

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

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Overview

- engages with the problem of employment generation in the manufacturing sector in India
- sheds light on the paradox of high growth - low employment generation in the Indian economy by studying the dynamics of informality
- This paper will focus on informality and argue that informality does not have a homogenous character but depends on the industry, region and social identity of worker

Main Questions

- This paper is an exercise in developing an analytical category to study informality in the manufacturing sector in India to complement existing data.
- It will explore two particular questions pertinent to informality in textiles and construction industry in Gujrat:
 - What are the structural conditions necessary for informal labor to be the dominant form of employment in textile and construction industry?
 - Why does informal labor continue to persist after decades of modernisation and growth in the Indian manufacturing sector?

Field Investigation

- Fieldwork in Ahmedabad and Surat with Aajeevika Bureau (NGO which collectivizes migrant labor)
- 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.
- Field work: ethnographic not methodological due to difficulties of accessing work place.
- Talked to AB staff, Workers, owners, thekedaars, locals and state actors (AMC, police, lawyer)

Labor Process

- Labor Process: (Michael Burawoy's interpretation) :the process through which labor surplus is appropriated within the accumulation cycle.
- 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 is an analytical division necessary to understand the mechanisms of control embedded within informal relations between labor and capital.
 - Relations of Production: the set of relations men and women enter into as they transform raw material into finished product
 - Relations in production: set of activities that transform raw material into useful objects
 - Way of Life: standard of living and reproduction of labor
- 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.

Informal Coercive Accumulation

- Informal coercive accumulation : 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

- I will develop and describe a modality of labor process specific to India which I term as coercive informal accumulation process (De 2017).
- 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 substantiate the analysis with examples from my field work in Ahmedabad and Surat.

Relations of Production in ECA Labor Process

- these relations determine the distribution and consumption of the product of labor.
- fundamental relations between capital and worker mediated by thekedaar and supervisors.
- characterized by piece rate wages: work effort tied to remuneration
- lack of mobility in the work place: barriers due to social identity
- slight differences for construction and textile mills

Relations in Production in ECA Labor Process

- characterized by the division of labor between conception, supervision and execution.
- labor intensive production technology: Individual jobs are broken down into a cycle of easily repeatable actions, which make it a simple activity to learn, but extremely dreary to repeat over and over.
- Machines control pace of work in textile mills
- Different processes in construction sector dependent on social identity

Way of life/ reproduction of labor power

- how workers reproduce their labor power within such exploitative labor processes.
- this includes expenditure for the maintenance and education of children, maintenance after retirement and insurance against sickness.
- Irregular work hours
- unhygienic nature of their living conditions.
- vulnerable to the vagaries of nature, health and the city.

Reproductive Mechanisms

- set of mechanisms that assist in the reproduction of the different components of the labor 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.
- technologies, norms, cultural practices and policies can serve as reproductive mechanisms.

Reproductive Mechanisms within Relations of Production

- The hiring and management of labor is usually subcontracted by the firm to jobbers.
- Hiring distress migrant labor
- Migrant labor has low bargaining power in the city
- Credit plays an important role in binding labor to the production process and restricting their mobility and bargaining power.

Reproductive Mechanisms within Relations in production

- control in the workplace and life outside through the jobber
- labor completely dependent on jobber
- jobber contract can be terminated any time
- multiple Hierarchies of Supervisors, workers cannot identify the owner.
- no mobility within work place: movement dependent on social identity

Mechanism for reproducing way of life

- labor in these processes have very low bargaining power and owners have little incentive to invest in labor
- 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
 - state policies which provide subsidized rations, public amenities or income to such classes.
- shorter cycles of marriage and having children

Conclusion

- why are informal labor locked in exploitative contracts, even though they generate growth and accumulation?
- the nature of market competition within these industries explains the persistence of informality as a necessary strategy for competing.
- very high level of competition amongst small capitalists and individual commodities are not easily differentiable.
- Producers are price takers and make small amounts of profit

- 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

- 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.
- 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.
- 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.
- exploitative informal labor processes are reproducible because of the existence of mechanisms that reproduce labor power.

Contribution

- 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.