If class struggle is first a struggle over class and second a struggle between classes, we can say that the overwhelming majority of the Indian work-force is still kept engaged in the first struggle while capital, even though stratified and fractured, is engaged in the second.

India’s capitalist economy has a GDP about the size of Belgium’s, but with a hundred times the number of people and of course a radically different history. Out of India’s huge labour force, over 390 million strong, only 7% are in the organized sector. Even the term ‘organized’ is seriously misleading because only half of the 7% is unionized and in the vanguard of working-class politics.¹ The union movement, despite the efforts of workers, has been exposed to the exertions of political parties, machinations of the Indian state and onslaught of employers, so becoming fragmented and failing to represent consistently the interests of organized labour. ‘Organized sector labour’ means workers on regular wages or salaries, in registered firms and with access to the state social security system and its framework of labour law. The rest—93% of the labour force—works in what is known as the ‘unorganized’ or ‘informal’ economy.² Unorganized firms are supposed to be small. In fact they may have substantial work-forces, occasionally numbering hundreds, but where workers are put deliberately on casual contracts. There is actually no neat boundary between the two categories of labour. Some sectors, notably mining and dock labour, straddle the divide. In practically every ‘organized’ firm, including state-run corporations, unorganized labour is selectively incorporated into the labour process.³
Nowhere is this more evident than in manufacturing where the unorganized state of the work-force is overdetermined by a variety of converging forces. For most of the last century (and long before the era of flexible specialization or economic liberalization) a process of decentralized agro-industrial mercantile accumulation gave rise to a numerically powerful stratum of small-scale capitalists with low managerial costs and flexible labour practices, a stratum that was almost literally a law unto itself.4 There, unorganized labour was and is unprotected by the regulatory regime of the state and deprived of any rights at work. In India, unlike in the West, state regulation of capital–labour relations was not imposed on capital after industrialization, but accompanied it. This meant that from the start, strong incentives were created for capital to evade these laws, while the state acted in the interests of capital whenever organized labour sought their enforcement. Employers’ responses to radical trades unionism ensured informalization through subcontracting, putting out and casualization in ‘organized’ firms.

The massive unorganized sector, which contributes some 60% of GDP beyond the regulative and protective reach of the state, is one of the four most distinctive features of Indian capitalism. An audit of Indian labour must focus on the workers in this sector. A second feature is the unskilled nature of much work, with employers relying on casual labour and flexible employment practices, so attaching little importance to training and the development of skills.5 A third distinctive feature is the absolute poverty of workers. While organized workers receive a third of all wages and incomes, 36% of the population survives on incomes below the stingy, nutrition-based official poverty line, a number far in excess of the official estimates of those un- or under-employed.6 In 1995, an agricultural labouring household of 2 adults and 2 children earned about $130 a year. Two-thirds of all landless agricultural labour live below the poverty line. Fourth, most work may be unregulated by the state but the markets for their labour are far from ‘unstructured’.7 Work is organized through social institutions such as caste and gender. Capitalism is not dissolving this matrix of social institutions but reconfiguring them slowly, unevenly and in a great diversity of ways. The matrix still affects the tasks most people do, the kinds, terms and conditions of the contracts they are offered and either settle for or refuse. It also generates the volatile political forces—the struggles over class—which overlay the glacial development of the conflict between classes.

While the economy grew at 5% from 1977 to 1994, employment in the corporate sector was stagnant at 0.1%. Meanwhile, and despite a discourse of state compression, public-sector employment grew at 2.2% and that of the unorganized economy expanded at 2.6%.8 Contrary to the beliefs behind the economic reforms, growth has become less and less labour-absorbing over time. The fastest-growing industries—engineering and software—are those with the highest labour productivity. The organized sector has shed and informalized up to half its labour force. Small-scale production has been adversely affected by a tight money policy and stagnant domestic demand. Agriculture, the construc-
tion industry, quarrying and petty trade are working as shock absorbers, but ones with ever weaker elasticities of employment. Public infrastructure (irrigation, roads, stores, electricity, industrial estates) is known to work synergistically with private investment but has atrophied. Un- and under-employment are on the increase and of late the real wages of workers in the unorganized sector have stagnated and in some areas have declined. All this was clearly foreseen by the World Bank in 1989 which predicted some 8–10 million of extra unemployment from the stabilization phase alone.

Cheek by jowl, even in rural India, a household with assets worth $200,000 these days has near-neighbours worth a mere $6. We agree with Sheila Bhalla that the new economic policy has been most successful in generating ‘gross inequality—not the straightforward kind where most people get better off, ... (although) the benefits of growth accrue more to the rich than to the poor, but the really mean kind where the rich get richer and the poor get poorer, not just in relative terms but absolutely’.

Indian capitalism has developed in distinctive eras, strata, sectors and regional blocks. The tiny minority of labour in the corporate and public sector—the so called ‘commanding heights of the economy’, increasingly confronting orogenies of global capital—accounts for 20% of GDP. Its fastest-growing and most publicized sector, software, amounts to 10% of India’s exports yet it is a mere 0.1% of the global software trade. The brain drain has effectively deprived India of the engineers who drive software innovation. India’s ‘cheap labour’ is not yet playing the role of global educated reserve army which has been attributed to it. It relies in turn on wage goods produced by the altogether cheaper labour, which is the focus of our essay. Agriculture is still the largest single sector. While its share in the economy shrank from 41% in 1965 to 29% in 1994, during a period when both its technologies and its relations of production were transformed, its share in total employment has hardly changed—from 73% to 67%. Its labour productivity remains stagnant, currently at around one-third of that in manufacturing and services.

The bulk of the Indian work-force consists of the catch-all category of the ‘self-employed’. Although ‘self-employed’ may cover small family businesses, for the most part people classified this way are semi-independent peasants with small assets, petty commodity producers and traders. They exploit their own households and often both hire in and hire out labour according to seasonal peaks, their independence concealing ‘sundry forms of wage labour’. One recent estimate is that 56% of all Indian workers are ‘self employed’ in this guise, 29% are casual wage labourers and just 15% are in any kind of regular waged or ‘salaried’ employment whether organized or not. ‘Self-employed’ people are entering labour markets in droves and being chosen for their experience by employers in preference to the third of the Indian population who have no assets at all. The implication of having miniscule assets is the constant management of a trade-off between the calendar of demands of accumulation from petty production and trade and the compulsions of wage labour. The implica-
tion of being casual labour is that while employers will stop employing wage labour beyond the point at which marginal returns and costs are equalized, employees themselves will seek to maximize work days, a practice called ‘self-exploitation’.

Attempts to model Indian workers as objects in a set of markets in which their prices vary according to supply and demand have proved to have a limited purchase on the real relations of labour, even when these relations are essentialized as money wages. Indian labour is not competitively priced. It is highly heterogeneous. Not only its returns but also its politicization are shaped by the social construction of all the markets that make up Indian capitalism. In the struggle between classes, capital attempts to enforce its control of labour not only through the manipulation of various non-class social identities but also through the segmentation and fragmentation of labour markets. For instance, the blurred boundary between the organized and unorganized sectors is also a division across caste and gender. The uneasy relationship between the struggle for, and that between, classes is central to the politics of Indian labour. The tactics by which the various fractions of Indian capital control labour are comprehensive and pervasive—not only at work but also outside work, and in the domestic as well as the public sphere. These tactics also operate through the state. Long before ‘liberalization’, capital has rained body blows on organized labour. However, the world of labour is not always what capital wills, for labour often reshapes and complicates that world. Employers’ practices often undergo significant changes as a result of the efforts of labour, however limited or fragmented, to gain control over labour time and labour processes and increase pay.

Both labour and capital are shaped for their routine encounters not only by class but also by gender, caste and point in the life cycle. The constant working of these relationships may involve aspects of life outside work which may distract from or compensate for class-based action. They also make for significant differences in the terms and conditions of work. In a recent study of two villages in West Bengal, twelve different types of wage-labour contract were found. There was no single village wage for casual labour. For any one kind of contract there was a great diversity of detailed terms and conditions, including pay. Households did not map onto types of contract such as ‘casual labouring’ or ‘permanent labouring’. Labour contracts were affected by gender (more open-ended obligations and less power to choose for women), caste (which affects the tasks available to a household), age, and household composition. All these factors led to variations in the earnings of landless labourers. Such axes of segmentation make for multiple solidarities which tend to make collective, class-based action harder to achieve.

In the rest of this essay we try to map the dialectic between the way capital has manipulated labour relations embedded in Indian social institutions, and the politics of labour, which will also lead us to examine the ability of the Indian state to respond to the needs and interests of labour. Moreover, the politics of
labour does not remain confined only to responses to strategies of capital, but is also crucially shaped by the identities and perceptions of labourers themselves. Such politics, perhaps more appropriately identified as the politics of the poor than of labour, is a significant reality for labouring people. The transformation in labour conditions, be it through the agency of labour itself or capital and the state, cannot happen without initiatives and struggles by workers. Globalization and liberalization have intensified the need for these struggles.

THE SPATIAL UNIT FOR LABOUR

The social construction of the spatial unit for labour varies hugely in India. Rural workers have begun to migrate seasonally on a large scale. ‘People who migrate this way are not “just” migrants. They may also be own-account farmers, petty traders, school students, gatherers and priests’. Buses designed for 50 people can be found transporting 190 on peak days. New sources of demand for labour for harvests hundreds of miles away or in seasonal ‘mud work’ (construction) enable migrant labour to raise agricultural wages and to break free from debt relations and other demeaning practices in their villages of origin. Nevertheless, the village still tends to be the key unit for the organization of labour, particularly for women workers who are stuck with housework and children. Familiarity counts in employers’ decisions whether or not to spend time supervising operations. Both employers and employees have expectations about future work based on compliance and loyalty. The structures of differentiation in land relations, through which demand for labour is organized, vary village by village. So in the absence of highly developed rural transport (which is still rare), even if daily casual wages are known to be higher in the next village, labourers, especially women, often do not seek them. In turn this generates a fundamental lack of symmetry in the relations between agricultural employers and casual labour. While employers may not always maximize profit, they are able to use non-economic means to exploit workers; meanwhile workers are unable to maximize wages. Since those who do travel to get better wages are mostly men, it is hardly surprising either that the gender differential in wages is widening.

Outside agriculture, even though the distribution of non-agrarian castes such as weavers (being based on networks, routes and towns rather than spatial territory) may still shape recruitment, in urban areas the geopolitical unit for a given labour market may be small. Individual small capitalists set the terms and conditions of their labour contracts. Even when casual wages are ‘agreed’ across a sector within a town (in actuality usually imposed by associations of employers, often without any consultation with labour), the implicit terms for ‘casual’ labour (which may include hours, bonuses and perquisites) can be altered individually. So also can the breakdown between the cash and kind (food) components of wages. Such practices prevent easy comparisons.

So the small-scale and fragmented nature of labour markets restricts collective action on the part of work-forces encompassing several villages or a
segment of the non-farm or urban economy. The excess supply of labour also means that the threat of dismissal hangs over negotiations. Despite these constraints, small groups of workers do try to negotiate their terms of employment at the level of the individual village or firm, and at times achieve wage increases or changes in employers’ practices by ‘formalizing’ terms of employment.28 Their action is, however, focused on individual employers in the locality and is rarely of long duration, with the possibility of reversals and with few implications for the wider labour market. The anthropologist Jan Breman has argued that the movement of labour between firms or over short distances to get other jobs ‘must be explained as a deed of protest’, and that ‘as employment becomes less regular and wages lower, the intrepidity of the underdog seems to increase’.29 Breman interprets such actions as expressions of proletarian class consciousness, showing workers’ increasing refusal to accept their conditions passively. The fact remains that these attempts at wage negotiation or escape have no general impact on the relations between capital and labour, and fail to be enlarged into collective class-based resistance. The problem is not that workers lack political consciousness or the willingness to resist their exploitation, but that the structural constraints are too severe. Where resistance occurs, employers often resort to force and violence, often with the complicity of the local state and the police.

COERCION IN CONTRACTS: PATRONAGE AND DEBT-BONDAGE

To reduce costs capital has a powerful interest in labour which is flexible. Flexibility is commonly achieved by capital through casualization and by labour through its physical movement. Yet many employers (rural and urban) want people to work at their literal beck and call: to work with cattle, irrigation, monitoring consignments of grain in town, shifting between workshop/firm and farm, between farm and family. Although outright, permanent, inheritable bondage is illegal and increasingly rare, labour is commonly tied not only by site but also by debt, by contracts which link in a single agreement terms and conditions for labour with those on land, money or product markets, and by the non-contractual obligations of patronage which may also require the work of the women and children of a male labourer. Such ties have thrived on the lack of symmetry of power associated with customary rights, particularly with rights of employers to command family labour and rights to terminate the relationship. There is no archetype for such arrangements, and much regional variation in their incidence and intellectual contest on the left about their significance in the process of capitalist transformation.30 They are widely argued to be breaking down thanks to (i) migration which offers alternative work; (ii) new technology which reduces demand for labour; (iii) struggles by labour for contracts less encumbered by customary notions of dependence, inferiority and obligation; and (iv) other efforts towards emancipation, sometimes organized along lines of caste.31 Yet the skein of patronage may uncoil only to recoil in
the form of debt-bondage and labour attachment. Throughout South India for instance, the refusal by labourers to perform collective, unpaid irrigation ‘duties’ as ‘clients’ of a new stratum of lower-caste landowners—work their fathers performed for Brahmans who have since then sold their land—has contributed to ruining the longstanding system of tank-fed agriculture and forced landowners to invest in (or rent) private wells. The provision of accommodation and/or debt can then be used to force labour to operate electric pumpsets at night or whenever rationed electricity is available.32 Farther north in Andhra Pradesh the refusal by men to accept this sort of contract means that women have graduated from being the assumed adjunct to permanently employed (‘attached’ or close to bonded) male labour to having such contracts in their own right.33 In Jan Breman’s region, Gujarat, ‘neo-bondage is less personalized, more contractual and monetized, while also the elements of patronage have gone, which provided some protection and a subsistence guarantee, however meagrely defined, to bonded clients in the past’.34

The consequence of neo-bondage is that emancipatory politics has had to be focussed ‘upwards’ towards and against local patrons. Resistance usually consists in violating debt obligations and escaping, though it can also take collective forms.35 Where bondage is now largely ‘economic’ (enforced with physical violence, when necessary) and not based on social (and indeed legal) legitimacy, or on workers’ acceptance that employers are socially and ritually superior and have the right to extract labour, workers do resist coercive arrangements, even though they are still forced to enter into debt relations for job security or out of sheer penury. Some even choose the more risky option of wage labour on piece-rates, eschewing the security offered by debt-bondage. While this may not improve their economic condition, it ‘might benefit the dignity of labour’ and signal an emancipatory move, according to Breman.36

LABOUR-LAND RELATIONS

In the segmented labour and land relations in agriculture the detail of the labour process reflects local class configurations and the mode of appropriation and accumulation of surplus. Capitalist landowners set the terms and conditions of work, the most important of which is a socially determined wage. Their dominance is bolstered by caste authority and political clout. The size of their holdings, their production decisions (crops, technologies) and their investment decisions (particularly in irrigation and in the non-farm rural economy, in sectors like trade, finance, construction, mills, looms, processing industry and transport) determine the demand for labour.37

The technologically precocious region of north-west India is a case in point. The early stages of the green revolution were highly labour-absorptive. Large landowners responded by luring some labour into permanent contracts to tie them, while shifting others to piece-work and gangs (‘contract’ labour) to reduce labour costs. They also subdivided tenancies to reduce the costs of supervising labour and to ensure that unwaged family labour contributed to
production. Later, employers started to mechanize to cram an extra season of rice or cotton into this wheat-producing region; the capacity of agriculture to mop up labour while production was growing fell, and labour even began to be displaced. Large landowners casualized their labour. Real wages fell. Employers turned to migrant labour, not to compensate for local shortages but to ensure control. A striking increase in reverse tenancy (in which small owners rent out land to large operators) was engineered to concentrate holdings and reap rents from economies of scale. Militant agitations in the name of all agrarian interests have consolidated gains for the local elites at the expense of landless labour which has been kept quiescent and controlled by threats to reduce demand for their work.38

By contrast small peasants and landless agricultural labourers who form the great mass of the rural work-force39 are obliged to work by having dependent family members, by consumption needs, by debt (often at usurious interest) and, wherever there is no alternative, by the coercive power of dominant landowners to enforce rental contracts yielding low returns to tenants. They are effectively reduced to being wage-workers in thin disguise. Average land holdings have fallen dramatically. While small-size farms generally have small-size families, the smaller the holding the greater the proportion of the household which has to work for wages—including children, sick or disabled and elderly people.40 Wage dependency is increasing inexorably in agriculture. In 1961 there were three cultivators for each landless labourer, by 1991 already the proportions were almost equal.41

The compulsions of labour have never gone without challenge, although the political agenda of the mass of labourers who are low caste may put food security (mediated through the state) and dignity (especially rights to use village space and public wells) ahead of contracts and pay. Labour scholars of northern India have recorded a flurry of strikes in the 1990s over wages, the length of the working day and humiliating treatment by employers; and the dalit-based Bhahujan Samaj Party has been voted into power in the state of Uttar Pradesh. (‘Dalit’, literally meaning the down-trodden, refers to untouchables and other low castes.) The counter-tactics of employers, including the formation of private armies to coerce labour through brutal suppression, reflect their power over aspects of life outside the wage relation. Employers have also denied recalcitrant labour access to common property resources and space, to force them into submission.42

THE GENDERING OF WORK

Domestic labour produces new labour-power for the wage-labour market and protects and sustains it when it is unemployed, incapacitated or past coping with the physical toil. This labour is female. It has long been appreciated that the process is not a straight subsidy between the genders because unpaid domestic labour cannot be compared to a money equivalent. Reproductive strategies also vary with class position. In households with few, if any, assets,
people are compelled to work to reduce dependency, so it is not surprising that the highest proportions of female and child employment (called ‘participation’!) are found here. By contrast, educated women in the propertied classes are frequently withdrawn and effectively secluded—thereby wasting the economic potential of their education—even to the extent of having adverse implications for the life chances of their girl children. Where individual conditions are known, women own and control so remarkably less assets than men, are so much poorer and so significantly less educated that it has been suggested that their class positions are uniformly lower than men’s.

Though the gender division of paid work is more flexible than used to be thought, the division of domestic labour has proved extraordinarily rigid. The very rare case where an elderly man cares for children to liberate adult women for fieldwork is the exception that proves the rule that even disabled women must cope with the ‘domestic’ priorities: collecting fuel and water, washing clothes, cleaning the interiors of houses, child care, care of the elderly and sick, post-harvest processing and the preparation of food.

Women work longer and harder than men and their wage-work is what is available when these tasks are done. They face discrimination in every conceivable respect. Over two-thirds of women have no money returns from their work, though the proportion of wage workers among those working is higher than for men. Female labour is heavily concentrated in rural sites, in agricultural work, on casual contracts and at wages bordering on starvation. Women’s wages are practically everywhere lower than those of men irrespective of the tightening effect of male migration or of the development of male jobs in the non-farm economy. In agriculture in the 1990s women’s wages were on average 71% those of men. In non-farm work, women are likely to be concentrated in the lowest grades and stages, on piece-rates rather than time-rates and with earnings much lower than men’s.

Women’s wage-work is not necessarily empowering for them either at work or at home. In Andhra Pradesh—as we saw—while the feminization of the gender division of tasks has enabled men to refuse work, their employers have been able to impose attached contracts on wives. Increases in women’s absolute or relative income do not necessarily increase the power they have over domestic resources, budgets, decision-making and spending, despite—or because of—the fact that women’s expenditure decisions are more likely to benefit the entire household.

Whereas the work-force as a whole is becoming more masculine, the agricultural labour force becomes more feminine as women take on (or are forced by men to take on) most tasks except for ploughing and work with machinery. Despite serious under-reporting, many millions of women have entered the work-force over the last three decades. ‘Participation’—largely distress-induced—went up from 16% in 1971 to 32% in 1988. With this proletarianization of women, however, comes female unemployment. As with domestic work, female unemployment is hidden. One careful study puts it at
six to seven times that of men. One million jobs may have been lost in the
1990s. Female underemployment (women looking for more work) is also
increasing at a faster rate than for men. The literature gives an overriding impression that women are as docile polit-
ically as they are reputed to be economically. But the support of women (taking
the form of unpaid work, or even willingness to bond their own labour) has
sometimes been important to struggles by men. In Bihar, women who are not
bonded and who have employment options outside agriculture have taken the
lead in strikes.

AGE AND WORK CAPACITY

Child labour has always been part of the family labour force. Nearly two-
thirds of child labour is of this sort. It is the continuity between this and paid
work on the one hand, and the state’s egregious neglect both of education and
of any means of implementing the existing limited law banning child labour in
hazardous industries on the other, which penalize the children of agricultural
labourers. The latest estimate is that while 40 million children work, 13
million or 6% of the 215 million children aged between 5 and 14 work for
wages, the casual component (one-third) of which is slowly rising and being
feminized. ‘It is not that the economy cannot do without child labour, it is
rather that many children cannot do without employment’ comments Ajit
Ghose. This begs questions about why. If they are orphans or escaping abusive
families, or if their parents are sick or disabled, then they lack access to social
security. If their parents are underemployed and looking for work then
employers’ cost-cutting may account for it. If their parents are employed then
their low wages—and sometimes their ‘selfish’ consumption patterns (especially
that of alcohol by men) explains why children labour. When adults are unem-
ployed or mired in debt-bondage, children have to join the labour force. Apart from domestic reproductive work, agriculture and animal husbandry,
there are certain industries where children are extensively used in preference
to adult labour, the Sivakasi match-making ‘cluster’ being a notorious case.
Controlled by influential business families, it is organized at home or in
sweat/work-shops. The state turns a blind eye in various ways—from exemp-
tion from the Factories Acts to not enforcing the Minimum Wages Act. Child
labour is only slowly on the decline as (non-mandatory) primary education
diffuses at a snail’s pace. Illiteracy and poor levels of education lead to casual
labour, with predictable consequences generation upon generation.

There is, of course, no age of retirement for ‘unorganized’ labour. Instead,
people are incapacitated from the labour market by the physical insults of old
age, by deteriorating eyesight and eye defects (in agriculture after decades of
staring at the reflected sun in wet fields, in weaving by years of close work in
dim light), and by occupation-related accidents and diseases. There is increasing
evidence that employers will screen labour for physique and pay differential
piece-rates according to workers’ physical condition.
CASTE AND CLASS

Marxists have tended to avoid caste as an analytical category. On the one hand, to view caste as an allocator of occupations is to exaggerate since for the most part and for most of history most of the population has been confined to agriculture. On the other hand castes have become dynamic interest groups. There is also evidence of caste-occupational stratification, often enforced by workers themselves to maintain their hold over enclaves of the labour market or sectors of petty trade. Caste still shapes ideologies of work and status. It makes for compartmentalized labour markets, ‘with non-competing groups whose options are severely constrained’.\(^5\) It stratifies pay. Caste ideology also affects whether women work at all, what work they can do, how far from home they may move. In particular to be ‘scheduled caste’ (the lowest castes, mainly untouchables and 29% of the population) makes a person twice as likely to be a casual labourer, in agriculture and poor.\(^5\) Scheduled caste women are also more likely to be in low-paid menial labour, thus reinforcing the gender division. In town, all the work connected with sanitation and public health infrastructure without which the economy cannot function is entrusted to scheduled castes. Even when employed by the state, these workers face routine harassment and contemptuous treatment. Elsewhere as labourers, they are often still found doing physically dirty jobs, or handling food still to be stripped of its protective husks and shells. As petty traders they have entered markets for commodities with certain physical properties, for example fruit with skins or vegetables—or recycled materials—that need further physical transformation before being consumed. In these cases, entry to even petty trade is a struggle: carving out and defending physical territory previously occupied by others or encroaching on congested public space.

Scheduled caste and tribal people are constitutionally entitled to positive discrimination (‘reservations’) in the public sector to redress their social and economic ‘backwardness’ and deprivation, but the consequences have been uneven and paradoxical.\(^5\) Reservations have helped to entrench the importance of caste as a social institution for access to jobs, have reinforced the caste-based segmentation of the labour market and made the reserved castes into an interest group when the original intention had been to dissolve caste differences. Reserved jobs are limited (sometimes limited by retaliation from those implementing them) and commonly absorb only a fraction of those who qualify. The market for jobs for low-caste people is thus segmented between those who do and do not benefit from reservation. In the context of liberalization, the limited possibilities of expansion of public-sector employment raise new questions about the need for job reservation in the private sector if lower castes are to preserve their limited gains in employment.

Caste is also the basis from which urban, occupation-based trade associations have evolved. These are developing powerful corporatist regulative roles, substituting for the state and unambiguously supporting local capital in a way
that limits class conflict. Their collective political agendas, focusing on claims and privileges from the state and on the control of derived markets (for instance, through negotiating and fixing the rates for lorry transport, by-products, credit, porters, cartmen and casual labour), push labour issues low down. Through collective action based on ‘occupation’, decisions are taken to lengthen working days, flout other aspects of the labour laws and ignore safety provisions. Even when employers and employees belong to the same caste, terms and conditions can be imposed on labour and attempts by labour to unionize can be collectively resisted by upholding caste solidarity. Ways of organizing labour can be encouraged which disempower workers: associations of ‘textiles workers’ are actually (caste-based) master weavers. We have also found organizations representing yarn twisters, market-place porters and handcart pushers entirely managed by bosses.58

Yet while caste is used by employers to exploit labour and keep it fragmented, labourers too deploy caste identities to organize and, often, to enhance their status and express dignity in the face of exploitation. Workers may emphasize caste linkages to maintain their hold over a particular enclave of the labour market (for a ubiquitous example, scheduled caste municipal workers). When employers and labourers belong to the same caste—e.g., in the diamond-cutting industry in Surat (Gujarat), or in the industrial district making cotton knitwear in Tiruppur (Tamil Nadu)59—labourers often emphasize their caste solidarity with employers, thereby ensuring the exclusion of other caste groups. This has ambivalent effects. While such a monopoly benefits labourers, their reliance on vertical caste ties undermines their ability to challenge exploitation by employers. (There has never been a strike in the Surat diamond industry, despite extreme exploitation and physical abuse.)60

No less importantly but far less instrumentally, however, caste plays another role in labour politics. It has provided an idiom for many sections of the labouring poor, especially lower castes, to organize politically, although not always within the context of work or labour relations. Social movements and the political mobilization of untouchables (or dalits) in India in recent years have gained momentum in their search for dignity and social status. They have turned to the state for protection of their rights and for preferential access to public employment and education. Caste-based social movements have developed synergies with the work-place based politics of lower castes. For instance, scheduled caste municipal sanitary workers have organized to improve working conditions and wages, and at the same time have established caste associations for the internal reform of their caste, demanded recognition and dignity and challenged the legitimacy of ritual subordination. Lower-caste groups have also attempted to forge horizontal linkages with cognate castes of labourers and thus expanded the scope of mobilization. That lower-caste labourers in both rural and urban contexts now more actively contest the power of their employers cannot but be understood within the context of a wider process of political mobilization. In rural Bihar, the struggles of scheduled caste/untouchable land-
less labour, at times in alliance with radical left-wing political organizations, against their ‘clean’ upper- or middle-caste landowners-employers, have led to violent confrontations, caste battles reflecting class conflict.\textsuperscript{61}

It would be wrong to interpret such political mobilizations of labour and expressions of collective identity in the language of caste as a form of false-consciousness, not least because caste and class exploitation interpenetrate in the strategies deployed by employers, and because exclusion from or inclusion in particular sectors of the labour market rests very significantly on caste status. If caste, as a social institution, continues to configure the labour market and determine relations between labour and capital, then it would be too restrictive an interpretation to exclude ‘caste’ politics, outside the work-place, as being irrelevant to the politics of labour. In fact, the former is central to the latter. Caste consciousness and class consciousness are not mutually exclusive, but can reinforce each other. Notions of class inflect other languages of politics (such as caste) and are expressed in terms not based exclusively on perceptions of economic antagonism. The growing power of lower-caste politics, including its growing institutionalization in political parties and successful electoral participation, may have little direct impact on labour relations. It does, however, form a very significant aspect of the politics of the labouring poor, even if not of the politics of labour qua labour, and it also enhances the capacity and willingness of labour to contest the power of upper-caste employers and their exclusion from various segments of the economy and the labour market.

**WORKFORCE INSECURITY**

Workers in India are insecure. Open unemployment (rigid at 12\%) is not such a feature of work as intermittent, insecure, poorly productive underemployment. The coexistence of open unemployment with positive wages has proved hard to explain unless the continual resistance by employees to any reduction of the real food-equivalence of the wage is factored in. Over a quarter of the casual labour force at any given moment is looking for more work and the proportion is growing. Seasonal unemployment and employment overlap and coexist. Even industrial and commercial capital operates seasonally, and periods of idleness dot the weeks of peak labour demand. Employers are wily in making labour insecure. Payments are withheld. Contracts and debt are manipulated so as to ensure the availability of labour at peak periods of demand (at below the going rate) while at other times labour is dumped or made to work at below market rates.\textsuperscript{62}

These tactics are not confined to agriculture. In small towns dominated by agro-processing there are not one but several fault lines in the security of labour which materially affect its power struggles. The typical ‘unorganized’ firm (tightly controlled by hierarchized male family members in order to concentrate accumulation) has a labour force divided by its extent and kind of security. Being part of the permanent labour force is here a condition to be aspired to, in contrast to being permanent labour in agriculture. Labourers are selected by
origin (local), caste (usually not scheduled), and gender (male). Permanent work offers a diversity of livelihoods ranging from the night watch to accountancy, but all requiring individual trust. Contracts are individualized and verbal. They vary in their periods of payment and of notice of dismissal, the one delayed (sometimes pay is yearly) and the other instant. Some permanent jobs can be part-time, some seasonal. Many bosses agree to time off for employees to work their own land or to do periodic trade, or they make working on the owner’s land integral to the factory or workshop ‘contract’. A primitive form of occupational welfare is usually extended to this part of the labour force. Employers will give loans and also ‘gifts’ of petty cash for purposes such as medical expenditure, education and marriages. At one and the same time these acts parody state social protection and reveal how capital acts opportunistically to tie up labour it does not wish to lose. In stark contrast, the casual labour force is characterized by low and fluctuating pay, higher turnover and no security. While labour recruiters may be given annual bonuses and lent small sums of money, attempts are made to turn labour over so as to reduce its customary entitlement to annual gifts and to avoid protective obligations.

Male casual labour is occasionally unionized. Yet the multiplicity of unions invites the political mediation of disputes, which are rarely resolved in favour of labour. The labour laws tend not to be enforced by unions but by the state. Factories Acts inspectors with huge territories to cover and few resources with which to enforce the law are more often than not found to be implicated with bosses in a nexus of corruption around the evasion of labour protection laws and the erosion of labour rights. Female casual labour is subjected to extremes of casualization, negligence and harassment and to unsafe and unsanitary working conditions, their wages often being reported by bosses as ‘pocket money’. In such firms, work has for decades been subcontracted, often exported to rural sites to avoid inspection and to profit from cheap or unwaged family labour, from low rents and from the ease of evasion of any ‘welfare’ obligations and taxes. So capital uses informal practices and the idiom of social protection highly selectively so as to render the majority of the work-force insecure and a small minority less insecure. But the latter works in ambivalent ways which not only protect but also bind the beneficiaries. As a result the micropolitics of labour within a firm may be complex.

THE STATE AND LABOUR

India has two forms of state-mediated social protection. In the first, the state favours its own employees. ‘Public employees are served best, or rather have ensured that they are best served’, with respect to pensions, provident funds, sickness, maternity and unemployment benefit. Twelve percent of the work-force is covered, overwhelmingly male. The state also gives persistent subsidies to the highly regulated ‘market’ for social insurance—covering at best 8% of (male) lives—and experiments endlessly (but with few successes) with ways and means of increasing the coverage of insurance. Granted this jungle,
the idea that a welfare state or ‘protective social security’ is a luxury India
cannot afford is contested by few. It then becomes possible to argue that the
ramshackle and leaky raft of anti-poverty policies, targeted development
schemes, employment guarantees and food security measures managed through
the public distribution of grain (all of which have their own histories and poli-
tics) are the appropriate, ‘promotive’ forms of social security. Certainly they
are the unsystematic ways in which the state ‘protects’ labour. They are all that
capital allows the state to achieve in this direction. Critics have retorted that
rather than promote labour they subsidize it for capital.

The second system of social security, set up in Tamil Nadu in 1989 and
copied in New Delhi in 1995 (so that the legal framework exists for other states
to implement), is a major departure from this orthodoxy. Consisting of
pensions for the aged, widows, agricultural labourers and physically handi-
capped people, survivor benefit, maternity assistance, marriage grants and
accident relief (to those under a poverty line set by local states and in this case
twice the national level), it amounts to 1.5% of state expenditure. It is not a
luxury. In the state where it was first implemented, old age and widows’
pensions were most consistently claimed, with one evaluation showing that a
third of those eligible were included after five years of operation. The pension
is $2.50 per month plus one free meal a day and two sets of clothing a year.
Many old people are found unsupported by their relatives, contrary to wide-
spread assumptions. Local discretion proves kinder than the official eligibility
guidelines which have proved harsh and restrictive. Even so the majority of
those eligible are not covered, particularly women. Long delays and bribes also
diminish this benefit. While the impact of this rough but unready safety net on
the lives of claimants may be very significant, its all-India impact on the secu-
rit)',

The work of the Labour Ministry may also have a limited, or even back-
handed, impact on workers. Take the labour laws. Their loopholes are big
enough for the proverbial bus to be driven through them. The Trades Union
Act allows registration but does not require recognition of trade unions as agents
of collective bargaining. While the Industrial Disputes Act curbs the rights of
employers, their powerful tool—the lock-out—is hardly penalized and the state
is empowered to conciliate through a judicial maze which makes workers
dependent on highly qualified, legally knowledgeable representatives. Any
union, however small, can intervene in labour disputes, thereby creating a field
day for manipulation by employers. The Minimum Wages, Contract Labour
and Child Labour Acts declare entitlements which actually have to be struggled
for by labour organizations. Further, without reforms to give access to the
courts and make their decisions binding, these laws are toothless. Labour orga-
nizations asserting claims to entitlement are, moreover, often dealt with under
criminal procedure. At best, all these laws have a normative role: to raise expec-
tations and act as a rallying point for mobilization. At worst the very laws
supposedly protecting labour encourage capital to informalize it.
The state-in-action also reveals itself as profoundly ambivalent towards outright proletarianization. On the one hand it lends support to capital at labour’s expense, all the way from the ring-fencing of unorganized labour to the love affair between the promoter families dominating big business and the nationalized banking institutions. Elsewhere there are mighty subsidies for property, however ‘small scale’, in the shape of cheap electricity, fertilizer, credit and food, all ineluctably resistant to blandishments from Washington. The first three can intensify the pace of differentiation, while cheap food slows it. The public distribution system of subsidized foodgrains (and up to 59 other essential commodities) is broad-based, broadly redistributivist and very hard to fine-tune. In Kerala and West Bengal leftist parties have achieved land reforms and laws securing tenancies, thereby consolidating a decentralized base for petty accumulation. Throughout India, the gains won by capital in a ‘shadow state’, through a racketeering nexus of tax evasion and bribery, are larger and broader than the gains won in this same nexus by labour, in the form of a large army of petty livelihoods. Yet on the other hand, the beneficiaries from land or tenancy reforms, from the distribution of house sites and from periodic amnesties on encroachment, are but drops in the ocean. State-directed commercial credit to enable landless people to join the propertied classes is deliberately denied them. The negligent enforcement of the social wage also weakens labour. The river of revenue from tax on liquor is at the expense of widespread domestic violence, pauperization and food scarcity in the households of drinkers. And the many nutrition and employment schemes, fuelled by the massive buffer stock of foodgrains which the Government of India is obliged to replenish (as much for technical as political reasons), often do little more than subsidize (female) labour for capital. Only in those rather rare places where the wages on employment schemes exceed the ruling swathe of rates for agricultural labour may such schemes have an empowering knock-on effect on claims for wage increases. Further, if the public works created by them prove to be really useful public goods then the spatial and social mobility of workers—out of bondage and into towns and the non-farm economy—may be given a boost.

LABOUR ORGANIZATION

By now it is evident why unorganized labour remains so weak vis-à-vis capital in India, and why the politics of class among Indian labour—especially unorganized labour—is so fettered. The possibility of resistance or protest at the work-place, let alone collective, class-based mobilization on a mass scale, is fraught with difficulties for informal-sector labour faced with fluidity and insecurity of work, migration and circulation of labour, localized and segmented labour markets with heterogeneity of employment practices, the extensive use of coercive contracts and debt-bondage, and the preponderance of social institutions (especially caste and gender) in structuring the labour market and determining the relations of capital and labour.

So, how does unorganized labour contest the power of capital? The ways in
which labour seeks to reshape and contest the world envisaged by capital constitute a key element of work-place politics. At one end of the spectrum, ‘everyday forms of resistance’ prevail, encompassing non-cooperation with employers in periods of peak demand for labour, reneging on debt repayment, or simply escaping and leaving a job; at the other end, wage bargaining, protests and strikes. Yet while instances of labour agitation are not hard to find, they are often exceptions to the general trend. Labour protests tend to remain localized, small-scale, and focused on immediate employers—reflecting the structural characteristics of the labour market and employment relations. The possibility of an enlargement of scope remains severely restricted. Moreover, with frequent changes in employment and employers, politics at the work-place often becomes irrelevant.

It is hardly surprising, then, that the political expression of much of Indian labour is to be found outside the context of work, in non-class modes and in the arena of democratic politics and social movements. The political mobilization of lower castes—those usually located at the lowest end of the labour market and landless workers—has already been mentioned. The labouring poor also forge solidarities in the locality and neighbourhood, albeit sporadically. Their experience of control or exploitation does not remain confined to the work-place. Labour discipline is also achieved through the branches of the state, notably the police, especially in urban areas, where the labouring poor are the most direct targets of police action and brutality. Increasing urban violence and the mobilization against the police of poor people in urban neighbourhoods reflect state control over labour’s public spaces. The exploitation of labour also happens indirectly through the lack of urban housing, essential services, utilities and infrastructure. In this, the local and national states and the local propertied elites are all complicit. Not only is there no provision of public housing to speak of, but local councils also fail to raise taxes from the propertied to extend the provision of services. Capital has a conflict of interest. On the one hand, it is in the interest of employers to ensure housing for workers so as to reproduce the labour force. On the other, when labour is in excess supply, and indeed in order to reinforce its mobile and flexible character, local capital helps to prevent the creation of permanent habitats for labour by avoiding investment in housing directly and by evading taxation. The direct exploitation of labour at the work-place is thus not entirely separate from the indirect exploitation of labour through the lack of provision of essential infrastructure. Problems of housing and lack of urban services for workers have crucially shaped their politics, with violent clashes in urban neighbourhoods over space, territory and services, both among the poor themselves and between the poor and local propertied classes or agents of the local state. While the shortage of housing and infrastructure is a predicament shared by all workers, the competition for these undermines class solidarity.

The ‘struggle between classes’ through formal unionization, while by no means a negligible element of Indian labour politics, still only involves a section
of organized sector workers and a small fraction—4%—of the total labour force. It is fragmented. The All-India TUC was founded in 1920 and has been controlled since 1929 by the Communist Party of India; the INTUC was created by the ruling Congress Party in 1947 deliberately to challenge Communists and establish the role of government in the control of labour. The Hind Mazdoor Sabha was formed by socialists in 1948, splitting in 1964. The Bharatiya Mazdoor Sangh (BMS) was created in 1955 by the right-wing Hindu nationalist Rashtriya Swayamsevak Sangh (RSS) to suppress class conflict; and the Centre of Indian Trades Unions (CITU) by the Marxist Communist Party in 1970 after the Communist parties split. Other union movements have been created by regional political parties, pioneered by the Tamil Dravida Munnetra Kazhagam, when it came to power in 1967 in the (then) Madras State. As parties have split, so have their unions. Parties influence unions rather than vice versa. Others have been formed in the corporate and public sectors and by individual charismatic leaders. There is an increasing tendency for unions to be based on regional, communal or caste lines. Labour unions, with some notable exceptions, have historically concentrated on advancing the interests of those whom they represent in organized industry, on whom the law confers the right to engage in industrial action, and have ignored unorganized workers without this right. Attempts to include unorganized workers in their constituency have been perceived by unions to pose a danger to the meagre benefits that they have succeeded in wresting for their own members. The existing form of the labour movement thus remains irrelevant to the large majority of Indian workers.

Trade unions have even failed to protect the more vulnerable sections of unionized labour, such as women or lower castes, when they have come under threat of retrenchment or have been unable to secure the benefits to which they are legally entitled.

The union movement has also suffered from many external pressures. The Indian state, even while it instituted a panoply of laws to regulate the relations between capital and labour, has in practice upheld the interests of capital. Indeed, it can be argued that the elaboration of a regulatory regime for labour by the nascent independent state, committed to industrialization and the nurture of private capital, was motivated by the need to relieve capital from the pressure of organized labour and to contain labour militancy within the strait-jacket of legal and bureaucratic negotiations. Indian labour unions emerged under the umbrella of various competing political parties, which has fragmented the trade union movement and fostered rivalry among trade unions.Labour unions affiliated to political parties are often torn between the need to further party political agendas and the responsibility to advance the interests of labour. When unions linked with political parties have failed to uphold these interests, workers have bypassed such unions and rallied around charismatic leaders or organizations on caste, regional or sectarian lines. Alternatively, they have formed semi-independent unions based in individual industrial units. The latter have been more consistent in representing labour and have been in the
vanguard of militant agitations. They have also borne the brunt of the onslaught by management, often with the connivance of the state. The most radical employees’ unions, including those affiliated to Communist parties, have been marginalized by the state and debarred by bureaucratic fiat from representing workers in industrial disputes. Political parties given to moderation have also sponsored rival unions to undermine the influence of militant labour organizations and not infrequently acted in concert with employers.

A trade union movement beset with internal difficulties, external constraints and fragmentation has more recently, since the 1980s, come under a major onslaught from capital and faced a new ruthlessness on the part of managers. Trade unions in the 1970s and early-80s were able to launch major strike actions, notably in Bombay, in the context of changing patterns of labour recruitment. The consequence was a major managerial offensive, both a frontal assault and a war of attrition, against employees’ unions in particular. Companies were determined to secure flexibility and impose control over pay and over work schedules and work loads, which set the terms of collective bargaining. In a drive to beat the unions into submission, lock-outs of factories were declared by employers following strikes, thus severely trying the staying-power of labour. Rival unions, acting in concert with employers, were deployed to fracture workers’ solidarity. Where unions did succeed in forcing settlements in favour of workers, companies showed no compunction in violating them, backed with lock-outs to prevent further agitation. Employers also had recourse to Voluntary Retirement Schemes, refused to fill vacant jobs, and unilaterally changed the nature of employment contracts, including the conversion of bargainable grades into non-bargainable grades, not only to deny workers the rights of organized sector employees, but also to redefine them as not being ‘workers’ under the Industrial Disputes Act. In addition, production units were relocated to geographically dispersed sites, and out-sourcing or subcontracting became increasingly commonplace for large industries or factories. In this way, the organized sector itself came under threat with an expansion in the ranks of unprotected labour which severely undercut the social constituency of the trade-union movement.

In Mumbai, for instance, the impact of voluntary retirement schemes has to be set in the context of a co-ordinated attack which involved interlocking strategies, all centred on the progressive and systematic erosion of the bargaining unit. The ability of companies to sub-contract was the single most powerful weapon in this arsenal of strategies. It is clear that management had finally decided to de-unionize labour and to press for de-unionization even at the cost of large-scale destruction of jobs and closure of factories. Liberalization has added considerable impetus to the employers’ offensive, but is clearly not the cause of it. In this current climate, the creation of a vast pool of unprotected labour is viewed to be integral to the (largely imaginary) pursuit of competitive advantage, even though this is in complete violation of the social and legal foundations of modern democracy.
EMANCIPATING FUTURES?

We envisage at least three vectors as being crucial to the development of a politics of emancipation. First, the union movement urgently needs renewal so as to encourage the rise of a pro-active, co-ordinated and self-governing trade unionism, which invests substantially more resources in training and strives to recover collective bargaining initiatives through inroads into company decision-making. The remarkable examples of some Bombay-based employees’ unions such as the Hindustan Lever Employees’ Union, the Philips Employees’ Union and the Kamani Employees’ Union need noting in this respect. Renovation means the formulation of wider political and social perspectives, from issues relating to control over employee pensions, or work-place exposure to toxic substances and the threat of hazardous production to local communities, to active opposition to the repeated and ubiquitous violations of human rights and labour law that pervade India. Yet, these initiatives are more likely to emerge from the local independent employees unions. The central trade union leaderships have even sometimes endorsed positions that are diametrically opposed to them, e.g., their willingness to buy into ‘national sovereignty’ arguments, reinforcing sovereign nation-state control over domestic jurisdictions such as child labour, political repression and labour standards. The seeds of such a renovated unionism lie both in the past lessons and experiences of movements like the employees’ unions, and in the growth of new work-forces in productive sectors that have sprung up since the nineties.

The second vector of change must be a set of clear public policy choices which expand and give teeth to the legal rights available to workers regardless of gender. A charter of rights would need the broadest possible remit, to cover every sector of a complex and segmented labour market where, through deliberate lack of regulation, the bulk of the labour force is reduced, de facto, to a condition of near-servitude; while, at the opposite end, elite or strategic groups of salaried personnel are deprived of bargaining rights by arbitrary legal devices which construe ‘bargainable labour’ in ways at complete variance with international best practice or ILO Conventions. Such a charter would mean a political attempt to alter the background legal rules which affect the distribution of power and advantage in labour markets and society as a whole.

Much of the thrust of economic liberalization in India in the nineties has been an application precisely of such normative choices, but one based on the assumption that freeing markets from regulation necessarily means greater freedom for business from organized labour. In fact, throughout the nineties, deregulation has gone hand in hand with re-regulation, since no market exists in a regulatory vacuum and rules are essential to the construction of efficient and orderly markets. Labour is the remarkable exception to this process. But this politics of liberalization is simply a construction of capital and the state’s economic agenda, not an inevitable, much less absolute, expression of some ‘essence’ of liberal economic reforms. The second needed vector is thus a
progressive revamping of corporate and labour laws to give substantial bargaining rights to the unorganized sector, treating all employees on a par, without the conscious legal discrimination which currently holds the bulk of the labour force in a sort of thraldum; and to give to organized labour corporate governance rights, so that employees and unions can recover some control over the management decisions which are currently decimating their ranks. Enabling legislation and mechanisms to translate law into claim and claim into enforcement (for these and related laws including social and food security, child labour, equal opportunities, health and safety, etc.) is crucial to a democratic renewal of society in India.

However, while the first two vectors lack significant social and political forces to drive them, the third, that of democratic politics, has potential to give the poor some clout. If poor people emerge as significant political constituencies of the large number of political parties that now compete for power in India, their needs and interests, including legal protection for labour and social security measures, which are already insinuated into the policy agendas of the constituent states, might heave themselves upwards. After all, despite the retrenchment of public expenditure (in relative if not absolute terms), no state government has had the courage to ignore the imperatives of electoral politics and to mess very much with the food subsidies for the poor. Quite the reverse. When the central government aspires to reduce foodgrains subsidies, state governments have lately been allowed to get themselves severely indebted to protect this longstanding, leaky but redistributivist measure to guarantee food and contain open market prices for this most basic of wage goods.

While there is no evidence yet for any rebalancing of public policy in favour of the poor or of labour, there is overwhelming evidence of increasing democratic electoral participation by lower castes and the poor. This has been hailed as the ‘participatory upsurge of the oppressed’ and characterized as the ‘plebianaization of public culture’. Electoral turnouts in India have steadily increased since independence, but far more significantly, the composition of those who vote has registered a sea change. While in the years after independence the more affluent, the educated, the upper castes and urban residents formed the majority of voters, in the 1990s, comparatively, the lower castes, the illiterate, rural people and those with low incomes have started to vote in far larger numbers. The reasons for the increasing democratic engagement of the poor are yet to be explained and it is far from clear that concerns about labour relations have a bearing on electoral participation. Yet the acceleration of democratic participation suggests that poor people have an increasing urgency to shape the contours of wider democratic politics and to engage with state power and public policy. Whether this might also have any impact on the working and living conditions of Indian labour is an imponderable.

The question of labour, however, is not at all incidental to current democratic struggles in India. For the ‘democratic upsurge’ has elicited from the propertied, upper- or middle-classes, and upper castes a ‘conservative revolu-
the most dominant institutional expression of which is the Hindu nationalist political party—the Bharatiya Janata Party. Psephological analysis has conclusively confirmed that the poor and lower-castes rarely support the BJP, whose core constituency consists of upper- and middle-classes and castes. Sociological studies have indicated the strong participation of commercial communities and rural and urban capitalist classes in the activities of the BJP and its affiliate organizations. They are drawn to the party because it pledges its commitment to the increasingly expansionist ambitions of Indian capital and because it espouses ideologies of caste and patriarchal subordination as well as a strong, militarized state, one capable of enforcing political stability, public order and discipline. In quest of a world safe for capital where the democratic political mobilization of the poor can be tamed, the propertied now look to the BJP. Arguably, capital’s fear of labour and its need to further subordinate labour, and make it more flexible and even less politically organized, consolidates its support for the BJP. Not only did the assault on unions coincide with the rise of the BJP and its affiliate political organizations, there is also ample direct evidence that militant, Hindu-chauvinistic, right-wing organizations, like the Shiv Sena in Bombay, were instrumental in undermining labour militancy and strikes in the 1980s, with their own trade unions acting in cahoots with employers to emasculate militant employers’ unions. The politics of the Hindu Right can justly be interpreted in terms of a wider struggle between capital and labour in India, being played out in the arena of democratic politics.

Both employers and government authorities are currently working on the short-sighted assumption that India’s comparative advantage lies in the undisputedly low cost of labour. But large reserves of cheap labour cannot constitute the foundations of a modern, globally competitive economy. Not only does such a strategy entail the suppression of political and trade union rights for the majority of wage-earners, and the deliberate fragmentation of the labour force, but also it presumes a poorly educated, semi-literate and badly nourished mass of labourers who are constantly vulnerable to exploitation—hardly one that can sustain mass demand for the goods and services produced by a modern economy integrated into the global system. At a time when Indian employers are pressing for wholesale deregulation of the labour market, in the pursuit of short-term profitability, it is clearly in the long-term interest of the economy to have a labour force with the requisite levels of training and job security. This presupposes an expansion of the laws protecting and regulating labour together with large-scale public investment in what is known in development circles as ‘human capital’ (health, education, social and food security) and infrastructure (housing, sanitation, electricity and water), as well as a concerted political drive to create the social and legal conditions under which workers feel free to organize without fear of reprisal or caste atrocities.

The point, of course, is not that the state is likely to undertake any such programme of its own accord, but that the ‘making’ of a modern working class has to be the core of any vision that struggles to modernize social and political
conditions in the country, and the central interest of progressive political forces. Moreover, a genuinely democratic vision of the Indian polity would have to be a politics of totalization, given the embeddedness of labour in the whole matrix of institutions which sustains the numerous trajectories of accumulation in the country, from caste, communal and gender oppression to the various forms of authoritarianism which exclude workers from citizenship and citizens from democracy. It would no longer be possible for a democratic politics in India to replicate the atomized and fragmented forms of reasoning and imagination which counterpose politics to economics, trade unionism to political parties, or democracy to socialism.

NOTES

We are very grateful to Jairus Banaji and Rohini Hensman without whose helpful advice, critical response and active contributions, particularly to the final section, this essay would never have been written; to Gerry and Janine Rodgers who supplied useful literature and to Danny Sriskandarajah who gathered statistical information.


2. Agriculture is included, even though land is registered, because of the small and fluctuating size of labour forces on the vast bulk of individual holdings.

3. One recent study of corporate capital put the proportion of unorganized labour in different corporations at between 40% and 85%. S. Davala (ed.), *Employment and Unionization in Indian Industry*, Delhi, Friedrich Ebert Stiftung, 1992, quoted in Bhowmik, ‘The Labour Movement’.


6. Poverty varies according to harvests and foodgrains prices. Two-thirds of those said to be living on under $1 a day in the world today are in South Asia. Ninety percent of India’s poor live in the poverty belt covering east and central India, inland Maharashtra and eastern Madhya Pradesh, a diverse and scarcely urbanized region. The official Indian poverty line is set and revised at a rural income allowing for the consumption of 2,200 calories per day together with 20% for shelter, clothing and medicine. By this account poverty was at its minimum (34%) in 1989. The intransigent persistence of poverty masks a massive increase in inequality. Sheila Bhalla, ‘Liberalization, Rural Labour Markets and the Mobilization of Farm Workers: the Haryana Story in an All-India Context’, *Journal of Peasant Studies*, vol. 26, nos. 2/3, 1999, p. 30.
13. Terence Byres, ‘The new technology, class formation and class action in the Indian countryside’, *Journal of Peasant Studies*, vol. 8, no. 4, 1981. The distribution of employment between sectors of the economy has hardly changed in the last two decades.
17. Maya Shah (ed.), *Labour Market Segmentation*.
18. In 1991 a mere 4% of the female work-force was in the organized sector. Women were 12% of the organized work-force but 33% of the unorganized work-force, and that is likely to be a gross underestimate. Scheduled caste workers are heavily concentrated in the unorganized work-force. Sheila Bhalla, ‘Liberalization’.
22. This cannot be a literal mapping, for the work on India’s regions of accumulation has not yet been done. It is a daunting task because India’s regions are an amalgam
of agro-ecological, agro-structural and politico-administrative. There are huge regional variations in the composition of capital which affect options for labour. While in the so-called Bimaru states (after the Hindi for ‘sick’) less than 20% of rural jobs are not in agriculture, 54% are not in agriculture in the rural non-farm sector in Kerala and 30% in West Bengal. Yet the latter relatively advanced states—and those with active Communist parties—have high levels of unemployment, while the reverse applies to Bimaru states. It is the persistence of petty production and artisanal work in poor states together with the decline of petty production as a safety net coupled with the inability of the economy to absorb labour at the wages offered, which explains this paradox. Other states such as Maharashtra have developed with relatively low levels of unemployment, relatively tight labour ‘markets’ and an employment guarantee scheme run by the state. See K. Nagaraj, ‘Labour Market Characteristics and Employment Generation Programmes in India’, in Barbara Harriss-White and S. Subramanian (eds.), *Illfare in India: Essays on India’s Social Sector in Honour of S. Guhan*, New Delhi, Oxford University Press, 1999, pp. 77–80; and Jairus Banaji’s review of Daniel Thorner’s *Atlas of the Agrarian Regions of India: ‘Metamorphoses of Agrarian Capitalism’*, *Economic and Political Weekly*, vol. XXXIV, 2 Oct., 1999, pp. 2850–58.


27. Perquisites include clothing, loans of cash, help towards the school fees of children, medicines and medical fees, see Harriss-White, *A Political Economy*, p. 255.


32. David Mosse, ‘The symbolic making of a common property resource: History,


35. Workers have attempted to turn debt relations to their advantage. In the power loom industry in Kumarapalayam town in Tamil Nadu, for example, employers debt-bonded labourers when they were in scarce supply but soon found that workers proceeded to dictate terms of employment, realizing that employers were not in a position to dismiss them while the latter still owed money to the former (Geert de Neve, ‘Baki’).


37. When they enter local agribusiness, their pre-harvest loans can be interlocked with post-harvest sales, thereby indirectly controlling the markets which shape the production of their creditors.


39. Some 60–80% in one study of northern Tamil Nadu.

40. See Jha, Table 3. On and off-farm work is not directly substitutable. Either work on the small plot owned comes first and so wage-work is a residual, irrespective of the pay, or off-farm activity determines the crop choice and labour inputs on a small farm and cultivation is the residual; Krishna Bharadwaj, ‘A View on Commercialization in Indian Agriculture and the Development of Capitalism’, *Journal of Peasant Studies*, vol. 12, no. 1, 1985, pp. 7–25.


45. The average daily wage for rural women is 47% of the official nutritional poverty line. For urban women it is 44%. For men it is 66% and 79%, respectively; see Ghose, ‘Current Issues’.

46. Ghose, ‘Current Issues’; the data are the latest for 1994. The logic of wage-work may differ according to gender, with women having a target income still prepared to work until their marginal productivity approaches zero (and therefore to accept very low wages) while men strenuously resist attempts to lower wages below a ‘reservation’. The question is whether women are low-paid because forced into tasks of low productivity consistent with their prior obligations (which are the
result of patriarchal power relations within households), or, because jobs bear social meanings, low-status jobs pull low-status people and women are ascribed with low status as people, or because women’s wage work is also at the mercy of patriarchal discrimination on the market. The jury is still out. The facts that women can be paid less than men where tasks are directly comparable, that women are being forced into attached contracts and that employers regularly refer to women’s wages as ‘pocket money’ need setting against the successful struggle for gender parity in minimum wages in parts of the rice bowl of West Bengal and in Kerala.


48. Male consumption has been shown in a number of studies not only to be biased towards the provision of investment goods but also towards male adult goods: liquor and narcotics. Jayati Ghosh, ‘Macro-economic Trends and Female Employment’, in Papola and Sharma, Gender and Employment, pp. 318–350.

49. Ghose, ‘Current Issues’; Varma et al., ‘Indian Labour’; da Corta and Vankateshwarlu, ‘Unfree Relations’. In urban areas, while men are casualized, the proportion of women workers on regular wages has actually increased, though there is little opportunity for upward mobility and regular work is now threatened again by ‘flexibilization’. See Pravin Visaria, ‘Level and Pattern of Female Employment, 1911–94’ and Amitabh Kundu, ‘Trends and Patterns of Female Employment’, both in Papola and Shah, Gender and Employment, pp. 23–51 and 52–71.


51. Education is still not mandatory and in the only state where it was made mandatory (Tamil Nadu in 1995) it has not been implemented. The law on Child Labour is the Child Labour (Prohibition and Regulation) Act of 1986. See Vasudha Dhagamwar, ‘The Disadvantaged and the law’, in Barbara Harriss-White, S. Guhan and Robert Cassen (eds.), Poverty in India: Research and Policy, New Delhi, Oxford University Press, 1992, pp. 433–448.


53. The carpet industry in Uttar Pradesh and Jammu and Kashmir is another example. It is known that many of the children here are virtual slaves, purchased with lump sum payments to parents by agents for carpet manufacturers. Most of these children come from the scheduled caste and tribes, agricultural labouring families in Bihar, subject to fierce oppression from private armies of upper-caste landowners.

54. Yet secondary education produces a peculiar paradox for workers because it behaves as a luxury good, fitting young educated people, especially women, not to enter the labour market See Ghose, ‘Current Issues’.


56. ‘Scheduled’ in the constitution to receive positive discrimination. This is a term


59. Saurashtra Patels are owners, commission agents and traders, and they employ labour from the same caste. In Tiruppur a significant part of the entire cluster, owners and workers, are Vellalar Gounders.


63. Workers in the unorganized sector are under 1% of all members of trade unions.


67. This was in a highly opportunistic last–ditch attempt by the then ruling Congress Party to drum up pre-electoral support.

68. This amounts to 0.4% of state domestic product. See Barbara Harriss–White, ‘State, Market, Collective and Household in India’s Social Sector’ in Harriss–White and Subramanian (eds.), Illfare in India, p. 316.

69. The 1926 Trades Union Act; the 1947 Industrial Disputes Act; the 1948 Factories Act and Employers’ State Insurance Act; the 1961 Maternity Benefits Act; the 1965 Payments of Bonus Act; the 1972 Employees’ Provident Fund and Miscellaneous Provision Act and the Payment of Gratuity Act; not to mention those affecting the unorganized sector: the 1970 Contract Labour (Regulation and Abolition Act) and last and least the 1986 Child Labour (Protection and Regulation) Act; see Bhowmik, ‘The Labour Movement’.

70. Bhowmik, ‘The Labour Movement’.


72. Jos Mooij, Food Policy and the Indian State: The Public Distribution System in South


75. Breman, *Footloose Labour*, ch. 8; Gail Omvedt, *Reinventing Revolution*. A case in point is the unionization of informal-sector women workers through SEWA discussed by Rohini Hensman elsewhere in this volume.

76. Cadene and Holmstrom, *Decentralized Production*.


80. Bhowmik, ‘Labour Movement’. However, when it comes to strikes there is evidence that it is the history and experience of bargaining at the plant level which explains industrial conflict. See Banaji and Hensman, ‘Outline’.


82. Banaji and Hensman find that multinational managements integrate finance and technology but deliberately isolate labour on its various sites. However, as a result, some Indian labour has more power in collective bargaining than either the workforces of national capital or those in the HQs of MNCs. See Banaji and Hensman, *Beyond Multinationalism*.


84. See ‘Tobacco and TUs: wrong end of stick’, *Economic and Political Weekly*, XXXV, no. 16, 15 April 2000, p. 1329.

85. E.g., the ability of scientific and technical personnel to join unions (in the UK, for example), or the various ILO conventions which secure such rights for higher grades of employees; see also ILO, *Decent Work*, Geneva, 1999.


89. On changing voting patterns, see Yogendra Yadav, ‘Understanding the Second Democratic Upsurge: trends of Bahujan participation in electoral politics in the 1990s’, in Francine Frankel, Z. Hasan, R. Bhargava and B. Arora (eds.),

90. Hansen, Saffron Wave.