

# PRIMITIVE ACCUMULATION, INFORMALITY AND PRECARIOUS WORK IN NEOLIBERAL INDIA : A REVIEW OF ARGUMENTS AND EVIDENCES

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The neoliberal theology asserts that unrestricted markets are the most efficient mechanism possible for allocating resources and optimising outcomes for national economies, organisations and individual workers. Consequent to the launch of economic reforms by the state of India grudgingly in 1980s and more earnestly in 1990s, the economic growth rate of the economy accelerated. But has the labour market of India witnessed any perceptible positive changes, a steady decline in informal employment and precarious work? Addressing these issues are the major objectives of this paper. The paper notes that primitive accumulation has closely associated India's rapid growth and India's rising power status in the post reforms era has been inextricably linked to highly informal and precarious intensive work regimes. The paper concludes by suggesting that ending precarious nature of employment and ensuring decent work for all the workers has become more imperative than bringing flexibility in the labour market by amending labour laws.

**Key Words:** *India, Neoliberalism, Informalisation, Primitive Accumulation, Precarious Work, Global Production Networks*

## INTRODUCTION

The neoliberal theology asserts that a higher and sustained economic growth should be the state goal and condemns state intervention in any economic activities. It asserts that unrestricted markets are the most efficient mechanism possible for allocating resources and optimising outcomes for national economies, organisations and individual workers. Therefore, this ideology presses the state to limit regulation, remove constraints on the flow of goods and money, privatize state functions, dismantle structures associated with collective bargaining, argues for the replacement of public enterprises with private enterprises, and transforming the public institutions on the lines of businesslike structures and strategies. This ideology envisages that a liberal regime by 'crowding in' private investment creates gainful employment opportunities to the labour force of the state (Friedman, 1977; Zaghera, 1999; Fourcade and Healey, 2007, p. 286; Cooper and Ellem, 2008).

Taking a cue from Adam Smith that a free market is incompatible with unfree labour, numerous neoliberalists argue that the feudalistic or semi-feudalistic mode of production will vanish from the state once the neoliberalism set its foot firmly in the state, because 'precarious work' including 'forced labour' is incompatible under neoliberalism. In a neoliberal state, employers would supersede unfree workers with free workers and the workers will be rewarded in proportion to their marginal productivity (see Brass, 2008; 2013).

Since 1970, the three pillars on which the neoliberalism is grounded-supremacy of the market,

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an open economy and minimalist state intervention representing both an ideological position and endorsing economic individualism-has almost swayed almost all the erstwhile socialist economic policy leaning countries and India is no exception, though making of India as a neoliberal state began rather late compared to China and the other east-Asian countries. Indian policy makers, grudgingly started unleashing reform measures beginning 1980, but in the true sense reforms measures began earnestly after 1991. However, sooner, by mid-1990 the state of India embraced almost all the features of a neoliberal state like the rest of the erstwhile neoliberal state in the world (Kohli, 2006; Bhagwati and Panagariya, 2013).

But does it mean that with the radical overhauling in India's economic structure, the immiserization of the working class came to the halt? Has primitive accumulation, a by-product of neoliberalism not started to raise its ugly head in India's neoliberal reforms era? Has there been a drastic decline in the work of precarious nature in the economy in the ongoing attempts at radical transformation of Indian economy? This paper tries to address these issues by drawing evidences from large official socio-economic surveys and empirical micro socio-economic studies in the post-reforms era in India.

The whole article is divided into five sections. Following the introduction in Section I, Section II sheds light on the interlinkage between neoliberalism, primitive accumulation and precarious work, which forms the context of this paper. Section III provides the emergence of primitive accumulation in neoliberal India as revealed by different National Sample Survey Organisation (NSSO) rounds data. Section IV shows evidences of continuation, without any abatement in precarious work drawn from various ethnographic studies across India. Finally, section V concludes the article.

### **Informality, Precarious Work and Neoliberal State**

In any society the livelihood of different groups of people is crucially determined by (a) who possesses effective control over productive resources, and (b) what happens to the output created with these resources. The productive resources, such as land, variable inputs, instruments of production and machines are referred to as the means of production. Control over the means of production and what happens to the output are inextricably linked. The Marxian notion which describes the link and places it in a social context forms the social relations of production. An extension of the concept of the social relation of productions is the 'mode of production'. In addition to social relations of production, it encompasses the characteristic technological development of the system called as the 'forces of production' and the various legal, institutional, and cultural forms which forms the 'superstructure' which regulate its operation. Social labour underlies the concept of social reproduction. It is the outcome of production relations between people which enables a society to renew itself in all its various dimensions over time. It includes production of the means of production, production of subsistence, and also production of labour (Ellis, 1993, p.47).

Social reproduction may be of two kinds: (a) simple reproduction and (b) expanded reproduction. In simple reproduction, social labour produces just enough to ensure that the society keeps ticking over at the same material level year after year. It means this 'just' enough must be sufficient to enable production to continue at the recurrent level. Expanded reproduction, on the other hand, requires that society produces more than that is strictly required to maintain it in the same conditions in successive time periods. The difference between this extra production and the level needed for simple reproduction provide the 'surplus' (ibid.).

The production of a 'surplus' over and above recurrent needs is a prerequisite for society to experience rising output and standards of living. However, it does not on its own guarantee rising

output and standards of living and this is where the class structure of society becomes important. A 'mode of surplus extraction refers' to the specific way in which unpaid labour is extracted from the producers and appropriated by the dominant classes (Sehgal, 2005). The aim of the capitalist class is to expropriate surpluses. For Marx (1990, p.799) "Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, the torment of labour, slavery, ignorance, brutalization and moral degradation at the opposite pole, i.e., on the side of the class that produces its own product as capital"

Among various means, one way through which this surplus can be extracted is through 'primitive accumulation'. For Marx, it is the 'historical process of divorcing the producer from the means of production', transforming the social 'means of subsistence and of production into capital' and the 'immediate producers into wage labourers' (Marx, 1990, p.714). For instance, the removal of agricultural producers and the artisanal labour from the countryside and making them a part of capitalist production relations are central to primitive accumulation (Banajee, 2003).

The neo-Marxists: McMichael (1977), and Sanyal (2007), believe that that the neoliberalism, in fact, is the manifestation of capitalism. For them proletarianisation is only one aspect of the primitive accumulation. The proletarianisation will not continue until the whole labour force is deproletarianised. In certain contexts capitalists seemed to prefer and benefit from those measures that prevented full proletarianization of the labour force, since this prevented capitalists from having to pay for the full costs of the social reproduction of labour (Wallerstein, 1979: 147-148). In other contexts, capitalists can benefit from maintaining a large non-proletarianized labour force that contributes indirectly to capitalists' ability to formally exploit wage labour, a project that may confront the attempt of workers to gain greater access to paid, proletarianized labour. Capitalism is based as much on the maintenance of non-proletarian and semi-proletarian labour as on the production of proletarian labour. Discipline under capitalism is imposed on the workforce through the 'threat of the sack', which however would cease to have any effect in a full employment economy. "It is only because unemployment exists, and entails deprivation, that the 'sack' retains its punitive character" (Glassman, 2006).

Thus, in effect, the process of substituting skilled and formally employed workers with informal workers, maintaining a reserve army of labour, and curtailment in workers' rights are the tools of primitive accumulation. Modern industry's whole form of motion therefore depends on the constant transformation of a part of the working population into unemployed or semi-employed 'hands', and often these unemployed workers are pitted against the active labour force by the capitalists to depress the rate of wages and thereby to increase their surplus value. The capitalist replace skilled, more costly and the organised workers already established in the labour process with less skilled, cheaper and unorganised ones; which enables producers to exert a downward pressure on the pay, conditions and living standards of the proletariat in order to augment higher profit (Standing, 2014).

Also precarious work is not only a feature of the pre-capitalist mode of production. The capitalist mode of production too also requires this feature to derive the surplus profit. In general, precarious work refers to the work of that nature which has the characteristics as deterioration in occupational health and safety standards, limited access to labour standards, lack of recognition as a worker and absence of the qualities of 'decent work' (Standing, 2011; 2014). In defiance of the neoliberalists' argument that in the capitalist mode of production all forms of traditional structures and dependency relations would disappear and employers would supersede unfree working arrangements with free working arrangements, the neo-Marxists see little reason to suppose that capitalists would wish to dispose of all formally non-capitalist processes of production. Capitalism is fully compatible with precarious nature of work in which forced labour is embedded, although the nature of precarious

work may subtly change in the capitalist mode of production. The capitalists in order to accumulate and expropriate 'surplus' from the working class in a rather faster and easier way will resort to using any of the features of pre-capitalist modes of production that accumulate 'surplus' for them (Rao, 1999; Banajee, 2003; Brass, 2008, 2011).

It is always not necessary for the capitalists of the North (the developed economies) to conquer the territory of the Global South (the less developed economies) for the maintenance of capitalist accumulation. A capitalist of the North can achieve this through 'global commodity chains' or 'global production networks' which contribute to 'social imperialism' and 'hyper-exploitation' of workers of the South (the less developed countries). Through this mechanism, the capitalists of the North can exert positive effects for the development of capitalism in the core of the global economy and negative effects in the periphery (the Global South or the developing nations). Thus, through this process, the capitalist firm of the North can derive exorbitant surplus from the small peasant firm or a household unit by connecting them with big ones in global commodity chains, an arrangement described as typical of capitalist manufacture (Barrientos et al, 2013; Nathan and Sarkar, 2013).

### Growth and Primitive Accumulation

Since early 1990, the 'Nehruvian import-substituting, socialist and autarchic model of development' is being replaced with a neoliberal model of development in India. The impact of neoliberal reforms process can be gauged from the fact that the share of public investment which averaged around 12 per cent in the beginning of 1980s came down to close to 9 per cent in 2012. Over the same period the share of household sector steadily increased from 8 per cent to 13.6 per cent, while the share of the private sector, a miniscule 5.2 per cent in 1980s increased to 14.3 per cent in 2012. In addition, the inflow of foreign direct investment in India's economy increased from almost zero to over two per cent of GDP during the aforesaid time period. The impact of economic reforms on India's economy can also be gauged from the fact that India's trade intensity (a ratio of sum of the exports and imports to GDP) which was hovering around 13 per cent in 1980s progressively increased to 42 per cent by 2011-12 (Giri and Sinha, 2014).

**Table 1 : Growth in India's GDP at Factor Cost at 2004-05 Prices (in %)**

Sectors	1983-84 to 1993-94	1993-94 to 1999-00	1999-00 to 2004-05	2004-05 to 2011-12	1993-94 to 2011-12
1. Agriculture & allied	2.76	3.31	1.58	3.91	3.06
2. Industry	5.48	6.94	5.62	8.00	6.98
2.1 Mining & Quarrying	6.14	5.37	4.6	3.51	4.43
2.2 Manufacturing	4.94	7.27	6.01	8.9	7.55
2.3 Electricity, gas & water supply	8.7	6.95	4.25	6.72	6.10
3. Services	6.40	8.35	7.35	9.80	8.63
3.1 Construction	4.88	6.36	9.35	8.78	8.12
3.2 Trade, hotels , transport & Communications	5.72	9.6	8.86	10.24	9.64
3.3 Financing, real estate and business services	9.07	7.72	6.78	11.71	8.99
3.4 Community, social & personal services	5.86	8.18	4.58	7.27	6.82
GDP at factor cost	4.98	6.69	5.75	8.45	7.11

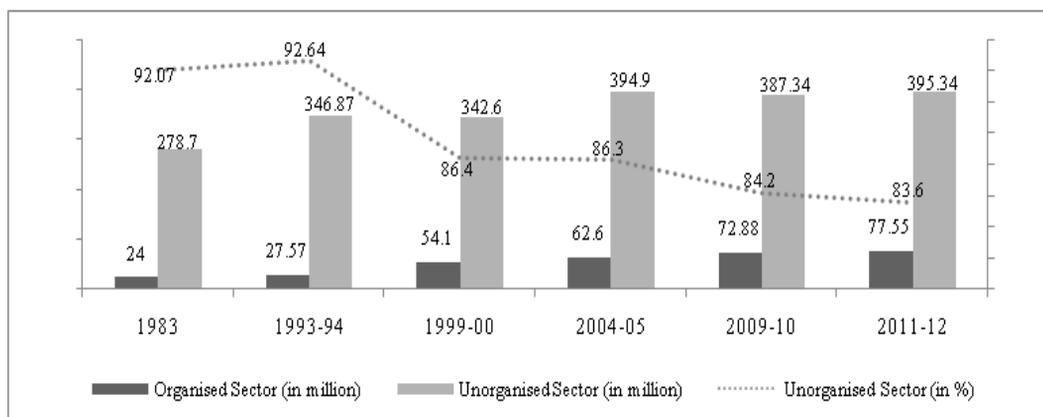
Source : Authors calculations based on Reserve Bank of India Database

On whole, the growth rate of India's economy in the post-reforms period surpassed the growth rate witnessed by the economy during the pre-reforms period. As a matter of fact, in each successive period in the post-reforms period, excepting the period 1999 to 2004-05, the growth rate of India's economy accelerated (Table 1). India not only shed the image of the 'Hindu rate' of growth but also emerged as the fastest growing economies in the world second only to China. But has primitive accumulation not become a feature of neoliberal growth process in India's economy?

Employment in India's labour market is dualistic innature. By and large, it is 'only' the organised sector (the organised sector is statistically defined by the Factories Act (1948) which covers all factories employing up to 10 workers using electricity, or 20 or more without using electricity) which assures 'decent' formal employment to the workforce, guaranteeing security of employment and other social security benefits. The unorganised sector provides only informal employment bereft of any social security benefits with large decent work deficits.

The unorganised sector workforce after witnessing an increasing trend from 1983 to 1993-94 started declining afterwards. From close to 92.6 per cent in 1993-94 the share of workforce in the unorganised sector declined to 83.6 per cent in 2011-12. But in absolute terms, the unorganised sector workforce has increased by 48.5 million from 1993-94 to 2011-12. However, the increase in the unorganised sector workforce has occurred at a decelerating pace in the post-reforms period relative to the socialist period (see Figure 1).

**Figure 1 : Workers in Organised and Unorganised Sector**



Source: Authors calculations based on NSSO Unit level data

During 1983 to 1993-94, the unorganised sector workforce increased at a compound annual growth rate (CAGR) of over 2.2 per cent per annum, whereas in the post reforms period it has increased at a CAGR of only 0.7 per cent per annum. Also, in the post reforms era there has been almost three fold increase in the share of organised sector workers. The organised sector workforce increased from a mere 27.5 million in 1993-94 to over 77.5 million by 2011-12

However before reaching to the conclusion that the trends shown by the Indian labour market in the post neoliberal era are very much consistent with the neoliberal arguments, we have to see the ratio of the informally employed workers to the formally employed workers in the organised and the unorganised sectors, because despite working in the organised sector, a large chunk of the workers are employed informally.

In the post-reforms era until 1999-00, close to 62 per cent of the workers in the organised sector were formally employed. That is, despite possessing same skills and working on the same shop floor along with the formally employed workers, 38 per cent of the informally employed workers were not the employees of the enterprise in which they work. Either they were casually employed or they were hired through a third party-labour contractor.

**Table 2 : Workers in Formal and Informal Employment in Organised and Unorganised Sectors**

Year	Sector	Informal Employment		Formal Employment		Total Employment	
		(in million)	(in %)	(in million)	(in %)	(in million)	(in %)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1999-00		341.30	99.62	1.40	0.41	342.60	86.34
	Organised	20.50	37.89	33.70	62.29	54.10	13.63
	Total	361.70	91.15	35.00	8.82	396.80	100.00
2004-05		393.50	99.65	1.40	0.35	394.90	86.32
	Organised	29.10	46.49	33.40	53.35	62.60	13.68
	Total	422.60	92.37	34.90	7.63	457.50	100.00
2011-12		393.36	99.50	1.98	0.50	395.34	83.61
	Organised	44.82	57.83	32.70	42.19	77.50	16.39
	Total	438.18	92.66	34.70	7.34	472.90	100.00

Source : Authors calculations based on NSSO rounds (Unit level data)

After 1999-00, there has been a steady decline in the share of formally employed workers in the organised sector. In 1999-00, close to 33.7 million persons amounting to 62.3 per cent of India's workforce were formally employed in the organised sector which has steadily declined to 32.7 million persons amounting to a little over 42 per cent of the workforce by 2011-12 (see Table 2, col. 5 and 6). Ironically, when the economy of India grew at a rapid pace from 2004-05 to 2009-10, informal employment in the organised sector also gained pace, increasing from 46.4 per cent in 2004-05 to about 57.8 per cent in 2009-10.

Putting together both the workers in the organised and the unorganised sectors, one could notice that there has been no change in the percentage of workers employed informally in the post-reforms era compared to the pre-reforms era (see Table 2, col. 4). Close to 92.66 per cent of the workers were employed informally in both the organised and the unorganised sectors in 2011-12 which is similar to the total percentage of workers employed informally during the pre-reforms era.

The increase in the incidence of unemployment rate in India's economy since 1983 further verifies the occurrence of primitive accumulation in the economy (see Table 3). The unemployment rate of the female labour force has steadily increased from a mere 1.2 per cent in 1983 to 2.4 per cent by 2011-12, thereby raising the reserve army of female labour from 1.1 million in 1993-94 to more than 3.2 million by 2011-12. Compared to pre-reforms period 1983, in 2011-12 close to three times more female labour force are unemployed. The rise in unemployment figures clearly belies the U-shaped feminisation theory proposed by many a neoliberalist (Rangarajan et al, 2011; Thomas, 2012).

**Table 3 : Labour force (LF) , Workforce (WF) and Unemployment Rate (UR) by UPSS Status**

Year	Male			Female			Persons		
	LF (%)	WR (%)	UR (%)	LF (%)	WR (%)	UR (%)	LF (%)	WR (%)	UR (%)
1983	55.1	53.9	2.3	30	29.6	1.2	42.9	42.1	1.9
1993-94	55.6	54.5	2.1	29	28.6	1.5	42.8	42	1.9
1999-00	54.06	52.74	2.45	26.02	25.58	1.67	40.54	39.63	2.13
2004-05	55.9	54.7	2.2	29.4	28.7	2.6	43	42	2.3
2011-12	55.6	54.4	2.1	22.5	21.9	2.4	39.5	38.6	2.2
Estimated Numbers (in million)									
1983	203.4	200.6	4.9	103.1	102.8	1.1	306.5	303.4	6.1
1993-94	256.3	252.3	5.4	123.3	121.9	2.1	379.6	374.2	7.5
1999-00	279.5	274	6.9	125.4	123.9	2.1	404.9	397.9	9.1
2004-05	314.7	309.3	7.2	151.9	148.6	4.1	466.6	457.9	11.3
2011-12	351.3	343.8	7.6	132.4	129.1	3.2	483.7	472.9	10.8

Source: Authors' Estimation based on various NSSO's rounds (unit level data)

The male unemployment rate has also constantly inched upwards. In the year 2011-12, close to 11 million male labour forces were between jobs compared to 4.9 million in 1983. This clearly shows that the Indian economy is not only facing an enormous employment generation challenge in the post reforms period but also failed to reap the 'demographic dividend' from its world's largest and youngest labour force.

The alternative way to observe the primitive accumulation in India's economy is by looking at the magnitude of self-employed, regular/salaried and the casual workers. Both self-employed workers and the casual workers are informally employed. These jobs are primarily a survival mechanism rather than productive work with decent work and progressively rising income levels. These categories of workers are mainly marginal farmers, homeworkers working through putting-out system, street vendors and other street service provider in survival-level jobs (Harris-White, 2014). In the post-reforms era there has been a marginal decline in the category of self-employed workers in both absolute and relative terms, especially after 2004-05. But, of the 11.5 million workers who shunned self-employment from 2004-05 to 2011-12, only about 2.7 million, could join as a regular/salaried workers and the remaining had to contend with the work of casual nature having no security of work, as between the period 2004-05 and 2011-12, the strength of casual labour increased by over 11.7 million in the Indian economy (see Table 4).

The expectation that such self-employed and casually employed people with limited asset base and with limited markets for their products would get into regular wage and salaried jobs has been belied in the post-reforms period.

**Table 4 : Categories of Workers (in million) and (in percentages) in UPSS Status**

Sectors	1983		1993-94		1999-00		2004-05		2009-10		2011-12	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Self-Employed	174.05	57.5	204.8	54.7	209.3	52.6	258.4	56.4	232.7	50.7	246.85	52.2
Regular/Salaried employee	40.86	13.5	49.43	13.2	58.2	14.6	69.7	15.2	75.1	16.4	84.65	17.9
Casual Labour	87.78	29	119.8	32	130.3	32.8	129.7	28.3	151.3	32.9	141.4	29.9

Source: Authors Estimates from various NSSO employment and unemployment rounds

Ironically, it is not only in the private sector casual employment has increased, but almost all the provincial as well as the union governments of India have also followed the footsteps of the private capitalists. Since 1991, there has been a drastic decline in permanent jobs and increase in informal and jobs of contractual nature in the public sector. All these developments in India's labour market is occurring despite so called strict labour laws and regulatory mechanism in place to curb such practices and safeguarding the interest of the workers. But in real sense both the private capitalists and the public sector enterprises have made all the labour laws defunct, as they have been hiring and firing workers according to their requirements.

In addition, in the post-reforms period, there appears to have been serious erosion in the workers' rights. Trade unions have been on the defensive, labour militancy have given way to employer militancy which manifests in the significant increase in the incidence of lockouts and a decline in the incidence of strikes (Sundar, 2011; Sood et al, 2014). A steady increase in the share of profit compare to the wage's share in total output in India's economy since 1990 (Sood et al, 2014; Nathan and Sarkar, 2014), further validates the neo-Marxists arguments that primitive accumulation in India has been continuing unabated. These developments also provide the evidence that informalisation and immiserisation process of workers in India's economy has been not occurring because of the natural market forces but because of the deliberate attempt of the capitalists, which has been enjoying the full support of the state.

### **Precarious Work in Neoliberal India**

The other arguments of the neoliberals are that with the opening up of the economy, the poor and vulnerable workers in global economic activity will be associated with improved working conditions and improved socio-economic circumstances primarily from the rise in their real wages based on Heckscher-Ohlin-Samuelsan framework. The anti-neoliberalists critics do often look at the other side of this argument and opined that the participation of poor and vulnerable workforce into such relations of production will function as a mechanism for producing and reproducing poverty and vulnerability, as they are integrated into exploitative and precarious forms of work with few possibilities for accumulation or the achievement of security which has been captured in the concept of 'adverse incorporation' which central insight is that poverty results not only from conditions of exclusion from labour markets but rather from the adverse terms on which vast numbers of workers are incorporated into them (Philips, 2013). It means that in a circular dynamic economy, chronic poverty enhances vulnerability to labour exploitation, and these forms of exploitation themselves act to produce and reproduce chronic poverty. The key point is that these adverse terms of incorporation are foundational to processes of economic accumulation across the global economy.

In the neoliberal phase of India's economy, the state of India has become the producer of the labour intensive goods along with the other south Asian countries. But, despite establishing any manufacturing base in India, they started making the household units as their outside production units. The household units have been integrated with the capricious cycles of global capitalism. These household units have been made as one of the 'nodes' in the global production networks by many a multinational enterprise headquartered in the developed countries of the North by linking these household units in the global production networks (GPNs) (Posthuma and Nathan, 2010). The geographical mobility and lack of industrial background of these workers are relevant assets for the contractors and the exporters. Production in a GPN not only ensures cost minimisation, but also minimal risks of unionisation (Kaplinsky, 2000; Gereffi et al, 2005).

These forms of adverse incorporation are a new variant of the age old concept of semi-feudal mode of production prevalent (still it is) in the economy of India. Usurious capital and debt plays a key role in such relations of production. The semi-servile state of the workers did not arise because of the lower productivity of the workers but because of the low wages/earnings of the workers which necessitates loans at the onerous terms by the workers from their employers which are possibly never repaid and ultimately the workers' pay back in labour services. This mechanism of perpetual debt bondage drastically reduced the freedom of labour to participate in the institutions of wage-labour. In such a situation, large parts of the surplus product of the direct producers are appropriated as direct 'labour services' which is nothing but a Marxian mode of surplus extraction through unequal exchange.

The relations of production between the producers and the workers in such arrangements are very much embedded within a social structure organised in terms of class, religion, caste and gender and also space. On the one hand, value is produced within the GPN but the distribution of the value is largely skewed in favour of the lead firm and the middlemen. The lead firms capture most of the surplus profits or rents within the GPN, the middlemen or the contractors receive commission and other benefits by imposing various forms of coercion on the laboring class. The lead firm is discharged of any obligation towards labour, which is not 'his'. Given the ease of entry into this segment of work, the wages are driven down to the minimum, to the cost of production of labour or even lower.

Many well documented studies point to the fact that in neoliberal India the multinational enterprises are reaping enormous profits and rents through unequal exchange by sub-contracting their work through a middleman to these household enterprises located in peri-urban and remote rural districts. In fact, all the major players- Walmart, Tesco, Marks and Spencer, Van Heusen, Tommy Hilfiger, Nike and Adidas- are getting their products manufactured done through this process. It is estimated that more than half of the workers working in the home based units are women and children working on a piece-rate basis, characterised by an irregular and precarious pattern of employment and various forms of manipulation and exploitation by contractors or agents (Mezzadri, 2010; 2014; Carswell and De Neve, 2013; Philips et al, 2014).

Mehta and Sherry (2009) found rampant exploitation of child labour in the Zardosi industry economically and physically. The migrant adult and the child workers are given the wage rate far lower than the natives. Rustagi (2009) in a survey of 1981 households across the four states of Andhra Pradesh, Bihar, Chattisgarh and Rajasthan found that of the total children in the household units, 33 per cent undertook more than 21 hours of work in a week which is in clear violation of ILO's convention which has set the global standards of child labour as two hours per day. Bhaskaran et al (2010) household survey in the national capital region of Delhi in the garment segments indicated that, of the 201 'home-base' households sampled, 68.82 per cent reported some form of child labour.

Wendy and Olsen (2012) reports employment of child labour in contract farming region in Andhra Pradesh. Mezzadri (2010) noticed that the migrant workers brought from the relatively poorer eastern states of India, eastern Uttar Pradesh, Bihar, West Bengal and Jharkhand, comprising both adult and children less than 14 years of age worked in a semi-servile state in the garment producing household units in GPNs in National Capital Region of Delhi. Lund-Thomsen et al (2012) observed similar work conditions prevailing in the football manufacturing chains in Jalandhar, Punjab.

Like the northern part of India, in south of India similar conditions prevails. The workers in the GPNs are recruited through labour contractors and majority of them work in some form of debt bondage. In the Tirupatigarment cluster and Coimbatore power looms, mechanism of sub-contracting, practice of consumption advances (a form of debt bondage) are being used by the contractors and the lead firms to restrict the workers mobility in GPNs (De Neve, 1999; Carswell and De Neve, 2013; 2014). In automobile production GPN too, the work conditions and labour relations are akin to the other informal enterprises. Work conditions and labour relations in this sector are as precarious and contractual which involves long hours of work with no minimum wages and freedom of association and severe labour rights violation as any other informal enterprises. Only a handful of workers enjoy security of work and decent work precarious. Ethnographic studies by Annavajhula and Pratap (2012a, b) depicts dismal picture of contractual and casually employed workers in the automobile producing regions across National Capital Region of India. International Commission for Labour Rights (ICLR), New York also paints similar picture of the working lives and labour relations in the automobile manufacturing companies in Chennai (Gopalakrishnan and Mirer, 2014).

In the plantation industry also, a colonial vestige, no perceptible change in labour relations has occurred in the post-reforms India. Casual and contractual workers are fast replacing permanent workers, economic exploitation of the workers continues unabated. The plantation workers working lives have become more precarious in the neoliberal era compared to the pre-reforms era, because of large scale retrenchment of the plantation workers (Mishra et al, 2011; Ghosh, 2014). It is not only the household units or the informal enterprises where precarious work prevails but also in all the other formal enterprises. As a matter of fact, even working in an organised sector too does not guarantee decent work for the workers. One of the manifestations of neoliberalism process in any country is the evolution of special economic zones (SEZs) as they are virtually left out of the state control. The government of India provides SEZs special status to boost exports and promote employment to the private entities. But Cross (2010) found that labour regimes in SEZs are rather exceptional and instead merely legalise exploitative informal relations. The working conditions of the informally employed workers and the labour relations in SEZs are as precarious as any other informal enterprise in India.

Most of these studies found that the mechanisms of social categorisation which mark out particular groups as available for incorporation into productive activity on adverse terms—that is, on terms which perpetuate, rather than alleviate, chronic poverty and vulnerability is central to neoliberal capitalism, as most of the workers have been from lower castes or disadvantaged groups. This shows that the modalities of surplus extraction in neoliberal India have been socially and culturally embedded.

On the one hand, the aforesaid studies shows that the labour relations in GPNs seems to be analogous to the attached labour system prevalent in the agriculture sector in India through which various 'tied' labour arrangements had been in order to maintain labour discipline and lower costs, while on the other many a study observes that the system of maintaining unfree labourer had almost vanished due to the commercialisation of agriculture and growth in non-farm employment

opportunities in rural areas in the post-reforms era (see Breman, 2001; Srivastava, 1999; Jha, 2004; Jodhka, 2012; Basak, 2011), though Harris-White, Mishra and Upadhyay (2009) and Brass (2013) maintain that this process has to be understood in terms of relational and not systemic change. In the course of restructuring the labour process, capitalist agriculturists have not only replaced permanent labour with temporary workers but also shifted the element of unfreedom, from long-term employment to casual/migrant job. Such agrarian transformation is a form of capitalist restructuring that corresponds to deproletarianisation.

## CONCLUDING DISCUSSION

The major objective of this paper is to review the development which has been occurring in India's labour market in the neoliberal state of India. The review shows that the ideas espoused by the neoliberalist are barely valid. Both macroeconomic scenario and micro-ethnographic studies cited above provides the evidence that despite faster economic growth in post reforms period compared to the pre-reforms period, there has been barely any improvement in the working lives of workers in Indian labour market.

In today's neoliberal scenario, employing informal and contractual workers have become more profitable compared to formal and regular workers. Though this process varies from the Marx's concept of primitive accumulation but fully adheres to the neo-Marxists approach of primitive accumulation. The capitalists in order to increase their surplus value have been restructuring the whole production structure in order to minimise cost. The steady rise in the informal employed workers and unemployment in the economy of India in the post-reforms period manifest such practices of the capitalists. The pitting of unemployed and informally employed workers against regular and formally employed workers to bid down their wages and labour rights and the rise in the level of profit and steady decline in the wages' share in gross value added ever since the initiation of reform process in the economy further corroborates the evidence of primitive accumulation in the economy.

In 'a race to the bottom' the global production network is restructured to create and harness a cheap, disposable, exploitable labour force. The capitalists of the Global North by delegating the actual production of the goods are not only reaping hyper profits but are also encouraging informality and precarious work in the economy. Debt is often used with the capital to separate the worker from the ownership of his labour power thereby preventing its subject from personally commodifying it and thus to acquire control over the labour power of a worker by a capitalist producer. With this process, the capitalists have resorted to process of introduction, reintroduction or the reproduction of labour that is unfree. The whole argument leads to the conclusion that India's rising power status in the post reforms era has been inextricably linked to highly informal and precarious intensive work regimes.

But paradoxically, the industrial lobbies ascribe the vagaries of labour laws, terming them 'rigid' and 'archaic', for capital intensification process, increase in informal employment, precarious work and slow growth in employment in the economy. A survey Arvind and Jha (2014) across north India on the above issue summarizes the views of the respondents (the employers) in these words, "A regulated labour market affects the ability and the willingness of the firms in creating jobs because the investors feel that he won't be able to shed the excess worker during the economic downturn without providing the government stipulated retrenchment benefits to the workers given the stringent labour laws in the state. Thus the retrenchment benefit accruing to workers becomes, in fact, potential hiring costs for the employers. Also any interference by collective institutions in the free working of labour market not only affects the freedom of employers to employ labour according to his needs but this action also prohibits the entry of the unemployed and underemployed workers

seeking jobs". According to Bhagwati and Panagariya (2013, pp. 111-124), the inflexible labour laws do not allow the industries to grow in scale and expand, and therefore the industries substitute labour with either machines or with the contractual workers.

The industry lobbies and the neoliberalists have been making demands for introducing flexibility in labour laws since 1991 as reforming labour laws also forms one of the constituents of 'Washington Consensus' (Sharma, 2006; Papola and Pais, 2007). The industry lobbies had have been vociferously demanding reforms in especially those labour laws which prohibit them to hire and fire workers as and when they want so that they could discipline labour in their organization. On the pretext of attracting better more foreign and domestic investment, the incumbent government has already started work on reforming labour laws. In fact, the Union Cabinet approved amendments to Factories Act, 1948; Apprenticeship Act (1961) and the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988 in September, 2014, three months after assuming power. The Rajasthan assembly went ahead and amended Factories Act (1948) by which this Act will be applicable only on those enterprises employing more than 20 workers using power and 40 workers not using power against the earlier 10 and 20 workers respectively. By amending the Contract Labour (Regulation and Abolition) Act, 1970, the state government has exempted those firms employing less than 50 workers from the purview of this Act. Further, the Industrial Disputes Act (1947) has exempted the employers from seeking government permission in retrenching workers employing upto 300 workers, raised from 100 workers. And by amending Trade Unions Act (1926), the state government has made it mandatory to have at least 30 per cent of the workers of the firm, earlier only 15 per cent of the workers were needed. The President of India gave his assent to these bills on November 9, 2014 (Business Standard, November 9, 2014).

What transpires from the (proposed) amendments to these labour laws is that both the union as well as state governments is trying to make the working class more vulnerable, in order to increase the productivity and efficiency, as the amendments in labour laws seem to be against the working class. The new labour laws will not increase informally employed workforce but there will also be a rise in precarious work. International experience too has shown that hardly any positive correlation exists between relaxing labour laws and increase in formal employment and labour standards. For instance, labour reforms in Mexico have led to increase in informal employment, curtailment in workers' rights and overall deterioration in the labour market. The working class has been made fully subservient to capital. Similar case was noticed in Brazil and other Latin American countries consequent to the labour reforms. Also, in all these states, the increase in the wage rate has increased only when the state intervened in the labour market by launching various public programmes (Galli and Kucera, 2004; Weber, 2008; Chang, 2009).

What is more important than the proposed amendments in the labour laws is framing of important laws and ensuring international labour standards practices to end the work of precarious nature from the economy of India, as more than 92 per cent of India's work force are devoid of any social security benefits and do work in inhuman conditions where unfreedom of the workers are maintained through various coercive and non-coercive means. Rather than bringing about 'flexibility' in India's labour market by amending in the labour laws, the government of the day should try to legislate on those issues which would create more productive jobs and pathways out of poverty. There should be laws in place which should ensure a decent work for all- ensuring a minimum level of job security, health and social protection to all workers, better and efficient labour administration machinery and simple and fast-responsive grievance redressal machinery, else there is little cause for optimism for India's labouring class in the post labour-reforms period.

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