of formal regulation and labour contracts, personal relationships are the best way to limit the risks for both employers and workers.

The contrast between these two cases might seem extreme. The opposition between dry and wetlands is both arbitrary and relative. We are not making a case for ecological determinism – the importance of other factors for circulation patterns has also been pointed out – but we want to emphasize the segmentation of one specific labour market and how this plays out both in terms of distinct village economies and the different needs and constraints of the brick industry. Brick labour markets consist of non-competing labourers whose options are not only severely constrained, but also highly diverse. Labourers are so isolated that they face different wage levels and working conditions, which is the very definition of segmentation in economic theory. This study has also highlighted the lived experience of circulation, and how it intersects with the significantly divergent testimonies of the labourers: brick moulding is either seen as a way to cope with agricultural distress, or as a means to integrate into society, not just as labourers but as consumers.

As far as policy is concerned, one might wonder when and how Indian public authorities will have the political will to implement a decent labour agenda. Labour laws exist but have limited coverage and are poorly implemented (NCEUS 2009: 180). Far beyond bonded labour, brick kiln employers violate many other basic labour standards that are officially forbidden by the Indian legislation. This is the case in terms of child labour, working hours, provident funds, migrant labour and contract labour, to name but a few.<sup>9</sup> Minimum wages exist and are almost met in the local kiln industry, but the amounts, which are fixed as a piece wage, are absolutely incompatible with decent daily wages. The absence of political will, administrative indifference and alliances between public authorities and employers all contribute to this (Breman 2007, Harriss-White 2003, Lerche 2007), and brick kilns of Tamil Nadu are no exception (Guérin and Venkatasubramanian 2009).

While significant progress has been made in recent years as regards social security in relation to informal labour programmes, here too implementation is a source of concern (Harriss-White 2011, Hensman 2011). In Tamil Nadu, which is considered as one of the pioneer states in adopting specific measures for the unorganised sector, a Construction Workers Welfare Board has existed since 1994. Workers are officially eligible to various sorts of benefits, ranging from compensation in the case of accidents to educational assistance (Government of Tamil Nadu 2010). At the time of our last field visit in June 2009, it seems that none of these had reached the brick kiln workers, at least in the source village we studied. Regulation meanwhile is still off the agenda (see Lerche, this volume). Here we see how the anti-poverty programs, of which Tamil Nadu is a champion, obscure the structural reforms that are needed for a social democratic transformation of the society (Harriss 2010).

It would however be naïve to hope that employers themselves will stop these inhumane forms of labour management. Debt bondage in the brick industry is supported by the decline in the availability of agricultural labour and lack of social protection but also by the growing consumption needs of labourers. Paradoxically, increasing aspirations for equality and integration are helping to reproduce the conditions for capitalist exploitation and extraction of surplus value. Without massive political intervention, there is little hope for the future resolution of the problems of debt bondage.



## NOTES

1. See for instance da Corta and Venkateshwarlu (1999), Harriss (1992), Jodhka (1994), Lerche (1999), Marius-Gnanou (2008).
2. Food insecurity is defined subjectively; labourers themselves were asked to reply to the question 'do you suffer from food insecurity'?
3. For a case study in Tamil Nadu, see Harriss et al. (2010). For a review, see Platteau (1995).
4. For a historical analysis, see Ludden (2005). For contemporary analysis, see for instance Bouton (1985), Chambers and Harriss (1977), Djurfeldt et al. (2008), Epstein (1973), Epstein et al. (2002), Landy (1994), Racine (1994), Ramachandran and Rawal (2010), Venkatesh et al. (1986).
5. See for instance Breman (1996), Harriss (1992), Harriss-White (2003), Lerche (2010), Srivastava (2005), Racine (1994).
6. These are very small and temporary production units.
7. Drawing on brick kiln migrants in Jharkhand, Alpa Shah argues that far beyond economic motivations, migration to brick kilns is very often seen and experienced in terms of liberation from an oppressive local environment of growing moral puritanism, whether sexual life, food or domestic disputes. This is not the case here, as workers already enjoy relative freedom at home. What we observe here is a feeling of emancipation and integration drawing on outside work and consumption.
8. In 2004-5, the Planning Commission of India fixed the poverty line at around 20 000 INR per household for rural Tamil Nadu. This amount is clearly under-evaluated (Subramanian 2011).
9. Prohibition of Child Labour in Hazardous Industries Act (1970); Employment Provident Fund and Miscellaneous Provisions Act (1971); Factory Act (1948), which regulates working hours and provides compensation for overtime; Inter-State Migrant Workmen Act (1979) which provides for specific measures (housing, medical coverage, etc.) when more than 50 percent of a company's work force are migrants; Contract Labour (Regulation and Abolition) Act, 1970, which aims at limiting the use of contract labour and providing social benefits to contract labourer.

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## BIOGRAPHICAL NOTES

ISABELLE GUÉRIN is Research Fellow at University Paris I Sorbonne/Institute of Research for Development (Development and Societies Research Unit) and is affiliated to the French Institute of Pondicherry. She is a socioeconomist specialising in credit and labour markets. Her specific areas of interest include bonded labour, informal finance and microfinance, with a specific focus on West-Africa and South India.

SUBRAMANIAN PONNARASU is presently a PhD student in anthropology at Pondicherry University. He is also Project Co-investigator for 'Constituting a Digital Archive of Tamil Agrarian History' (EAP 458) at the French Institute of Pondicherry.

GOVINDAN VENKATASUBRAMANIAN is Research Fellow at the French Institute of Pondicherry. He is a sociologist, specialising in rural development, labour, finance and rural-urban linkages in Tamil Nadu.

SÉBASTIEN MICHIELS is presently a PhD student in development economics at Bordeaux IV University (GREThA), and affiliated to the French Institute of Pondicherry.



# *Migrant Labourers' Struggles Between Village and Urban Migration Sites: Labour Standards, Rural Development and Politics in South India*

*David Picherit, Centre for South Asian Studies – EHESS Paris*

## **ABSTRACT**

This article examines seasonal labour migrants' social and spatial engagement with contemporary transformations in labour migration patterns, State policies and development issues in the South Indian state of Andhra Pradesh. This state is at the forefront of the neo-liberal policies that have been rolled out in India since the 1990s.

By looking at shifting temporalities, spaces and forms of labour contestation in South India, it considers how the forms, spaces and focuses of struggles of migrant labourers in the village and urban construction sites shape and are shaped by State policies which silence capital/labour issues in favour of development/poverty perspectives, village power relationships and the organization of the urban construction industry.

Based on ethnographical fieldwork carried out with seasonal migrant labourers, both in their home village and in urban construction sites where they are employed as casual labourers, this article argues that the focus of labourer's struggles is on village based social outcomes rather than on workplace issues. This is related to the absence of government labour regulation standards and rights within the city and to the flow of developments schemes in rural settings, cornered and redistributed by local leaders under logics of clientelism.

## **KEYWORDS**

construction industry, India, labour migration, labour struggles, rural development

## **1. Introduction**

This paper examines seasonal labour migrants' social and spatial engagement with contemporary transformations in labour migration patterns, State policies and development issues in the South Indian state of Andhra Pradesh. This state is at the forefront of the neo-liberal policies that have rolled out in India since the 1990s.

It argues that the forms, spaces and focuses of struggles of migrant labourers in the village and urban construction sites shape and are shaped by State policies, which silence capital/labour issues in favour of development/poverty perspectives. I will examine how the focus of labourer's



struggles on village based social outcomes rather than on workplace issues, but also everyday forms of consent, adaptation, fear and resistance, are embedded into the interrelationship of village power hierarchies, development schemes and the organization of the urban construction industry.

The decline of patronage, the effects of neo-liberal policies and reduced State intervention are main arguments in debates on contemporary transformations of labour relations in India. Such discussions have highlighted the informalisation of the economy, casualisation of the labour force and increasing labour mobility (Breman 1996, Srivastava and Sasikumar 2003, Breman et al. 2009). The construction industry is a double-digit growth sector that has been sustained by public funds and public-private partnerships while also relying on highly mobile migrant labourers. This sector is celebrated by the Indian Planning Commission, because 'it (i) absorbs rural labour and unskilled workers; (ii) provides opportunity for seasonal employment thereby supplementing workers' income from farming; and (iii) permits large-scale participation of women workers' (Indian Planning Commission 2007: 848). This migrant workforce, employed in a profitable construction sector which has not implemented the official labour standards, is rural, unskilled and seasonal, and relies on rural settings for decent income and social outcomes.

To investigate the regulation of government labour standards in informal economy, one must consider the whole gamut of State interventions, from labour to development related ones; from workplaces, urban living spaces to villages of origin, and its relations to the construction industry and the labour migrants' management.

Over the past 15 years, the limited scale of attempts to regulate the informal economy by States 'which possess the power of enforcement, [but] actually choose not to exercise it' (Harriss-White 2010) has been reinforced by a strong stance against labour (Lerche 2007). Central and regional states have instead launched a number of schemes, programmes and Bills relating to work, health and livelihoods (such as the National Rural Employment Guarantee Act, Aarogya Sri) in rural areas, which do address poverty, but not redistribution (Bowles 2010: 23).

It is no coincidence that the Telugu Desam Party (TDP)<sup>1</sup> government in Andhra Pradesh<sup>2</sup> has pushed through development related issues since the 1990s. It has pursued an anti-labour agenda, promoted the Special Economic Zones and the implantation of multinational companies in HITECH City, while launching a number of assistance schemes for select groups based on electoral considerations (Srinivasulu 2002). Andhra Pradesh, as India's biggest microfinance state in terms of clients, financial activities and institutions (Augsburg and Fouillet 2010) may be most representative of such policies<sup>3</sup>, which could be argued to stamp out calls for improved salaries and working conditions. They instead focus on 'educating' the poor to save them from low salaries, to ensure financial inclusion (Guérin et al. 2009) and to shift solidarities by barely giving individuals a voice (Pattenden 2005)<sup>4</sup>. The shift from capital-labour to development – anti-poverty State policies takes the form of the abandoning of formal sector as a model, and a move towards the promotion of informality, responsibility-making guilty of the working poor, and *self-help*. It has a resonance at the village level where contestations of debt-bondage in favour of daily wage employment in 1990s have turned into struggles for development outcomes related to the absence of labour standards in urban construction industry.

This article is based on 24 months ethnographical fieldwork focussing on Golla caste seasonal migrant labourers, both in their village in the district of Mahabubnagar (Andhra Pradesh), and in an area called Lalapet in Hyderabad where they are employed as daily wagers in the urban construction industry. It firstly examines their socio-spatial strategies for creating and



preserving access to a labour market niche that affords them access to the urban facilities of Hyderabad. It secondly analyses their efforts to participate in the social and political rise of their caste in their home village. Here, they are politically active in a bid to access local development and state resources, which, till now, have been cornered by local leaders and unequally redistributed.

Scholars have highlighted the growing politicisation of low castes and the use of political patronage to cope with everyday problems in urban (Gooptu 2007, Harriss 2005) and rural settings (Byres et al. 1999, Robinson 1988) and its mechanisms of mediation (Price and Ruud 2010). In a context where migration is at the core of the social, political and economical life of the village (Mosse 2005) as well as in the urban construction industry I argue that political clientelism, migration and labour struggles and standards, or the relations between labour, development and politics, should be analysed *in situ*, by taking into account the multiple sites where migrant labourers live and work from urban to rural sites. Lerche (2010) rightly argues that urban or rural are less significant for classes of labour than segmentation, and I will point to how Gollas migrants' struggles in villages and construction sites are interrelated. By examining shifting temporalities, spaces and forms of labour contestation in South India, I will consider how absent State labour regulation standards in the construction industry, indirect labour management and a development programme flow cornered by leaders and political parties cause labourers to struggle not over capital, but over policies and development projects in rural settings.

Golla migrant labourers' shifts between keeping a low profile in their workplaces and openly raising political demands in their village partly stem from their caste's political rise and the viability of their traditional activity as goat keepers, but also their past experiences as debt-bonded labourers. It is also due to local leaders appropriating and redistributing development schemes, and the impossibility for these migrants of settling in urban areas. Labour and recruitment processes depend on a turnover of labourers who are willing to work for low salaries, while keeping a low profile and proving their docility.

The article therefore discusses how discipline in urban settings is turned to an advantage in the village of origin. De Neve approaches discipline not just as a response to the expectations of management, but also in relation to workers' aspirations for urban work and life, and the chance to at least partly meet these aspirations within a specific organisation, and 'the extent to which the migrant workers succeed in locally constructing and mobilizing the support of networks and patrons' (2003: 253). With their aspirations centred on village issues, labourers engage with new forms of micro-hierarchies in the Hyderabad labour market in order to maintain a group position in the urban informal economy and their village, trying to reframe their experiences to their advantage. This is similar to the concept of *rural cosmopolitan* proposed by Gidwani and Sivaramakrishnan (2003). This paper describes how labourers reframe their dependencies by highlighting their capacity to negotiate various hierarchies and to migrate out of the labour bondage system, mobilising this ability in order to challenge village caste and power relationships.

## ***2. Caste, Social Rise and Informal Regulation of Migration***

Peddapur is a village of over 2500 people in Telangana, a drought-prone area historically known for being dominated by a variety of local landlords (Frykenberg 1977, Thirumali 2003). Its power relationships are based on an overlap of caste, land ownership and politics, and are



exemplified by the local debt-bondage system, Palamur, which originated in the 1930s. Local leaders of the Reddy landowner caste have secured numerous public contracts, using maistri (labour middlemen) to send labourers to major national projects such as dams, canals, roads and stone quarries. Maistri are key figures in this system, forwarding advances to labourers, locating worksites and housing, and supervising the progress of work.

While the nature of local patronage has been transformed, the Reddys have maintained indirect control over labour issues, as well as direct control over political and development programmes, whether launched by State, NGOs or international agencies. The current head of the village, the peddamanishi<sup>5</sup>, is the latest of a long line of leaders. He is the main landowner, a former maistri, the head of the regionalist Telugu Desam party at the mandal level, and a highly influential figure in every kind of development activity. He is closely connected through kinship to Members of the Legislative Assembly (MLA) and a Congress Party<sup>6</sup> Member of Parliament (MP), while his two sons work in the construction industry in the tipper business. One of them, who lives 500 kilometres away from Peddapur, became the head of the grampanchayat in 2009. Those kinship links soften the political factions between Reddy households, as did the defeat of TDP in 2004 at State level (TDP keeps power at the intermediate district level). Locally, the hereditary position of the head of the village is hardly challenged by mute Congress members. Nonetheless, these local leaders' historical presence cannot hide the deep contemporary social, political and economic changes, and the conflicts with low castes that are currently playing out.

Since the 1980s the Reddys have had to contend with the Gollas, who have benefited the most from these transformations, and who became involved in politics through the regional party Telugu Desam (TDP), whose electoral base consists of low-castes. Some Gollas became maistri within the debt-bondage system, while many seasonally migrated for daily wages in Hyderabad. The Gollas' access to Panchayat, their land investments and lucrative goat rearing activities have helped to ensure their stable political and economic base.

The Gollas' upward mobility is still fragile however, and there have been growing internal differentiation. Labourers' refusal of personalised labour attachment relations has been matched by their bosses' refusal to bear the social and economic costs of labour protection. The Gollas began to turn to maistri just when such disengagement began. Migrating for daily wages meant being absent from the developmental and political life of the village for nine months a year. Their land investments were often no more than token ones, as the head of the village comments:

'Agriculture is no longer profitable. There is no water, I had to sell my cattle last year, and there is nothing to eat. We are Reddy, we are landowners, but only politics is profitable. We sell land to Gollas and to others, but what can they do with it? They work in construction, so what do they know about agriculture?'

While the Reddys maintain dominance in the village, the Gollas combine their traditional activities, the maistri and their income from migration in order to consolidate their local position with respect to both the Reddys and other castes. Rising up within these micro-hierarchies has meant keeping others down (Herrenschmidt 2004), including the Madigas who have no access to political life and who suffer from considerable caste discrimination. 60 percent of Madiga labour migrants are debt-bonded labourers, as opposed to 25 percent of Golla migrants. A further 50 percent of Golla migrants travel as daily wagers to Lalapet and 25 percent commute between the village and the nearby town to work on small jobs. Up to 80 percent of the village's households



have at least one migrating member, including the Gollas, although there is a high level of seasonal variation owing to the monsoon. The Madigas rarely migrate as daily wagers, although their numbers are increasing as young people look to escape from agricultural work.

Casual labour migration to Hyderabad has transformed labour relations and fostered a form of social mobility. Golla Tankeranna, an elderly former debt-bonded labour migrant, affirms that these changes date from 1982 when the TDP gained power in Andhra Pradesh:

‘Everything changed in the village with N. T. Rama Rao: a road was built, the bus came and also electricity. My grandchildren now migrate to Lalapet. I used to walk to Wanaparthy<sup>7</sup>, but everything is easy now, we eat rice every day and Reddys give us respect’.

Tankeranna worked as a debt-bonded labourer in the 1950s from the age of 12, migrating all over India under Reddy maistri management. Until 1985, his wife and children accompanied him on foot, by bullock-cart or train from Karnataka to Bihar and Goa, working at mines, on canal projects, dams and railway tracks, digging earth and carrying stones.

The political transformations were the opportunity for the Gollas of the taluk of Wanaparthy to develop an exclusive migration stream. The Gollas have forged an economic niche for the construction sector in the neighbourhood of Lalapet in Hyderabad, which has had to be secured and developed. Access to the niche is regulated through a set of informal, oral and dynamic rules and the restriction of information. Labour market fragmentation in Hyderabad is determined by geographic origin (taluk), caste and class.

Lalapet labourers’ profiles vary. Many were once daily wagers but then became debt-bonded labourers, before working again as daily wagers. They may also undertake agricultural work in the village, cultivating small acres of dry land, or purchasing goats for few months. Others remain in the village for few years, and then work for cash for a season in Lalapet. These profiles highlight the fluidity of labour forms, which shift between debt-bondage and daily-wage along a continuum of classes of labour (Lerche 2010).

Tankeranna’s family managed to establish a strong network in Lalapet. His grandsons Daseratta, Balaswamy, Venkataiah, Srinu and their wives work in Hyderabad and live in different huts in the courtyard of houses owned by S.C.<sup>8</sup> employees of the railway company to which they are dispatched.

Golla labourers continuously negotiate their social position and networks of kinship and friendship in the village in order to access, maintain and pass over their jobs. Krishnaiah is a neighbour of Tankeranna’s family and grew up with Daseratta, where they herded goats together in the fields. Krishnaiah worked as debt-bonded labourer for five years before becoming a hamali<sup>9</sup> in Wanaparthy with his brother. Labourers with family support are in a position to move from debt-bondage to daily-wage work. Meanwhile some families may send one son as daily wager and another as a debt-bonded labourer to obtain a large sum of interest-free money.

This friendship with Daseratta has offered some guarantees:

‘Hamali is a very hard work, I sleep there in the warehouse. I prefer Lalapet, salaries are better and I know some people. I want to buy goats and I need money, I would work three years while my brother would stay in the village. Daseratta would help me in any case and the entire village is there’.



The pair's friendship is both affective and instrumental. Daseratta would never forget to remind his friend of their service-relationship of dependence, which extends to their respective families.

Krishnaiah prefers the friendship option to the family one. For instance he criticises his uncle Idanna, a debt-bonded labour, whose two daughters work in Lalapet:

'Wherever he goes, he creates trouble, complains and drinks a lot. He may tell the truth but he always want to quarrel. I do not want any trouble, even his daughters complain when he visits them'.

Krishnaiah is clearly aware that avoiding problems is key to accessing Lalapet. Such docility was largely picked up through his previous experience of debt-bondage.

A year and a half later, he had become established in Lalapet. As a jovial, loyal and hard worker, he had forged a close relationship with the local maistri, and was even in charge of a machine, a prestigious position. This made him a reliable intermediary for Gollas wishing to try their luck in Lalapet. He was able to recommend Saodanna, a shepherd, and his wife, an agricultural labourer, who were in need of cash to pay back a debt taken out for a winnower.

Krishnaiah, a former debt-bonded labourer with the dream of buying goats, and Saodanna, an established Golla in need of cash, are representative of the social backgrounds and the aspirations of migrant labourers in Lalapet. Daily-wage work is never an end in itself, but a transitional role between debt-bondage and the most prestigious activity for the Gollas, an anticipated future as a village goat keeper. Their aspirations are wholly focused on their life in the village.

No one migrates to Lalapet without being sure of a job, which requires the short-term influence of a worker over a maistri in Lalapet, who will recommend an individual for employment. Positions in this process are diffuse and relate to aspects of caste, kinship and friendship, where friendship may sometimes be more effective than kinship.

Lalapet's migration stream depends on maistr<sup>10</sup>, who differ from those of the debt-bondage system (Picherit 2009): they have no links to the village, provide no monetary advances, come from other districts and recruit only at Lalapet's adda (the place where labourers gather and wait for job). The personal relationships that labourers are able to establish with the maistri are key not only for the recruitment process but also for the caste. Short-term migration requires a mechanism for bypassing networks in order to perpetuate the migration stream. All Gollas are aware of the importance of Lalapet for their family, caste and the village economy.

### *3. Discipline in the Informal Urban Economy*

The informal regulation of labour migration affects how labourers engage with the urban construction industry, the organization of which excludes them from establishing long-term projects in cities. Village relationships contribute to constraining resistance within urban settings just as much as indirect labour management and State absence.

Lalapet is both a residential neighbourhood and an adda and it is necessary to work for a maistri in order to access the neighbourhood, jobs and local facilities. The only way to stay in the



urban informal economy is to negotiate multiple hierarchies (maistri, neighbours and shopkeepers).

This section of the paper explores the relationships between labourers, maistri and the neighbourhood. It shows how the Golla's social and spatial mobility strategies conform to the principles of discipline and dependency, which are indispensable for ensuring a long-term, sustainable caste presence (at the collective level) in the urban construction industry and Lalapet. These principles are indivisible from labour organization, as access to work and living spaces are one and the same thing. Multi-faceted elements of collusion, dependency and conflict characterise the ambiguous, temporary relations between labour and maistri.

## NICHES AND STEREOTYPES

The Gollas are recruited in large part thanks to their reputation and 'label' as Palamur labourers, which all Golla labourers proclaim in Lalapet. Palamur is the former name of Mahabubnagar district, a name which was given to debt-bonded labourers working on construction projects (Olsen 2000). This forged identity has nurtured class solidarities at the district level and become an acknowledged 'label' in Hyderabad's construction industry. Scholars, the press and media have all greatly contributed to this label with regular, somewhat romanticised articles praising the labourers for leaving their villages to toil all across India on canals and dams: 'their foundations are embedded with the sweat and toil of the renowned Palamur labourers' (quoted by N. J. UshaRao 1993: 1).

The name is nowadays applied to all manual labourers working in the construction industries, and a badge of pride for labourers for their physical effort and stamina in harsh conditions, and which they use to promote themselves as a docile, hardworking workforce to the maistri. This leads to collusion between labourers and maistri in favour of positive stereotypes and is contrasted to the putative under-commitment, absenteeism or rural attachments of other labourers (Chandavarkar 1994). Ramakrishna, a maistri:

'Only Palamur workers are trustworthy. Trust is important. They may leave and come back but would send someone else. Workers from Nizamabad or Warangal always complain. But Palamur know the work and need money, they are poor'.

Such stereotypes facilitate the recruitment process for the Gollas, and the maistri are very keen to praise their labour when negotiating with construction managers. They market a Palamur labour force rather than a Golla workforce:

'They work hard and are very strong: I can go away and they would still be at work. And having Palamurs helps a lot with contractors to guarantee a good batch of labourers'.

The labourers thus shift constantly between caste, class and geographical identities depending on the context. The marketing of Golla as Palamur illustrates the everyday tactics used to establish a position on labour market. Krishnaiah evokes this sense of belonging to the same group with a common destiny:



‘We [Palamur] go and work everywhere. Kurmurti [Madiga] is in Karnataka, Chandraiah [Golla] in Nagpur and Venkata [Lambadi] in Thane. Palamur are like this, we work everywhere in India, it has always been like this, we toil but we [Golla] might buy goats. I do save money with my wife’.

### MAISTRI, LOCAL PROTECTION AND DISCIPLINE

The low-caste maistri are extremely influential in this urban labour market. They come from various districts across Telangana and are paid a commission of 10 percent of workers’ daily salaries; women workers are paid 25 percent less. This salary is however three times higher than for debt-bonded labourers.

The maistri control access to resources such as water and rented huts. Affiliation to a maistri provides a degree of protection from everyday difficulties and police harassment. Labourers’ identities are thus decided not by the State, but by their relation to the maistri, who are the ones who gave the neighbourhood its *raison d’être* and who decide on the boundaries of the spaces they protect. Their protection facilitates obtaining small credit from shopkeepers and reinforces labourers’ dependence. By controlling access to housing, work and water, and providing protection from the police, maistri only accept obedience from labourers. Losing one’s job in Lalapet due to rebellion or seeking work elsewhere means losing a place in Lalapet.

Labourers are aware of what is required of them: docility, availability, signs of respect and deference are the tools for ensuring a good relationship with the maistri. The absence of any geographical, caste, kinship or debt relationships limits personal relations between the labourers and the maistri.

Chandraiah, a Golla daily-wager comments:

‘When I used to migrate with maistris [as a debt-bonded labourer], the language and food may have been different, but my maistri would take care of everything. Here [as a daily-wager] we do not know him. He gives us work, we work and we do not talk much. My wife is in charge of food and water, and we do everything. The maistri does not bother us. He is not from my village’.

Relations are not shaped by a long history of dependencies. Possibilities to contest maistri and relations of friendship and joking testify to flexible relations structured by the power of the maistri to compose their daily workgroups.

Labourer group sizes vary between 10 to 15 men and women, whom the maistri select according to the work to be done, labourers’ seniority in Lalapet, their reliability and personal relations. At night, the *adda* is the only public place the male labourers can access. There is a relaxed atmosphere there to consult with the maistri. Such consultations are a must, for discussing the work for the days ahead and to get paid (the money is given to the men).

This form of migration demands accepting domination, whether on worksites, at the *adda* or in living spaces. Such consent reinforces their reputation as docile, reliable and disciplined workers, and makes them attractive as employees. Furthermore, the seasonality of this migration, the recruitment modes and caste peer expectations in the village deter most forms of rebellion. The Gollas are accepted for their ability to behave according to expectations, namely as a poor labour workforce at the bottom of the urban informal economy.



## KEEPING A LOW PROFILE

This state of affairs means the Gollas must negotiate various caste and class hierarchies. Their relegation to the SC wada<sup>11</sup> zone of the former untouchable Madiga caste is the hardest part for the Gollas, who would never accept this in the village. Such proximity causes many conflicts with hut owners and neighbours, which the Gollas women in charge of domestic tasks handle. Men mostly spend their time at the adda, while the women stay at the huts before and after the working day for domestic tasks. They wake up at around 5:30 am and have to cook, fetch wood and water, take care of the children and clean the huts before leaving for work. Their tiniest activities are meticulously scrutinized by the middle-class Madiga women, who are always keen to criticize. Life in the huts demands conformity to neighbourhood rules and micro-hierarchies of caste. Golla Kondamma highlights the lack of respect they are shown, while stressing the Madiga's caste backgrounds:

'We are treated like dogs. But who are they? They blame us for everything, for water shortages, water leakages, lack of cleanliness, the noise. They even tell us how to cook the rice. Those people have just discovered rice and they would like to teach us?'

But Managamma also highlights the poor living conditions:

'We pay for everything, but they still complain. What can we do? The huts are in very bad shape, we struggle to get water and the toilets are a very long way away'.

Women have to cope not only with a double workload and the gendered divisions of space, but also the threat of male maistri and of neighbour's sexual remarks. They alternate between keeping a low profile and public outcries to ward off male aggression. They do not expect protection from their husbands in residential areas or the worksites: they always advocate for themselves. The women's determination does not prevent them from maintaining a low profile, and they remain on the defensive.

Male Gollas are in no better position at the adda, where they experience the violence of small shopkeepers, rickshaw drivers and others. The owner of a small bicycle shop explains the situation:

'I was a worker, but my factory closed down two years ago. I was a CITU [Centre of Indian Trade Unions] member. Now, I have only this shop, no pension, nothing. The Palamur work hard, but... who will come if they block the front of my shop?'

Everyone highlights the fact that the Gollas are workers at the very bottom of the social ladder: 'They are illiterate and know nothing. They work hard, breed and die. That is their life'. Kurmaiah, a Golla who owns the local stationery store, considers them as foreigners: 'They claim to be Golla, to be Palamur, I don't know exactly. They come and go, how can we trust them?'



Beyond insults, mockeries and comments there is often physical aggression. Shopkeepers keep wooden sticks for driving the labourers away to other shops. Police officers also use sticks and are always willing to support the shopkeepers against the migrants. Keeping a low profile is thus the best tactic for labourers to avoid conflict. In the morning as they wait for jobs, the labourers find themselves trapped between the shopkeepers and dense traffic. I saw bus drivers pushing the labourers, and rickshaw drivers amusing themselves by splashing them in the rainy season.

Such violence boosts the labourers' bid for invisibility, but also reinforces the boundaries of Lalapet, which the maistri manage to negotiate with the police by providing a relational identity: 'they are my labourers'. The labourers' awareness of being at the bottom rung of the informal economy is always contrasted to their experiences of village life, or to debt-bondage. Krishnaiah: 'People speak to us harshly, telling us what to do and treating us like biccagadu [beggars]. In the village, if someone attacked us, we would answer back'.

Those discourses stress how fear is a subtle and powerful instrument of domination, making harder contestations in informal urban economy. Village, in contrast, is represented as a known environment where labourers have a grasp of informal mechanisms.

Idanna, a debt-bonded labourer, describes Lalapet as conflict-ridden:

'There are constant squabbles over water, food or whatever. They complain because I cut this, or I killed this, or I piss here or there. You pay for everything and the huts belong to the Madiga'.

Migrants are always held responsible for theft or conflict, but such social divisions are based on caste and class: 'We work for money and to eat. We work for food. I don't eat their food and they don't eat mine. Why would they come to my hut'?

Idanna favoured debt-bondage because the maistri were completely in charge of the food, workload and housing, but his wife differs:

'There is no profit. What is the point? My daughters are in Lalapet; there I could choose my food and the work is easier. But Idanna does not want that. I have three daughters to marry, I have 80000 rupees of debt and he does nothing but drink'.

Ultimately, the labourers adapt to local conditions by staying in the shadows. The tea stall in Lalapet where they gather is at the end of a dead-end, and invisible to outsiders. They consume alcohol in their huts, which are a familiar space in comparison to wine shop courtyards. Drinking outside demands both time and confidence, as do showing off new clothes, fashion items or new hairstyles: they instead show off consumer goods purchased in Lalapet in their village of origin.

While Idanna rejects the daily wage status, other Gollas comply with Lalapet's social codes of discipline to consolidate networks and relations with the maistri, and to meet village caste expectations. Informal urban economy work is just as much a matter of housing and citizenship as mere employment relationships. The construction industry is organised via the hierarchical delegation of labour management to the maistri, who stifle migrant demands or collective organisation, and control both their places of work and urban environment. Daily-wagers have to accept dependency in order to get work, housing and an identity in the urban



setting. The absence of State regulation of labour standards in the construction industry is matched by an absence of rights in the city.

### BEYOND LALAPET: URBAN SPACES AND WORKSITES

Protection-identity as an issue is most marked outside the confines of Lalapet. Labourers' feelings of vulnerability are manifest in the way they travel across the city, moving as a group and avoiding main roads, walking across wastelands and along railway lines or other paths avoid encounters.

During the high season (summer), 200 workers gather at around 7 am in three groups in Lalapet's main square. The first group consists of 40 local workers from the north of Telangana. The second consists of qualified workers (masons, painters etc.) who settled permanently in Hyderabad, and the third of Golla labourers who wait at the roadside, trapped between the shops and the traffic jams. They are the only group to work with the maistri and are at the bottom of the hierarchy as the cheapest labour force. They avoid interacting with the other groups.

Each morning, the Gollas gather their work tools and tiffin boxes and wait for the maistri to come and tell them their place of work, which changes every day. On the particular day to be described here, fifteen of us left along the railway track. A few hundred meters later, we crossed an area of wasteland which ran alongside a water tank, and squeezed through a broken wall. The maze of streets and houses opened onto disused sheds and wasteland. Kurmaiah explained:

'The main road is full of people who complain. But we have to work; the maistri don't give money for the bus. On the tracks, nobody bothers us. If someone harasses our wives, what could we do? There, nobody knows the maistri. Hyderabad is dangerous, like Bombay; we have no money and the police never help us'.

We walked for a few kilometres, interspersed with silence, jokes and comments on the landscapes, temples and mosques we passed. The maistri then arrived by scooter at the building. The labourers change buildings every day, cementing roofs and then moving on to the next project. There are always three maistri involved (for labour, the machinery and scaffolding), who often disappear to work at other building sites.

The pace of the work was agreed according to the machinery and material available. The building's owner asked the maistri to oversee the labourers, who would work on the roof for 8 hours under the sun. The maistri declined and indicated his authority by threatening the group as well as praising them. He needed autonomous labourers in order maintain his position. The work was divided between two groups, one of which supervised and loaded the machine with sand and stones; the other on the roof dispatched the cement. When the work downstairs slackened off, the men and women on the roof took the time to chat, sit and smoke, before checking. Ingenious spatial practices were needed to take a break, which had to be adapted to everyone's changing environments and spatial positions. In contrast to factories, the labourers had no prior knowledge of the site and had to invent ways to hide from the maistri and owner in order to smoke in the shade, or resting by pointing out the distance to the toilets, or getting lost. Playing with space and the intensity of work put pressure on the owner, who became worried about the work's non-completion, and who tried to negotiate tea and snacks, a cost the maistri refused to meet. Labourers negotiate at the margins and are always crudely reminded of their structural position in the urban informal economy.



In the afternoon, four semi-qualified labourers from Lalapet joined the group, dressed in work trousers and plastic boots and bringing their own tools. They rolled out fresh concrete that was carried over by Golla women. Labour hierarchies were in full evidence: a labourer who was splashed by concrete suddenly yelled at a woman. She did not reply, but the roof fell silent. She carried on working and returned to spread concrete, upon which the worker began to insult her. She then threw down her container and shouted back, supported by the other women. The Golla men watched on at a distance, while the maistri calmed everyone in order to avert a conflict with Lalapet's semi-qualified labourers.

Later that evening, as the male labourers dismantled the scaffolding, two maistri discussed money with the owner. The amount was fixed on a 'square foot' basis and the maistri had to evaluate the number of labourers required to cover the surface. None of them revealed the amount to the labourers. The owner reminded the maistri of the cost of electricity, water and the money spent on tea, snacks and machine puja. The maistri pointed out that he had brought two extra labourers and pushed for a higher amount, but the owner refused to pay for what he considered the maistri's mistake.

Many of the labourers had already left and the maistri informed Saodanna of the situation: 10 rupees less per labourer, due to the owner cheating. Saodanna became enraged and demanded the maistri return the full amount. When he refused, Saodanna and two other labourers shouted at him to reimburse them with his own money. Their anger increased and the maistri declared that he would not have a job for them the following day. Saodanna was ready to fight but was now dropped by his colleagues. He continued alone, claiming that he would make the matter public to other maistri and labourers.

None of the labourers ultimately received their anticipated salary. On the adda, another maistri guaranteed him work:

'He wanted to give me 50 rupees to shut up. It does not work like this, we work together, the group is important, I cannot take money away from the others. Krishnaiah helped me to come here, how could I make money on his back?'

Saodanna refused the offer but kept quiet. His position depends on the perception of being part of a broader process of migration involving both caste and village. Saodanna always bears in mind future migrants and the need to secure them a place.

Nothing there complies with State labour regulations and everything is informally regulated, be it tea breaks, work undertaken, salaries, working conditions, toilets, breaks, timing or mobility. Occupational health and safety, minimum wages, regulated working hours, and employment security are all denied to labourers. There are no safety helmets, safety nets, shoes, ropes and/or equipment, nor ILO recommendation-listed equipment for construction workers.

Discipline and keeping a low profile in urban settings are crucial to keeping this work stream open, and is always subject to uncertainty, fear and arbitrariness. The lack of protection in cities and worksites – be it from the State, trade unions, or NGOs – combined with recruitment and caste relations in the village, limit labour issue struggles to everyday forms of resistance and negotiation. The goal is to guarantee employment in Lalapet and to claim social and development outcomes when back in the village.



#### *4. Political Fights for Social Outcome in the Village*

The Golla's acceptance of domination in Lalapet contrasts their political demands and self-promotion in their village, where they brandish their know-how and knowledge of migration and cities, participating in the village's religious, economic and political life. Migration is promoted as a sign of cultural flexibility, the ability to negotiate multiple cultural codes and to migrate without maistri or the patronage of a Reddy.

The highlighting of cultural, social and political areas nuances the limited remittances. They are able to save and invest hundreds of rupees: only those going to Lalapet with family assets manage to do well. Others have to repay debts to the moneylenders and to former maistri. The ambitions of daily wagers are also hit by the costs of religious festivals, weddings, health and housing, while investments in agriculture are risky: a drilled well may turn out dry, while only bonded labour can get an advance of 20000 rupees.

Labourers instead capitalise on their experiences in Lalapet by way of their self-confidence, their body language, the language they use and their involvement in local affairs. They use their re-entrance into village power relationships to ensure a better position within the caste and in the village. They do this firstly to differentiate themselves from lower castes such as Madigas and from debt-bonded labourers, and secondly to secure temporary sources of protection via access to development schemes. The Gollas then mobilise caste and political networks, actively participating in religious festivals and political affairs to display their affiliation to the leading party.

The wide variety of development schemes launched by the TDP and Congress from the 1990s till today has strongly reinforced local political clientelism and the power of rural leaders, who control and redistribute profits (after taking a substantial percentage). It is well established that development schemes which run through political parties cut universal rights into electoral categories. Under TDP and Chandababu Naidu leadership, from 1994 to 2004, those schemes concerned 'livelihood issues' such as food, health, education or water or skill development and marketing support, such as deepam (light) which provides cooking stoves for women, adarana with tool kits for artisans, or water users' associations, school committees, microcredit, (Srinivasulu 2004, Suri 2005, Mooij 2005). Y.S.Rajasekhara Reddy, the Congress leader from 2004 to 2009, pursued such policies and launched a large number of development schemes related to pension, housing and health. He also pushed ahead with the *National Rural Employment Guarantee Act* (NREGA) (supposed to guarantee hundreds days of work in rural areas) and the Rajiv Aarogyasri Community Health Insurance Scheme. The latter scheme intends to provide free surgical care to the poor, by funding the private and corporate hospitals and reducing the budgets of primary health centres (Mitchell et al. 2011, Shukla et al. 2011). Those are some of the schemes that have deeply reinforced competition and divisions in the village, between political parties as well as within castes. The access to ration cards and other schemes is not a right (as it should be, formally): access is provided through subtle and endless negotiations and manipulations of local micro-hierarchies, from caste to individual levels. To secure access to those programs after months in Hyderabad, migrant labourers have to display their support to the TDP party (who hold power at the village and district level), while henchmen of the party ensure the votes of the caste.

The State is not a monolithic block, and its policies are constantly re-interpreted by government agents and bodies, as well as by the local leaders in charge of the programmes. Furthermore, the everyday relations between State, labour and politics are strongly mediated by



goondas (middlemen) who enjoy proximity to both leaders and labourers. They regulate access to the State, to credit, NGOs, jobs and other resources, with a clear preference for people affiliated to their party (Michelutti 2008). N. Reddy is one such goonda, the grandson of the village's main moneylender, combining many activities. He is a close associate of the head of the village and the Village Development Officer, mobilises supporters for political meetings, collects migrants' debts, and is in charge of collecting microcredit group funds at the Cluster level, which his mother directs. Through long-standing docility to the head of the village and a mixture of violence and protection towards the low-castes (Alm 2010), in 2009 he managed not only to become the manager of the shop for subsidized products (petrol, rice, etc.), products which he sells for own profit in the nearby town, but also became a main agent of NREGA. Within NREGA, on average 10 to 15 days of work is carried out per year, in contrast to the 100 days planned and charged. This clearly demonstrates the diversion of money within the scheme and its importance as a source of corruption.

In this context, labourers' struggles in the village are directed at reframing such micro-hierarchies in order to obtain a better share of development activities, and to access goods, whether products, ration cards, housing or health schemes. These actions however scarcely challenge existing local hierarchies.

Religious festivals represent a major opportunity to display success and political power, as well as affiliation and support. Most of the Golla labourers come back for major festivals, such as Ganesh and Shankranti: those who cannot afford to do so stay in Lalapet. Migration narratives, confident body language, and new clothes bought in Hyderabad are all displayed.

Chinna Kondanna, a young Golla, returned to the village a few months after his first experience as a migrant labour, wearing trousers and a shirt, and was excited to describe to his family: 'I have seen planes in Begumpet, I went to the zoo, by bus. I also worked in High Tech city on 6-storey buildings'.

This type of narrative is common but while bonded labourers compile a catalogue and map the Indian major projects on which they have worked, daily wagers highlight their mobility in the city. Citing place names and modes of transport displays their migration knowledge and know-how, which serves as a challenge to the former exclusivity of the knowledge of middlemen. It distinguishes the Golla daily wagers from bonded labourers, who have no clue of their destination before the day of their departure.

The entire village is well aware of the Gollas' return, as they celebrate their first night with excessive alcohol consumption in public places. They can be heard shouting, laughing, fighting and crying, and visiting their kin and caste fellows.

Migrant labourers are the most active participants of religious festivals, taking part in all caste activities, from meetings to rituals. They can always be found at the front, stressing their caste identity and sentiments in dance, songs, and other ways. On the last day of Shankranti, Krishnaiah, Saodanna and others from Lalapet, dressed in traditional clothes, gathered in front of the house of the head of the village. They then started singing praises to his late son. This continued all day and they went from house to house among the TDP, the Madiga and the *maistri*. The recital was peppered with dancing, songs and cries, as well as regular stops at the palm wine shop. Such visits ensure a visible presence in the village and expresses support to local leaders.

This process is clearly explained by N. Reddy, who is charged with drumming up support during the politico-religious festival of Ganesh:



‘There would be three Ganesh. The TDP Ganesh at the temple, the Congress Ganesh at the Village Committee Hall and then the Madiga. Last month, there was a fight during the Village Education Committee meeting. There were one hundred people, Congress and the TDP, it lasted 25 minutes... There will be other fights. Elections come next year, we have to win. If the TDP wins, there will be money for development and I will get a job. I am in charge of everything; I go to Lalapet, bring the migrants, give money and put them back on the bus. They know what we do for them, they have to support us’.

During the festival, the Gollas also celebrated the recently sanctioned Golla Committee Hall<sup>12</sup>, which symbolises their new status in the village. The nine days of the TDP’s Ganesh (compared to the five days of the Congress) was a huge success for the party: every night, 200 people gathered around the TV displayed at the Ganesh stand, while the Gollas danced and sung into the middle of the night.

Such visibility brings conflicts with the Reddys of the Congress party, in particular the young sons of landowners, who migrate as tractor drivers and machine operators to building sites or mines. Many feel threatened by the social rise of the Gollas. The TDP’s success and the Golla’s presence reinforce tensions. N. Reddy’s prediction bore out on the final night when 70 men and women armed with wooden sticks, mainly Gollas migrant labourers and young Reddys of Congress, fought for an hour by the TDP Ganesh. The police only came after the TDP leaders of surrounding villages arrived on the scene, while wounded Gollas were exhibited in the courtyard of the head of the village. The leaders of the Congress were jailed for a month, the young ones expelled from the village for the same period, while no TDP members were arrested.

Such physical and open confrontation with the Reddys contrasts to the Gollas’ attitudes in Lalapet, and highlights changing caste and political relationships. Politics is key to accessing development projects and building up a clientele, which receives an unequal and hierarchical share. The Golla labour migrants’ demands and struggles are focused on the village where State interventions are deployed. The State is embedded into village power relationships, as local leaders control programs. The main task of N. Reddy, the agent of this development, is to support the social rise of the Gollas while keeping them at their level. The Gollas have yet taken some benefits from health, housing, education, ration cards and other products. However those schemes have considerably reinforced the power of local leaders who keep the largest part of schemes, strengthening inequalities between leaders and labourers.

## *5. Conclusion*

This ethnography of seasonal migrant labourers has stressed that labour struggles, working and living conditions in urban informal economy are shaped by the interrelationships between construction industry, informal regulation of migration and labour, and local village leaders’ direct control over development issues. It points out how labour migration, politics and development are related in the everyday life of labourers, from village to urban migration sites, and how capital/labour issues have become silenced in favour of development/poverty struggles.

The informal management of migrant labourers fits within the capitalist logics of the construction industry and its interrelated modes of domination. This organization, combined



with the absence of rights in the city, hampers labourers' demands for improved working and living conditions or salaries. In a context of informal rules and politics of fear, discipline and maintaining a low profile are the only options to secure a migration stream in the absence of State regulations of labour standards, trade unions and other civil society movements. Safety, health, salaries, working hours, security, migration, housing, water and electricity are all informally negotiated in a harsh power relations context.

This paper also shows how the absence of labour standards and regulation are strongly linked to the place given to migrants in the city. The impossibility of engaging in struggles in the urban informal economy due to isolation, fear and forms of dependence in urban settings (Lerche 2010, Heyer 2000) contrasts with their visibility and contestations in the villages where social programmes are mostly focussed (e.g. NREGA). Labourers have a subtle knowledge of informal mechanisms of political clientelism needed to obtain social outcomes. The social mobility of Gollas, from debt-bonded to daily wage labourers, involves greater contestations in the village, mainly to 'enact, re-inscribe and consolidate traditional arrangements' (Gidwani and Sivaramakrishnan 2003: 362). The acceptance of reformulated hierarchies and disciplines, both at work and in the neighbourhood setting, is transformed into an advantage in caste politics and development in the village. However, a large proportion of village leaders, MLAs and MPs in Mahabubnagar district (and beyond) have built their fortune as construction sector contractors and their control of politics also leads to schemes, the key of redistribution and votes: struggles in the village focus on redistribution articulated around caste, not on the organization of redistribution.

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## NOTES

1. The Telugu Desam Party is a regionalist party created in 1982 by N.T. Rama Rao, a famous movie hero, and lead by Chandrababu Naidu from 1994. From then, Congress party and TDP alternate to govern the State of Andhra Pradesh (TDP from 1994 to 2004 and Congress from 2004 to present). However, TDP hold power in Mahabubnagar district.



2. Andhra Pradesh was the first regional State to receive direct funding from World Bank in the 1990s.
3. Although this has now collapsed spectacularly.
4. The control exercised on economic and social attitudes – calculating, saving, entrepreneurship spirit, productive investment, reimbursement – has recently lead in Andhra Pradesh to suicides and attacks on credit agents and microfinance offices, pushed to strengthen their tight control on credit to adapt to financial markets.
5. This is a hereditary title.
6. The kinship links soften the defeat of TDP and guarantees some public contracts. Due also to his hereditary title, the head of the village manages to maintain local factions relatively stable, even if political competition greatly increases over the years.
7. This is the nearby town, also subdistrict headquarter.
8. *Scheduled Castes*. In the village, Madiga is the main vernacular term with harijan. In Lalapet, harijanwada is the common denomination by upper castes, while inhabitants prefer SC wada. Golla labour migrants conserve Madiga. Dalit is barely used in the village and in Lalapet.
9. It consists in loading and unloading trucks.
10. From now on, unless further explanations are given, ‘maistri’ only refers to labour middlemen operating in Lalapet.
11. The S.C. wada is the area where the S.C. live in segregation from other castes.
12. Committee Hall is a public and secular meeting place for the entire village. Gollas hold their meetings at the main temple under the banyan. The construction of a specific place reserved to a community has caused diverse conflicts.

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## BIOGRAPHICAL NOTE

DAVID PICHERIT is an associated member of the Centre d'Etudes de l'Inde et de l'Asie du Sud (CEIAS-EHESS), Paris. He is currently on a post doctoral fellowship affiliated to SOAS – Department of Development Studies.



# *Migrating Between Rural Raichur and Boomtown Bangalore: Class Relations and the Circulation of Labour in South India*

*Jonathan Pattenden, University of East Anglia*

## **ABSTRACT**

This paper is concerned with circular migration between the agriculture and construction sectors in Karnataka, South India. It analyses the class and household-based outcomes of migration during the 2000s between Karnataka's poorest district and the building sites of Bangalore – a city seen internationally as one of the epicentres of globalisation in South Asia. Its central argument is that migration's spatial extension of exploitation slightly shifts the balance of class forces in favour of the labouring class in source areas. 62 percent of households are found to gain from migration, but better design and implementation of welfare policies intended for migrant labourers (primarily those relating to health) would significantly increase migration's contribution to labouring class socio-economic and socio-political mobility. Positive outcomes are restrained, though, by the broader social relations of production and the ways in which capital shapes the outcomes of public policy. It is found that class-based impacts and household investments in productive assets are greater in villages with higher levels of migration and socio-economic and socio-political inequality, whilst household gains amongst unskilled labourers are more likely where socio-economic inequalities are lower.

## **KEY WORDS**

class relations, circular migration, labour, social protection, South India

## ***1. Introduction***

This paper is concerned with the economic and political implications of circular migration between the agriculture and construction sectors in Karnataka, South India. It analyses the class and household-based outcomes of migration during the 2000s between Karnataka's poorest district, Raichur (UNDP 2005) (see Table 1), and the building sites of Bangalore – a city seen internationally as one of the epicentres of globalisation in South Asia and a driving force behind Karnataka's high recent growth rates.<sup>1</sup>

The paper locates the circulation of labour from three villages in Raichur amongst broader processes of agrarian change before analysing the socio-economic and socio-political implications of migration for 129 labouring class migrant households.<sup>2</sup> Initial socio-economic and socio-political hierarchies at village-level are shown to mesh with hierarchies in the



construction sector before being reinserted (periodically, cyclically or permanently) into the class relations of the source villages.

The research was undertaken by the author and a research assistant in three fieldwork villages in Raichur: Jagalwara, Badarapur and Kumdini Cross.<sup>3</sup> The research assistant is from a neighbouring village – the same village where the author stayed during data collection. The author has conducted research in the same cluster of villages in 2007 and 2008, and in the region of North Karnataka more generally for eighteen months since 2002. Access to households and the building of trust was facilitated by both the author and research assistant knowing relatives and associates of some respondents in each of the villages. Research was conducted over six months – primarily during a four month period between early June and October 2010, but also in January 2010, and in June and November 2011.

Over three quarters of Madiga<sup>4</sup> households (129 out of 155 or 83 percent) in the three villages had migrated during the 2000s – in many cases repeatedly or for several years at a time. After group interviews in each of the villages, a survey of all 155 Madiga households (856 people) was conducted in order to determine household migration and employment patterns. The survey was followed by two rounds of primarily qualitative semi-structured interviews with thirty-four of the migrating households from which 156 individuals had migrated (each lasting between one and three hours – this will be referred to as the core sample). Additional qualitative material is drawn from the additional 121 surveyed households, around 30 percent of which were interviewed once by the research assistant, and through the author's discussions with key informants from nearby villages. The semi-structured interviews were mostly conducted in source villages, although a handful were held in migrants' tents in Bangalore.<sup>5</sup> The second round of interviews allowed for the development of qualitative material as well as for the triangulation of quantitative data. The author was present for the entire first round of interviews, for a minority of second interviews and the initial stages of the survey. The remaining data was collected by the research assistant (who was in frequent contact with the author during this time).

In addition, discussions were conducted with workers at nine different construction sites in Bangalore on between one and three occasions in January and October 2010 (of which three included members of the source villages), along with discussions with engineers, and employees in relevant NGOs and the Government of Karnataka's Department of Labour.<sup>6</sup> The article focuses on labour and its relations with capital and, as such, does not provide a full class analysis as capital remains relatively undifferentiated. In source and destination areas, the labourers that are the subject of this paper work primarily for larger farmers and construction companies, although most of them spend a minority of their time in the source areas working for smaller farmers. A minority also work on smaller construction projects.

The migrants from the fieldwork villages have worked predominantly in four areas of Bangalore during the 2000s – two in the east of the city, one in the north, and one in the south. Two of the construction clusters centre on residential and commercial developments built by Adarsh developers, who describe themselves as the 'foremost creator of premium lifestyle gated communities in Bangalore'.<sup>7</sup> Its recently completed Palm Retreat apartment blocks in Bangalore's Devarabeesanahalli have a clubhouse and lush green landscaped gardens, whilst its Palm Meadows development in nearby Ramagondanahalli comprises 590 luxury villas. Both largely accommodate those working in the neighbouring cluster of corporate offices, technology parks and Special Economic Zones (SEZs). Ten kilometres to the north-west Manyata Embassy Business Park is an SEZ developed by the Embassy Group – currently home to the largest cluster



of workers from the source villages and to prominent transnational corporations such as IBM, Philips and ANZ.<sup>8</sup> Electronic City, the fourth area, is home to another cluster of corporate offices and industries that includes the Biotech company Biocon, and the internationally recognised Narayana Hrudayalaya Health City.

These residential, commercial, industry and service-oriented developments provide employment for labourers from the neighbouring states of Andhra Pradesh and Tamil Nadu, the north of India, and north-east Karnataka. Signs of upward mobility amongst these labouring class migrants – who exist at the interface of global capital and chronic poverty – could be seen as a barometer of the inclusivity of Karnataka’s current period of rapid economic growth. To what extent does the circulation of labour between the state’s poorest district and the epicentre of its growth facilitate upward economic and political mobility or the perpetuation of similar levels of exploitation of labour by capital? Are the trends contradictory and the mediations of class relations less obvious?

*Table 1. Unequal human development indicators in Karnataka*

Districts in Karnataka/States in India	HDI 1991	Rank out of all Karnataka Districts	HDI 2001	Rank out of all Karnataka Districts
Bangalore Urban	0.623	4 <sup>th</sup>	0.753	First
Raichur	0.443	Last	0.547	Last
Karnataka	0.541	-	0.650	-
Kerala	-	-	0.746	-
Uttar Pradesh	-	-	0.535	-

Source: UNDP 2005

Neoliberalism’s proponents subscribe to the contentious view that labour market regulation impedes economic growth and levels of employment (see Jha 2010 for an empirically based critique), and understand migration primarily in terms of individual choices aimed at income maximisation (Chandra 2004: 22, Iyer et al. 2004: 81). They have famously encouraged the rolling back of security and protection afforded to the small minority of formal sector workers (World Bank 1995, Breman 1996: 13).

Alternatively, migration can be located amongst production relations in the source and destination areas, and the broader social relations of production under uneven processes of capitalist development (Breman 1990, Chandra 2004). As a strategy for piecemeal processes of change in favour of labour, the International Labour Organisation (ILO) and India’s National Commission of Enterprises in the Unorganized Sector (NCEUS 2007: 173) advocate a ‘decent work agenda’ and argue for the extension of social security for the 90 percent of workers who operate in the informal sector. The NCEUS (2007: 9; see also Kannan 2009) calls for a ‘social floor’ composed of minimum working conditions and wages and a set of social security measures



to protect workers against such eventualities as health crises, loss of earnings due to accidents, and death. The channelling of widespread and sustained state welfare programmes to the labouring class can improve both their socio-economic and socio-political position (Herring and Edwards 1983), although their ability to access government programmes requires relative economic autonomy from the dominant class (Pattenden 2011b). The Government of India adopts an ambivalent position in relation to labour, and appears to want to leave working conditions in the informal sector as unregulated as they are now (Lerche, this volume), whilst some state governments have actively sought to undermine labour inspectors in order to promote flexible labour practices (Sharma 2006).

Migration has complex and contradictory implications for class relations. Out-migration tends to tighten labour markets in source areas with possible positive implications for employment levels and income (Patnaik and Chandrasekhar 2004: 11-12, Sidhu et al. 2004:153), whilst in-migration can push down local wages and reduce employment levels for local labourers who in turn may migrate themselves (Bremar 1990, 1996; Sidhu et al. 2004: 154). It is often hard to pin down the lines of causality – the relative influence, for example, of changes in agricultural productivity and the tightness of labour markets on wage levels (Jha 2007).

Outcomes are also mediated by the extent of inter-capitalist collusion (Rogaly et al. 2001, Bremar 1990), the broader class equations that underpin access to and retention of formal political power in particular regions (Rogaly et al. 2001), and state interventions to increase demand for labour (Rogaly et al. 2001, Selwyn 2007: 528). At a micro level socio-political shifts can be significant. It has been argued that exposure to higher wages and less pronounced social hierarchies during migration expands levels of awareness that may have progressive implications not only for the migrants but also for those left behind in the source area (Lenin 1977: 585, referred to in Chandra 2004: 27). In sum, this paper assumes that the causes and consequences of migration are to be found amongst the totality of migrants' social relations, and begins by contextualising itself in studies that have, like this one endeavours to do, attempted to analyse parts of that totality.

The paper proceeds in four parts before concluding. The first contextualises the outcomes of circular migration amongst the broader social relations of production. The second introduces the fieldwork villages in Raichur and shows how processes of agrarian change and the hitherto weak implementation of social protection programmes have contributed to migration flows. The following section analyses the class-based outcomes of migration, outlining minor labouring class gains in source villages and indicating how they are restrained by poor implementation of social protection programmes in Bangalore. The final section explores the uneven outcomes of circular migration across labouring class households.

## *2. Differentiation, Fragmentation and Marginalisation in Processes of Circular Migration*

Employment in the construction sector grew by 248 percent between 1983 and 2004/5, meaning that its relative importance in labour markets has grown faster than any other major sector (Srivastava, this volume), with 26 million informal workers in the mid-2000s (GoI 2009:89). Although broad-based accurate data on their socio-economic and sociological characteristics are lacking, a number of studies indicate that as well as being drawn from the



poorest in socio-economic terms, those who move between agriculture and construction labour are drawn disproportionately from the scheduled castes and tribes (Mobile Crèches 2008, Shivakumar et al. 1991, Sidhu et al. 2004: 142, Van der Loop 1996).

In 2004/5 agriculture and construction respectively provided 56.5 percent and 5.7 percent of jobs in India, making them the first and fifth largest providers of employment in the national economy (Srivastava, this volume), and underlining the significance of circular migration between them. This, in turn, is part of broader processes of urbanisation, economic development and growing levels of non-agricultural employment in India and across the developing world (Lerche 1999, Rigg 2006). Whilst this diversification of employment has generally increased the bargaining power of the rural labouring classes and reduced their levels of dependence upon the local dominant class, the extent to which this has occurred varies significantly (Bremán 1996; Carswell and De Neve, forthcoming; Heyer, this volume). The widespread upward mobility amongst workers who enjoy elements of formal labour arrangements and relatively good working conditions and higher wages is contrasted to the casual informal workers for whom upward mobility is much less likely (Kabeer and Mahmud 2004). Others underline the importance of access to state social welfare programmes in determining the outcomes of heightened access to non-agricultural employment (Heyer, this volume), whilst others still underline the persistence of exploitation and even the reconstitution of labour bondage (Bremán 1996; Carswell and De Neve, forthcoming; Guerin et al. 2009).

## DIFFERENTIATION

The extent to which circular migration contributes to social mobility is highly contested. Whilst some have described it as ‘the dominant form of economic mobility for the poor; especially the lower castes and tribes’ (Deshingkar and Akter 2009: 1), elsewhere it is seen as a survival strategy and a means of managing debt (Bremán 1990, 1996; Mobiles Creches 2008; Mosse et al. 2002, 2005; Prosperi 2009; Shivakumar et al. 1991; Van der Loop 1996). Mosse et al. (2002: 60-71; 2005: 3026-8) suggest that migration tends to perpetuate ‘below-subsistence livelihoods’ and amplify inequalities between better-off households migrating to facilitate agricultural investments or life events, and poorer families who migrate for longer in greater numbers, tend to earn less due to their lower levels of bargaining power, and use earnings primarily to repay debts. In other words, the initial socio-economic position, status and power of a household influences migration outcomes. Whilst this paper bears this out, it also seeks to analyse the broader implications for class relations.

There are indications that only a minority cross the divide from unskilled to semi-skilled labour, and that the transition is age-specific and highly gendered – most are men who enter the sector in their teens or early twenties (Van der Loop 1996: 282, Mobile Creches 2008:5). This paper also bears this out, and will show that skill levels are central to migration outcomes. Semi-skilled masons, who in some cases perform a supervisory role, receive around 50 percent higher wages than labourers, whilst regular workers are more consistently employed but tend to receive lower daily wages than more casual workers.

It should be noted that the amplification of inequalities, and distress and survival-oriented migration are not necessarily at odds with the view that circular migration, at least in parts of India, is the dominant form of economic mobility for the poor. These possible contradictions will be revisited below. Regardless, poor living conditions, increased health



problems, heightened risks of violence against women, and additional burdens of household labour and childcare on women and girl children appear to be the norm (Bremar 1990, 1996; Iyer et al. 2004: 85; Mobiles Crèches 2008; Mosse et al. 2005: 3025-7). Evidence also indicates that costs rise along with incomes during migration, that surplus earnings are largely directed to the partial repayment of debts, and that asset creation is rare (Mobiles Crèches 2008:1).

## FRAGMENTATION

Collective action amongst informal workers is relatively unusual (Ahn 2008a). Recruitment procedures are themselves central to the fragmentation and control of construction labour, and are part of broader subcontracting chains that offload risks (such as quality control or labour reliability) and minimise costs through a flexible labour force.<sup>9</sup> On most projects a core of indirectly recruited and managed regular unskilled and semi-skilled labour will be supplemented by subcontracting gangs that complete specific tasks (such as barbending) on a piece-rate basis.<sup>10</sup>

Construction capital, then, reduces costs and increases flexibility by hiring labour via intermediaries (maistries). As well as recruiting labour, maistries, who are usually drawn from its ranks, also tend to manage labour on a day-to-day basis on behalf of capital. They act as a safety-valve for grievances, thereby providing 'a buffer against the entry of trade unionism' (Shivakumar et al. 1991: M35; see also Van der Loop 1996: 79). The maistry largely recruits amongst those known to him and will often call workers from his own or nearby villages. If the maistry is a relative or neighbour, labourers are unlikely to let maistries or their on-site lieutenants down by leaving for other building sites, or by footdragging in the completion of tasks (Shivakumar et al. 1991: M34).

The maistry system, then, provides capital with substantial political control over labour, which is reinforced by the widespread reticence of people to assert themselves in unfamiliar urban locations.<sup>11</sup> The fragmented organisational structure is further compounded by social divisions based on language, locality, gang, caste, age, skill level and gender. Women (and girls) do similarly arduous work but earn around 50 percent less than men, and are far less likely to become skilled workers. Alongside construction capital's growing scale in Karnataka over the past twenty years in particular, and its partial but increased insertion into major forms of informal accumulation that incorporate leading politicians,<sup>12</sup> there appear to be continuities in terms of the capital-labour relation: poor working conditions, the absence of enforcement of rights and entitlements, low levels of unionisation and similar levels of exploitation (Shivakumar et al. 1991, Van der Loop 1996, Mobiles Crèches 2008).

## MARGINALISATION

The construction sector's fragmented and flexible organisational structure has two clear consequences besides the reduction of labour's bargaining power (Van der Loop 1996: 272-331). Firstly it allows employers to avoid responsibility for living and working conditions, and to sidestep labour laws (Bremar 1996: 157, Deshingkar 2009, Mobile Crèches 2008: 3, Mosse et al. 2005: 3026, Van der Loop 1996: 183) – for example piece rate work masks the routine abuse of minimum wage law by divorcing payments from time and the number of labourers (Bremar 1990).<sup>13</sup> Secondly it lessens labourers' capacity to access social protection. Workers generally know little of their rights or anti-poverty resources intended for them (see Kabeer and Mahmud



2004: 102), or lack the necessary bargaining power to demand them. Consequently as well as a lack of implementation of labour laws, a number of studies point to a widespread failure to provide workers with various forms of social security such as maternity benefits and access to state-backed crèches, primary health centres and adequate housing (Iyer et al. 2004: 86, 90; Mobile Crèches 2008: 3-4; Prosperi 2009: 5; Shivakumar et al. 1991: M31; Van der Loop 1996: 79, 183; Virk 2004: 162). In sum, then, the differentiation, fragmentation and marginalisation of construction labour, both amongst production relations and their mediation by the state, collectively provide substantial obstacles to pro-labour outcomes. The migration stream that is the subject of this paper needs to be understood within these broader contexts.

### *3. The Source Villages: Emergence of a Migration Stream*

The three fieldwork villages, located on the borders of Sindhanur and Manvi sub-districts in Raichur district, were selected because i) they lie within the Hyderabad Karnataka region, which accounts for the greatest share of in-state migrants working in Bangalore's construction sector; ii) they have, unlike parts of neighbouring Gulbarga district for example, only been substantially integrated into circular migration during the last decade; and iii) they are relatively representative of variations in levels of irrigation, connectivity and landlessness in that part of Raichur.

129 of the 155 Madiga households surveyed in the three villages had migrated during the 2000s. All or part of 49 were in Bangalore in the 2010 wet season and a further 43 intended to migrate during the coming dry season. This represented a majority of all Madiga households, but was still almost 50 percent less than the migration peak in the latter stages of the 2002-2004 drought period (when distress migration was widespread), and the years immediately after it when knowledge about how to access employment in Bangalore had grown. The research focused on Madigas (former 'untouchables' and the largest caste amongst Karnataka's scheduled castes) because they had the highest proportion of landless households and had migrated in the greatest numbers. Only five of the 155 Madiga households owned more than three acres, and most Madiga land was unirrigated.

In Badarapur, which is located on major bus routes to Bangalore and is the most irrigated of the villages, 58 percent of Madiga households were landless and average landholdings were 0.65 acres.<sup>14</sup> In Kumdini cross, the least irrigated of the three villages, average landholdings were 1.63 acres and 40 percent of households were landless.<sup>15</sup> In Jagalwara the figures were 1.03 acres and 48 percent (see Table 2). Badarapur's more advanced levels of socio-economic differentiation in terms of assets reflect greater agricultural productivity, which has concentrated landholdings. Madiga labourers there worked for larger farmers (on average) across both piece-rate (*gutige*) and casual daily labour more than those in the other two villages.

56 percent of Badarapur's Madiga households, 73 percent of Jagalwara's and 35 percent of Kumdini's had either migrated or planned to migrate in 2010-11. Whilst the village with the lowest levels of landlessness (Kumdini) had seen the most marked decline in migration levels, Jagalwara had the greatest number of Madiga households still involved in migration, of which 68 percent migrated seasonally in 2010. By contrast, households from the village with the highest levels of landlessness (Badarapur) tended to migrate for significantly longer periods and with a higher proportion of household members (two-thirds of household members as opposed to around half in the other two villages, and a higher level of migration by entire households). In



other words, levels of migration were greater where landlessness was more pronounced. Although rooted in different intensities of production and levels of bonded labour, the more obvious connection is that landless wage labourers have fewer ties to their home village.

*Table 2. Characteristics of the three villages*

	<b>Badarapur</b>	<b>Jagalwara</b>	<b>Kumdini cross</b>
Levels of Irrigation	Mostly irrigated	Semi-irrigated	Semi-Irrigated
Total Individuals (Households) in the sample	430 (85)	165 (30)	261 (40)
Levels of Madiga Landlessness (%)	58	48	40
Average size of Madiga landholding (acres)	0.65	1.03	1.63
Percentage of households that have migrated during the 2000s (in whole or in part)	85	90	75
% of individuals that have migrated during the 2000s (seasonally <i>or</i> for sustained periods)	75	62	48
% of households migrating in late 2010 <sup>16</sup>	40	27	18
% of individuals migrating in late 2010	30	19	11
Highest overall level of migration <sup>17</sup>	1	2	3

Source: fieldwork data

It was also found that overall levels of migration were highest in the most irrigated village and lowest in the least irrigated village (Kumdini). This correlation is unlikely to be independent of levels of landlessness as landholdings are more concentrated in more irrigated villages. The countervailing tendency is that the demand for labour tends to rise along with irrigation levels and that consequently the ties between capital and labour may be stronger in more irrigated villages as, in the absence of in-migration, capital has greater incentives to hold labour in place. Hence, although the mostly irrigated village of Badarapur had higher levels of migration, another more highly irrigated village that is further from the main road (and long-distance bus routes) and has higher levels of land leasing, had lower levels of migration.<sup>18</sup> In other words the correlation between migration and irrigation is more problematic than that between migration and landlessness.

Badarapur had the highest overall number of maistries (which reflected its greater numbers of migrants and their longer average period of migration), although Jagalwara had the highest proportion of maistries (three from thirty households). Kumdini had the fewest (one), largely because on average its migrants spent shorter periods in Bangalore. Semi-skilled labourers were relatively evenly spread across the villages, implying no strong correlation with village characteristics. In addition, and of some significance with regard to levels of HIV transmission, around one third of adult males migrated without their wives.



Why did the trickle of migration from these villages become a stream in the early 2000s? Besides drought, the reasons are to be found in two marked changes in the forces and relations of production – the casualisation of labour and the partial mechanisation of production.<sup>19</sup> Bonded labour was still widespread as recently as the early 2000s, but in 2008 the number of the 155 households with bonded labourers moved into single figures. The casualisation of labour has taken two predominant forms: growing levels of individualised daily casual employment and group-based piece-rate work during times of peak labour demand. These changes in the relations of production have been accelerated by the partial mechanisation of agricultural production, and mass migration was finally triggered when three consecutive years of poor rainfall coincided with the adoption of labour-saving rice harvesting machinery between 2002 and 2004.

Two of the households began migrating in the mid-1990s and a mere handful had begun to migrate by the end of that decade.<sup>20</sup> As farmers increasingly opted for casual over attached labour, a growing number of labourers were able to exercise their preference for migration over attachment (interviews with former bonded now migrant labourers, Bangalore, October 2010). Initially a significant number migrated to Goa, Mangalore and Pune, as well as Bangalore. Bangalore became the dominant destination in the early 2000s – a trend that was reinforced over time as connections to its construction sites multiplied faster.

Underemployment, delayed wage payments and debt were the most cited reasons for migration. Employment levels, little more than 50 percent across the year, drifted under 33 percent in the pre-monsoon months when demand for consumption credit peaked (group and individual interviews 2010, Pattenden 2011b). In contrast to delays of up to three months in agriculture in the early 2000s, wages in Bangalore were usually paid on a weekly basis – although most had either one day's wages per week withheld until final settlement, and/or their wages were cut to repay advances. Out of 45 households for whom an initial level of indebtedness was established, 73 percent were indebted – mostly due to marriage, health and housing costs, and agricultural losses.<sup>21</sup>

As well as underemployment and debt (indicative of the fact that the labouring class was receiving an insufficient share of the agricultural surplus to meet its reproduction requirements), poor implementation of public social protection measures contributed to ongoing migration levels. Initiated in Raichur in April 2006, the Mahatma Gandhi National Rural Employment Guarantee Scheme (NREGS) was intended to provide each household with 100 days of employment on public and private works, thereby reducing levels of migration, increasing income, reducing indebtedness and improving labour's bargaining power. Eleven group interviews and surveys of 81 households in six local villages in 2008 and 2010 revealed that each household had received on average slightly less than four days work per annum. Payments were routinely delayed for up to three months (surpassing delays in the payment of agricultural wages), and were often below the stipulated rate. In addition, NREGS work was routinely more intensive and for longer hours than was the norm for casual agricultural labour.

Kumdini had more equitable socio-political dynamics than most villages in the area due to relatively high numbers of scheduled castes, stronger links to Dalit organisations such as (different factions of) the Karnataka Dalit Sangharsh Samiti and the Madiga Horata Samiti, relatively few members of the region's dominant caste and a more even distribution of land (see Pattenden 2011b). Kumdini Madigas were found to be more likely to make claims of their Gram Panchayat than Madigas from Badarapur, whilst Jagalwara Madigas were least likely to make



claims of their Gram Panchayat.<sup>22</sup> This, though, had not yet translated into a significant increase in access to NREGS work in Kumdini.

#### 4. *Class-based Migration Outcomes*

##### EVIDENCE OF CHANGING CLASS EQUATIONS IN MIGRANTS' HOME VILLAGES

In the next section, the household-level outcomes of migration will be analysed. In this section the broader outcomes of migration for class relations in the source villages will be primarily assessed in terms of patterns of employment, patterns of credit provision and socio-political relations (labouring class bargaining power with regard to the dominant class), and also in relation to the delivery of social protection programmes.

As indicated above, data from the sample households showed that in 2010 around 29 percent of employment days were derived from the construction sector in Bangalore,<sup>23</sup> leading to increased incomes and representing a substantial decline in levels of underemployment and dependence on the local dominant class for employment. Group and individual interviews indicated that levels of employment were 50 percent higher in the cities than in the countryside – 5.25 days as opposed to 3.5 days per week. In June 2010, female and male construction wages were 40 and 55 percent higher than average agricultural wages respectively<sup>24</sup> – an average 48 percent increase (given that 55 percent of the migrants were male) covering 29 percent of annual wages. With an average of 1.45 adult construction workers per household this represented an overall 64 percent increase in household income assuming four months of migration during the agricultural slack season. Even if the increase is partially offset to allow for greater food costs (around double in the absence of access to fair price shops in the city (although a minority offset these costs by transporting grains to the city), there is still an overall marked rise in income (slightly over 50 percent) in the absence of severe or chronic health problems arising from migration (on-site injuries, or sickness caused by poor quality living conditions or water supply). For those migrating for longer periods the income gains were greater still. Such increased incomes heightened levels of consumption, but, as the next section shows, scarcely lead to any investment in productive assets – something which is only facilitated by the significantly larger incomes secured by maistries.

As well as decreased levels of dependence on the local dominant class for employment, there were signs of declining dependence on the dominant class for credit. In part this was due to the dominant class's reduced willingness to lend to migrants, and in part to Madigas' rising incomes. At the start of the 2000s, a majority of debts were owed to dominant class men in the same village. In 2010, there had been an increase in the *number* of loans and the proportion of those loans that were borrowed from *fellow Madigas*.

Detailed data from over a third of the Jagalwara core sample are indicative of such a trend. One Jagalwara household had three able-bodied adults and two acres of land (household 10, Table 3). Its indebtedness had recently risen from 60,000 to 120,000 rupees due to a health crisis. There had also been a significant shift in the composition of the debt. Whereas the initial 60,000 rupees were owed to two different dominant class men in Jagalwara, the additional 60,000 rupees were owed to eight different Madiga relatives and neighbours. Another respondent had until recently owed 25,000 rupees to two members of his village's dominant class (household 7, Table 3). Recent debts of 15,000, accrued in the previous few months after a work-related



injury, were owed to three Madiga relatives. Similarly another respondent owed 48,000 rupees – 25,000 to seven different Madigas and the remaining amount to four members of the dominant class (household 4, Table 4). However a fourth household (household 4, Table 3) – the poorest in the sample – had no loans from fellow Madigas and had recently increased its debts to their village's dominant class from 26,000 to 36,000 rupees.

The tendency for loans to be increasingly taken from caste-fellows cannot be generalised across all households. Significantly respondents indicated that it was more likely in Jagalwara, which had the highest proportion of migrating households and maistries in 2010,<sup>25</sup> and Badarapur, and less likely in Kumdini cross, which had the lowest migration levels, the lowest levels of landlessness and the least antagonistic caste relations.<sup>26</sup> This change in class/caste relations appeared, then, to reflect the higher levels of migration and the consequent greater growth of wages and employment diversification (as well as greater numbers of maistries and semi-skilled workers across all surveyed households) within the two more irrigated villages, as well as their greater initial socio-economic/socio-political disparities. Along with a diversification of credit sources, there had been a widespread improvement in debtors' confidence to repay as a result of migration. One respondent had just borrowed 90,000 rupees from two dominant class men in his village for a double marriage. With the daughters-in-law they would have six adult workers and no dependents and expected to repay the loan in 12 months in Bangalore.

This partial diversification of sources of employment and credit had contributed to a slight pro-labour shift in the political dynamics of labour relations in some villages – manifested in changes such as the prompter payment of wages and a shortening of working hours in daily wage work (for a more detailed analysis, see forthcoming work by the author<sup>27</sup>). Farmers, though, were deploying various techniques to defend their position such as underestimating the acreage to be worked by labour gangs on a piece-rate basis, or exerting influence over piece-rate labour gang leaders (ibid.).

Most respondents reported minor improvements in their socio-political position relative to other social classes – understood as the strengthening of labouring class bargaining power in source villages due to higher levels of awareness, and increased economic independence. Those who had migrated were more likely to claim greater assertiveness in relation to farmers. Most respondents (particularly those who had gained more from migration) stated that they were treated with more respect in their home villages, and were better able to defend their interests. The relief at no longer having to suffer the indignity of extreme socio-political inequality within labour relations was most evident amongst former bonded labourers. Dominant caste landowners no longer ask Madigas to do unpaid labour tasks in order to access credit – in part because they have less incentive to lend to more mobile Madigas in a context of far less personalised labour relations, in part because the Madigas ask them less frequently, and in part because they know that the Madigas *are likely to refuse*. Although their scale is limited, these are not insignificant victories – especially when added to the more generalised shortening of working hours and prompter payment of wages.

## RESTRAINTS ON MOBILITY: THE NON-IMPLEMENTATION OF GOVERNMENT SOCIAL PROTECTION PROGRAMMES IN BANGALORE

In contrast to minor changes in class relations in source villages, there has been little evidence of changes in labour's position in the construction sector – despite a raft of measures



intended to improve their position. Leaving aside the issue of wages, which are held down by capital's use of a flexible and fragmented labour force that is directly managed by intermediaries, two (interrelated) issues were identified as impeding economic gains from labour circulation, and therefore as limiting the extent of modifications of class relations in source villages: poor working and living conditions that contributed to health problems which can negate economic gains (see below), and the hitherto poor implementation of social protection programmes.

Failings in the delivery of anti-poverty schemes were found to be widespread in Bangalore. The key social security schemes of the Unorganized Workers Social Security Act were only being rolled out in Karnataka in late 2010 and 2011, but the Buildings and Other Construction Workers Act's (BOCWA) provisions were already in place and relate directly to the findings of this study. The BOCWA legislates for the dispersal through state welfare boards of assistance for medical costs (up to 50,000 rupees per annum per household), funerals, permanent injury sustained at work, a small disability pension, and contributions towards child delivery, higher education and marriage (GoK 2010). The legislation applies to all sites with ten or more workers of a value of one million rupees (thereby covering any single storey middle-class dwelling and upwards of that) (GoI 2009:92), and all construction labourers in our sample. However a major design fault impedes seasonal migrants' registration: a letter is required from employers specifying which building sites the migrants have worked on during 90 days of the previous twelve months (GoK n.d.(a): 92, 94).

Between 2007 and June 2010, 4840 million rupees had been collected from the construction sector as a cess of 1 percent of the total value of works in order to finance the provision of benefits to workers (official records of the Karnataka Buildings and Other Construction Workers Welfare Board; accessed on 14 June 2010). Most of this amount had been collected from the public sector, as private sector evasion of the cess was reportedly widespread and a situation that the Labour Department lacked the resources to challenge (interview with senior Labour Department Official, 14 June 2010). The Labour Department had neither the means nor the intention to press charges against construction companies that contravened legislation, seeking instead to persuade them that compliance was in their best interests (interview with senior Labour Department Official, 5 October 2010). As well as showing a lack of state capacity, this may be indicative of the permeation of the Labour Department by construction interests (interview with NGO worker, 16 January 2010). Capital is of course not passive in the face of state regulatory initiatives (Bremner 1990, 1996: 182-5, 198), and the position of construction capital is advanced by organisations such as the Builders Association of India (BAI). The BAI represents 30,000 Indian construction companies by lobbying government for increased returns to capital, and by negotiating government legislation in a manner fitting of members' interests.<sup>28</sup>

The Karnataka BOCW Welfare Board's severe lack of manpower was underlined by its failure to spend more than 0.12 percent of the 4840 million rupees (\$120 million) that had been collected – a situation exacerbated by the obstacles to seasonal migrants' registration. Around one quarter of the money that had been spent had been dispersed in Davangere district where there is a small group of committed unionists who have supported beneficiaries (GoK, n.d. [b]). As Srivastava puts it (this volume), flexibilisation and the 'extraction of surplus value through lengthening of working hours, poor working conditions, denial of social security, even where it is due under legislation, is part of capital's growing strategy and portrays its increased assertiveness'.



Health costs will be shown in the next section to be the single largest obstacle to household-level socio-economic gains through migration. Effective implementation of the BOCWA would have covered migration-related health costs, and thereby significantly increased the proportion of households seeing socio-economic gains as a result of migration. There was no evidence of any respondent accessing BOCWA entitlements during migration. Similarly no respondents had accessed the Adarsha Vivaha marriage scheme, which has been providing 10,000 rupees to brides in mass marriages of 25 couples or more since 2007 (Deccan Herald, 28 May 2007).

Workers either did not have access to social services such as crèches, schools, protective equipment and first aid, did not know about them or did not feel that they were for them anyway. Some companies, such as KNK, appeared to adhere to basic safety standards such as the use of helmets. Educational impacts, meanwhile, were contradictory. Where schoolchildren could be left in their home villages (usually with grandparents), a number of households stated that schooling had been facilitated by migration. Others, who had migrated with children of school going age, reported that it had been obstructed, sometimes irreversibly. The overall pattern of partial provision of facilities allowed capital to make claims about complying with legislation whilst using fragmented and flexible forms of labour management to mask the extent of their failure to provide 'decent' working and living conditions, and thereby augment levels of surplus extraction from labour.

There were significant variations in living conditions. In general those working on larger projects had better living conditions with slightly larger tents, more reliable sources of water and better security, and were less likely to be cheated by maistries. Workers on smaller projects tended to sleep on the roadside or their open work sites. Wages, though, were around 30 percent higher (in October 2010 340 rupees daily per couple [220 for men] as opposed to 260 [160 for men] on larger projects [fieldwork data]). The wage differential relates to the greater levels of employment flexibility on smaller sites, and the lower costs due to the provision of fewer facilities. Wages are generally even higher for Bangalore-based casual construction workers – again this relates to levels of flexibility with local casual labourers tending to be employed for fewer days via established labour market nodes.

Fragmented and flexible labour practices mitigated against bargaining for wages. Those working on smaller sites changed location more frequently, and it was not uncommon for maistries on smaller sites to pass labourers amongst each other, which made it more difficult in many cases to establish relations even with the primary intermediary between them and their employers. On one larger site, respondents reported that security guards had prevented workers from seeking employment on another site on days when there was no work. Where the maistry lacked direct knowledge of labourers' home villages, some companies took the additional precaution of recording labourers' home details to obstruct sudden departures.

Workers only exercised a degree of bargaining power when moving between worksites in a context of high demand for labour. During slack periods on larger projects (more commonplace during the rainy season), and with the security of regular employment strengthening their position, labourers did sometimes bargain for wages, although they only expected to be successful when the casual employer 'needed labour fast' – in other words, at those times when their structural power was at optimum levels.<sup>29</sup> Changes in the capital-labour relation, then, were much more marked in migration source areas than in destination areas.



## ***5. Household-level Migration Outcomes***

Evidence on the household level socio-economic and socio-political impacts of labour circulation will now be presented.<sup>30</sup> 62 percent of households were found to have experienced some form of (mostly limited) upward mobility due to migration. Households are divided between i) those whose socio-economic situation deteriorates as a direct result of migration, ii) those whose socio-economic situation deteriorates as a result of factors external to migration and whose situation would be worse without migration, iii) those for whom there are clear signs of sustained upward mobility due to investment in productive assets; and iv) those for whom there is evidence of incipient and limited forms of upward mobility. The latter include a) income diversification, b) minor investments, c) investment in PUC (A-level equivalent) or tertiary education, d) marked reductions in levels of indebtedness<sup>31</sup> and e) investments in resolving chronic health problems that had hitherto gone untreated. The latter two categories (iii and iv: amounting to 62 percent of the sample households) are those who have gained in socio-economic terms through migration, whilst the former two categories (32 percent of the sample households as 6 percent saw no significant impacts through migration) have not seen any gains in their socio-economic position – as often as not due to factors external to labour circulation.

Significantly it will be shown that unskilled construction workers from Kumdini, the village with the lowest levels of irrigation but where most Madigas owned some land and were slightly better-off in socio-economic and socio-political terms, were, once maistries are excluded, more likely to make minor socio-economic gains from migration. If maistries are included the picture becomes more complex as larger economic gains leading to investments in productive assets were more likely in the other two villages, which were more unequal in socio-economic terms but had higher levels of migration and a higher proportion of maistries. As indicated above, the greater class-based gains in the latter two villages stem both from the lower socio-economic/socio-political starting point of the villages' migrants, and from the greater diversification of employment and larger income increases.

### **UNSKILLED LABOURERS**

All households whose socio-economic situation had deteriorated since the start of migration had only succeeded in accessing unskilled work in Bangalore. Only two households in this category were from Kumdini (which had the lowest levels of landlessness). Amongst the 18 percent of households that saw their socio-economic position decline as a result of migration, health problems were the common cause. Two of the five households had suffered a death during migration, whilst the third cut short its migration after their son was injured. The fourth had seen an overall loss from migration due to a digestive tract operation for which the family house had been mortgaged. A single male had migrated from the fifth household. Alone in Bangalore his health had deteriorated and no money had been saved for a village house until he had recently been joined by his partner and teenage children.

The situation of the sixth household requires elaboration as it underlines how initial conditions of severe poverty such as bonded labour and adverse (female) dependency ratios can restrain migration. The parents of the seven member family were only able to do light work – the mother had long been incapacitated, whilst the father had recently injured his hand. The latter had been a bonded labourer for 35 years, which had earlier prevented him from migrating. The



couple had lost four sons and two daughters in infancy. One son died shortly after his first birthday when he was decapitated in a storm by a piece of cheap tin roofing. Four daughters had survived – three of whom had not attended school at all, and none of whom had migrated (due in part to safety concerns) until the eldest married. She and the second sister had migrated twice with the son-in-law, returning prematurely from the last trip due to health problems and claims that their maistry cousin was only paying them half the promised wages (in part because of cuts taken for a 5000 rupee advance). Due to the low wages (around half of the average construction wage) and 10,000 rupees spent on medical costs, the household's overall indebtedness had grown by about 30 percent as a result of migration. *BOCWA entitlements (none of which had been accessed) would have covered all of their health costs, and those of 80 percent of the other households in this category.*

The last example indicates how advances can erode wage levels. Over time the proportion of migrants from the source villages receiving advances had grown, thereby increasing levels of control over labour (Bremar 1990, 1996; Guerin et al. 2009; Shivakumar et al. 1991). This stands to reason as employers channel advances to labour via trusted maistries who in turn lend to workers that they trust – usually those from their or nearby villages. Two Jagalwara maistries stated that they lent 5000 rupees per couple, whilst a third from Badarapur stated that he lent 4000 rupees per couple. Whilst the exact terms of these advances were not specified, one of the maistries indicated that around 50 percent of a particular advance was given to the advancee's creditor, 25 percent was spent on travel expenses and 25 percent was kept by the maistry from the wage deductions made over a six month period. All of which indicated the equivalent of an interest rate of 5 percent per month.

*Table 3. Households whose socio-economic position has not improved since the start of migration*

	Village	Type of Work	Econ. Decline due to Migration.	Primary reason for deterioration	Additional Factors	Debt* *
1	B	U*	Yes	Severe health problems	Single male migrants; previously bonded labourers	>100
2	B	U	Yes	Health problems	Single male migrant	>100
3	B	U	Yes	On-site death	Loss of primary earner	>100
4	J	U	Yes	Health problems	Wage deductions for loan to maistry. Bonded labour restricted earlier migration.	>100
5	K <sup>32</sup>	U	Yes	Health costs leading to death	Short-term migration	n/a
6	K	U	Yes	Road accident adjacent to site	Short-term migration	n/a
7	J	U	Partial	Building site injury	5 young daughters - necessitates solo migration	60



8	B	U	Partial	Building site injury	Overall increase in informal debt due to election costs and agricultural losses	>100
9	B	U	No	Marriage costs	Initial restraints on migration due to bonded labour	70
10	J	U	No	Health costs and death	Previously debt-free and migrating for agricultural investment	> 100
11	J	U	No	Chronic health issue	Alcoholism	>100
12	J	U	No	Marriage costs		>100
13	J	U	No	Cost of second marriage due to lack of son		>100

\*U = Unskilled; B=Badarapur, J=Jagalwara and K=Kumdini; \*\*Debt refers to level of household indebtedness as a percentage of indebtedness at the outset of migration.

Source: fieldwork data

Others who had lost out during the process of migration included those affected by a mix of factors relating to migration and external to it. One such household had suffered an on-site injury and incurred substantial debts from standing for election to the gram panchayat (village council), whilst another, which had also suffered an on-site injury, saw migration restricted to two to three months per annum by having five young daughters – two of whom were infants with health problems. Significantly, despite having strong connections to three maistries with long-term relationships with large developers, the latter preferred to work for other maistries on small building sites where living conditions were harsher but wages were higher – a relatively common strategy amongst shorter-term seasonal migrants.

Finally, a number had seen a deterioration in socio-economic conditions for reasons independent of the circulation of labour: health and wedding costs. Of these one man had remarried due to his first marriage not producing a son, whilst a second was a relatively well-off household that had until recently only migrated to increase levels of agricultural investment. This changed when the mother became sick and died, generating debts of more than 100,000 rupees. BOCWA funds would have covered around half of the deceased's medical costs, and would have more than covered the others' treatment costs.

## UNSKILLED AND SEMI-SKILLED WORKERS

Attention is now turned to those unskilled and semi-skilled labourers whose socio-economic position had improved as a result of migration due to such factors as higher levels of employment, substantial reductions in levels of indebtedness, minor investments, treatment of chronic health problems and the accessing of higher education (see Table 4). Significantly all



semi-skilled labourers had gained from migration as opposed to half of the unskilled labourers. Of the ten unskilled labourers that had gained, half were from Kumdini, which has the lowest level of landlessness. The only unskilled migrant labourers who had invested in agriculture were from Kumdini.

Besides becoming maistries, unskilled male labourers had two clear routes to higher incomes - by becoming masons or by accessing non-construction work. Overall around twenty per cent of households had accessed semi-skilled wages – mostly as masons. Eighteen men from the 129 migrating households had become masons – mostly somewhere between their late teens and late twenties. In the core sample five households had accessed non-construction jobs with similar wage levels. The latter included a garage attendant, a teacher, a security guard, a fruit vendor and a call centre worker (whose wages were twice those of unskilled male labourers). In addition two had become construction machine operators and five had become masons, of which four had begun to work as masons in their home area. Besides the garage attendant *all* of the women in the sample had remained as unskilled labourers, although the wives of maistries did in certain cases take on a supervisory role (as ‘maistrammas’).

*Table 4. Households whose socio-economic position had improved since the start of migration*

	Village	Type of work	Primary reason for socio-economic improvement	Additional information	Debt*
1	J	SS	MI: invested in land.		50
2	J	SS	ID; one mason, one part-time call centre worker	Brother-in-law is maistry	25
3	J	SS	ID, SRD: mason	Brother-in-law is maistry	33
4	J	U	MED I		>100
5	B	U	EI	Directly from bonded labour to Bangalore. Later migrated for agricultural labour with former landlord	Debt-free
6	B	U	EI		No Debt
7	B	U	LI, SRD: marriage; substantial debt reduction	Restrained from early migration by bonded labour; marked increase in consumption.	40
8	B	U	EI; SRD	All debts paid off.	0
9	K	U	HI; LI	Gynaecological Operation	>100
10	K	U/SS	ID; LI	One son starting masonry work.	>100
11	K	SS/M	HI; SRD	Eldest two sons (maistry and mason) have moved permanently to Bangalore. Middle two sons released from bonded labour in 2001 and 2008	33
12	K	SS	ID; MI (agriculture)		>100



13	K	U	MI	Periodic short-term migration for agricultural investment; eldest son teaches in Bangalore	n/a
14	K	SS	ID; MI: bought housing plot and Rs. 8000 of gold		Debt-free
15	K	U	MI; MED I: leasing more land, gynaecological operation	Father-in-law is maistry (no.18)	80
16	K	SS	Machine operator; garage attendant	Husband went directly from bonded labour to Bangalore	Debt-free
17	K	U	ID, MI	Moneylender in home village and in Bangalore	Debt-free
18	B	M	SI	Purchased tractor and auto-rickshaw for transport business	n/a
19	B	M	SI	Purchased land	n/a
20	B	M	SI; HI	Leasing in four times as much irrigated paddy land	n/a
21	J	M	SI	Purchased land	n/a

[Key: J= Jagalwara; B=Badarapur; K=Kumadini; U = Unskilled; SS=Semi-Skilled; M=Maistry; MI: Minor Investment; SI:Substantial investment in productive assets; ID: Income Diversification in home area as a result of skills learned in Bangalore (primarily masonry); MED I: Investment into improved levels of health usually with regard to chronic ailments not previously treated due to lack of funds; EI: Educational Investment at the level of PUC (A-Level) or above; HI=House Investment; LI = Lifecycle Investment (primarily marriage); SRD=Substantial Reduction of Debt (50% or more).]

\*Debt refers to level of household indebtedness as a percentage of indebtedness at the outset of migration.

Source: fieldwork data

Of the seventeen households with unskilled and semi-skilled labourers that had seen socio-economic gains, four had invested savings from construction work in high school and college education; one had invested savings in a housing plot and \$200 of gold; one had become moneylenders both of longer-term loans in their home village (typically 10,000 rupees and 36% interest per annum) and shorter-term loans in the temporary slum in Bangalore (where interest rates reached 120%), and had then invested in GP elections, securing a seat in May 2010; one had invested in a new larger family home; two had invested savings into leasing larger amounts of land; one used short-term migration to manage agriculture-related debts; and one had invested in levelling the family's poor-yielding acre of dryland.

Of the remaining six households who had experienced minor gains, three faced initial restraints to migration due to bonded labour, two had invested in gynaecological operations hitherto seen as unaffordable, and two had spent money on marriages that had, in the short-term, brought two new wage-earners into their households. None of the unskilled male labourers who had gained through migration had migrated unaccompanied – indicative of a greater incidence of gains amongst households from which both women and men had migrated.

Despite the widespread indications of some improvements in the socio-economic conditions of these migrant households, none reported any investment in productive assets as a result of migration. These households, then, had seen greater socio-economic and socio-political gains than those in the previous category, but their upward mobility was limited and insecure.



Significant upward mobility was confined to those who had become maistries (see Table 4). Although only five of the households in the core sample included maistries, the following analysis will also refer to the remaining three maistries in the three Madiga hamlets.

## MAISTRIES

The remaining 12 percent of the core sample have experienced significant upward socio-economic mobility as a result of migration – all were maistries, whose numbers had risen along with the growing density of connections to urban worksites. The eight maistries from the 131 households surveyed in the fieldwork villages shared a number of characteristics (see also Mosse et al. 2005: 3032-7, Van der Loop 1996). Firstly most have some land (which provides security for the loans and wages channelled through them by employers). Secondly most are literate – for the purposes of calculating wages and noting attendance. Thirdly, they tend not to be regular drinkers for reasons of reliability. Fourthly, they have usually been migrating for over five years as they need time to strengthen contacts and gain experience of the various jobs performed by subordinates. Three quarters had become maistries in their late twenties and early thirties after working as masons. One, who had become a maistry at a slightly later age, was now well into his forties and regretted that he now commanded less respect. Fifthly, half of the maistries had had close connections to existing maistries from their source villages. More than one had previously worked as an agricultural maistry in his home village. Sixthly, most maistries migrate in large family groups or in families with disproportionate numbers of adult males, which helps with the projection of power and leadership characteristics. One had migrated with thirteen mostly adult male family members. When asked to become a maistry, he was easily able to form a group of twenty and soon managed sixty workers – mostly neighbours from his and his relatives' villages. They rented a house with electricity and readily available water supply whilst in Bangalore, and on return built a large 500,000 rupee house. Following migration, he had leased in an additional six acres of good quality paddy land.

Meanwhile, two landless men – both the only adult male in their nuclear family with relatively few brothers – stated that they had turned down the chance to become a maistry because i) they could not mobilise enough workers and ii) lacked the necessary money. The latter is of course a further significant obstacle to the poorest accessing maistry positions and becoming upwardly mobile through migration. If a maistry has forty workers working under him and the company is late in dispersing wage money to him, then he will have to pay 40,000 rupees of wages himself in order to keep the workforce loyal. An added disincentive is that maistries may be held to account for poor quality work – too great a risk particularly for those from poorer households, and further evidence of the tendency for migration to heighten levels of socio-economic differentiation.

Despite the similarities there were marked differences between the eight maistries in terms of their investments, the share of wages/piece rates that they kept, and the type of work that they did. Some have groups of twenty handpicked labourers and worked alongside them in a supervisory role, whilst others organised a larger number of workers and operated on several sites simultaneously; others still operated from their home villages, marshalling even larger numbers of workers and extracting significant incomes whilst not often venturing to the building sites.

One maistry from the core sample was able to save 20,000 rupees per month for two years by adding 10 rupees commission from sixty workers to his and his wife's wages. He had



then bought two acres of dryland, invested 50,000 rupees in levelling his land, and had increased the area of land he leased (compared to 2006) from four to five acres. Others worked on a piece-rate basis pouring concrete and making concrete bricks. One of these kept around half the piece-rate paid, which provided an income of up to 400,000 per annum — sufficient for considerable savings. His close friend and neighbour, who himself now worked as a maistry on two large construction sites, was the brother-in-law of their village's first maistry. The latter had bought 1.25 acres of irrigated land in his home village, whilst the former had bought two acres after three years as a maistry.

Another maistry from the core sample had recently invested in a tractor and an auto-rickshaw and had leased in two acres of irrigated land. Unlike the workers he organised, he continued to be paid whether he was in Bangalore or not. He and the other two maistries in the core sample had all invested in productive assets as a result of migration, and were all upwardly mobile.

## **6. Conclusion**

Findings have shown that processes of differentiation, exploitation and marginalisation co-exist with elements of economic mobility and socio-political change. Minor socio-economic gains have been identified amongst a majority of migrant households. These changes and the concomitant growth and diversification of employment have also fed into minor socio-political gains for the labouring class in source villages.

Nevertheless almost 90 percent of migrant households in the core sample were unable to invest in their own productive assets, and initial socio-economic inequalities tended to be amplified. The vast majority of migrants circulate between different sites of exploitation by two branches of the capitalist class (small to medium size agrarian capital and mostly large-scale construction capital), and remain in the same broad socio-economic and socio-political categories after migration – testimony to the general continuity of the class relations involved and the wider unity of seemingly distinct hierarchies in source villages and urban destinations. Whilst maistries generally return to their villages to invest and possibly continue as large-scale maistries managing labour gangs through deputies, most unskilled labourers continue to circulate. Semi-skilled labourers, on the other hand, usually make minor economic gains – a key part of the overall majority who gain from migration.

There are some correlations between the characteristics of the three source villages and outcomes from migration. Migrants from the least irrigated village were more likely to gain economically through unskilled labour at a household level, but significantly it is the villages with higher levels of migration and greater socio-economic and socio-political inequalities that experienced the greatest gains by the labouring class as a whole.

Labour migration is a political as well as an economic process. It reflects, refines and reproduces the capital-labour relation, but does not appear to transform it – at least not in the case of labour circulation between the agriculture and construction sectors in Karnataka in the 2000s. The balance of power between capital and labour in direct relations of production in source villages are modified by migration, but the broader social relations of production remain unchanged.

I have argued elsewhere that reduced levels of economic dependence are central to greater labouring class assertiveness (Pattenden 2011b). Whilst increasing the demand for labour in rural



areas either through agriculture, rural industry or the MGNREGS is one way to scale up the modifications of class relations, an equally significant approach – more firmly grounded in the contemporary reality of labouring class employment strategies and potentially contributing to the first approach by increasing labouring class capacity to press for better provision of social protection in source areas – is to improve the provision of social protection *during* migration, and of providing access to health care in particular. This would require, amongst other things, challenges to the strong links between construction capital and Karnataka's politicians.

Improved access to social protection in the destination areas would increase the margins of socio-economic gains and through that further loosen levels of dependence on the dominant class in source villages – a trend that would be bolstered by improved delivery of MGNREGS (although such a combination might prompt agrarian capitalists to source labour from other areas). In Bangalore's construction sector, though, the possibility of socio-political gains seem far-fetched given the numerous mechanisms deployed by construction capital to marginalise its workforce. Most migrant construction workers are currently in no position to act politically with regard to the terms and extent of their exploitation, which raises the question of what processes might, in time, facilitate their ability to do so.

Progressive pressure groups have a role to play in shifting the socio-political dynamics and lessening levels of exploitation on Bangalore's building sites, but as the NCEUS indicates (2007: 166), it is likely that there will be little change without concerted intervention by progressive portions of the state and international moves to drive forward the decent work agenda. The latter may include pressuring high-profile transnational capital to take some responsibility for the working conditions of the labourers that construct and maintain their new office blocks. Any attempt to implement stronger regulation of the construction sector would, though, be resisted by the Indian construction industry and its associated politicians.

Despite the adverse political equations facing migrant labour on the building sites of Bangalore, the political position of most of those same labourers with regard to smaller-scale agrarian capital in their home villages has improved as a result of their circulation between the agriculture and construction sectors. The circulation of labour does, then, appear to be the primary basis of upward socio-economic mobility amongst labouring class Madigas from rural Raichur despite the fact that for 90 percent of them the plastic tents of Bangalore represent a perpetuation of poverty and exploitation.

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## NOTES

1. Bangalore was reported in March 2008 as being India's second fastest growing city with a growth rate of 10.3 percent (<http://www.indianembassy.ru/indiachronicle/mar08/infotech.html>).
2. Labouring class households are understood as those that are net sellers of labour power. If they own small amounts of land, these are insufficient to provide a surplus or meet basic household reproduction requirements. See Pattenden 2011a for a more detailed explanation of the labouring class.
3. These are pseudonyms (in order to protect respondents).
4. Madigas are the most numerous of Karnataka's scheduled castes.
5. Two households could not be located in Bangalore during the second round of interviews and that of a third, a maistry, declined to be interviewed a second time.
6. Households are understood as tending to be physically and economically integrated units.
7. <http://www.adarshdevelopers.com> (accessed 8 December 2010).
8. [www.embassyindia.com/projects/sez/embassy\\_manyata/page.htm](http://www.embassyindia.com/projects/sez/embassy_manyata/page.htm) (accessed 21 October 2010). For details of the tax breaks afforded SEZ residents see Karnataka's 'State Policy for Special Economic Zones' (Government of Karnataka 2009).
9. It appears that levels of subcontracting in Bangalore's construction sector increased when the arrival of north Indian capitalists put downward pressure on labour costs (Shivakumar et al. 1991: M37).
10. Unfortunately there is no space here to go into details about the construction sector's organisational structure (see Van der Loop 1996), or about the regional dimensions of its division of labour (Shivakumar et al. 1991: M39).
11. The maistry system is widespread across India (although the terms change – mukkadham is one of several terms used in the northern half of the country whereas maistry tends to be used in the south – see for example, Breman 1990, Guerin et al. 2009, Picherit 2009), although of course it cannot be seen as being uniformly applicable across the entire country.
12. This assertion is largely based on the widespread media coverage of alleged high level political involvement in irregular land deals in and around Bangalore, and coverage of related legal cases.
13. The extent of evasion of measures to improve working conditions is indicated by the ILO claim that India has the world's highest accident rate in the construction sector (Sarde 2008 cited in Deshingkar 2009:18).



14. Calculated as the total land owned by Madigas divided by the number of Madiga households.
15. Landlessness is understood here as total landlessness. The labouring class comprises landless households and households with small amounts of land (see footnote 3 above).
16. This is not the peak migration period. The latter falls between a festival in February (after transplantation of the second paddy crop has been completed and the remaining monsoon crops have been harvested, and July – when canal water arrives in the area). Questions about intended migration in the coming months revealed that the percentage of households migrating in late 2010 might rise to 55 to 60 percent in the spring of 2011. A greater percentage of the additional migrants would be seasonal migrants. In years when canal water is only delivered once (rather than twice), the total number of households involved in migration exceeds this level.
17. The ordering is based on numbers of households and individuals still involved in migration, and on the duration of migration (see text above).
18. This statement is based on data collected by the author as part of ongoing research in the fieldwork area into the changing dynamics of exploitation within agriculture. This will be published in due course as a paper on ‘Changing Dynamics of Exploitation: The Labour Capital-Relation in Hyderabad Karnataka’s Ricefields’.
19. For reasons of space, the impacts of the introduction of canal water over half a century ago is not discussed due to the complex and contradictory nature of its impacts upon labour relations.
20. All interviewed households were asked which family members had migrated, for how long and when, and when the first family members began to migrate.
21. This figure is based on responses from slightly over one third of all Madiga households in the three villages – the core households and a random sample of 12 percent of all remaining Madiga households.
22. The Badarapur Gram Panchayat was closer to the Madiga hamlet than the Jagalwara Madigas were to their Gram Panchayat. Badarapur Madigas, in part due to their location next to the area’s main road, also had higher levels of education than the Madigas in the other two villages.
23. Calculated on the basis that seasonal migrants derive around one third of their annual employment from migration to Bangalore. Village-based employment for schoolgoers, women engaged in childcare, sick, incapacitated and elderly left behind has not been factored in as levels of work were generally very low.
24. These figures vary from month to month and from village to village. For example, in November 2011 the difference between male wages in Badarapur and those in Bangalore had



shrunk to barely 20 percent, whilst in more interior villages it exceeded 50 percent. In late 2011 the difference between female agricultural and construction wages was greater than male wage differences in late 2011.

25. Heyer (2000: 23) shows that labourers with stronger links to urban labour markets were significantly more likely to borrow from friends and relatives than usurious moneylenders.

26. For a discussion of the relationship between class and caste in the area, see Pattenden 2011b.

27. The data referred to forms part of the author's ongoing research in the fieldwork area into the changing dynamics of exploitation within agriculture. This will be published in due course as a paper on 'Changing Dynamics of Exploitation: The Labour Capital-Relation in Hyderabad Karnataka's Ricefields'.

28. <http://baionline.in/About-BAI.html>

29. See Silver 2003: 13.

30. Inevitably, given space constraints, there are significant gaps – particularly with regard to working conditions.

31. Informal debt is a highly problematic indicator due to the high degree of variability in debt levels according to a household's position with regard to lifecycle events (marriages etc.). In addition improvements in a household's socio-economic position may increase levels of informal debt if a chronic ailment is finally operated upon, or when postponed weddings are held, or if money is borrowed to invest in land. The political implications of informal debt also vary depending on who it is taken from: does it limit movement in the workplace or weaken socio-political positions in source villages? Moreover, Guerin et al. (2011) indicate that it is not so much total levels of indebtedness as the ability to access credit that is the key indicator of socio-economic differentiation.

32. Nos. 5 and 6 both lost out due to migration but both only migrated for short periods and both had seen socio-economic improvements since the start of migration.

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## BIOGRAPHICAL NOTE

JONATHAN PATTENDEN is Lecturer in Politics and International Development at the School of International Development, University of East Anglia. His research focuses on how class relations in India are modified by state and civil society interventions, and broader processes of agrarian change and social and economic development