

COERCIVE INFORMAL LABOR PROCESS: A CASE STUDY OF MIGRANT LABOR IN MANUFACTURING SECTOR IN GUJRAT

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This paper engages with the problem of employment generation in the manufacturing sector in India. It will grapple with one particular dynamic of employment in India namely informality, which can shed light on the paradox of high growth - low employment generation in the Indian economy. Informality in economic literature is defined as work without a formal support structure such as contracts, benefits, rights etc. It is an important area of research in India as 90% of India's labor force is estimated to be embedded in informal contracts. Informality is defined as a lack of formality, or an incomplete formality. This paper is an exercise in developing an analytical category to study informality in the manufacturing sector in India. It will explore two particular questions pertinent to informality in textiles and construction industry in Gujrat:

- i) What are the structural conditions necessary for informal labor to be the dominant form of employment in textile and construction industry?
- ii) Why does informal labor continue to persist after decades of modernisation and growth in the Indian manufacturing sector? This is an important question as I will demonstrate that the presence of informality directly results in both lack of growth of employment and improvement in quality of life of workers in these sectors.

The popular conceptualisation of informal labor perceives a certain deficit in their life experience from formalized labor, which includes vulnerability, a lack of bargaining power, exploitation and an inability to guarantee a stable future for the next generation. However, by homogenising all forms of informal labor this definition misses out on an important perspective: about the heterogeneous nature of informal work which differs depending on the industry, the modalities of the labor process and the social identity of the worker. Further, the character of manufacturing work makes the issues around informal labor different from other sectors. In the manufacturing sector machines are used to control the pace and rhythm of work, there exists a clear division between conceptualisation, supervision and execution of labor and these sectors have a distinct set of laws around it.

In this paper I will conceptualise a structurally different framework for understanding the linkages between informality and the lack of employment generation in certain manufacturing industries, I will analyse informal labor through the concept of 'the labor process'. This is referred to in Burawoy (1982) as the process through which labor surplus is appropriated within the accumulation cycle. I will develop and describe a modality of labor process specific to India which I term as coercive informal accumulation process (De 2017). Informal coercive accumulation refers to all labor processes, which: hire wage labor, use coercive methods to decrease worker control over the pace and rhythm of work, and their bargaining power in determining wages. These processes are usually characterized by informal contracts, longer working hours, poor working conditions, social isolation, and inadequate access to basic amenities. These labor processes are usually employed in firms which produce commodities in a highly competitive market, where individual commodities are not easily differentiable, like garments, textile, unskilled process in construction etc.

I will then apply this concept of coercive informal accumulation to analyse my field investigation of migrant labor in construction industry in Ahmedabad and textile and garment production in Surat and Ahmedabad. The empirical insights in this paper is based on my field investigation from April – July 2018 in Ahmedabad and Surat. I have worked with Aajeevika Bureau (henceforth AB) to study and understand the dynamics of informal labor in three sites in which AB works namely: Migrant tribal (from south west Rajasthan) working in the construction sector in Ahmedabad, migrant labor (mainly from north India) working in Garment factories in Ahmedabad and long distance migrant (from Orissa) working in textile mills in Surat. AB has worked for over a decade with migrant labor from some of the poorest and vulnerable sections of society. Their work focusses on improving the conditions of informal labor through legal channels, direct intervention in their lives and by creating collectives of workers.

I have not used a particular logic or methodology to undertake my field work. Instead, I spent my field trips with AB staff visiting various sites they are working in. Since the AB staff had very close relations with workers, I was able to gain their trust and engage deeply regarding their working lives. Moreover, I benefitted from the experience of AB staff many of whom had 8-10 years of experience with engaging with workers in these sectors and regions. My field work experience will provide examples through which I will develop the concept of informal coercive accumulation processes. However, I remain sceptical of generalising the findings of my field work to other industries or regions. One of the challenges of studying informality in India is the lack of data available. This is a direct consequence of the nature of informality which is to evade labor laws and state interventions. A couple of anecdotal examples will demonstrate the extent to which data about informal labor is missing in databases.

I visited a garment production factory in Narol district in Ahmedabad. This factory was located on a main road and even from a distance its size was intimidating. The different worker groups I met within the factory claimed that there could be 1000-1500 workers in the factory depending on the season. However, the official records of the factory showed about 150 labor and no new hiring in the last five years. Another incident is from a textile mill I visited in the Anjani area in the outskirts of Surat. I was visiting a fairly modernised textile mill with a young and dynamic owner. The factory was four floors high with over 50 mills and more than 100 workers. However, the owner had registered the factory as five different mills with less than 10 workers each so he doesn't have to register the factory within the manufacturing act. Every floor was registered as a separate mill with a different address. These two examples are provided to demonstrate that the persistence of informality in certain manufacturing sectors are not represented by official statistics. Moreover, the degree of difference between official numbers and actual practise is not calculable. This paper hopes to provide some insights on the dynamics of informality in the manufacturing sector in order to complement the formal data available about the manufacturing sector in India and specifically on the reasons for the inability of the manufacturing sector to generate quality employment.

Need for a conceptual framework

It is well documented in Indian economic literature that there is a dearth of distinct analytical categories with which to study the informal sector in India (Breman, 1976; Papola, 1980, D'mello, 1992). One of the primary reasons for this is the relative absence of secondary data on the informal sector in India. Studies on informal labor have tended to study geographically specific labor processes, however the heterogeneity of informal labor process in India makes it very difficult to generalize a framework to understand informal labor in India. In the last couple of decades, the

Indian state has been committed to trying to understand informal labor processes in India. One of the most comprehensive reports on this subject is Arjun Sengupta's National Commission for Enterprise in the Unorganised Sector (2007) report. However, given the sheer size of the informal labor market, this report has failed to provide an overarching framework with which to analyze the informal sector. This paper will contribute to this conceptual gap in understanding informal labor in the Indian academia and policy circles.

The Labor Process

The labor process plays a vital part in the overall accumulation cycle¹. It is through the labor process that capital appropriates surplus from labor. Michael Burawoy (1982), in his influential book *Manufacturing Consent*, focuses on this crucial phase of the accumulation cycle and defines the labor process as one of appropriation and obscuration of surplus from labor. Burawoy (1982, p. 15) theorizes the labor process as having a practical aspect and a relational aspect. "In its practical aspect the labor process is a set of activities that transform raw material into useful objects or fractions of useful objects with the assistance of instruments of production." This involves the expenditure of labor and the translation of capacity to work into actual work. This aspect is also referred to as the relations in production. The relational aspect refers to the set of relations men and women enter into as they transform raw material into finished products. This is referred to as relations of production. These aspects are not easily separable in real life, but such a division provides analytical value, as one can study different aspects of the labor process separately, and concurrently understand the relationship between different parts of the process. Burawoy emphasizes that capital innovates and changes the labor process not only to maximize the appropriation of surplus from labor, but to do so without labor's knowledge. This is an equally important part of the labor process. This article builds on Burawoy's definition of the labor process to understand the modalities of the informal labor process in manufacturing sector in India.

Labor process is an analytical division necessary to understand the mechanisms of control embedded within informal relations between labor and capital. It de-privileges the neo-classical focus on labor supply and demand, and focuses on the process of creating value and appropriating labor power. This takes into account not only the physical act of labor, but also technology, the nature of the labor hierarchy, relations within the work place and the laborer's life outside of the work place. Labor process brings visibility to mechanisms, embedded within the work place and living area of informal, labor through which their earnings are appropriated and they are made vulnerable.

I will articulate a conceptualization of informal labor processes based on Burawoy's theorization which I refer to as coercive informal accumulation processes or labor process which do not provide labor with resources to reproduce themselves. This conceptualization is described in detail in the next sub-section. This conceptualization will help in understanding: why such brutal and exploitative work regimes exist in India and what are the key mechanisms through which they are reproduced. Jan Breman (2016) and Jen's Lerche (2018), two contemporary scholars researching informal labor in India, focus on tribal migration in contemporary times in Gujrat and Maharashtra and are an useful resources to gain a historical understanding of the processes through which these migrant labor patterns developed. The use of the concept of labor process is to divert the

¹ The accumulation cycle refers to Marx conceptualization of the capital production process as one where money is transformed into commodities which is then sold to realize capital. It is popularly referred to as the M-C-M' cycle.

conceptualization of labor as an input in the production process and instead make it the central component of understanding the production process.

Informal Coercive Accumulation

Informal coercive accumulation refers to all labor processes, which have an owner who hires wage labor under extremely precarious and exploitative terms. These processes use coercive methods to decrease worker control over the pace and rhythm of work, and their bargaining power in determining wages. These processes are usually characterized by informal contracts, longer working hours, poor working conditions, social isolation, and inadequate access to basic amenities. These labor processes are usually employed in firms which produce commodities in a highly competitive market, where individual commodities are not easily differentiable, like garments, cloths and low skilled processes in construction. This includes production processes which are part of a larger chain of production also referred to as sub-contracting work. Since these firms have little power to influence the price of goods, their ability to make a profit hinges on maximizing the effort of the labor involved. These firms usually increase profits by increasing the absolute surplus value appropriation, by lengthening the workday, decreasing wages and increasing the effort of labor. These processes are characterized by a despotic control by owners over laborers' pace and rhythm of work, working conditions and living conditions. This is a prerequisite for this production process to be profitable, as these firms compete in highly competitive commodity markets. The production processes in these firms must adapt to the requirements of the market. During high demand periods, the production process will have to function for most parts of the day, while when demand is low the production process might have to be completely halted. Since producers have no control on the pace and rhythm of work, labor has to be coerced to work according to the requirements of the production process. Moreover, depending on market requirements, workers might get retrenched or have the payment of their wages delayed. The employers pass on the firm's risks to the worker.

In the following section I will elaborate on the fundamental concepts required to understand informal coercive accumulation processes in the manufacturing sector in India. I will frame and analyse the different components of the labor process namely relations of production, relations in production and the laborer's way of life. I will also describe the mechanisms embedded within these processes which ensure the reproduction of this labor process. I will substantiate the analysis with examples from my field work in Ahmedabad and Surat. These concepts will assist in understanding the structural conditions which allow such exploitative terms of employment to continue in these industries.

i) Relations of Production

The defining set of relations in class society is between those who produce surplus value (labor) and those who siphon this surplus (capital). These relations determine the distribution and consumption of the product of labor. Marxist literature theorises that relations of production are always antagonistic and the distribution of surplus value in the production process is determined by the bargaining power between owners of capital and workers. However, many middle classes are involved in the bargaining process and workers tend to perceive antagonism towards the middle classes rather than directly towards the owners. I will discuss the role of middle classes such as supervisors and thekedaar's further in the next section on reproductive mechanisms.

These labor processes is usually characterized by piece rate wages or daily wage depending on the nature of labor being performed. The singular advantage of instituting piece work wages is

that it links remuneration to work effort and provides motivation for labor to work harder. Some forms of labor such as cleaning, carrying, digging etc. which doesn't have a tangible output are paid daily wages. This ensures maximum effort from a workers in a day, as there is no guarantee of being re-hired the next day. Moreover, owners can make labor work overtime without pay.

Another aspect of the relations of production is the process of mobility within the labor force. Ideally, as a labourer learns from work experience, they should be able to upgrade their skills and move into better positions in the factory. This is the natural process through which formalization occurs as firms invest in their employees as their value to the firm increases. The mobility up the labor hierarchy also acts as a natural motivator for the labor. In informal coercive accumulation process however there are major barriers to a laborer moving up the labor hierarchy. The primary barrier is social identity; manual and semi-skilled workers are from marginal identities and are rarely promoted to supervisory role. Moreover, since these workers have no opportunity to learn new skills or get a better educational degree, they cannot increase their bargaining power.

I consistently found that the most physically demanding (carrying, digging, loading) work and the most unclean work (cleaning, working with the boiler) etc were given to workers from the lowest social status in society. In construction sites in Ahmedabad these jobs were dominated by migrant workers from the tribal belts of south west Rajasthan. These workers were forced to migrate due to dwindling fertility of their land and loss of natural resources upon which they were dependent due to rampant de-forestation. Since, tribal's are perceived as having the lowest status in the Hindu caste hierarchy, it was easy for employers to provide the most degrading jobs to them for minimum pay. Moreover, migrants from tribal areas felt extremely out of place in cities, both due there looks and habits² they would be unable to have any bargaining power in the production process. This form of daily wage earning was both a function of the unfair terms of employment of these workers as well as the distinctly different rationality of tribal's.

The relations of production were slightly different in textile mills, as the majority of workers were working with mill machines and required some degree of learning to use the machine. Most of the workers were Oriya migrants and learned about the work from their relatives or fellow villagers. This control over learning and contacts of owners allowed some degree of bargaining for these workers. However, beyond some basic learning, the main requirements of the job were high concentration and work ethic, as these machines have to be run non-stop for twenty four hours. Every hour lost due to a breakdown cost both the firm and the workers due to piece wage rates. The production process makes the worker an appendage of the machine, with their sensory and nervous system having to be completely synchronised to the staccato pace of the machine. A few workers (broadly 1 in 25) moved on after years of experience (10-15) to the position of a master, his role would change to supervision of labor and management of machines, making them more important to an owner and gaining more payment and other benefits such as holidays and gratuity payments. However, the majority of workers would work continuously at the same wage rate for years, until their health or motivation dissipated.

ii) Relations in production

This refers to the organization of production and the technical division of labor. While on the surface this may seem like a scientifically or technically determined process, in actuality relations in production determine the processes of both appropriation and obscuration of surplus from

² discussed in more detail in way of life section

labor. Relations in production develop in order to maximize the process of surplus accumulation within a particular modality of labor process. Informal coercive accumulation labor processes' are characterized by the division of labor between conception, supervision and execution. They can be differentiated from the more traditional family/ artisan based labor processes, where all the tasks are performed by the same group of labor. This move towards separation and specialization of function is instituted to raise the degree of control of the owners over the labouring population. As the majority of workers at the bottom of the labor force can be easily replaced, while more skilled or supervisory labor are provided formal terms of employment as their skills are highly valued. The hierarchical labor structure allows for both control and incentive for labor to strive to move up the pyramid. However, as discussed in the paragraph above, there are strong barriers to mobility in such informal labor processes, which might not exist in more technologically intensive production process. Thekedaar/Contractors also play an important role in the maintaining the relations in production, as will be discussed in the next section on reproductive mechanisms.

Moreover, such production processes are characterized by labor intensive production technology, as the smaller size of the firms makes the mechanization of the production process economically infeasible. This is also a function of the highly competitive nature of these industries, each firm is too small to invest in new technology and upgrade the labor process and push out the competitors. Instead each firm uses very similar labor intensive technology³ and accepts the market price for their commodities. The only source of profit for the owner is to maximize production given the cost of inputs and technology, and the most efficient means of doing this is through coercing and controlling the labor process. Individual jobs are broken down into a cycle of easily repeatable actions, which make it an simple activity to learn, but extremely dreary to repeat over and over. Moreover, this ensures that an unskilled worker can learn the job in a short time and any dissident worker can easily be replaced. The pace and rhythm of work can be changed according to the market demand for the good being produced. In peak season, production can be carried out all day, while in the off season the workplace can be completely shut down if required as the only variable to control is labor effort.

The process of control of labor depends on the nature of the production process and differs from task to task. More mechanized production processes specifically garment production are controlled through mechanization. For example in a textile mill in Surat, workers are paid based on the amount of yarn they produce. The piece rate wages are so low, that workers will supervise at least twelve machines, for twelve hours a day, seven days a week to be able to earn minimum wages. In more manual labor work (not mechanised) such as cleaning, loading the broiler, digging, transporting bricks, wages are paid based on time. However, worker are made to work over-time often without any extra wages and any slacking of work will lead to removal from the work place. This is due to the existence of modes of control in the labor process which will be discussed in the next section.

The construction sites that I had visited had employed a complex hierarchy of contractors and supervisors to manage the labor pool. In the construction sector, I found that each portion of the production process employed labor gangs from a different ethnicity. Most workers/thekedaars in the site knew little about the jobs and roles conducted by other workers/ gangs. There was no feeling of camaraderie amongst workers as they spoke in different languages/ were from different regions. Moreover, nobody was sure about who were the main managers/owners of the site. Such

³ One highly articulate owner I talked to commented about how the technology used today is not any different from the one's used in Manchester mills in the early 19th century.

dispersion in labor roles in the site ensured that there is no collective consciousness amongst workers in the work place. The supervisory and engineers (conceptualizing labor) had formal jobs with benefits. The working conditions of the unskilled workers were very physical labor intensive work with little scope for improvement in skills such as cleaning, loading, clearing, digging and taking care of the boiler. These workers would constitute a half of the workers at the construction site. The workers gangs were easily replaceable if there was a fall in output or if the gang were not willing to work to the requirements of the owner, which could sometime be two shifts in a day for seven days a week.

iii) Way of life/ reproduction of labor power

While empirically this section describes the workers sphere of living, analytically it provides us a category to understand how workers reproduce their labor power within such exploitative labor processes. This aspect explains the standard of living of a worker and their quality of life. Reproduction of social labor power involves more than just its physical reconstitution. There is also the renewal of the working class from generation to generation. This includes expenditure for the maintenance and education of children, maintenance after retirement and insurance against sickness. Laborers have extremely irregular working hours and a constantly changing pattern and rhythm of work. In peak seasons they may have to work for more than sixteen hours a day, while in the off season these laborers may remain unemployed for months at a time. Moreover, depending on the nature of the production process such labor has to stay extremely mobile and be willing to migrate at any moment for the possibility of a job.

These workers usually live in shared, temporary single room accommodations either provided by the jobber⁴ or made by accumulating junk and basic building material. These accommodations have little access to basic amenities like water, sanitation and electricity. The laborers can't afford to invest in any consumer durables, and most of their income is spent on food, wine and paying the interest on debts taken. There is little income left to invest in children, essentially relegating the family to live in such conditions of squalor for generations. The temporariness of their way of living is symptomatic of the temporary place they have in the work place and city. These migrants are not aspiring to live in the city and become socially mobile, they perceive their village as their permanent residence. The barriers for mobility in the city are so great that these workers do not invest in their way of living. This is particularly exacerbated by their lack of education and exposure to metropolitans leading to a lack of awareness of basic rights or knowledge about minimum wages and working conditions. Also, living illegally in different parts of the city make them highly vulnerable to be evicted and cheated. They are regularly harassed by locals in the area and there have been reports of stealing, assault and sexual harassment by local youths. The state government does not acknowledge their existence and the Ahmedabad Municipal Corporation (henceforth AMC) does not attempt to provide services to assist these populations. Moreover, they do not receive several public benefits which are provided by the state at their source such as subsidized ration, subsidized health check-up and treatment, free schooling and access to the Anganwadi from young children and lactating mothers. They are perpetually prepared to move or leave at the shortest notice. The tribal populations which are the most vulnerable of the migrant laborers, usually carry there belonging and money with them at all times. The municipal corporation can come anytime and confiscate their residence as they squat in different parts of the city.

⁴ More on the importance of the jobber in the section on reproductive mechanisms.

The Oriya migrants stay in messes or shared rooms. The messes are usually run by elder Oriya workers who provide food, lodging and bathroom facilities for a fee. These messes are located in the textile mills. I found these messes to be dark, dirty, having no ventilation, little natural light and unhygienic toilets. This made them extremely unhygienic and increased the chances of major illnesses and disease. These messes are located in the same building as the textile mills, and given the brutal shifts of work, the workers spend their day working, drinking or sleeping with little else to cut time aside from their mobile phones.

The common theme for the worker's way of living was the temporary and unhygienic nature of their living conditions. The conditions ensured that labor were perpetually vulnerable to the vagaries of nature, health and the city. They were always dependent on the owner, and had no way of increasing their bargaining power or moving up the labor hierarchy. This precarity of labor's life is a function of the temporary nature of informal employment.

In the next sub-section I will conceptualize and describe reproductive mechanisms embedded within different aspects of the labor process which provide the conditions for the continuous exploitation and informality faced by labor.

Theorizing reproductive mechanisms

For a particular labor process to exist there must be a set of mechanisms that guarantee the reproduction of the different components of the labor process. This is based on Marx conception of cyclical processes of accumulation. Successful accumulation require the consistent reproduction of the production cycle. If an accumulation cycle is not consistent then a crisis will occur forcing a change in dynamics of the accumulation cycle. The labor process is one aspect of the accumulation cycle, and plays the important role of appropriating surplus from the production process.

These mechanisms ensure the reproduction of the labor process through which owners control the pace and rhythm of work in the labor process, as well as insure that labor bargaining power does not increase. The existence of these mechanisms is a pre-condition for the functioning of coercive informal accumulation labor process. The form of these mechanisms may differ from one process to another. The following sub-section delineates each of the individual spheres of activity within the labor process and the mechanisms which reproduce them.

<i>Logic of production</i>	<i>Logic of reproduction (reproductive mechanisms)</i>
Relations of production (Mode of surplus appropriation)	The role of the jobber
	Migrant labor
	Credit market linkages
Relations in production (Technical division of labor/mechanism of surplus appropriation)	Control over jobber
	Confusing Hierarchies
	Lack of mobility
Reproduction of labor power (Way of living of labor)	Mechanism reproducing way of life

i) Reproductive Mechanisms within Relations of Production

- a) *The role of the jobber:* Recruitment for this labor process is made from large pools of landless/ labor owning less than 1.5 acre of land available in certain parts of rural areas in India⁵. Specifically, parts where the state or landed classes have displaced labor from socially owned land or collectively owned forest resources. This labor force was created by processes of proletarianization and primitive accumulation that have been occurring in the Indian economy since the late colonial period (Breman, 1996). The hiring and management of labor is usually subcontracted by the firm to jobbers (also known as Sardars or Thekedar in India). Jobbers take advantage of a high proportion of displaced peasants in rural areas, who migrate around the country in search of jobs. He will usually hire a team of willing laborers from his own native place and will offer them jobs on highly unequal terms. The ability of the Sardar to do so hinges on two factors: the first being the desperation of the labor in requiring employment to survive, and the second being the jobber's knowledge of the city and contacts to get work. Jobbers, are frequently laborers who have worked in a city for 10-20 years and have both a good understanding of the industry and a good reputation with employers. Moreover, successful jobbers tend to be revered in their local community as someone who has successfully worked in the city. Depending on a jobbers social standing in the community they could handle gangs of five to thirty laborers. However, the role of jobber is no easy one; tasked with both negotiating the city and the owners demands. The jobber takes care of the living and eating of the workers, all the while negotiating with the owners and handling any issues arising between labor and supervisor/owner. The successful working of the jobber requires degree of

⁵ Areas where land is not very productive or has been facing agricultural failure.

subservience from the labor, who is usually completely dependent on the jobber for their survival in the city and in the workplace. The one exception to this rule were the labor from tribal belts who prized their freedom over the security of working through the jobber. Since, they didn't have contacts in the city, these laborers would visit Nacca's and look for work on a daily basis. For them the tradeoff between freedom and the insecurity of daily wage labor were acceptable.

- b) *Migrant Labor*: There are multiple advantages for a firm in hiring migrant labor. Firstly, the work force consists of heterogeneous groups from different parts of the country. This minimizes any feelings of solidarity amongst the workers. Secondly, migrant workers face hostility from the locals in the region, as they take away job opportunities and push down the local wage rate. The hostility from local population ensures that laborers get no political representation. This makes it easier for firms to retrench or delay payments of wages depending on the requirements of the enterprise. Hiring migrant labor has become a standard practice in the construction sector and highly competitive manufacturing enterprises. Migrant labor has a lower chance of unionizing and making demands of the owner. This is because migrant labor is highly dependent on the supervisor/owner to survive in the city. Moreover, there is a lack of collective consciousness amongst migrant labor, since they are not aware of their rights within the city. It is estimated that 20% of the population in Surat and Ahmedabad are migrant labor, and the largest share of them are concentrated in the construction, garment and hotel and trade industries. In my field work experience, all the informal labor was recruited from migrant labor. While local labor either held higher roles in the production process or preferred to have a different business in the city. The social capital and state infrastructure in the city make labor in the home state extremely unwilling to take on such exploitative work. Moreover, owners are content with using only migrant labor, as such supply has been steadily increasing over the years.
- c) *Credit relations*: Credit plays an important role in binding labor to the production process and restricting the mobility and bargaining power of labor. Credit is an important institution of capitalism, where capital possess access to credit at competitive rates from banks. Laborers do not have access to such loan markets. Most migrant workers and dispossessed peasants are forced into exploitative working contracts because they do not have a subsistent income. The workers found in these labor processes are usually distress migrants who are ready to work in the city, due to having lost their land through a process of primitive accumulation, or their village has faced a natural disaster⁶ or family misfortune/wedding has put them in debt. Usually, when the jobber is hiring workers, he will give them credit in the hope of luring them into his service. This cycle of the credit allows attraction of the most vulnerable workers, those who have no other alternative. The ability if the Thekedaar to provide money in time of need is connected to agricultural cycle/life cycle of the worker. Usually workers need money at the start of the agricultural cycle (between May and June) or to finance a wedding/death/social function in the family or expenditure during a festival. This is the time that a jobber will recruit labor by providing credit. This provision of credit will ensure the worker will remain in the jobber's services and not run away mid-way through their job, as they may not be able to avail of this line of credit in the future. The credit ties the worker to the jobber for the annual cycle of work, which usually starts in the summer and extends up to spring the next year. Once a worker

⁶ All the Oriya workers I met in the textile mills in Ahmedabad were from Ganjam district in Orissa which is a disaster prone district facing droughts and flood consistently over the last couple of decades.

is in debt, the jobber will take advantage of his worker's ignorance and inability to pay regular interest (connected to way of life), to keep siphoning off larger parts of their wages, as interest payment for the loan. This ensures that the worker is bonded to the jobber and cannot leave or join a different workplace. This mechanism allows owners to increase surplus appropriation from labor. Over a few cycles of employment some laborers who are unable to pay the exorbitant interest rates, may get bonded for life with the jobber. Other members of the household will have to work for the jobber to pay off the debt. It is through this mechanism that the jobber will increase the size of his gang and the degree of control he has over individual members.

ii) Reproductive Mechanisms within Relations in production

- a) *Control through the jobber:* The problem of control deals with the capitalist's ability to transform potential for production of labor into realization of surplus labor. This is a problem faced by all dominant classes in the labor process, and assumes different forms according to the relations of production. Each labor process has developed the technical division of labor such that there exist agents of capital (managers and supervisors) who control the process of appropriation of surplus and discipline the labor force. This control might be created within the workplace or might be asserted through the common social background shared by workers involved in the process. In informal coercive accumulation processes the owners of the firm sub-contract the hiring and management of labor to different jobbers, as they are better positioned to institute the sort of exploitative terms of contract required by such production processes. Jobbers are usually workers who have experience of the city and some status in the village. The jobbers then hire gangs of labourers, usually from their native village. These jobbers will arrange for the transport and accommodation of their gangs at the place of work. Moreover, the jobber will be in-charge of managing and disciplining the labor both inside and outside the place of work. For his services, the jobber will get to siphon off a proportion of the funds allocated for wages. The existence of the sub-contracting arrangement with the jobber saves the firms the cost of developing and instituting managerial and disciplinary techniques and grievance redressal mechanisms in the firm. Firms can take advantage of the social stratification already existing in Indian society, and use it as a method of control in the workplace through the jobber. The firm has the freedom to terminate its contract with the jobber, if his work is deemed unsatisfactory, without facing any resistance or protest from labor. Hence, even though a jobber is given the crucial role of transforming labor to the irregular rhythm and the rigid requirements of the production process, the ease with which he can be replaced means that the owners of the firms maintain primary control over the labor process.
- b) *Confusing hierarchies:* Another mechanism through which owners manage the smooth hiring and firing of labor gangs was through having multiple hierarchies of supervisor. In a construction site or large factory where hire more than thousand workers, there exist multiple chains of command working with labor in different parts of the labor process. Each labor gang will work directly with one particular chain of supervisors. Different labor gangs will not have much communication with other gangs or hierarchy of supervisors. Neither the workers nor the thekedar's knew the owners of the factory by face or name. In case of delayed payments, fights, unfair treatment in the work place, accident, sexual harassment the laborer and thekedar cannot complain against the owners as they don't know who to make a complaint against.
- c) *Lack of mobility:* The employee has no incentive to train or increase the skills of the worker as he doesn't want to increase the bargaining power of workers. Skills are highly guarded

within ethnic groups which ensures that some communities do better in the work place than others. For example marble cutting and fitting is provided by Rajasthani men from an OBC background, while electrical and wiring work is done by men from UP from an OBC background. These skills are passed on from generation to generation insuring the stronger position of certain ethnicities over others. Scheduled Caste and tribal men and women are found at the bottom of the labor hierarchy as they have no means through which they can learn these skills. This ensures a steady reserve army of labor to take on the most menial and underpaid jobs in the labor process.

iii) Mechanism for reproducing way of life:

The reproduction of labor power plays a crucial role in the larger reproduction of the accumulation cycle. The persistence of payment of minimum wages in such exploitative accumulation labor process is dependent upon a steady stream of willing and healthy labor to replace the one's dropping out or being fired from such labor processes. Informal coercive accumulation labor process do not have mechanisms (leave, health benefits, insurance, pension, scope for promotion) embedded within the production process to ensure reproduction of labor power. This is because labor in these processes have very low bargaining power and owners have little incentive to invest in labor. While reproduction of labor power plays an important function in the functioning of the accumulation cycle, firms characterized by such labor processes have little incentive to invest in labor because of the ease with which thekedar's and their gang of laborers can be re-trenched and a new jobber can be hired to provide a new pool of labor.

These laborers depend on socially evolved mechanisms of reproducing labor power. Breman (2012, p. 143) has demonstrated that the migration system "allows employers to transfer the costs of reproducing and maintaining workers' families and even providing for the worker himself in times of illness and old age onto the villages". The survival of labor in such processes are dependent on resources and assets available with the household in the village, the ability of the extended families to support them in times when they are not employed, income accrued from any land they may own, and/or state policies which provide subsidized rations, public amenities or income to such classes. There are multiple ways through which this plays out; gangs of laborers are usually from the same family/ caste group/ hamlet in a village and provide support to each other during the working season. If a workers get grievously ill or has an accident then they return to the village and live off their family. However, this is highly contingent on the family owning some lands and assets to live on. Workers who don't have such services to fall back on will become destitute and usually enter a life of crime or living of charity. Returning to the village has other advantages too, especially access to government services such as subsidized ration, short term work through MNREGA, subsidized health, free education for children etc. However, it is clear that the states which are not efficient in delivering public services are more conducive to migrant labor such as Orissa, Chattisgarh and Madhya Pradesh.

The more disturbing facet of exploitative labor processes is the family life cycle. Ideally children act like a pension fund for extremely poor labors. However, given that most labor start working in such hard menial labor from the age of 14, and the extremely difficult working and living conditions, workers can work until the age of thirty five to forty (given no accident or major illness). After, this age the worker is physically and mentally incapable of functioning at the level required in such brutal working conditions. The worker is completely dependent on their children for support. In order to ensure that their children have reached a working age when the worker is incapable of working, they have children usually by the time they become eighteen. This ensures that every generation reaches working age, when the previous generation reaches its limits of physical endurance. This process means that labor brings there family to their place of work as

usually both husband and wife need to work to have an income for them to survive in. Since, children are raised in the extremely un-hygienic work and living conditions in city and do not receive basic care or public education. When the child joins the labor force, they usually are less educated than their parents and have no capability to increase their skill and learning within the work place. This means that such labor are caught in a vicious cycle of never being able to escape from the clutches of exploitative informal work over generations.

The lack of reproductive mechanism is one of the more disturbing factors in informal coercive labor processes. Barring the efficiency of state delivery of subsidized services and familial/village based support system, the survival of the worker and his family is dependent on their skill, endurance and luck. The dynamics of the accumulation cycle in such processes will continue to keep using labor power till a labourer has met the limits of his/her effort and endurance, there is no natural incentive/institution to mediate this process.

Conclusion: Linkages between informality and the dynamics of market competition in textile and construction sector.

This paper has conceptualized a framework with which to analyze highly exploitative informal labor processes in the construction and textile sector in Gujrat. This conceptualization has divided the structure of a labor process into three dependent divisions, namely: relations of production, relations in production, and the worker's way of living. This analytical division provides a structural explanation of how informal labor provides a means through which owners can control the pace and rhythm of the production process and limit the bargaining power of labor. Further, I identified certain mechanisms embedded within the labor process which ensure stable reproduction of the exploitative terms of employment.

I will conclude this paper by applying the insights from my fieldwork and conceptual framework to theorize: why even after decades of high growth does informality remain in certain industries. Another way of articulating this question would be to ask: why are informal labor locked in exploitative contracts, even though they generate growth and accumulation?

The nature of market competition within the industries that has been studied in this paper explains the persistence of informality as a necessary strategy for competing. The markets for these industries are typified by a very high level of competition amongst small capitalists and individual commodities are not easily differentiable. These are industries where no one producer dominates the market, instead multiple producers function at low rates of profit. Since these firms have little power to influence the price of goods, their ability to make a profit hinges on maximizing the effort of the labor involved. These firms usually increase profits by increasing the absolute surplus value appropriation, by lengthening the workday, decreasing wages, and increasing the effort of labor. Highly labor intensive technologies are used in these enterprises, as they do not accumulate enough capital to improve technology and labor productivity. Productivity is increased through coercive mechanisms of surplus appropriation that are reproduced through mechanisms embedded within these labor processes such as the existence of vast reserve of landless labor, improvements in transport and communication which allow vast majority of labor to migrate from different ends of the country, the importance structural role of the jobber and the use of credit to prey on the economic vulnerability of workers.

In the textile industry each mill usually hires between 5-15 labourers. Each mill uses the same technology and buys inputs from the same markets. The price of yarn, stitched cloth and ready-made garments is fixed by the dynamics of national markets in India. The firms are price-takers. There is little to differentiate one firm's product from another. As a consequence each firm makes enough revenue to continue their accumulation cycle. Firms rarely expand the size of production and none have the capital to invest in technological improvement or innovations. In the

construction sector, large construction companies sub-contract parts of the production to specialized contractors. One contractor would be doing the digging and laying the foundation, another will be in charge of building the skeletal framework, another will be involved in painting, a different one for plumbing and wiring, and lastly a separate set for interiors. The competition between contractors vying for each for these contracts have similar properties to those found in highly competitive markets. The one difference being that these are buyer's market or markets dominated by large real-estate development firms. The competition and profits made by the real estate developers are due to the dynamics of the market for final customers. However, the contractors have too little capital to develop larger real estate sites and are dependent on the real estate companies for jobs.

While profit rates in these industries are low due to high competition, informalisation of labor allows maximum appropriation of surplus, which ensures reproduction of these enterprises. Informal labor processes provide mechanisms that aid such enterprises in passing on the risk of capital onto the laborer. This takes place through the following ways:

a) In highly competitive markets, enterprises compete for market demand. Individual enterprises can face very high or low demand at different points of time. The production process must adapt to the unpredictable rhythms of market demand. This unstable rhythm of demand is translated into an irregular production process. It is unprofitable for these enterprises to maintain a consistent pace of production throughout the year. During high demand periods, the production process will have to function for most parts of the day, while when demand is low the production process might have to be completely halted. Since producers have no control on the pace and rhythm of work, labor has to be coerced to work according to the requirements of the production process. These processes are characterized by despotic control by owners over labourers' pace and rhythm of work, working conditions and living conditions. This is a prerequisite for this production process to be profitable, as these firms compete in highly competitive commodity markets.

b) In highly competitive markets, firms face delayed payments and may go out of business on short notice. In such cases enterprises will delay payment to workers or lay them off without any previous notice. The informality of contract allows irregular payment of wages to labor depending on market demand. Labour cannot seek legal recompense as they do not have formal contracts. Moreover, since most of these labor forces are migrant, they do not receive political representation or inclusion in worker unions. The risk of capital is passed to the worker. The degree of exploitation of labor is buttressed through inequalities in the social hierarchy in India.

c) Crucially, these exploitative informal labor processes are reproducible because of the existence of mechanisms that reproduce labor power. These range from familial and kinship relationships, to support structures in village communities, and state policies. These mechanisms are the reason behind the rigidity of the labor structure. The condition of existence for informal labor processes is the existence of a vast proletarianized labor force and the existence of unequal social hierarchies. These conditions ensure that there exists a vast reserve of surplus labor willing to work under the exploitative terms of informal labor.

This paper contributes to a political economy understanding of why informality persists in the manufacturing sector in India. This paper argues that the lack of quality employment generation in India is due the existence of structural conditions which ensure exploitative and informal terms of employment. Moreover, the high competition within these industries ensure that there is no growth or improvement in the working place or laborers life. The most practical solution would be for the state to intervene in the market competition and create more monopolistic larger sized firms which have the capital and incentive to improve technology and labors terms of employment.

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