Ernesto Noronha · Premilla D'Cruz

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Critical Perspectives on Work and Employment in Globalizing India

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Ernesto Noronha
Organizational Behaviour (OB)
Indian Institute of Management Ahmedabad
Ahmedabad, Gujarat
India

Premilla D'Cruz
Organizational Behaviour (OB)
Indian Institute of Management Ahmedabad
Ahmedabad, Gujarat
India

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In memory of Sharit Bhowmick, teacher and friend, who cheered us on in innumerable ways.

Acknowledgements

Contents

Editors and Contributors

About the Editors

Ernesto Noronha holds a Ph.D. in Social Sciences from the Tata Institute of Social Sciences, Mumbai, India. He is currently a professor of Organizational Behaviour at the Indian Institute of Management Ahmedabad, India, where he teaches macro-organizational behaviour, research methodology, and sociology of work and employment to postgraduate and doctoral students. His research interests include workplace ethnicity, technology and work, and labour and globalization. Professor Noronha has been awarded many multilateral and bilateral grants to study various aspects of employee experiences of work in India's offshoring and outsourcing sector, focusing on new and unexplored areas such as organizational control, diversity, telework and collectivization. He has been a visiting professor at the Industrial and Labour Relations (ILR) School, Cornell University, and at the Institute for Sociology, University of Vienna. Professor Noronha has presented invited talks as a visiting scholar at numerous European universities such as Strathclyde, Portsmouth, Bergen and Hamburg, in addition to the keynote address at the 2010 Work, Employment and Society (WES) conference.

Premilla D'Cruz holds a Ph.D. in Social Sciences from the Tata Institute of Social Sciences, Mumbai, India. She is currently a professor of Organizational Behaviour at the Indian Institute of Management Ahmedabad, India, where she teaches micro-organizational behaviour and workplace creativity to postgraduate and doctoral students and industry practitioners. Professor D'Cruz's research interests include workplace bullying, emotions at work, self and identity, organizational control, and information and communication technologies (ICTs) and organizations. Her studies on workplace bullying in the Indian context have been pioneering both in terms of geographical location and substantive issues. Professor D'Cruz has been a visiting scholar at various European and Australian universities and has received several multilateral and bilateral research grants. She is currently the President of the International Association on Workplace Bullying and Harassment (IAWBH), having earlier served as Secretary (2010–2016) and Special Interest Groups Coordinator (2008–2010).

Contributors

Vidu Badigannavar Aston University, Birmingham, UK

Tom Barnes Institute for Religion, Politics and Society, Australian Catholic University, Melbourne, Australia

David Beale Manchester Business School, University of Manchester, Manchester, UK

Niels Beerepoot Amsterdam Institute for Social Science Research, University of Amsterdam, Amsterdam, The Netherlands

Premilla D'Cruz Indian Institute of Management Ahmedabad, Ahmedabad, India

Patrick Feuerstein Institute of Sociology, University of Goettingen, Goettingen, Germany

Barbara Harriss-White Oxford University, Oxford, UK

Randhir Kumar Tata Institute of Social Sciences, Hyderabad, India

Slawek Magala Department of Organization and Personnel Management, Rotterdam School of Management, Rotterdam, The Netherlands

Nicole Mayer-Ahuja Institute of Sociology, University of Goettingen, Goettingen, Germany

Ernesto Noronha Indian Institute of Management Ahmedabad, Ahmedabad, India

Amrita Pande Department of Sociology, University of Cape Town, Rondebosch, South Africa

Babu P. Remesh School of Development Studies, Ambedkar University Delhi, Delhi, India

Supriya Routh Faculty of Law, University of Victoria, Victoria, Canada

Chandrima Roy Department of Human Resource Management, University of Strathclyde, Glasgow, UK

Dora Scholarios Department of Human Resource Management, University of Strathclyde, Glasgow, UK

Sukhpal Singh Centre for Management in Agriculture, Indian Institute of Management Ahmedabad, Ahmedabad, India

Phil Taylor Department of Human Resource Management, University of Strathclyde, Glasgow, UK

Colin C. Williams Sheffield University Management School, University of Sheffield, Sheffield, UK

Abbreviations

A&F	Accounting and Finance
AHT	Average Handling Time
AICTE	All Indian Council for Technical Education
AITUC	All India Trade Union Confederation
ASHA	Accredited Social Health Activist
BBC	British Broadcasting Corporation
BC	Better Cotton
BCI	Better Cotton Initiative
BE	Bachelor of Engineering
BJP	Bharatiya Janata Party
BMS	Bharatiya Mazdoor Sangh
BPL	Below Poverty Line
BPO/M	Business Process Outsourcing/Management
BSc	Bachelor of Science
CARA	Central Adoption Resource Authority
CEE	Centre for Environment Education
CFTUI	Confederation of Free Trade Unions of India
CIE	Council of Indian Employers
CII	Confederation of Indian Industry
CITU	Confederation of Indian Trade Unions
CMIE	Centre for Monitoring the Indian Economy
CMMI	Capability Maturity Model Integration
CMR	Chennai Metropolitan Region
CPI	Communist Party of India
CPI-M	Communist Party of India—Marxist
CPO	Contract Production Organization
C-SEZ	Chakan Special Economic Zone
CSR	Corporate Social Responsibility
DA	Dearness Allowance
DFG	German Research Foundation

DM	Developer, Male
DtE	Down to Earth
EEO	Equal Employment Opportunity
EJF	Environmental Justice Foundation
EMI	Equated Monthly Installment
EPF	Employees' Provident Fund
ESI	Employees' State Insurance
FCR	First Call Resolution
FDI	Foreign Direct Investment
FIEU	Ford India Employees Union
FLA	Fair Labour Association
FLE	Front-Line Employee
FT	Fair Trade
FTE	Full-Time Equivalent
FTI	Fairtrade International
GATT	General Agreement on Tariffs and Trade
GCC	Global Commodity Chain
GDP	Gross Domestic Product
GM	Genetically Modified
GNI	Gross National Income
GNP	Gross National Product
GOI	Government of India
GPN	Global Production Network
GVC	Global Value Chain
GWN	Gurgaon Worker News
HDPS	High Density Planting System
HLO	Hired Labour Organization
HMIATS	Hyundai Motor India Anna Thozhilalar Sangam
HMIEU	Hyundai Motor India Employees Union
HMS	Hind Mazdoor Sabha
HR	Human Resource
HRM	Human Resource Management
HRO	Human Resource Outsourcing
HSMI	Honda Motorcycle and Scooter India
IBRD	International Bank for Reconstruction and Development (a.k.a. the World Bank)
ICDS	Integrated Child Development Scheme
ICT	Information and Communication Technology
ICTDs	Information and Communication Technologies and Devices
IDA	Industrial Disputes Act
IIT	Indian Institute of Technology
IJV	International Joint Venture
ILC	Indian Labour Conference
ILER	Indian Labour and Employment Report
ILO	International Labour Organization

IMF	International Monetary Fund
INTUC	Indian National Trade Union Congress
IP	Implementing Partner
IR	Industrial Relations
ISEC	Institute for Social and Economic Change
ISF	Indian Staffing Federation
ISO	International Organization for Standardization
IT	Information Technology
ITES	Information Technology Enabled Services
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
JCB	Colloquial (Brand) Name for a Mechanical Excavator/Digger
JCC	Joint Consultative Committee
Kg	Kilogramme
KKPKP	Kagad Kach Patra Kashtakari Panchayat
KPO	Knowledge Process Outsourcing
£	British Pound
LLR	Labour Law Reporter
MA	Master of Arts
MBA	Master of Business Administration
MF	Manager, Female
MLM	Middle Level Management
MM	Manager, Male
MMS	Majoor Mahajan Sangh
MNC	Multinational Corporation
MPC	Minimum Production Criterion
MRTU and PULP	Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act
MSI	Multi-stakeholder Initiative
MSME	Micro, Small and Medium Enterprises
MWSU	Maruti Suzuki Workers Unions
NACO	National AIDS Control Organization
NASSCOM	National Association of Software and Services Companies
NCEUS	National Commission for Enterprises in the Unorganized Sector
NCL	National Centre for Labour
NCR	National Capital Region
NDTV	New Delhi Television
NGO	Non-governmental Organization
NREGS	National Rural Employment Guarantee Scheme
NRHM	National Rural Health Mission
NRLM	National Rural Livelihoods Mission
NSS	National Sample Survey
NTUI	National Trade Union Initiative
OBC	Other Backward Class

OECD	Organization for Economic Cooperation and Development
OEM	Original Equipment Manufacturer
OICA	Organisation Internationale des Constructeurs d'Automobiles
OLM	Online Labour Market
OT	Overtime
PDF	(representative of) Personnel Department, Female
PDM	(representative of) Personnel Department, Male
PF	Provident Fund
PhD	Doctor of Philosophy
PMM	Project Manager, Male
PMO	Prime Minister's Office
PSS	People's Security Survey
PSU	Public Sector Unit
PTI	Press Trust of India
Qtl	Quintal
RMG	Ready-Made Garment
Rs.	Indian Rupees
RSBY	Rashtriya Swasthya Bima Yojna
SC	Scheduled Caste
SCOPE	Standing Conference on Public Enterprises
SEF	Software Engineer, Female
SEM	Software Engineer, Male
SEWA	Self-Employed Women's Association
SEZ	Special Economic Zone
SIAM	Society of Indian Automotive Manufacturers
SLA	Service-Level Agreement
SLC	Standing Labour Committee
SLM	Senior Level Management
SNCL	Second National Commission on Labour
SPO	Small Producer Organization
SPSS	Statistical Package for Social Sciences
ST	Scheduled Tribe
TLA	Textile Labour Association
TLF	Team Lead, Female
TLM	Team Lead, Male
TPS	Toyota Production System
TUC	Trades Union Congress
UCD	Uneven and Combined Development
UIDAI	Unique Identification Authority of India
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UPA	United Progressive Alliance
US$	US Dollar
USA/US	United States of America

UUHE	United Union of Hyundai Employees
VoC	Varieties of Capitalism
VRS	Voluntary Retirement Scheme
WEF	World Economic Forum
WTO	World Trade Organization
WWF	World Wide Fund for Nature

List of Figures

List of Tables

Chapter 1
The World of Work in Contemporary India: The Relevance of a Critical Lens

Ernesto Noronha and Premilla D'Cruz

Abstract Globalization has been normalized as a dominant ideology that extols the virtues of neoliberalism such as individualism, efficiency, competition and minimal state intervention through instruments of deregulation, liberalization and privatization. Transnational chains increasingly make markets, sets prices and determine the worldwide distribution of labour. This has radically altered the nature of work, the labour–capital relationship and the composition of the working class. Increasing transnationalization has contributed to a growing unevenness of labour standards and "a race to the bottom", posing a significant challenge to trade unions. Thus, given this context of the neoliberal project, critical perspectives have greater relevance now as compared to earlier, with the need to focus on attaining a more equitable resource distribution. Critical perspectives on work and employment call into question the established social order and are particularly pertinent to India. The "Make in India" programme has become the cornerstone for India's development plan. To achieve this, the Government of India has focused its efforts on attracting foreign direct investment (FDI) and facilitating the ease of doing business. However, the essential element of the "Make in India" vision is labour. Taking a critical view of these policy changes, it is clear that the "Make in India" programme is a low-road approach that seeks to revise labour laws and exempt industry from their ambit, resulting in the further informalization and precariousness of the Indian workforce. Terms such as "Make in India" and "*Shramev Jayate*" and issues related to the consolidation of labour laws, employment generation, trusting citizens and cooperative federalism are used by the government in a bid to camouflage ongoing complexities associated with India's workforce.

E. Noronha (✉) · P. D'Cruz
Indian Institute of Management Ahmedabad, Ahmedabad, India
e-mail: enoronha@iima.ac.in

1.1 The Business Context of Globalization

Globalization is often understood as an increase in interconnections or growing interdependence on a worldwide scale, with events in one part of the world instantly affecting what takes place at distant locales. This is aided by the transnational flow of capital, new technologies, information and migration across territorial boundaries. So deep-rooted is the phenomenon that it has been normalized as a dominant ideology that extols the virtues of neoliberalism such as individualism, efficiency, competition and minimal state intervention through instruments of deregulation, liberalization and privatization (Mittelman 2004). With the state having no power to control large global flows, capital collectively transcends it and penetrates national borders (Mittelman 2004). Transnational chains increasingly make markets, set prices and determine the worldwide distribution of labour (Novelli and Ferus-Camelo 2010). Globalization provides an ideological legitimization for the retreat of the state while granting control over the economy to private capital (Novelli and Ferus-Camelo 2010). As a result, many de jure governments lack de facto authority (Moore 2013). Not surprisingly then, integration into the global economy has become synonymous with the development of a number of newly industrializing countries which have expanded their industrial capabilities and export propensities allowing transnational corporations to outsource relatively standardized activities to lower-cost production locations worldwide (Anukoonwattaka 2011; Gereffi et al. 2001; Gereffi 2014). While lead firms, predominantly located in developed countries (including not only multinational manufacturers but also large-scale retailers and brand-name firms), drive investments and international outsourcing by coordinating a network of buyers and suppliers (Gereffi et al. 2001), production is increasingly conducted by workers located across the far reaches of global capitalism (Taylor 2008).

Though such dynamics may give rise to the notion that we live in a global village, the discrepancies between winners and losers dispute this assertion (Mittelman 2004). Neoliberalism has ushered in dramatic changes in the interactive forces of capital, state and civil society which include workers and unions (Novelli and Ferus-Camelo 2010). It has radically altered the nature of work, the labour–capital relationship and the composition of the working class (Cantin 2008; Novelli and Ferus-Camelo 2010) as manufacturers and retailers scour the planet for sites that house lowest cost production as well as places that are relatively freer from government regulation, environmental constraints and pressures of the labour movement (Taylor 2008). Increasing transnationalization has contributed to a growing unevenness of labour standards and "a race to the bottom", posing a significant challenge to the anti-sweatshop movement (Cantin 2008; Taylor 2008). The informalization of employment has become the norm, with serious implications

for working class organization (Novelli and Ferus-Camelo 2010). Trade unionism, welfare rights and wage levels are under assault. When workers organize, they are more likely to lose their jobs, as employers move factories to locations where unions are forbidden and labour is cheaper (Taylor 2008). Besides this, the global division of labour and power, characterized by large-scale flows of capital, technology and workers, has also facilitated the emergence of transnational cultural structures (Mittelman 2004). Some argue that the consequences may vary from cooperation, emulation, resemblance-stimulating convergence or homogenization to intensification of pre-existing competition (Moore 2013) while others hold that greater diversity is emerging in the form of new hybrids of the global and the local. There is an erosion of long-standing cultural systems and a rise of newly fused forms (Mittelman 2004). In the context of the neoliberal project, critical perspectives assume greater relevance, with the need to focus on attaining more equitable and ecologically sustainable resource distribution acquiring keener urgency (Alvesson et al. 2011; Frost 1980; Lincoln and Guba 2000).

1.2 Engaging Critical Perspectives

Critical perspectives on work and employment call into question the established social order, problematizing ongoing social reality in a bid to stimulate reflection on the relations of constraint and domination and to interrogate culturally mainstream and conformity-creating ideas and truths (Alvesson and Willmott 2011; Frost 1980; Steffy and Grimes 1986). Therefore, mainstream theory as well as the everyday practice of organization and management, instead of being progressive forces for emancipatory change, become reactionary means of conserving forms of exploitation and oppression, institutionalized by the status quo. There is, in this sense, good reason to introduce, develop and apply critical perspectives (Alvesson et al. 2011). Accordingly, critical studies proceed from the assumption that dominant theories and practices systematically favour some (elite) groups and/or interests at the expense of those who are disadvantaged by them; and that such systemic inequality or interest partiality is ultimately damaging for the emancipatory prospects of all groups (Alvesson et al. 2011; Frost 1980). Critical social research is oriented towards challenging rather than reproducing cultural traditions and conventions, opening up and showing tensions in language use rather than continuing its domination and encouraging productive dissensus rather than taking surface consensus as a given point of departure. The intention is, thereby, to contribute to emancipation—by stimulating reflection on and emotional working through, as well as cognitive rethinking of, reified ideas and identities (Alvesson and Willmott 2011; Frost 1980). Critical intellectuals obviously attempt to go against the meaning established by institutions such as the mass media and thence incorporated into cultural goods and made apparent in imaginary realms. Mass media projects can diminish the capacity to think independently and render individuals more susceptible to the language of global market relations. Thus, critical scholarship does more

than unmask normal knowledge. It constructs new knowledge of what exists and what ought to exist on the basis of transformed relations of power (Mittelman 2004). It pays attention to asymmetrical relations of power as well as taken-for-granted assumptions and beliefs. It investigates the arbitrary and rigid ways of dividing up and understanding social reality that are a product of cultural and linguistic convention but are seen as natural and unavoidable by people, who then unwittingly subordinate themselves to such schema and so unnecessarily limit how they lead their lives. Critical social science addresses and challenges the manner in which cultural traditions and powerful agents contribute to freezing or naturalizing social reality in ways that materially and/or symbolically favour certain sectional interests at the expense of others. Through critical analysis, static social realities are opened up for political consideration and transformation (Alvesson and Willmott 2011; Frost 1980).

The present volume serves as a systematic, scholarly and rigorous resource for this alternate view, taking up a critical lens to examine issues of work and employment in contemporary India. The chapters included in this book show that while work and employment fulfil vital functions, they simultaneously entail harmful elements that must be highlighted (Gabriel 2005). That is, work and employment settings are not necessarily benign but encompass contradictions (Alvesson and Willmott 2011). Examining them through a critical gaze rather than the framework of legitimacy allows marginalized and alternative voices to emerge, deepening understanding and facilitating "a more considered view" of established perspectives (Alvesson and Willmott 2011, p. xxi). In problematizing ongoing social reality differently, the critical angle offered by this volume questions the dominating discourse, placing it against a wider cultural, political and economic canvas (Thompson 2004). It purports to stimulate a search for solutions that involve unfreezing social realities, paving the way for emancipation from disenfranchisement and exploitation (Fleming and Spicer 2003). To this end, the book coheres with international calls for human rights at work (ILO/International Labour Organization 2008).

1.3   Current Issues of Work and Employment in India

Though India has carved a space for itself as a world-class IT/information technology services hub, it remains a tiny participant in the global production networks (GPNs) of manufacturing industries. This heavy reliance on relatively skill-intensive service sectors has created somewhat limited prospects for employment growth in India. The subcontinent will need to develop the labour-intensive manufacturing sector as an average of 13 million people are expected to enter into the country's labour force annually for the next four decades (Anukoonwattaka 2011). Not surprisingly, the national manufacturing policies of the erstwhile UPA (United Progressive Alliance) government, repackaged by the current NDA (National Democratic Alliance) government into the "Make in India" programme, have

become the cornerstone for India's development plan. "Make in India" is a major national initiative designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure. To achieve this, the Government of India (GOI) holds that an essential element of the "Make in India" vision is labour. The phrase "*shramev jayate*" (hail labour) is given the same importance as "*satyamev jayate*" (the Indian national motto: hail truth) in the country's development. Accordingly, a "*shram yogi*" (labourer) is prodded to become a "*rashtra yogi*" (nationalist) and hence, a "*rashtra nirmaata*" (nation builder). The "*shramev jayate*" initiative is expected to create an opportunity for India to meet the global requirement of a skilled labour workforce in the years ahead (Prime Minister's Office/PMO 2014).

While realizing the importance of labour in the "Make in India" project, "the government argues that fewer laws mean better monitoring, easy compliance which benefit both industry and workers" (Nanda 2015a). As the government bids to consolidate and reduce the number of central laws, there is an attempt to either revise labour laws or exempt industry from their application. With regard to the reform of labour laws, the proposed draft code termed the Industrial Relations Bill 2015 endeavours to subsume 44 labour laws into five broad codes, dealing with industrial relations, wages, social security, industrial safety and welfare. According to the proposal, firms employing up to 300 workers would be permitted to retrench labour without prior government approval, as against the current threshold of 100 workers. In turn, labour would be given compensation for an average of 45 days worked in a year as against the current practice of 15 days, in case a factory closes down. Firms will also have to give a notice of three months to lay off workers or shut down a unit as against the prevailing one-month period. Further, the proposed provision in the draft code stipulates that 10% of workers shall apply (i.e. be the applicants) for registering a trade union. In cases where 10% of workers are less than seven, at least seven workers are required (to apply) for the purpose, and where the 10% of workers exceed one hundred, 100 workers shall be sufficient for registering the trade union (Labour Law Reporter/LLR 2015). Lastly, since employment is in the concurrent list of the Indian Constitution making the support of the states crucial, the central government has recently invoked the concept of cooperative federalism in order to secure a flexible labour market. For instance, the minimum wage determination for contract labour could be left to the discretion of the states as part of cooperative federalism (Livemint 2016). Besides this, the central government is directing the states to carry out a Rajasthan-type amendment in labour laws to presumably spur employment (Nanda 2014).

Besides attempting to revise labour laws, exemptions from them have provided market flexibility. To ensure the success of the "Make in India" mission, the Labour and Employment Ministry has initiated steps to relax labour-related compliance measures for micro, small and medium enterprises (MSMEs) and start-ups. The ministry has decided to exempt MSMEs and start-ups from inspections related to key labour laws such as the Contract Labour Act, the Employees' State Insurance Act, the Trade Union Act, the Employees' Provident Fund and Miscellaneous Provisions Act and the Industrial Disputes Act. Moreover, the proposed Small

Factories Bill lays down that 14 major labour laws will not apply to units employing up to 40 workers. Further, the central government has taken several initiatives to make the compliance system simpler by consolidating processes and relaxing labour inspection for start-ups. The government states that it must trust its citizens and, in keeping with this perspective, employers should be allowed self-certification (PMO 2014).

Adopting a critical view of the recent policy changes, it is clear that the present government has focused its efforts on attracting foreign direct investment (FDI) and ensuring the ease of doing business in India.[1] Though the Confederation of Indian Industry (CII) in partnership with KPMG recently released a 2014 report titled *Ease of Doing Business in India*, which clearly states that corruption, cost of finance, tax administration, economic and regulation policy, skill and education, access to land and custom and trade regulation are major hurdles (KPMG-CII 2014), the focus of the government is often solely on the revision of labour laws. Besides, the Indian government's initiative to induce job growth, with its "Make in India", Skill India and Start-up India campaigns, is facing rough weather, given that the advance in technology in all sectors of the economy—whether manufacturing, services or even knowledge industries—may, in fact, displace people from work. The future of global manufacturing is clearly robotics. The requirement of fewer workers implies thereby that manufacturing may never again be a job-creation engine and the huge pool of low-cost labour is no longer a competitive advantage in development (Mansharamani 2016). That is not all. The increasing use of robotics in manufacturing has led to a renewed "onshoring" of production and the manufacturing cost advantages here will likely tilt more favourably towards some developed economies and existing manufacturing hubs in emerging markets like China rather than new emerging ones like India and Indonesia (Chua 2016). Moreover, fragmentation and unbundling of global value chains (GVCs), which have been responsible for the growth of manufacturing in many low-cost countries and the burgeoning of world trade in goods, is slowing down (Constantinescu et al. 2015). In addition, the Economic Survey 2014–15 predicts a rather gloomy take on the "Make in India" programme, with the present skilled workforce in the subcontinent being only 2% (GOI 2015). Fragmented production is symbolized by global supply chains that divide the production process into discrete parts to be subcontracted to suppliers in different parts of the world resulting in informal employment. Most of these jobs are marked by poor productivity and non-standard contracts and housed in the unorganized sector, offering low incomes, little protection and no benefits. In fact, currently, employers are trying to legalize and expand the scope of contract labour, expediting the race to the bottom. Indeed, more than cooperative federalism, it is competitive federalism that is being encouraged as states vie with each other to attract investments (Nanda 2015b). The Indian government seems to have realized that initiating labour law reform at the level of the states is a much better option

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[1]Currently, India is ranked 134th among 189 countries on the World Bank's 2016 *Ease of Doing Business* index, much below Brazil, China and Russia (World Bank 2016).

than at the central level since the latter move serves to risk its own political position. Further, confrontations with unions are more likely to be isolated within states and sequential within and across states rather than united and simultaneous on an all-India basis, with the added advantage of employers and governments having the opportunity to develop their tactics at a federal level (Jenkins 2004). Undoubtedly, the use of terms such as "Make in India" and "*shramev jayate*" (hail labour) and the engagement of various discourses related to the consolidation of labour laws, employment generation, trusting citizens and cooperative federalism camouflage the ongoing complexities associated with India's workforce.

The chapters that constitute the present volume throw light on the multiple dimensions and nuanced dynamics of the foregoing debates. Sukhpal Singh (Chap. 2) argues that there are many issues in the cotton GPNs such as poor wages, labour conditions and gender aspects which call for attention. Even in situations of sustainability initiatives like Better Cotton (BC), organic cotton or fair trade cotton, the small farmer focus tends to dominate while concerns pertaining to wage workers are left unaddressed, or rather, perpetuated by GPN forces and strategies. At local levels, new patterns of farmer–labour interaction such as the use of migrant labour, piece-rate wages and the *bhagidaari* system across cotton regions has resulted in the exploitation of workers. Endorsing this stand, Tom Barnes (Chap. 3) underscores that far from playing a transformative role as was the case in Western Europe, the United States (USA) and Japan, the automotive industry in India has instead reproduced "low-road" employment relations based upon high-wage inequality and work contracts that rely excessively upon labour contractors. Critiquing the GPN framework from an uneven and combined development (UCD) perspective, Barnes's chapter contends that the answer lies in a combination of India's distinctive national and regional norms, social relations and institutions alongside global carmakers' governance practices. Chandrima Roy, Dora Scholarios and Phil Taylor (Chap. 4) claim that "low-road" strategies get accentuated during times of recession. Client-specific insistence on "operational excellence", which results in the implementation of lean methodologies, standardization and technology-based solutions in a ceaseless drive to constantly improve levels of efficiency, precipitates excessive pressures. An obsession with metrics linked to appraisals, rankings, underperformance and so on comes to dominate middle management practice. Clearly, employees report a remarkable intensification of work, manifested in excessive and often unachievable targets and extended working hours. Obviously, what might have appeared as temporary exigencies necessitated by the shock of the 2008 financial crisis have become enduring features of Indian BPO/M (business process outsourcing/management) work.

Not surprisingly, Babu Remesh (Chap. 5) maintains that the past few decades in India have witnessed a growing process of "informalization of work within the formal sector". The most alarming aspect of this trend is the process of informalization within the public/government sector, where both central and state governments are found to be increasing the share of unprotected workers in the total workforce. Disproportionate use of employees under project mode, employment of temporary workers on a continuous basis, outsourcing of non-core operations

to service providers and engagement of workers through placement agencies/intermediaries are the common practices adopted by state-run institutions. With all these transitions, the role of governments as promoters of decent and protected jobs in the organized sector is gradually waning as the state emulates other employers in the rat race for cost-cutting measures. This scenario, juxtaposed with the ongoing changes in the state's role (e.g. the thrust on "reforming" labour laws for enhancing labour flexibilities, reduced social sector spending and so on), suggests that there has been a double laxity on the part of the state both as an employer and as the ultimate regulator and promoter of decent employment. Confirming this, Barbara Harriss-White (Chap. 6) analyses the livelihoods and lifeworlds generated by liquid and solid waste in the circuits of capital of a small town in south India. Most waste material provides work that is hard, dangerous, stinking and oppressive. The state—the institutions of local government—finds the disposal of waste too costly to control and regulate. If private formal jobs are reclassified as informal on the grounds that most have incomplete entitlements, then for every formal municipal job, there must be 10–20 informal livelihoods, many of which are female and most of which are Dalit (untouchable/lowest castes) and tribal. The chapter concludes with reflections on income and social stigma in this sector. In the light of Remesh's and Harriss-White's contributions, it is not surprising that Colin Williams (Chap. 7) reasons that instead of classifying economies based on gross domestic product (GDP) or gross national income (GNI) per capita, nations should be classified based on the degree and intensity of employment in the informal economy. Such an approach would find India at the top of this new global league table, forcing reconsideration of the Asian Tiger tag. If India is to move away from its current position at the top of the league table of countries by their degree and intensity of informalization, the need to pursue wider economic and social policy measures associated with development and to ensure greater state intervention in the form of higher tax rates and social transfers to protect workers from poverty cannot be overemphasized. This sits in stark contrast to the remedies currently celebrated by the Asian tiger status which intimate that the higher performance of the country is due to its liberal market-oriented variety of capitalism.

Continuing with this trend of increasing informalization, Randhir Kumar and Niels Beerepoot (Chap. 8) assert that while international firms have contributed to upgrading service benchmarks, they refrain from interfering in local labour standards. Working for international client firms hardly leads to an improvement in income and job terms for low-end service workers. Workers engage in voluntary self-exploitation by clocking overtime to ensure that their ends meet. As Kumar and Beerepoot testify, beyond the generation of additional employment, low-end support service workers do not benefit from the rise of the ICT-ITES (information and communication technology-information technology-enabled services) sector. In more general terms, their findings confirm observations on the deepening economic and social inequality in the main urban areas in India. This divide is between the knowledge workers who gain from the new opportunities provided by globalization (as in the ICT-ITES sector) and those who remain entrenched in low-wage service jobs. In fact, Nicole Mayer-Ahuja and Patrick Feuerstein ask what the impediments

to an upgrading of information technology/IT-compatible skills in India are. They seek to address this question through empirical case studies in a German software company and its Indian subsidiary as well as in an Indian software company and its German subsidiary. Based on their data, Mayer-Ahuja and Feuerstein (Chap. 9) conclude that in the Indian IT industry, social upgrading is hindered by a complex interplay between state policies (with regard to higher education), corporate policies (with respect to skills, careers and employment) and, finally, the ways in which Indian IT workers plan and organize their (working) lives, thereby countering Friedman's (2005) assumption that the "world is flat", especially from the perspective of transnationally operating software firms. Indeed, even in online labour markets (OLMs), Premilla D'Cruz (Chap. 10) demonstrates that Indians working on crowd-sourced platforms add to the country's large and growing informal workforce. Though full-time freelancers report some sense of empowerment in terms of income, quality of life, long-term investments and upward mobility, career development, work–life balance, links with the West and platform checks and facilities, there are decent work deficits across the four hallmarks of full and productive employment, rights at work ensuring human dignity, social protection and social dialogue. D'Cruz points out that the effective pursuit of the decent work agenda on OLMs calls for counterhegemonic initiatives through global social movement unionism which reconciles labour differences across the North–South divide.

With regard to trade unions in India, Vidu Badigannavar (Chap. 11) argues that following the introduction of economic reforms, unions in India find themselves excluded from the political processes and institutions which shape the labour market policies of the state. It is suggested that labour management cooperation or social partnership will offer Indian trade unions a route to revive their fortunes. But Badigannavar shows that despite a favourable legislative framework which may support enterprise-level social partnership, the ground realities of workplace industrial relations characterized by increasing employer hostility towards unions render social partnership an ineffective route for trade union revival. His chapter suggests union mobilization as a more suitable alternative strategy to social partnership. Further, Supriya Routh (Chap. 12) underlines that while the concerns of deteriorating worker power arising from declining trade union membership and influence perturb industrial relations (IR) scholars, informal workers are innovatively organizing and generating worker power through unique initiatives. Routh elaborates that subtler sources of worker power have been gaining strength in India in what he terms as workers' aggregations. Here, unlike trade unions, power is not dependent per se on the numerical strength of the workers' organization but emanates from the diffused range of functions and relations that workers' aggregations undertake and sustain. Therefore, the future of successful and sustainable IR in India lies in taking cognizance of these organizations and their modus operandi while also recognizing the changing nature of bargaining (involving mainly the state) in economic relations. David Beale (Chap. 13) then holds that the formal/informal labour distinction, the ongoing demands for legal reform in favour of employers, the challenge of collective representation of informal workers, the

question and dilemmas of political party allegiances of trade unions, the significance of special economic zones (SEZs), the diverse pattern and periodic intensity of labour relations confrontation, the impact of central government policies and the ascendency of the BJP are crucial to future labour relations in the subcontinent.

The final chapters of this book capture emergent issues in work and employment in India. Amrita Pande (Chap. 14) analyses how global processes affect and get affected by the most intimate of relations—those around gender and reproduction—by unpacking the case of gestational commercial surrogacy. She highlights the fundamental paradoxical characteristic of commercial surrogacy which resonates with other forms of reproductive labour such as domestic work and sex work. On the one hand, commercial surrogacy becomes a powerful challenge to the age-old dichotomy constructed between production and reproduction. Women's reproductive capacities are valued and monetized outside of the so-called private sphere. But just as commercial surrogacy subverts these gendered dichotomies, it simultaneously upholds them. When reproducing bodies of women become the only source, requirement and product of a labour market and fertility becomes the only asset women can use to earn wages, women essentially get reduced to their reproductive capacities, ultimately reifying their historically constructed role in the gender division of labour.

Ernesto Noronha and Slawek Magala (Chap. 15) go on to tackle the issue of cultural homogenization due to globalization but not before criticizing Indian IT/ITES organizations for their contradictory claims. Indian organizations often portray their espousal of an "open" work culture including flatter and flexible structures, comparing this progressive organizational design with the rigid authoritarianism and hierarchy of traditional Indian workplaces. Yet, as Noronha and Magala highlight, even Indian IT/ITES firms operating in the Netherlands fail to truly internalize and enact Western industrialism. Instead, they continue to harbour and exemplify the typical features of Indian workplaces such as high power distance, politicized career progression paths and lack of transparency, reflecting a feudalistic outlook. Far from homogenizing and converging in the global business context, Indian organizations hold on to their ethos when it comes to dealing with Indian employees. Even so, discrepancies in the way in which Dutch and European employees are treated compared to their Indian colleagues debunk the notion of a complete export of the subcontinent's work culture to the onsite location. Rather than culture being static, then, this chapter specifies that the interaction of employees from different ethoses results in reformulating set values, meanings and norms.

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Theme 1
India's Place in Global Production Networks

Chapter 2
"White Gold" for Whom? A Study of Institutional Aspects of Work and Wages in Cotton GPNs in India

Sukhpal Singh

Abstract Global production networks (GPNs) are the norms in many sectors of developing economies like India. High-value crops like cotton are seen as candidates for exploitation of global market opportunities for these countries through their insertion into GPNs. But the understanding of the implications of this incorporation is extremely limited in terms of research and documentation, especially from waged farm worker perspective. It is argued in the GPN literature that GPNs can be vehicles for achieving primary producer and worker well-being, but it is important to recognize that at the same time, traditional pressures of costs and efficiency in competitive markets and poor institutional governance can also lead to a situation of "a race to the bottom" in labour standards in farms and factories. In this context, this chapter reviews the state of the art in the Indian cotton sector from a GPN perspective. It places the Indian cotton sector in a GPN framework, assesses the organization and functioning of the cotton GPN, through the lens of institutional theory, from a cotton farm worker perspective, based on secondary sources of data, literature and some insights from field studies. It finds that there are many issues in the cotton GPN like poor wages, labour conditions and gender aspects which call for attention, except in situations of sustainability initiatives like Better Cotton (BC), organic cotton or fair trade cotton. But even in such cases, it is the smallholder focus which tends to dominate while waged worker issues are left unattended or, rather, perpetuated by GPN dynamics and strategies.

Keywords India · Institutions · Cotton farm labour · Structural power · Associational power · Better Cotton

S. Singh (✉)
Centre for Management in Agriculture, Indian Institute of Management Ahmedabad, Ahmedabad, India
e-mail: sukhpal@iima.ac.in

2.1 Introduction

Cotton is an important high-value commercial crop across the world accounting for 40% of world textile fibre use, although raw cotton makes up only 10% of the final retail value of a garment (Nelson and Smith 2011). No other commodity helps us to understand global market dynamics as cotton does because it is located at the intersection of industrial, financial and agricultural relations of exchange and production connecting more than one billion people to each other through agriculture, trade and textile manufacturing (Caliskan 2010). Globally, cotton has the largest area under a single crop and is grown across 100 countries and traded by 150 countries, making it the world's most widely traded commodity. One-third of cotton production crosses national boundaries and gets consumed in a country other than its producer (Caliskan 2010). But cotton is also one of the most chemically toxic crops to grow as it consumes 25% of insecticides, 11% of pesticides and 8% of fertilizers globally, with just 2.5% crop area under it (Joshi Rai 2011; Nelson and Smith 2011).

Cotton is a politically sensitive commodity in most growing countries because of the role of the state and the trade regulations, besides its significance for the local livelihoods of small producers and farm workers, given high cotton production subsidies in 10 of the 11 largest cotton-producing countries (Nelson and Smith 2011). A hundred million farmers are involved in cotton production globally, 99% of them producing 75% of global cotton being located in the developing world, with two-thirds of them in India and China. Seventy percent of cotton production comes from four countries, i.e., China (30% of total), India, the USA, and Pakistan, and 70% of global fibre processing takes place in Asia (Jain 2010). India was the world's largest producer, second largest consumer (after China) as well as exporter of cotton in 2015 (Kumar et al. 2015), though its per capita fibre consumption remains one of the lowest at 3.5 (kg) per annum compared with global average of 10 kg (Jain 2010). India had the largest area under cotton (one-third of global) but only one-fifth of global production due to lower yields. Bt (genetically modified [GM]) cotton accounted for 95% of cotton area in 2011–12 (*Down to Earth/DtE* 2013). Most (78%) of the cotton produced in India is used domestically (Nelson and Smith 2011). India's textile industry is the second largest employer after agriculture involving 46.6 million people and 33 million directly; India is the second largest textile and readymade garments (RMGs) exporter after China accounting for 3.9% of global trade and 25% of garment exports (Osakwe 2009).

Despite a history of constant cotton crop failures year after year in India during the 1990s, cotton remains a crucial crop for 4.9% of India's farmers across 10 states due to its high-value commodity nature, assured minimum price by the state and lower irrigation requirement compared with paddy. Cotton is an important cash crop in India today and is only next to paddy and wheat in acreage accounting for 11.61 million hectares in 2010–11 (Joshi Rai 2011). The significance of cotton could be seen in the finding that a 10% increase in cotton prices reduced poverty ratio (proportion of people below poverty line [BPL]) to 4, 20% increase to 3% and 30% increase to 2% (Bedi and Cororaton 2008). Given its significance in farmer

and worker livelihoods in India, it is commonly called "White Gold" due to its high value in terms of gold price and also the profits for producers and traders due to the use of slave labour in its production during the period of slavery in the USA. But cotton farmers in India, in general, are not the poorest in their local communities, though they may suffer from many market imperfections and exploitation and may not get much of the value chain surplus. Only 12% cotton farmers were from BPL households as against 25% of all other farmers (ranging from 5% against 10% in the north and 13–15% against 17–21% in central/west region). In Punjab, one-third of the cotton farmers were into secondary/subsidiary occupations which was mostly dairying, though 55% had tractors, 45% motor bikes and 16% cars/jeeps. Further, 47% had mobile phones and 38% landlines, 58% had bank accounts and 61% had primary agricultural cooperative society (PACS) membership (Gill et al. 2010). Nonetheless, labour is a crucial input, and wages constitute an important cost in cotton production. Harvest costs often account for 50% of the total production costs of the cotton crop (Vatta and Sidhu 2015). Further, cotton workers are from the most marginalized communities in India economically and socially. Therefore, it is important to understand the dynamics of labour use and its implications for workers as stakeholders in cotton global production networks/GPNs.

There is growing interest in the institutional dimensions of GPNs/GVCs (global value chains) moving away from a focus on buyer driven-ness in chain governance to consideration of how a broader array of actors and institutions co-produce outcomes (Nelson and Tallontire 2014). But the GVC analysis has not paid adequate attention to the institutional context until recently (Lund-Thomsen and Lindgreen 2014), though some studies do recognize that "understanding the role of human agency in affecting change and transformation within such networks and the social and institutional context of such GPNs facilitates analysis of diverse influences that can affect production as a socially embedded process" (Barrientos and Smith 2007, pp. 716–717). Further, the GPN framework shows more spatial awareness concerning workers' lives than the GVC analysis as it takes into account more seriously their embeddedness in places which shapes their actions (Rainnie et al. 2013). The corporate social responsibility (CSR) literature has largely neglected the role of institutions and it is more tightly linked to formal institutions of stakeholder participation or state intervention (Brammer et al. 2012). Even the multi-stakeholder initiative (MSI) paradigm does not place much emphasis on the local institutional context, especially territorial embeddedness (Lund-Thomsen and Lindgreen 2014). But it is important to recognize the "strategic coupling" by external GPN drivers with local firms and institutions in the communities in which they are located as these institutions also shape the GPN and its implications on various stakeholders including workers (Rainnie et al. 2013). An institutional approach helps analyse the emergence and nature of MSIs because the economy is always mediated by social and political institutions as the market alone cannot serve such a purpose (Raynolds 2014).

A GPN approach also emphasizes the social and institutional embeddedness of production and power relations between actors, which vary as sourcing is spread across multiple developing countries (Barrientos et al. 2011) and pays attention to the network's territorial embedding and considers both vertical (chain) and horizontal

(territorial) concerns. Further, the GPN position more accurately describes the increasingly dense, intricate and flexible interconnections between different parties and incorporates various corporate, state and non-state (non-governmental organization [NGO]) actors and operates flexibly across space or industry sector (Neilson and Pritchard 2009). Further, countries, regions or sub-regions that produce the same product or commodity for the same market may have varying development trajectories, depending on their local class relations, social structures and labour dynamics. These factors can influence the operation of a GPN through workers' structural (marketplace and workplace bargaining) and associational (workers' collective organization) power (Selwyn 2012; Wright 2000). To understand labour processes and outcomes, therefore, it is important to examine local actors and factors like state-as-regulator, class relations (including caste in countries like India) and labour unions and bargaining power within GPNs (Goto 2011; Selwyn 2012). The workers are rooted in location and positioned in four sets of social relations or institutional formations which are spatial in nature, i.e., GPNs, state and its institutions, social and community relations and intermediary agents in the labour market. Alternatively, these could also be seen as occupation/work, local connections of workers, class relations and family and kinship ties (Rainnie et al. 2013).

In this perspective, this chapter examines the institutional context of work and wages in cotton production in India from an institutional theory perspective in order to provide a comprehensive understanding of the role of local systems and institutions. There have not been many studies on institutional aspects of the agro-commodity sector in India with a few exceptions (Neilson and Pritchard 2009 for the plantation sector) and only one in cotton focusing on gender and women workers' agency in farms (post-independence) and textile factories (pre-independence) (Ramamurthy 2000). This chapter is based on empirical evidence, mainly from three major cotton-growing states, Gujarat, Andhra Pradesh (undivided) and Punjab, and the author's previous research on organic cotton supply chains and the recent research engagement with the Better Cotton Initiative (BCI) as an MSI referring to a range of initiatives in which the expertise, skills and finance of non-profit and for-profit organizations are pooled (Fransen 2012). Section 2.2 provides the analytical framework for the examination of the institutional aspects of the sector and its various issues. Section 2.3 examines India's cotton sector and its institutional and social embeddedness, in terms of its GPN dynamics, class and social relations between farmers and workers, worker agency and the role of the state. Section 2.4 concludes the paper.

2.2 Analytical Framework: Institutional Theory

Institutional theory sees the market as being socially embedded within a wider domain of social networks, business associations and political rules. The application of institutional theory allows for a better understanding of business responsibilities in terms of diversity and dynamics of CSR. Businesses continue to be

influenced by national institutional frameworks in which they are embedded. The understanding of the social responsibility of business in different regions and countries is contingent on the institutional framework of business which pertains not only to formal institutions like laws or civil society groups but also to informal institutions such as religious norms or tribal traditions. Institutional theory provides a robust framework for understanding and explaining how and why CSR assumes different forms in different countries (Brammer et al. 2012).

Institutional theory considers organizational actors as legitimacy-seeking but embedded in multiple organizational fields and, therefore, weighing different kinds of organizational pressure against each other at any given point of time. This gives room to manoeuvre for these actors, and the relationship between institutions and actions occupies a middle ground between the structuring effects of institutions and those emphasizing the capacity for agency in spite of institutional pressure (Fransen 2012). Institutions are often shaped by contestation, conflict and compromises. Institutions reflect the power relationships at particular points in time and can take a life of their own once established. Institutions lead to power relationships by defining rights and responsibilities and shape the identity of social actors in more durable ways. They also constrain certain types of actions and, by doing so, enable other emergent types of actions (Brammer et al. 2012).

This institutional focus in terms of horizontal dimension of a GPN entails the local socioeconomic context of production and work unlike the vertical dimension of a GVC which focuses only on "within the chain" governance relations. The local institutional context includes both formal rules of the game and the enforcement agencies implementing such rules. Institutions also refer to the informal rules of the game or norms and values that various actors hold in relation to the chain or the network and its governance. A classic example of this is the issue of child labour between global stakeholders and local participants in a network where local producers can perceive that child labour constitutes a form of job training for children to enable them to a livelihood. This interaction between global and local institutional contexts creates struggles over which norms and values should guide the governance of networks. The compliance-based paradigm including MSIs ignores societal as well as territorial embeddedness of networks. It is here that the role of institutional perspectives which focus on explaining how and why CSR differs across national or international contexts comes in. It also attends to the limitation of the corporation-based paradigm which does not involve southern stakeholders in defining it (Lund-Thomsen and Lindgreen 2014).

Further, geography and culture are also important to understand the power dynamics of GPNs as it is through such practices that identities, social relations and rules are contested, subverted and possibly transformed. Since standards are embedded in institutional practices in diverse scales, they mean divergent things to different people at various times (Fortin 2013). Finally, it is the cultural realities of local actors' practices which determine specific institutional and contractual outcomes of labour processes for workers (Gidwani 2001).

The above discussion shows that local and national institutions do matter and influence various interventions and are influenced by them, though there has been

scanty attention to these issues so far in a South Asian developing country context where many MSIs are taking root. The labour issues in the higher end of the cotton GPN in India, such as RMGs, have been studied (Lopez-Acevedo and Robertson 2016). But there are few studies of the labour conditions and issues in the cotton production sector where the employer happens to be a farmer or cotton producer. Cotton-growing and production entails a simultaneous engagement of relations that consist not only of exchange and production, but also of "series of activities that make up a rich and under-theorized world of encounters and struggles among pests, children, merchants, migrant workers, women, *khoulis* (surname), farmers, cotton, cows, *gamusas* (leather), economists, ginners, *elchis* and so on" (Caliskan 2010, p. 20). Therefore, it is important to understand the production context as many more and different types and levels of institutions are at work which affects cotton work and wages. The sector at the production level faced many issues such as chemical pesticide overuse, excessive water consumption, frequent crop failures before and after the arrival of Bt cotton, resultant farmer distress and farmer suicides, besides fluctuating cotton prices, new production and trade initiatives like organic,[1] fair trade and Better Cotton and labour conditions. In this context, the next section examines the profile of India's cotton production sector to understand the context of work and wage aspects of various cotton initiatives in India from an institutional perspective.

2.3   Dynamics of Cotton Work and Wages

India has 30% of global cotton area with two-thirds under rainfed conditions, whereas globally, only 27% cotton acreage is rainfed. India grows 75 varieties of cotton with 284 approved GM cotton varieties, but 98% of total production comes from 25 varieties (Osakwe 2009). India grows all varieties (short, medium, long and x-long staple) across three zones of north, central and south India (Konduru et al. 2013). Major cotton-producing states in India are Gujarat (33% of total production), Maharashtra (26%) and Andhra Pradesh (17%), together accounting for 76% of total production in India (Konduru et al. 2013; WWF [World Wide Fund for Nature] and Yes Bank 2012). But 70% of cotton is consumed in the three states of Tamil Nadu (43% of all mills), Maharashtra (18%) and Punjab (8.5%) (WWF and Yes Bank 2012).

Cotton in India is a highly labour-intensive crop as it is not mechanized—especially its picking or harvesting which accounts for 50% of total cost of production (Vatta and Sidhu 2015). The labour use in cotton cultivation in India has remained stable during the first decade of Bt cotton cultivation at 100 plus person days per hectare though it is higher than pre-Bt cotton (before 2002) average of 96. The use of hired labour across nine cotton-growing states was 55 days per ha

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[1]India's share in global organic cotton production was 81% in 2009–10 (DtE 2013).

during the last decade of 2001–10. In most cotton-growing states, wages for both men and women workers increased substantially compared with the pre-Bt cotton period though the growth was much lower in women worker wages than that for men worker wages except in Rajasthan, especially in picking, with the exception of states of Andhra, Tamil Nadu and Karnataka where women worker wages grew higher than men worker wages (Haque et al. 2015). In the cotton areas in Punjab in 2009–10, the major use of labour in cotton was for picking and weeding accounting for 55% and 27% of all costs, respectively, with picking mostly (48%) being done by women (Vatta and Sidhu 2015). Besides men and women, sometimes even children work in cotton farms, and there is wide spread use of local and migrant labour for picking hired on piece-rate wages most of the time and on daily-rate wages some of the time.

2.3.1 Social/Community Context of Cotton Farm Labour

Interestingly, there is not only use of local labour for picking in most cotton-growing areas but also of migrant labour from other areas. There is inter-regional movement of labour for this activity for a few months during the season where families move across provincial borders, travelling hundreds of kilometres and staying on the farms for a few weeks or months. This is seen in the case of migrant labour households from the states of Bihar, Uttar Pradesh, Madhya Pradesh and Rajasthan going to Punjab and Haryana and those from Haryana and Punjab going to Rajasthan and Gujarat during the picking season. This work is obtained directly by the labour group leader who is one of the members of their clans or extended family. The group leader visits the place of work and farmers before the season or contacts cotton farmers on mobile phones to fix up wage rates and other arrangements like accommodation and food. These households have been doing this for years. Landless labourers from Punjab and Haryana move out as the manual work in major crops of these states (paddy and wheat) has disappeared due to the mechanization of operations, especially harvesting and planting, and a significant proportion of them in Punjab (26%) were BPL and 71% in debt mostly from non-institutional sources, i.e., private moneylenders, farmers or family and friends (Singh and Bhogal 2014). In Punjab, there was somewhat higher hired labour use on medium and large cotton farms compared with those on small farms, with the average being 128 person days per hectare. Family labour accounted for less than a third of the total labour used, with 55% coming from local wage labour, 7% from migrant wage labour and 6% being permanent labour. The medium and large farmers used more of migrant wage labour to the extent of 6% and 10%, respectively. On the whole, large farms accounted for two-thirds of the total labour used and medium farms 29%, with small farms using only 5% of total labour used in cotton. Thus, 78% of the migrant wage labour, 67% of the local wage labour and 89% of the permanent labour was used in large farms, i.e., farms larger than 10 ha (Vatta and Sidhu 2015).

Though migrant labour accounted for 37–75% of workers in the farm sector depending on the season (lean or peak) in 2006–07 and numbered 420,000 in the lean period and 840,000 in the peak period in Punjab, they were treated poorly, with lower wage payment (Rs. 18,188 vs. Rs. 25,270 for local permanent workers) despite being younger, less marginalized socially (only 32% were from the scheduled castes [SCs] against 93% of the locals) and more literate (27% being literate vs. 17% in case of the locals). Further, local permanent workers enjoyed more holidays (60% reported so) than migrants (9%). More of the local permanent workers also served as supervisors of other farm labour (94%) than that was the case with migrants (47%) (Sharma 2016).

2.3.2 Cotton Farmers and Workers: The Class Dimension

Unlike cotton-growing farmers, labour employed in cotton farms is from the poorest landless communities and generally from socially marginalized communities who are also usually migrants, mostly women and may include children in some situations (Gent and Braithwaire 2006). The *Ode* caste which migrated from Punjab to Gujarat for cotton picking every year accounted for 0.3% of male farm labour SC population of the state (Punjab) and the *Baazigars* (another SC community) another 1.22% (Sharma 2016).

The systems of wage payment for work may differ by tasks but this need not always be the case as the same task may be paid on a time-rate basis in one region and a piece-rate basis in another region as is the case in India. It could even differ within the same village or for the same farmer depending on whether it is the first, second or the last picking of cotton. These variations could result from differences in ownership of resources like land holding, method of production, market conditions, skill requirements, social organization, state intervention in labour regulation and monitoring and balance of power between farmers/employers and workers. Daily or hourly wages are more common when labour quality is more important, when casual labour is required to perform different tasks or when they are hired for an extended period. Permanent labour is beneficial when employers want to invest in training and wish to ensure labour availability at short notice besides building trust through patronage. Task-based work or piece-rate payment is preferred by workers also as it gives them the freedom to involve family members. Further, it is perceived as more autonomous and less irritating by workers as they can avoid the watchful eye of the employer/supervisor (Gidwani 2001). The piece-rate system not only has efficiency and disciplinary logic for employers as workers tend to exploit themselves in terms of effort to earn more but they (employers) can also escape the application of the minimum wages law as this becomes relevant only in instances of daily wages (Gidwani 2001).

At the cotton farmer level in Gujarat, there is another way of ensuring the availability of labour needed for the cotton crop. Landless, marginal or small landholding labour households are engaged to take care of the cotton crop as

bhagidaars (labour tenants), and they get a share of the produce which is around 25% in cotton. The landowner retains control over all the decisions regarding crop to be grown, inputs to be used and timing of operations. The owner farmer meets all the cash input costs and provides all mechanical and other equipment for the crop including the advance for hiring labour sometimes, but the *bhagidaar* has to arrange for the labour required for the duration of the crop whether family or hired. The *bhagidaars* live on the farms with their families and take care of the crop, the sale of which is in the hands of the landowner. This kind of sharecropping is very different from other systems prevalent in India such as fixed cash rent leasing, fixed input and produce share, fixed produce or mortgage. Resembling the permanently attached labour (*sanjhi* or *siri* in Punjab) system prevalent in some parts of India a few decades ago where the worker shared the cost of production and produce in some proportion depending on his relative contribution to the farm enterprise of the owner, this is pure labour tenancy as the *bhagidaar* only contributes the labour component and gets a share in produce which is 25% in cotton and varies from 15 to 30% across crops and regions of the state. The labour tenancy approach is an important strategy as landowners can manage labour issues by having permanent labour in the farm through this arrangement.

The *bhagidaar* system has been prevalent since the 1970s and Rutten (1986) called it "putting out system" or "contract type tenancy." He also reported that this system was used by large and medium farmers only to manage a part of their farmland, usually a few acres allotted to each *bhagidaar,* which required intensive labour and supervision. He writes, "Contract tenancy is therefore nothing but a convenient arrangement under which a middle-large farmer who leases out in part relieves himself from the burden of labour management while still performing the major entrepreneurial functions. Since he still does exercise control over agricultural production and since the contract is on crop-sharing basis for the duration of only one season at a time, he can be rest assured that the yield would be maximized" (Rutten 1986, p. A-18). It is known from studies elsewhere in India that tenant farms are more productive than owner-cultivated farms as was seen in the case of Punjab recently where input use as well as yields were higher than on owner-operated farms (Shergill 2016) and in cotton in Gujarat in the context of the *bhagidaari* system (Table 2.2). In Andhra Pradesh too, output–input ratios were higher for sharecropped land than those for owner-operated land across farm size categories (Haque n.d.). Thus, as Rutten concludes "by way of organizing the agricultural work on the field and the recruitment of labour in an entrepreneurial manner, these middle-large farmers have solved the problem of fluctuations in supply and demand of labour while still exercising control over the process of agricultural production. This, however, is entirely at the expense of the casual labourers working in their fields who most of the year do not earn more than Rs. 6–8 per day and that only on days they are able to find work…Thus, creation of an intermediate stratum has become an important aspect of the entrepreneurial way of farm management in which responsibility for the welfare of labourers working in the fields is abdicated to an increasing extent to a lower layer in rural society" (1986, p. A-19).

In cotton in Gujarat, the system of *bhagidaari* is widely prevalent. This is revealed by interaction with BCI[2] projects in different cotton-growing regions of the state. Ten to forty percent of the cotton farmers adopted this system across various cotton-growing districts of Gujarat. The *bhagidaar* share in cotton production varies from 25 to 33% across locations. A recent farmer survey of 60 Better Cotton (BC) and 30 non-BC farmers in BCI project areas in Surendranagar, the largest cotton-growing district of Gujarat, where 80% of cropped area is under cotton alone, revealed that 35% of BC farmers had *bhagidaars* on their farms which was much higher than those in case of non-BC cotton growers (only 13%). Also, BC farmers were much larger in both owned and operated land (10.3 and 11.7 acres, respectively) than their non-BC counterparts (8.8 and 10.5 acres, respectively). Further, BC farmers with *bhagidaars* were even larger in owned holdings (16.2 acres) compared with their non-*bhagidaar* BC counterparts (7.1 acres) and non-BC farmers with (9.3 acres) and without *bhagidaars* (8.8 acres). In the operated area, the BC farmers with *bhagidaars* were even larger (19.6 acres) compared with non-*bhagidaar* BC farmers (7.4 acres) and their non-BC counterparts with and without *bhagidaars* (13.5 and 10 acres, respectively). Overall, those with *bhagidaars* (whether BC or non-BC) were much larger (18.6 acres) than their counterparts without *bhagidaars* (8.5 acres). Even in terms of cotton acreage, BC farmers were larger (8.6 acres), compared with 7.8 acres in the case of non-BC farmers. Moreover, BC farmers with *bhagidaars* had on an average 14.3 acres under cotton compared with their *non-bhagidaar* BC counterparts (5.5 acres) and non-BC farmers with (6.5 acres) and without *bhagidaars* (8 acres). Overall, the cotton acreage was 13.1 acres for all cotton farmers with *bhagidaars* and only 6.5 acres for those without them. In general, *bhagidaar*-run cotton farms were larger at 15.1 acres (owned) and 18.6 acres (operated), respectively, compared with only 7.8 and 8.5 acres respectively in the case of owner-run farms (Table 2.1). Thus, the BC projects worked with relatively large and medium cotton farmers including those having *bhagidaars*.

Additionally, farms with *bhagidaars* had a higher cotton yield (9.1 quintals/qtls per acre for BC and 11.3 qtls for non-BC farms) compared with their non-*bhagidaar* counterpart farms (7.3 qtls for BC and 8.4 qtls for non BC farms). Overall,

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[2]Better Cotton Initiative (BCI) is a global MSI focused on the farm-level sustainability—economic, environmental and social (Sneyd 2014)—and has picked up pace in the Indian cotton sector with major global players buying as per the BCI standards (Joshi Rai 2011). In 2012, in India, BCI had its presence in all 10 cotton-growing states with 21 projects across 7 Implementing Partners (IPs) and worked with 120,683 producers and 219,360 ha of Better Cotton. It has civil society organizations, suppliers and manufacturers and producer agencies as its members and other stakeholders as associate members. India has one of the largest numbers of BC farmers and BCI-trained farmers and the second largest licensed farmer percentage in total (92%) as it has the highest number of projects in BC globally (Dhingra 2014). The 6 BCI principles at farm level, irrespective of geographical location of producers, include minimum use of crop protection chemicals, conservation and efficient use of water, maintenance of soil health, conservation of natural habitats, maintenance of fibre quality and decent working conditions for farmers, including workers (Joshi Rai 2011).

Table 2.1 Cotton farmer category and BC status wise land area owned and operated (in acres) in Surendranagar district in Gujarat in 2014–15

Farmer category > Landholding category	BC			Non-BC			All		
	With *Bhagidaar*	Without *Bhagidaar*	All	With *Bhagidaar*	Without *Bhagidaar*	All	With *Bhagidaar*	Without *Bhagidaar*	All
Small	4.0 (4)	3.4 (3.4)	3.6 (3.6)	3.0 (3)	4.0 (4)	3.9 (3.9)	3.8 (3.8)	3.7 (3.7)	3.7 (3.7)
Medium	9.3 (10.7)	8.0 (8.5)	8.3 (9.1)	8.5 (8.5)	8.0 (8.5)	8.1 (8.5)	9.1 (10.2)	8.0 (8.5)	8.3 (8.9)
Large	28.4 (35.1)	14.3 (14.3)	24.1 (28.7)	17.0 (34)	18.7 (23.2)	18.4 (24.7)	27.3 (35)	16.9 (19.6)	22.1 (27.3)
All	16.2 (19.6)	7.1 (7.4)	10.3 (11.7)	9.3 (13.5)	8.8 (10)	8.8 (10.5)	15.1 (18.6)	7.8 (8.5)	9.8 (11.3)

Figures in brackets are for operated land which is higher than owned in the case of medium and large farmers mainly due to leasing in of land
Source Primary Survey

bhagidaar-run farms had a higher yield (9.4 qtls) than those without them (8.2 qtls) (Table 2. 2). Even net profits in the case of *bhagidaar* farms were higher than their non-*bhagidaar* BC and non-BC counterpart farms in most cases, despite the fact that they had a higher cost of production than farms under owner cultivation.

2.3.2.1   Structural and Associational Power of Cotton Farm Workers

Selwyn (2007) analysed grapes in Brazil as a quality production crop and concluded that these quality and related standards requirements increased workers' structural power. In this case, structural power refers to both marketplace and workplace power. The former is related to the relative shortage of workers with crop-specific skills. The latter is related to the very short season for work and the threat that any disruptions would pose to the ability to meet quantity and quality commitments in their GPNs. In cotton, structural power could be seen in terms of shortage of cotton-picking workers in local cotton-growing regions due to their preference for cotton work in other states and also the other non-farm work opportunities in towns and cities or even the National Rural Employment Guarantee Scheme (NREGS) work in local areas (Vatta and Sidhu 2015). But, the growers seem to have countered this development by bringing in migrant workers, e.g., in Punjab, workers come from non-cotton-growing regions like Uttar Pradesh, Bihar or Rajasthan and in Gujarat, labour is sourced from the small cotton-growing state of Punjab, thus pitting workers against each other. On the other hand, the workplace bargaining power of cotton workers remains intact because there has been no mechanization of cotton harvesting so far, as some crops are more amenable to mechanization than others in local contexts. Since each crop has its own logic, implications for labour opportunity and nature of labour contracts emerge (Gidwani 2001). This has led to workers availing of some pecuniary benefits like provision of pick up and drop off to and from their workplace, i.e., farms, and higher wage rates over the years (primary survey).

Despite this increased structural power, Selwyn (2007) held that associational power is required for the dynamics to be translated into wage and other improvements for workers. In cotton too, though local workers had some marketplace power due to the general shortage of workers for picking and weeding as reported from Punjab, this was managed through the replacement of local workers with migrant workers from other states (Vatta and Sidhu 2015). In Gujarat, the system of *bhagidaars,* which provided more reliable labour for the crop, played an important role. In the situations of both Punjab and Gujarat, and generally elsewhere in most cotton-growing states, the farm workers, especially cotton workers who are mostly women so far as the major activity of picking is concerned, are unorganized. They were not organized into unions but as labour gangs controlled by brokers or supervisors as was seen in the cotton-growing regions of Gujarat and Andhra Pradesh. In the latter, *mutah* labour was practiced by workers which took up work as a group under a *maestri* (supervisor) on a piece-rate or daily-rate basis for farmers. These *mutahs* were mostly made up of 11–30 workers and were in

Table 2.2 Category wise and BC status wise cotton yield (quintals/acre) in Surendranagar district in Gujarat in 2014–15

Cotton Yield > Landholding category	BC			Non-BC			All		
	With *Bhagidaar*	Without *Bhagidaar*	All	With *Bhagidaar*	Without *Bhagidaar*	All	With *Bhagidaar*	Without *Bhagidaar*	All
Small	11.1	8.0	8.8	16.0	10.3	10.8	11.9	9.0	9.6
Medium	7.5	6.9	7.0	8.5	7.0	7.2	7.8	6.9	7.1
Large	8.9	7.8	8.6	12.0	7.0	7.7	9.2	7.3	8.3
All	9.1	7.3	7.9	11.3	8.4	8.8	9.4	7.8	8.2

Source Primary Survey

existence since the early 1970s. A majority were exclusively composed of women workers and headed by women, although female-led *mutahs* also had men workers. However, there were no *mutahs* consisting only of men workers. The *mutahs* mainly came up to counter the perception of *ryots* (landowning farmers) that women workers were "captive labour" and also to enhance the workers' bargaining power with the *ryots*. Consequently, 99% of the women workers participated in the labour market through *mutahs* as it helped getting higher wages and regular work without looking for it. This was due to the fact that the *maestri* found and negotiated the work contract on an activity basis or a piece-rate basis, collected wages, assigned work to the *mutah* members and resolved conflicts besides supervising labour. The *maestri* did not work along with other workers but received wages from several sources for activities performed—a set of wages from a specific job activity/contract, another daily wage for contract handling, a bonus for good work performance and even two daily wages, if he sent two labour groups to two different farmers on the same day. Thus, he earned twice as much as the wages received by an ordinary worker in the group during the peak season and 50% more during the slack season. There was a reduction in the gender gap in wages in a *mutah* during peak season (Rajasekhar 2002).

Nonetheless, the group work was not likely to encompass any protection of women worker interests because of the inter-sectionalities of caste, class and gender which produce a tolerance towards patriarchy which the women themselves practice in their relations with men workers and employers. This practice of group work (*gumpu* or labour gangs) in Andhra's cotton production sector led to a change in the relationship between farmers and workers and the practice, combined with the piece-rate system of wages, required little supervision because output and labour intensity are easily measurable. In fact, it led to a change in the relationship between workers and work as discipline was internalized and workers themselves lengthened the work day and intensity (self-exploitation of workers) and monitored each other. It also created differentiation among workers by classifying them into efficient and less efficient. The unequal individual wages led to lower wage costs, on an average, for farmers (Ramamurthy 2000). But group-based work restores, to some extent, the social character of work and the variability in rhythm that embellishes the experience of work. In Gujarat, it was seen more as a face-saving arrangement for the upper caste *Patels* and the lower caste *Baraiyas/Kolis,* but it was mutually beneficial only on the surface as it was actually creating intra-class competition between older and younger workers (Gidwani 2001).

The divide among local and migrant workers in Punjab had serious implications for the associational power of local farm labour and all farm workers in the state in general. Since there is a big difference between local and migrant labour in terms of language, culture, lifestyle and confidence, there is little interaction between the two segments. Migrant workers generally stay in the accommodation provided by the employing farmer and hence get little opportunity to interact with local labour. Also, since they work at lower wages, and for longer hours, farmers prefer them over local labour. On the other hand, local labour perceives migrants as rivals who are responsible for their poor terms and conditions of employment. This divide

becomes a big hindrance to the organization of farm labour by unions. Further, migrant workers come exclusively for the season and keep moving from place to place during the season or across seasons, which does not facilitate the attempt of organizing them. Thus, farmers exploit the differences between local and migrant labour and pit them against each other (Gill 2000). Also, it is not uncommon among migrants to hold land back home, unlike local workers who are usually landless.

Additionally, the associational power of workers in cotton-growing regions remains poor as unions are not crop-specific and, in some states like Punjab, the farm or agricultural worker unions work alongside farmers unions. In the latter circumstances, workers' issues with respect to farmers as employers get pushed out in order to avoid conflict within the union. The larger agrarian distress is presented as the most important issue for struggle in states like Punjab, with workers' plight being framed as linked to farmers' plight. This argument emerges out of the local institutional context and belief that only if farmers succeed, they can pay workers well. In this context, for the first time in the history of the farmer union movement in Punjab, the demand for compensation for cotton-picking families was raised alongside the demand for compensation for cotton farmers due to cotton crop failure because of white fly attacks during the last season (2015–16). But the compensation was finalized at Rs. 800 per family for workers compared with Rs. 8,000 per acre for farmers, with the state being at pains to identify eligible worker households as most of them were migrant workers from other states.

2.3.3 The Cotton GPNs and Workers

Labour issues in organic cotton remain the same as those in conventional cotton. This holds for matters pertaining to gender, child labour or wages and compensation as they are not part of organic standards unlike in fair trade (FT) (ICCO/International Cocoa Organization et al. 2010). But, even in fair trade, major issues in cotton include child labour in picking, women labour and their working conditions and the gender gap in wages. It appears difficult to implement minimum and equal wages in India as, due to the larger dynamics of local society, the women may lose work as they are perceived to be weaker workers or may face higher exploitation in terms of more demanding work due to greater wage payments made. Farmers further question the community-wide use of the premium as membership is limited to a few farmers in each location. In fact, since all fair trade projects in India in cotton (15) were under the contract production organization (CPO) which is clubbed with the small producer organization (SPO) and not the hired labour organization (HLO),[3] the premiums were spent for the creation of facilities and

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[3]Under fair trade certification systems, there are three types of producers in cotton across the cotton-producing countries and different labour standards apply to them for certification. SPOs are subjected to less rigorous standards under the assumption that they rely mostly on family labour and either do not use hired labour or use hired labour only occasionally.

infrastructure, human resources and administration and training and capacity building of staff and representatives of SPOs in which there is no role of workers. Even the second component of services for communities is more about community infrastructure, education, environmental services, healthcare and social and economic services which again mostly target services found important by landowning producer members. The final category is only services for farmers which includes farmer training, implementation of good farm practices, provision of farm tools and inputs, credit and financial services, direct payment of premium to members and education and healthcare for members and family. It was found that either the premium was invested to strengthen SPOs (45%) or community services (39%). Thus, farm workers do not benefit from FT premium in any way (Fairtrade International/FTI 2013).

Interestingly, there has been not much difference in the way the fair trade and the conventional cotton GPNs have been run in terms of the same stakeholders taking decisions based on similar factors. Producers are also not generally aware of fair trade standards, principles, processes and markets, and the improvement in labour conditions and women worker status remains unaffected, by and large, due to the larger social and cultural environment in which fair trade is embedded. Only the awareness about child labour among producers had increased. Further, farmers, despite being members of producer bodies, were not small by Indian standards and were the largest on an average, even compared with global FT average (1.7 ha against 1.3 globally). There is also limited awareness of fair trade standards for hired labour among cotton producers and their organizations, though the use of hired labour is quite common and producers are not yet directly involved in fair trade processes locally or globally. Further, more like organic cotton, the volumes of fair traded cotton in India are too small and uptake even smaller (13% of total FT produced cotton sold as fair trade) (FTI 2013).

In the case of the BCI GPN, BCI principles state that Better Cotton is produced by a farmer who promotes decent work. Importantly, it does not promise a price premium to farmers and has no end product labelling or certification unlike other alternative trade movements like organic, fair or ethical trade. But many of the BCI principles at farmer level are not context-relevant, such as the role of women farmers who have no control on farm produce despite being farm workers, degree of farmer knowledge about the application of modern inputs and lack of farmer power to effect these changes in production practices, besides the lack of buy-in from major stakeholders like some retailers and many farmers' associations. BCI standards put the entire onus of sustainability on the primary producers without commensurate benefits and without questioning the global cotton trade system (Sneyd 2014). BCI farmers do not recognize child labour as a compliance issue as that may jeopardize their involvement in the project. Similarly, BCI principles do not expressly address low-wage issues in cotton for farm workers as part of the minimum production criterion (MPC) on decent work for small holders despite the fact that even these farmers use hired labour for picking and weeding though wages are part of the criterion for medium and large farmers. In BCI projects, most of the interventions on decent work relate to child labour and health and safety but other

concerns like non-discrimination, gender gap in wages, forced/bonded labour, migrant workers and freedom of association receive considerably less attention. Very few activities of IPs of the BCI target workers as beneficiaries which is significant as it has gender implications due to the feminization of cotton farm work (Usher et al. 2013).

In Gujarat, many IPs do not train or work with farm workers, claiming that since most cotton production take place through the *bhagidaari* (labour tenancy) system, there are no workers and therefore, no issues of decent work in the crop so far as hired workers are concerned. But as field evidence above (Table 2.1) shows, the *bhagidaar* system did not provide the whole explanation for IPs not implementing decent work for farm workers. Additionally, IPs argue that since cotton picking is also done by migrant labour, it is not possible to attend to their issues of decent work as they go back to their places after the season and may or may not come back to same area or farms next year (personal interaction). Further, BCI standards do not include cottonseed production under their ambit which leaves out a large part of the GPN that is known for numerous labour and working condition violations.

Cottonseed production is even more labour-intensive than cotton production. It requires four times more capital and nine times more labour per acre than cotton production (Singh 2008). Labour accounts for 60% of the total cost of cottonseed production, with the most labour-intensive operation being cross-pollination which has to be done manually. It involves about 90% of the total labour input and 45% of the total capital input. Most of the farmers involved in cottonseed production in the study area in Gujarat were relatively wealthy (belonging to upper castes like *Patel, Desai* and *Rajput*) and depended mostly on hired labour (86.5% being hired labour), 82.5% of which was migrant labour and 35% child labour. Migrant labourers came from the southern tribal part of Rajasthan and tribal pockets of Gujarat, with more than 50% of the total migrant labour being from Rajasthan. Udaipur and Dungarpur districts in Rajasthan from where most of the labour come to Gujarat for cottonseed work. These are perennially drought-prone areas and known for large-scale migration of labourers in search of wage work. In Gujarat, they are brought by labour contractors and stay on farms for months together (Environmental Justice Foundation/EJF 2007).

Child labour is used in cottonseed production not just because of lower cost but also due to higher efficiency arising from the flexibility of young bodies as the work requires frequent bending and getting up repeatedly to do cross-pollination. The major health and safety risks for children include insect and snake bites, razor blade injuries, skews made of iron used to pierce the flowers, heat, working in a standing position for a long period, isolation, sexual harassment and abuse, forced labour, long hours of work with only one rest period, pesticide application and their re-entry in the field after pesticide use, besides the absence of toilet facilities, especially for girls who are employed for their "nimble fingers" advantage. In addition to involving a lower cost than adult labour, children are perceived by employers as more trustworthy, patient, docile and possessing the right height to carry out cross-pollination at the cotton plant level (EJF 2007; Fair Labour Association/FLA 2004).

Seed growers argue that since companies do not pay a higher price to take care of additional costs arising out of use of only adult labour, they cannot afford to

remove child labour from their farms as it is cheaper, easier to control and more efficient. On the other hand, the seed companies claim that farmers earn relatively better profit margins compared to other farmers and hence should be able to employ adult labour at adult wage rates. Seed companies therefore put the blame for the incidence of child labour on the cottonseed farmers. Most of the seed companies claim to be socially responsible and do not agree that they are, in any way, responsible for the use of child labour as they do not have direct contracts with farmers who are organized and managed by seed production organizers who, in turn, have contracts with these companies. The companies claim that a seed organizer is an independent businessman who mediates between the company and the farmers. But since seed companies are dependent on seed farmers for the multiplication of seeds in the absence of any other alternative like own production, due to restrictions on ownership or leasing in of farm land legally, they ignore the child labour issue. Companies also advance about 30–40% of the cost of production of seed to the organizer who, in turn, advances it to growers. But seed organizers are not really independent as they are dictated the procurement price by the companies and they get only a commission for their services. Some of them also deny it saying it is the family members of the small farmers including children who work in these farms which cannot be treated as cases of child labour. But, of late, most of the firms have started acknowledging the problem of child labour in cottonseed production and have started writing in their contract agreements with organizers and producers that child labour should not be used in cottonseed production. Thus, seed production contracting companies have a role in avoiding or perpetuating the child labour in cottonseed farms (EJF 2007; FLA 2004; Singh 2008).

2.3.4 Role of the State and Labour Agency in Cotton

The state and its agencies, in collaboration with multinational corporations (MNCs) in the farm input and machinery sector and even global initiatives like BCI, are concerned more about cotton growers and take farmers' concerns about labour shortage or high labour costs as real problems. They conceive of solutions like the high-density planting system (HDPS)[4] in cotton to not enhance yields but facilitate the mechanical picking of cotton, completely unaware or unmindful of the consequences of mechanical harvesting for the livelihoods of workers whether local or migrant. The HDPS is being advocated in order to compensate the loss of yield

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[4]HDPS refers to a system of cotton sowing in which a minimum number of plants are grown per unit area (5000 as against only 2000–3000 at present) and in a manner of spacing which makes it amenable to a single or just two mechanical harvests of the crop. This is done in order to compensate for the loss of yield due to the absence of multiple pickings done manually at present. The mechanical picking is also supposed to eliminate the need for labour and reduce the cost of picking, though the harvesting machines are highly capital-intensive for individual small holders to own.

which would happen with mechanical picking as it would be only two pickings over five months under HDPS instead of 4–5 pickings manually over 6–7 months. It is also forgotten that the mechanically picked cotton would have a higher trash content than the hand-picked cotton and would require pre-cleaning (Konduru et al. 2013). This, when seen in the face of the evidence of inter-state migration of landless workers from states like Punjab and Haryana to as far as Gujarat for just cotton picking, exposes the so-called "shortage of labour" argument made by cotton farmers and government and private agencies and therefore, the need for mechanization. Migrant labour households explain their long distance migration for this seasonal work in terms of lack of adequate employment opportunities back home and caste-based discrimination and mistreatment by farmer employers besides lower earnings from the activity due to poorer cotton yields in their home states in general (personal interviews with Punjabi migrant cotton workers in Gujarat). Even state agencies do not think of proactively involving workers in high-value crops instead of throwing them out of work. This is also partly explained by the complete farmer-focused thinking of the agencies as well as the lack of institutional variety and diversity in the state (Punjab) unlike other states (like Gujarat) where there are vibrant NGOs which work with farmers and workers. In this situation, any sustainability initiative in cotton or any other crop falls back on existing institutions which are rooted in conventional Green Revolution technologies and belief systems, whether it is about yields, markets or social issues.

2.4 Conclusion

The above analysis of labour conditions, dynamics and wages within the cotton GPN from an institutional perspective shows that farmers continuously contest labour to get the maximum out of them while denying adequate wages and working conditions. At local levels, other factors and conditions in a given institutional context have led to certain new patterns of farmer–labour interaction like the use of migrant labour, piece-rate wages and the *bhagidaari* system across cotton regions which are exploitative of labour. These measures keep workers on cotton farms in new ways to sustain their involvement in the crop without any tangible improvement in their economic and social conditions. Therefore, there is a need for more studies on economic and social upgrading/downgrading of cotton workers in cotton GPNs in order to understand the factors at play. Further, the role of the state and its agencies and MSIs has been more focused on land holding cotton producers, and decent work is generally not acknowledged as an important issue in the sector.

The long-term incentivization of farm labour and their retention and return in the case of migrant labour from season to season is important to achieve some commercial objectives such as better quality fibre, higher output and profitability for farmer-owners or tenants. This can be possible only if workers perceive their employment and its terms to be fair even in poorly functioning labour markets. There is a need for skilling of farm labour to meet quality challenges and to produce

competitively which calls for labour's creative involvement in work which can come from fair and just labour relations regimes supported by private corporations, MSIs, the state, NGOs and farmer and worker agencies.

Finally, it is the associational power of the workers which can get them a better deal since there is not much structural power they can exercise in local situations as farmers resort to migrant labour to keep local workers in their place or look at mechanization of the cotton operations with the help of state subsidies. Presently, workers' unions are more generic in their approach to labour issues and do not focus on crop-specific GPNs.

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Chapter 3
Why Has the Indian Automotive Industry Reproduced "Low Road" Labour Relations?

Tom Barnes

Abstract Indian policymakers are now centrally concerned with the future of manufacturing as the basis for economic development, prosperity and rising living standards. The automotive industry is pivotal to this transformation. All global carmakers now have major investments in India, often operating alongside major Indian transnational corporations. Key automotive clusters are in the National Capital Region, the Chennai Metropolitan Region and the "Chakan corridor" near the city of Pune, as well as emerging clusters and production facilities in several other parts of the country. Much of the optimism about the auto industry flows from its historically transformative role in Western Europe, the USA and Japan where it sets standards in quality manufacturing, technology, wages and employment relations. Understandably, some have predicted that the expansion of auto production in India *should* lead to similar "high road" labour relations, based on high wages, long-term employment contracts, stable career paths, social protection and enterprise-based benefits. But the evidence suggests otherwise. The Indian auto industry has instead reproduced "low road" employment relations based upon high wage inequality and employment relations that are over-reliant upon labour contractors. Serious industrial conflict has been common. Given the global developmental promise of the auto industry, why has this happened? Critiquing the global production networks framework from an uneven and combined development perspective, this chapter argues that the answer lies in a combination of India's distinctive national and regional norms, social relations and institutions with the global carmakers' governance practices.

T. Barnes (✉)
Institute for Religion, Politics and Society, Australian Catholic University, Melbourne, Australia
e-mail: tom.barnes@acu.edu.au

3.1   Introduction

The automotive industry is central to India's manufacturing development strategy. India is one of the most important auto-producing countries in the world, and virtually all major global carmakers and automotive manufacturers now have operations in the country. The auto industry has experienced high growth and has helped transform the industrial, economic and social landscape in several regions of India. It even forms a central part of the current Prime Minister Narendra Modi's much-vaunted "Make in India" programme, which is designed to make India the global destination of choice for foreign direct investment (FDI) in manufacturing. Part of the rationale for such approaches is the assumption that a thriving auto industry is central to a modern, sophisticated and innovation-based economy and to a prosperous, high-income society. One of the expected outcomes from this socioeconomic process is that an expanding auto industry will create a large number of good quality new jobs in a range of occupations. Furthermore, one might expect the employment generated through this process to be secure and well remunerated enough to lay the foundations for the type of economic and social prosperity envisaged by economic planners and policymakers. Indeed, there is much about the history of the auto industry's evolution on a global scale which suggests it *should* perform this role in a developing country context.

In contrast, the evidence from various studies of work, employment and labour relations in the Indian auto industry suggests something rather different has happened. Far from reproducing the high incomes and economic security found in historical studies elsewhere, the Indian auto industry appears to have reproduced and sharpened "low road" labour relations; specifically, and as outlined in this chapter, the industry's expansion, regional embeddedness and development have generated high levels of wage inequality among workers and income inequality within affected communities, have relied overwhelmingly upon a multilayered network of labour contractors who undermine the representational and organizational rights of workers, and have generated a significant number of industrial disputes, including periodic bouts of serious and even violent conflict. These trends have emerged in some of the main auto-producing regions of the country—especially in the National Capital Region (NCR) and in the Chennai Metropolitan Region (CMR).

The paradox between the expected impact of auto industry development on work and employment and the actuality of low road labour relations is a puzzle that needs explaining. This chapter thus attempts to grapple with this problem by exploring possible explanations for this contradictory outcome. In particular, it looks at recent developments in the global production networks (GPN) framework—especially Coe and Yeung's (2015) notion of "GPN 2.0"—to help frame this issue. This chapter finds that the continued firm-level focus on this approach does not go far

enough in addressing work and employment outcomes in the Indian auto industry and that we need to move towards a theoretical analysis rooted in a broader notion of uneven and combined development. This chapter offers the (very) broad outlines of what such a framework might look like, including elements that need further development and empirical verification.

This chapter proceeds, in Section 3.2 below, by establishing why we might reasonably expect the auto industry's emergence in India to facilitate "high road" labour relations, based upon its historical role in the industrial transformation of the West and Northeast Asia. This section also briefly outlines the emergence and transformation of the Indian auto industry in the 1980s. Section 3.3 briefly reviews evidence from key studies of work, employment and labour relations in the Indian auto industry, establishing that "low road" labour relations have become the norm in India as the state has gradually liberalized global investment rules. Section 3.4 explores possible theoretical explanations for this contradictory outcome, including the GPN framework as well as alternative frameworks found in comparative political economy in its neo-institutional (varieties of capitalism/VoC) and radical (uneven and combined development/UCD) guises. Section 3.5 summarizes the article by reiterating the need for an explanation based on social relations rather than abstract firm-focused imperatives—social relations between the local and the global, between capital and state, and between capital and labour—and the empirical agenda that flows from this.

3.2 The Automotive Industry on a Global–Historical Scale

The automotive industry historically played a transformative role in the West and in Japan. The sector emerged as a mass industry in the USA (United States of America) in the lead-up to World War I, with Ford's innovation of mass production and the assembly line revolutionizing the manufacture of complex goods. The industry then transformed American manufacturing, regional development and industrial relations in the 1920s and 1930s. In the USA and in Western Europe, the auto industry was a standard setter in quality manufacturing, technology, wages and employment relations. The emergence of auto production in urban and regional centres transformed work and social relations. In Detroit—historical home of the three largest American carmakers, Ford, General Motors and Chrysler (now Fiat-Chrysler)—the auto industry accounted for about 60% of all manufacturing employment in the city at its peak in the late 1940s and early 1950s. The wages and employment conditions of auto workers were the envy of the American labour movement. Remuneration and job security were tied to a seniority-based system that was staunchly defended by the United Auto Workers (Babson 1986; Sugrue 2005).

In Japan, a new model of production was later developed by Toyota, initially in the 1950s and 1960s. Later known as the Toyota Production System (TPS), this method revolutionized the structure and operation of motor vehicle manufacturing by radically cutting costs and aiming to eliminate waste in the production process. As part of this system, most parts and components manufacturing was outsourced to separate companies, with some operating in partnership with the lead firm—known as an original equipment manufacturer (OEM)—and others competing with each other for the OEM's business. OEM outsourcing had a knock-on effect, created a supply chain in which each supplier would outsource the manufacturing of individual and less-sophisticated parts to other, usually smaller supply companies. This created a "tiered" effect, with OEMs purchasing from Tier-1 manufacturers, Tier-1s purchasing from Tier-2s, Tier-2s purchasing from Tier-3s and so on. Thus, outsourcing by OEMs had the effect of creating a complex supply chain comprised of hundreds of businesses, ranging from large multinational corporations with thousands of employees to locally based small-to-medium-sized factories and workshops. This system was later generalized into a management philosophy of "lean production" (Womack et al. 1990; Sako 1992). In the Indian auto industry, this has been known historically as subcontracting and has received some attention from local scholars (Awasthi et al. 2010; Suresh 2010).

While lean production had a transformative impact on the auto industry on a global level, the capacity of the auto industry to continue to offer high wages, long-term employment contracts, stable career paths, social protection and enterprise-based benefits, as well as traditions of collective bargaining and trade union representation, has influenced the presumption that the expansion of the industry on a global level should replicate similar patterns across different regions. This optimism partly comes from the framing of the auto industry as a global value chain (GVC) with the capacity to revolutionize manufacturing and employment relations. A GVC refers broadly to a commercial supply chain governed by powerful lead firms—which are usually transnational corporations—in which commercial relations, production and distribution are segmented between producers in different countries and regions. According to UNCTAD (United Nations Conference on Trade and Development), 80% of global trade was organized through GVCs, also known as global production networks (GPNs), by 2013 (UNCTAD 2013).

Originally characterized as a "producer-driven" value chain to distinguish it from "buyer-driven" value chains based on branded manufacturers in more labour-intensive industries such as textiles and apparel (Gereffi and Korzeniewicz 1994), the auto industry has more recently been characterized as a "relational value chain" in which global carmakers (OEMs) control product quality and technology by maintaining close relations with a hierarchy of suppliers (Sturgeon et al. 2008). This concept comes from Gereffi et al. (2005), arguably the most widely cited article in this field, who characterized GPNs as, either, market based, modular,

relational, captive or hierarchical. The close level of control that OEMs exhibit over their partners and suppliers by, for example, regularly inspecting supplier factories and products to ensure compliance with design specifications and encouraging suppliers to cluster their operations nearby their own assembly plants has led to an expectation that the favourable wages and conditions and stable employment relations would be transplanted from assembly to supply operations.

For instance, Lakhani et al. (2013, p. 454) predict that structure of auto production as a relational value chain will tend to favour the employment of highly skilled workers and "highly stable" labour relations "with low attrition and long-term employment relationships". Others have questioned this assumption and suggested that labour standards and employment relations among workers in supply chains cannot be linearly determined by examining the work and employment practices of lead firms (Rainnie et al. 2013). This particular retort comes from the GPN approach, which adapts the study of GPNs to specific instances of regional and national development (Coe et al. 2004). This places more emphasis on "non-firm institutions" such as states, legal frameworks, civil society actors and sociocultural institutions. For this reason, the GPN approach, adherents claim, is better placed to deal with questions of work and labour because these are strongly influenced by local institutions and cultures as well as firms' activities (Coe and Hess 2013).

How does India fit into this overall picture? India is the world's sixth largest producer of passenger cars and commercial vehicles. Its production compares favourably with other countries, and the industry's growth is impressive when compared with larger producing countries such as South Korea and Germany. Of the top 10 producers by volume, India had the second fastest growing automotive output for the period 2000–15 (11.6% average per annum) after China (19.3%). This compares to a global average of 3.5%. Although its growth dipped in the past 5 years, with total production declining by 8.1% in 2013–14, most of this was matched by a 7.2% increase in output in the first half of 2015 (OICA/Organisation Internationale des Constructeurs d'Automobiles 2015). While India is a long way behind China in terms of total production volume, virtually all global OEMs have established operations in India, with most originating in the 1990s. By 2005, over 500 large firms and several thousand small firms were operating in India, with about 200,000 people employed in vehicle assembly, 250,000 employed in components manufacturing and a further 10 million people indirectly employed through the supply chain, mainly in sales and distribution (Government of India/GOI 2006). More recently, the Government of India and the Society of Indian Automotive Manufacturers (SIAM) have jointly claimed that about 25 million jobs were created, directly and indirectly, by automotive industry output in the decade to 2016 (Government of India 2016).

Local production was transformed by the entry of Japanese OEMs in the 1980s. From the early 1980s until the mid-1990s, the state reserved passenger car market

domination for Maruti Udyog Ltd. (later known as Maruti Suzuki), which was a joint venture between the Government of India (as majority shareholder) and Japanese OEM Suzuki. It also reserved most of the two-wheeler market for Hero Honda, another joint venture between the Hero Group, a family-owned conglomerate from Punjab, and Honda, and commercial vehicle production for Indian OEM Tata Motors. However, industry policy began to transform after India's balance of payments crisis in June 1991, which heralded radical economic reforms, including trade and financial liberalization as well as the dismantling of the "license–permit raj" that had regulated large-scale manufacturing since independence. Licensing for auto production was scrapped in 1991, and the following decade saw a process of investment liberalization which gradually unravelled the joint venture model of the 1980s. In 1993, the government allowed automatic approval for all foreign investment in joint ventures up to 51% foreign ownership. After 2000, the government allowed automatic approval for 100% foreign ownership (Narayanan and Vashisht 2008, p. 76).

As a GPN, automotive production in India has tended to cluster around new and established OEM-assembly facilities. Today, dominant clusters exist in the NCR that surrounds New Delhi, the CMR in the southern state of Tamil Nadu and the Chakan Special Economic Zone (C-SEZ) and surrounding towns and villages which lie about 30 kilometres (km) north of the city of Pune in the state of Maharashtra. The NCR cluster is dominated by India's leaders in passenger car and two-wheeler production, with Maruti Suzuki's plants in Gurgaon (originally the base for Maruti Udyog Ltd.) and Manesar (established in 2007), Honda Motorcycle and Scooter India (HSMI) in Manesar and Hero's plants in Gurgaon and Dharuhera to the south. In addition, Honda Cars has a major facility in Greater Noida to the east of New Delhi. The CMR cluster is dominated by South Korean OEM Hyundai as well as Ford and Renault–Nissan. The C-SEZ in Maharashtra is dominated by General Motors (who operates as majority shareholder in partnership with SAIC, a Chinese state-owned enterprise), German OEM Volkswagen and its subsidiaries, as well as Tata Motors, Mahindra and, in three-wheeler production, Bajaj and Piaggio (Table 3.1). Thus, there are a wide range of OEMs, not to mention a complex layer of foreign and locally owned components and parts manufacturers, that have established production facilities across the key auto-producing regions of India. Understanding the impact of this rapid transformation on work, employment, labour standards, incomes and social relations is a major challenge for labour scholars. Luckily, while there remains much research to be done, there have been a range of studies from which we can already draw some firm conclusions. These are outlined in the following section.

Table 3.1 Main automotive producing regions and players in India (passenger cars, two- and three-wheelers)

Region	Locations	Original equipment manufacturers (OEMs), including passenger cars, two-wheelers and commercial vehicles
National Capital Region	Bawal, Haryana Dharuhera, Haryana Faridabad, Haryana Greater Noida, Uttar Pradesh Gurgaon, Haryana Manesar, Haryana	Harley-Davidson Hero MotorCorp Yamaha Honda Cars Maruti Suzuki, Hero MotorCorp HMSI (Honda), Maruti Suzuki
Chakan Special Economic Zone (C-SEZ) and surrounding plants, Maharashtra	Baramati Chakan Pimpri-Chinchwad Talegaon Dabhade Ranjangaon	Piaggio Bajaj, Bajaj/KTM, Force Motors, Mahindra, Mercedes Benz, Volkswagen Premier Auto, Jaguar, Land Rover General Motors/SAIC* Fiat, Tata Motors
Chennai Metropolitan Region, Tamil Nadu	Chennai Maraimalai Nagar Oragadam Ranjangaon Sriperumbudur Tiruvallur	BMW Ford BharatBenz/Daimler India, Renault-Nissan, Royal Enfield Fiat, Tata Motors Hyundai Mitsubishi/Hindustan Motors, Royal Enfield
Other	*Gujarat:* Bhuj Sanand *Himachal Pradesh:* Nalagarh *Jharkhand:* Jamshedpur *Karnataka:* Bengaluru Doddaballapur *Kerala:* Thiruvananthapuram *Madhya Pradesh:* Pithampur *Maharashtra (other than Chakan SEZ/Ranjangaon):* Alibag Aurangabad Bhandara *Rajasthan:* Tapukara	AMW Ford, Tata Motors TVS Tata Motors Toyota Kirloskar, Scania, Volvo, Mahindra REVA, Tata Motors TVS Kerala Automobiles Ltd. Hindustan Motors, Tata Motors Chinkara Motors Audi, Bajaj, Skoda Mahindra Honda Cars Tata Motors Hero MotorCorp Bajaj, Tata Motors

Table 3.1 (continued)

Region	Locations	Original equipment manufacturers (OEMs), including passenger cars, two-wheelers and commercial vehicles
	Uttar Pradesh: Lucknow *Uttarakhand:* Haridwar Pantnagar	

*General Motors/SAIC currently operates a second plant in Halol, Gujarat, which is due to close in 2016. By mid-2017, Maruti Suzuki says it intends to begin production from a new 700-acre facility in Hansalpur, 60 km west of Ahmedabad. Honda Cars also claims it has plans to begin manufacturing in this area

Source Barnes et al. (2015), updated with company reports and Internet searches as of February 2016

3.3 Work and Labour in the Indian Auto Industry: Taking the "Low Road"

In contrast to the expectation that the auto industry's character as a GPN would generate "high road" labour outcomes and relations, including high wage incomes, enterprise-based benefits, secure ongoing employment and collective voice and representation, the evidence from a range of studies on labour condition in Indian auto plants, including assembly operations as well as components and parts manufacturing, suggests the complete opposite: that the local auto industry has taken the "low road". The idea of "low road" here broadly refers to "decent work deficits" in the International Labour Organization (ILO) framework. This concept refers to a combination of work and employment attributes that are absent or substantially reduced: job security or protection from arbitrary dismissal, regular hours, a living wage (with a minimum wage safety net), social security such as medical insurance or sick leave, a formal work contract, protection from hazardous working conditions and collective bargaining rights and freedom of association (Ahn 2007). This intersects with Standing's more recent expression of "forms of labour-related security" such as career progression, sociable working hours, good wages and "voice" through collective bargaining and trade unions (Standing 2011). With the informal economy representing over 90% of all paid work in India, decent work deficits are the norm in most sectors of the economy (Barnes 2015).

There are several studies of work and labour relations in the Indian auto industry (Lal Das and George 2006; Awasthi et al. 2010; Hammer 2010; Suresh 2010; Bose and Pratap 2012; Jha and Chakraborty 2012; Gopalakrishnan and Mirer 2014; Monaco 2014; Barnes et al. 2015; Pratap and Bose 2016). Pioneering book-length studies

include Gulyani's (2001) overview of key production clusters and Becker-Ritterspach's (2009) study of OEM subsidiaries in India, including Maruti Suzuki in the NCR cluster as well as Fiat, Mercedes-Benz and Skoda which operate in the C-SEZ cluster. Although the former book does not focus on labour, the latter study provides an excellent explanation of the transformation of Maruti Suzuki's employment relations practices in the 1990s and 2000s. In the 1980s, Maruti Suzuki used above-average wages and productivity-based wage bonuses to recruit and retain workers and to maximize workers' consent in the adaptation of Japanese-style "lean production" work organization and culture to local practices (Becker-Ritterspach 2007, pp. 8–10). As management came under pressure from new foreign competition and greater external pressure from Suzuki global management, these practices were completely transformed. Management moved to reduce bonus payments and to restructure the productivity-based pay scheme. This led to a major strike action in 2000–01.

Following this, Maruti Suzuki sought to significantly reduce the number of regular (i.e., permanently employed) workers. It used Voluntary Retirement Scheme (VRS) legislation to reduce its workforce from 5,770 in 2001–02 to 4,590 in 2002–03 and 3,334 by March 2004 (Becker-Ritterspach 2007, p. 40). After 2001, the company relied upon recruitment through labour contractors. By 2004, about 2,000 regular positions were replaced by these "contract workers", reportedly paid about a quarter of a regular workers' salary (Gurgaon Workers News/GWN 2016). By 2007, the Gurgaon factory employed about 1,800 regular workers and 4,000 workers hired through 20 different labour contractors. The company implemented a similar policy at its Manesar factory which, by 2011, employed 1,000 regular workers, 800 trainees, 400 apprentices working full time as production workers and 1,200 workers hired through contractors (GWN 2016).

Using labour contractors significantly reduces labour costs through lower wages and the denial of regular workers' entitlements, such as productivity and holiday bonuses and a range of allowances, including attendance, dearness, rental, child education, transport and uniform cleaning. By 2011, regular workers at Maruti Suzuki's Manesar factory earned Rs. (Indian Rupees) 13,000–17,000 per month (about US$ [American Dollar] 200–250) compared to workers hired by contractors earning about Rs. 6,500 (US$ 98) (GWN 2016). These practices have been emulated by other OEMs such as Honda and Hero MotorCorp and many Tier-1 firms. As a rule, contract workers are unable to join trade unions in the state of Haryana. This also means that the "principal employer" is able to avoid responsibility over many of the employment conditions of its workers. Most of these workers are hired as normal production line workers, in violation of the Contract Labour (Abolition and Regulation) Act 1970 (Shyam Sundar 2012).

Bose and Pratap's (2012) study of the NCR automotive cluster in the early 2000s found that workforces in OEMs and Tier-1 supply firms had been divided between a shrinking core of permanently employed "regular" workers and a growing majority of casuals, temps, apprentices and, especially, workers hired by contractors. Their field research covered components and parts manufacturing, where most

workers in the industry were employed, as well as the OEMs. They also found that most workers were low-wage interstate migrants from other backward classes (OBCs), mostly hailing from towns and villages in Bihar and eastern Uttar Pradesh. Bose and Pratap's findings have been reinforced in more recent studies in the NCR which show that a contract labour system was firmly entrenched in the region which enabled employers to keep wages low, increase firm-level flexibility, shift the burden of monitoring and controlling workers onto labour contractors and, significantly, to undermine collective bargaining and trade union rights. Barnes et al. (2015) found that, on average, 75% of workers in their supply chain sample were hired by labour contractors. On average, contract workers' wages were 46% (minimum, i.e., basic pay) to 51% (maximum, i.e., with overtime, bonuses and allowances) of regular workers' wages despite often being engaged in the same work or occupational area. The average basic or minimum pay for contract workers was Rs. 5,800 per month, only 9% higher than the Haryana state minimum wage for unskilled labourers at that time (Rs. 5,330). Firms paying sub-minimum wages were also common. Firms often used multiple labour contractors (five on average in this sample) and encouraged competition between them to keep costs low and to segment and control the workforce. Trade unions had achieved no success in organizing or recruiting contract workers as members and, partly as a consequence, many union leaders in Haryana were only concerned with the rights and interests of regular workers.

High levels of wage inequality between regular and non-regular workers, and the use of the regional contract labour system to stymie unionization efforts, led to a large number of industrial disputes in the NCR after the early 2000s. Apart from the initial conflict at Maruti Suzuki in 2000–01, a major strike and community protest movement emerged in 2005 over Hero Honda's employment relations practices, followed by several key strikes in auto components manufacturing in 2007–08. These were reported in detail, to some extent in mainstream newspaper outlets, but above all through comprehensive interviews with workers in the Hindi-language, *Faridabad Mazdoor Samachar* (Faridabad Workers News) and in the English-language blog, *Gurgaon Workers News* (hereafter GWN). The conflict at Maruti Suzuki's Manesar plant in 2011–12 has been most significant challenge to the stability of this labour relations system. Workers initially organized for wage parity between regular, contract and casual workers, and the "regularization" of employment by workers hired through contractors. The campaign was marked by a high level of unity between regular, casual and contract workers throughout. Later, the campaign developed into a push for the registration of a new union, the Maruti Suzuki Workers Unions (MWSU), which was announced by workers in April 2011. Management refusal to recognise the MSWU led to the first strike at the Manesar plant in June 2011 and the sacking of 11 strike "leaders".

Shop floor restructuring and reports of persecution against striking workers led to a factory occupation at the beginning of October 2011 with the demand to re-employ sacked contract workers. At the same time, there were strikes held by

workers at 11 Tier-1 auto plants in the NCR (GWN 2016). Within a few weeks, workers had started to return to work. By February 2012, some workers reported that wages had increased and assembly line production had slowed (GWN 2016). However, conflict flared in July 2012, leading to a violent confrontation in which an HR manager died. Following this, the company temporarily closed the plant and fired about 550 regular workers and several hundred contract workers. Of this, 147 workers were arrested and imprisoned in Bhondsi jail in Gurgaon, with many still in jail without conviction at the time of writing.

These trends in labour standards, employment relations practices and industrial strife have not been unique to the NCR cluster. Lal Das and George (2006) documented labour troubles at Toyota Kirloskar in Bangalore in 2001–02, which resulted from wage inequality, labour discipline and use of trainees as regular employees, and were finally ended when the Government of Karnataka declared the facility as a "public utility", banning any further industrial action by unions. More recently, Gopalakrishnan and Mirer (2014) have produced a labour NGO-funded study of auto workers in the CMR, especially at Hyundai, Ford and Renault-Nissan and 27 auto supply firms and trade unionists. Apart from Bose and Pratap's (2012) study of the NCR, this is arguably the most comprehensive study of labour conditions in any Indian automotive cluster, based on over 300 interviews with workers between 2012 and 2014. Like the studies of the NCR, they found that the vast majority of auto workers were "non-regular" employees hired via labour contractors.

At Hyundai's huge factory in Sriperumbudur, approximately 65% of the plant's nearly 16,700 workers were hired by contractors, with 14% hired as apprentices, 10% as trainees and "probationers", and just 12% as regular workers. At Renault-Nissan, 43% of the plant's 6,500 workers were hired through 13 different labour contractors; 31% were trainees, and 25% were regular or permanent workers. At Ford, where a total of over 5,200 workers were employed in 2014, there was a lower number of contract workers (12%). Twenty-seven per cent of workers were trainees but most (58%) were regular workers. Nevertheless, in the local cluster as a whole, the vast majority of workers were employed on a "non-regular" basis. Like the NCR, there was very high wage inequality between regular and non-regular workers. For example, at Hyundai, regular workers could earn a basic monthly wage of Rs. 33,000 to a maximum of Rs. 49,000 whereas contract workers earn Rs. 8,500–9,500, with some earning as little as Rs. 5,300 as a basic wage. At Renault-Nissan, the regular workers' wage of Rs. 22,000 was 2.75 higher than contract workers' wages. At Ford, regular workers earned Rs. 36,800–52,250 whereas contract workers earned just Rs. 7,000–8,500.

Although conflict in the CMR had not been as confrontational or as violent as in the NCR, significant industrial disputes have occurred since the mid-2000s. At Hyundai, only regular workers have access to trade unions, of which three have competed for the representation of workers: the Hyundai Motor India Employees Union (HMIEU), affiliated to the Communist union federation CITU

(Confederation of Indian Trade Unions); the United Union of Hyundai Employees (UUHE), a company union; and the Hyundai Motor India Anna Thozhilalar Sangam (HMIATS), affiliated to a Tamil regionalist union body. Management resisted the formation of the HMIEU in 2007–08, leading to strike and disciplinary action, and the formation of the UUHE by management to compete for membership, with further industrial conflict led by HMIEU in 2012. Similarly, at Ford, only regular workers have access to a union, known as the Ford India Employees Union (FIEU), which has informal connections to CITU. Another useful study of labour relations in the CMR comes from Suresh (2010), who focused more on informal enterprises in the supply chain. He estimated that there were about 8,000 "small and tiny" units in the region that were "entirely dependent on the subcontract work from other medium firms" (Suresh 2010, p. 258) and paid extremely low daily wages of, on average, Rs. 60.

Unfortunately, there is no major study yet published on India's third major automotive cluster, the C-SEZ in Maharashtra. This is an important omission to redress since, unlike the NCR and the CMR, there is *some* recent tradition of contract workers in Maharashtra organizing their own unions in different industries, especially by appealing to Global Union Federations (which are international federations of national trade unions covering specific industries or occupations) to pressurize internationally branded multinationals (Shyam Sundar 2012). A further gap in the literature is a lack of comparison between the labour standards and employment relations practices of Indian and foreign passenger car producers, especially key players such as Tata Motors and Mahindra. Notwithstanding the need for more research to complete the national picture from studies in the last 15 years, we can say with confidence that the companies responsible for most of the production volume in both the passenger car and the two-wheeler markets continue to utilize low road labour standards and employment relations. This is verifiably the case in two of the three major automotive clusters in India. In these regions, the vast majority of workers are hired on low wages and with little employment security via an elaborate contract labour system that denies fundamental pay equity, collective bargaining and trade union rights.

An interesting addendum to this finding is the more recent modification of employment relations practices at Maruti Suzuki in the NCR, which pursued two broad approaches following the 2012 conflict. On the one hand, mass sackings demonstrate a despotic approach to employment relations that echo company practices during the 2000–01 strike in their Gurgaon plant. Most of the sacked workers have been replaced with a new cohort. On the other hand, there is evidence that management has adjusted employment practices by significantly raising wages for non-regular as well as regular workers (Barnes et al. 2015). But there is also evidence, albeit still at an early stage, that Maruti Suzuki's new employment relations regime has not reversed the low road tendency. A recent report suggests that are 2.2 times as many casuals—all hired on temporary, 7 month contracts—as regular workers at Maruti Suzuki's Manesar plant, with an ongoing systematic

preference for hiring interstate migrants (Yadav 2015). A new 3-year wage agreement signed in September 2015 continued to exclude non-regular workers, including these "company casuals" (GWN 2016). One month later, new wage agreements were negotiated at Honda's two-wheeler factory in Manesar and at Hero MotorCorp's two facilities in Gurgaon and Dharuhera. At Honda, 69% of workers at the time of this agreement were hired through labour contractors. At Hero, the figures were 56% for Gurgaon and 36% for Dharuhera (Saleem 2015). While labour relations in the auto industry are a dynamic question in need of systematic ongoing study, it is also clear that auto companies in key regions of the automotive industry are continuing to pursue low road labour relations.

3.4 Why Has India's Auto Industry Taken the Low Road? Towards a Theoretical Explanation

The problematic posed in this chapter is the contradiction between expectations of high road labour standards and employment relations practices, based on the analysis of the automotive industry as a particular kind of GVC, and the reality that low road labour relations continue to be the norm in India after two decades in which investment in the local industry has been thoroughly liberalized. How can we explain this paradox? It is not the intention of this article to present the "final word" in addressing this question but, rather, to outline some possible theoretical options that can help us move towards a clearer understanding of why this has happened. Since predictions about work and employment have been linked to the very large literature on GVCs and GPNs, as outlined above, it makes sense to start by trying to locate a solution to the problem within this field.

As outlined in Section 3.2, the automotive industry has been framed as a "relational" GVC due to the collaborative, "hands-on" and, to some extent, domineering role of OEM-supplier commercial relations in the sector. This comes from Gereffi, Humphrey and Sturgeon (2005)'s widely used five-way typology of GVCs. This approach has been criticized in Coe and Yeung (2015)'s project to theoretically re-cohere the field, which they call "GPN 2.0". This is not the place to critically analyse such a substantial contribution but, for now, we can outline some basic features of their critique and how this may be relevant to addressing the paradox of low road labour relations in India. Their argument "in a nutshell" is that the "competitive dynamics" of lead firms in GPNs—their ability to "optimize cost-capability ratios", sustain market development and to work with "financial discipline"—interact with firms and "non-firm actors" to produce different "actor-specific strategies" for the organization of GPNs in specific regional contexts. Non-firm actors include "the state, international organizations, labour groups, consumers, and civil society organizations, in diverse localities" (Yeung and Coe 2015, p. 32). In the case of the Indian auto industry, the perspective would be about using the combination of "GPN logics" and firm-level "competitive

dynamics"—that is the way in which foreign and local OEMs structure and dominate local supply chains and regional clusters using established global practices—with "regional assets", including "non-firm actors" such as the various distinctive national and regional institutions, practices and even cultural norms found in India, to help explain why low road labour relations have been normalized.

In what sense does this represent an improvement on the existing GVC approach? Part of Coe and Yeung's (2015) critique of Gereffi et al.'s (2005) prevailing typological approach is that it is too static, too focused on value chain governance and too reliant on industry-based divisions. For example, Coe and Yeung raise the possibility of more than one GVC governance type coexisting within a *single* industry. In the case of the auto industry, this raises the possibility of commercial relations of a "non-relational" variety—for example "modular" or "captive" governance—coexisting with the relational governance supposedly characteristic of OEM-Tier-1 commercial relations. One possibility is that different governance types approximate different tiers of the industry, with different labour standards and employment relations outcomes for each level.

This seems like a more open and dynamic way of addressing this problem. However, although Coe and Yeung (2015) claim they are refocusing the field onto actors and institutions rather than industries and commodities, their analysis still seems too firm focused to address the specific problem identified in this article. In their analysis, the firm appears to be "the key *actor* in a production network" (Yeung and Coe 2015, p. 35; their emphasis). Firms appear to be driven by a common tendency of "competitive dynamics" which "are the raison d'être of global production networks, prompting actor-specific strategies in different regional and national economies" (Yeung and Coe 2015, p. 34). What lies outside the firm as a causal factor in regional development is largely framed as something external to this process—thus, of the four "actor-specific strategies" they identify, the first three concern relations between or within firms while the fourth is about "extra-firm bargaining" which seems to involve everything which *isn't* a firm, including the state, international organizations, unions, consumers and civil society (Yeung and Coe 2015, p. 50).

While creating new conceptual and empirical possibilities for the configuration of GPNs and paths of regional development, this does not really address one of the central problems of the literature: its analytical bias on firms above other institutions, organizations and, especially, social groups and social relations (Selwyn 2012). The scale of flexible and informal labour practices in the Indian auto industry—and probably in many other industries too—is so great even in comparison with most other developing and emerging economies that it does not seem convincing to try to find an explanation by starting with the strategies of global firms. For example, in China, which has by far the largest automotive industry in the world, the proportion of workers hired as temps or via labour "agencies" is, while still significant, far lower than India (for comparison with statistics cited in this article, see Zhang 2015). It seems there is a need for a greater focus on *local politics and*

society in India in addressing why the hybridization of global "GPN logics" with "regional assets" has produced this outcome.

One perspective which could possibly take us further is the VoC literature which focuses more so on a country's distinctive institutional arrangements and the way in which they interact with the corporate practices of global OEMs. While Hall and Soskice's (2001) seminal work in this field was also firm oriented, this tradition made a more general distinction between institutional arrangements, norms and practices in liberal market economies like the USA and coordinated market economies such as Germany and Japan. Unfortunately, despite some attempts to extend this field to Asian societies, India has received hardly any attention in this literature. The notable exceptions only deal with this literature in a passing way (Basile 2013; Mazumdar 2010). On the other hand, Indian capitalism has clearly developed in a very different way to Western and, indeed, to other *Asian* societies (Breman 1996).

One possibility, then, is to focus on what the distinctive features of the Indian economic system and social formation are in addressing the practices of firms in particular industries. An alternative framework is uneven and combined development (UCD), a developmental logic with Marxian roots, which has been applied to India (Barnes 2015; D'Costa 2014). In this framework, understanding the process of economic and industrial development in a predominantly rural society like India is neither a simple extension of past global development paths nor a purely national or regional process. Rather, India's development combines—or, in D'Costa's phrasing, "compresses"—sophisticated and globally linked sectors of the economy with traditional features of India's rural and agrarian economies. These features include industrial development or "mature capitalism" via the expansion of existing Indian business conglomerates and the entry of foreign transnational corporations in the period of economic liberalization. Second, there is "primitive accumulation" or "accumulation by dispossession" (Harvey 2003) in which financial power is acquired through the seizure of public goods or commonly held assets which, in the Indian case, include the clearing or re-division of agricultural and forestry land. Third, there is the notion of "petty commodity production", which represents the bulk of the Indian paid labour force employed in the myriad enterprises of the informal economy. While OEMs, Tier-1 and Tier-2 firms are generally treated as part of the formal sector—usually known in India as the organized sector, representing firms with 10 or more employees—many firms below Tier-2 are informal or "unorganized sector" enterprises with fewer than 10 employees and commonly engaged in low-margin, petty commodity production (Barnes et al. 2015).

Taken together, these features help to address why the Indian workforce today is completely dominated by informal and precariously employed labour. We can identify four trends in this process of informalization that help us to address, albeit in very broad terms, why a sector as globally advanced as the automotive industry has pursued low road labour relations. First, automotive industrialists, like other industrialists, have been able to take advantage of India's huge surplus of

"footloose" and circulatory migrant labour. This is linked historically to the lack of land reform and the mass commercialization of agriculture in India in the 1950s and 1960s and the subsequent failure of agriculture to provide secure livelihoods and incomes for a mainly rural population. As Breman (1996) has so powerfully outlined, employers in a wide variety of industries have demonstrated a systematic preference for "outsiders" and migrant workers, above all as a means of greater control over a segmented workforce. This holds true even for a sector as capital intensive and as technologically sophisticated as the auto industry. For example, the evidence from the NCR, as outlined above, is that most workers are OBC migrants from interstate or outside regions whose employment is either casual or regulated through a contract labour system.

Second, the Indian state has long had a dualistic approach to economic and development policymaking and planning, including a dualistic approach to labour market regulation that was developed in the colonial and early post-colonial periods (Shyam Sundar 2005; Hill 2009). The ability of industrialists to ignore and evade protective labour laws enabled them to take advantages of India's overlapping surpluses of informal labour. Informalization has also affected the organized sector, including large-scale manufacturing, and this is reflected in the auto industry in the widespread evasion of protective labour laws, especially the Contract Labour Act 1970 which, historically, was supposed to place restrictions on the ongoing employment of contract workers in "core" business areas, as well as the Interstate Migrant Workmen Act 1979, which is supposed to provide migrant workers with the same pay as local workers for the same work undertaken. In addition, the existing research on the auto industry suggests that payment of sub-minimum wages is common and, also, that rights to collectively bargain and form trade unions are not accessible to most workers in the industry.

The third factor in addressing low road labour relations, including the tendency towards industrial conflict, lockouts, strikes and protests, is that Indian industry has a *tradition* of class conflict, stemming especially from the great industrial battles of the 1970s and early 1980s. Class conflict is tied to the institutional environment, with industrialists using lockouts to avoid seeking state permission for mass lay-offs under the Industrial Disputes Act or to taking advantage of the absence of any compulsion on employers to collectively bargain with unions. Thus, automotive industrialists have been pursuing a long-tested industrial practice in India, one that has suited the more competitive market environment that followed trade and investment liberalization reforms in the 1990s and 2000s. The destruction of the unionization campaign at Maruti Suzuki's Gurgaon plant in 2001 and the systematic replacement of regular workers with contract workers or, more recently, the dismissal of the majority of the company's Manesar plant workforce in 2012, and the re-hiring of thousands of new "company casuals" are but some of the more extreme examples of this tendency.

The fourth and final factor that addresses low road labour relations comes back to Yeung and Coe's (2015) point about "GPN logics". Specifically, trade and

investment liberalization, gradually begun in the mid-1980s and then drastically accelerated in the 1990s, has facilitated the transplanting of many "advanced" or "mature" features of the global economy into Indian regions. In the auto industry case, as well as the adoption of the varieties of lean production used by OEMs from different regions of the world, we can point to the flexible labour practices that have become normal features of large global corporations, especially the use of labour contractors and casual and temporary forms of employment that have arguably grown in most auto-producing regions across the world. In India's case, this global "best practice" has intersected with the three factors above to reproduce a particularly flexibilized and informalized local workforce, one largely employed on the basis of low road labour relations.

3.5   Conclusion

This article has identified a gap between expectations of "high road" labour relations in the Indian auto industry, based upon the character of value chain governance found in the industry globally, and the reality that the key automotive clusters in India are dominated by low road labour relations, characterized by low-wage migrant labour, a contract labour system and high levels of industrial conflict. Using a UCD perspective, this article has suggested that the answer to this riddle lies primarily in the combination of foreign and local OEM practices with regional social relations and social institutions. In posing this argument, there is still much work to be done on this field, including the need for further scholarly research on the C-SEZ automotive cluster in Maharashtra, and comparative work on the similarities and differences between the employment relations practices of Indian and foreign OEMs. Nevertheless, a UCD perspective offers much potential in addressing why the auto industry, as a sector central to India's manufacturing development strategy, has followed this path.

In arriving at this conclusion, the article has explored alternative sources of explanation. Given that expectations about high road labour relations flow from the GVC tradition, it makes sense to start with existing and emerging critiques within the tradition. Yeung and Coe's (2015) recent work is a useful starting point because of its refocusing on actors and institutions rather than industries and commodities. However, this framework is still largely firm focused and sees non-firm attributes as external to analysis of "GPN logics". The UCD approach is a useful rejoinder because it seems potentially capable of incorporating such sophisticated and multifaceted institutional analysis into a broader framework of global and regional development. Using this approach, this chapter has further suggested that low road labour relations in the auto industry are also part of a more general historical process of informalization that had four broad explanations: first, the expansion of rural surplus populations of "footloose" labour, expressed via the domination of

automotive labour forces by ex-rural migrant workers and the systematic preference of employers for outsiders hired by multiple informal enterprises or through regional contract labour systems; second, industrialists' capacity to avoid restrictions and social protections meant to operate in national and state labour laws and regulation.

Third, class conflict, represented by large-scale industrial conflicts, has been normalized in Indian industry, both by the character of labour market regulation and labour laws that do not support collective bargaining and trade union rights and by the income and status inequality generated by the contract labour system and other flexible labour practices. Finally, the article has suggested the practices of OEMs has included a global preference for forms of flexible and less-secure employment as a reflection of "GPN logics", albeit sharpened by the distinctive local practices, social relations and social institutions outlined above. In other words, any explanation for labour standards and employment relations practices in the Indian auto industry, and arguably in many other local industries, needs to *start* with the "non-firm" actors and institutions commonly relegated to secondary importance in the GVC and GPN literatures.

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Chapter 4
"The Recession Has Passed but the Effects Are Still with Us": Employment, Work Organization and Employee Experiences of Work in Post-crisis Indian BPO

Chandrima Roy, Dora Scholarios and Phil Taylor

Abstract Over the past two decades, offshoring and the relocation of economic activities from the global north to the global south have prompted diverse efforts to describe, map and analyse developments. The global commodity chain (GCC) research of Gereffi and Korzeniewicz (Commodity chains and global capitalism, 1994) stimulated the formulation of related but distinct frameworks (global value chains/GVCs and global production networks/GPNs) to understand the ways in which manufacturing and services are integrated while being geographically dispersed. Taylor (Offshoring and working conditions in remote work, 2010a) applied these GVC and GPN frameworks to the call/contact centre chain which entwined the sites of "remote" service delivery in India with the location of corporate decision-making and final customers in the home countries of the USA, the UK, and elsewhere. This chapter, developing these insights, utilizes the GVC and GPN frameworks to undertake an empirical study that examines work and employment in Indian business process outsourcing (BPO) industry post-recession. The study addresses the lacuna of published work on post-crisis Indian BPO by examining the dynamics of work and employment in three contrasting servicing chain relationships that span the spectrum of offshoring in the Indian BPO industry—an Indian third-party organization, a global service provider and a captive (i.e. in-house) operation. GVC concepts are employed to inform analysis and explain developments and differences. Findings demonstrate the pressures on business strategy and employee experiences of work and employment resulting from these organizations' respective positioning within global service supply chains during the period 2012–14.

Keywords Indian BPO · Offshoring · Global value chains · Work intensification · Financial crisis · Lean

C. Roy · D. Scholarios · P. Taylor (✉)
Department of Human Resource Management, University of Strathclyde, Glasgow, UK
e-mail: philip.taylor@strath.ac.uk

4.1   Introduction

The past quarter of a century has seen remarkable growth in the offshoring of business services from the developed countries of the global north to the so-called developing countries of the global south (Dicken 2015). The migration of software development in the early 1990s, overwhelmingly to India (D'Costa 2003), was followed by back-office processes and, somewhat later, by the interactive customer service work of call centres (Lahira and Kedia 2011; Russell 2009; Taylor 2010a). This chronological sequence indicates a functional separation between information technology services, on the one hand, and information technology-*enabled* services (ITES) or, to use its synonym, business process outsourcing (BPO), on the other hand (Dossani and Kenney 2007). Within ITES-BPO,[1] "voice services" must be distinguished from back-office activities, which can range in complexity from transactional data entry or processing, though horizontal specialisms, such as accounting and finance (A & F) or human resources outsourcing (HRO) (Pereira and Anderson 2012) and vertical domain specialisms (e.g. financial services, telecoms) to professional, expert and knowledge service, designated as KPO (knowledge process outsourcing) (Edvardsson and Durst 2014).

A further relevant distinction is between offshoring and outsourcing (Gereffi and Fernandez-Stark 2010). The first dimension, outsourcing, is the contracting out of functions or services to legally distinct entities, rather than in-house sourcing. The second dimension, offshoring, involves delivery beyond national boundaries, leaving aside the nuances invoked by nearshoring (Taylor 2010a). Such dimensions allow for diverse inter-firm arrangements and delivery modes, ranging from complete ownership and control to third-party provision. Accordingly, in the framework developed by Gereffi et al. (2005), which aimed to explicate the mechanisms of governance prevailing in global value chains (GVCs), types ranged from "hierarchy" at one extreme to "market" at the other, with the "captive", "relational" and "modular" as intermediate forms lying between these polarities. At the empirical core of this chapter, then, and resonating with this schema are three contrasting cases of offshoring, two involving third-party outsourcing—an Indian company (*IndianCo*) and a global service provider (*GlobalCo*), and an in-house captive relationship (*CaptiveCo*).

Fundamentally, offshoring was driven by cost-cutting and profit-maximization imperatives that, from the mid-1990s, underlay relentless corporate restructuring and business process re-engineering (Taylor 2010b). In seeking a "remote" locational solution to the cost reduction problems in increasingly competitive markets, India became the preferred destination. As the overseas migration of business services shifted from tactical and limited responses to strategic, and what is dubbed transformational, offshoring and, as the scale, diversity and complexity of services involved grew, so too did the number of potential destinations. Yet, India remained pre-eminent as "the world's back office" (Howcroft and Richardson 2012),

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[1]Current industry parlance designates BPO as BPM (Business Process Management).

Table 4.1 International facing BPO/M and call centre employment in India—2002–15

	BPO/M employment	BPO/M growth rate %	Call centre employment	Call centre growth rate %	Call centre as % of BPO/M employment[a]
2002	107,000	n/a	69,500	n/a	65
2003	171,000	59.8	111,150	59.3	65
2004	216,000	26.3	129,600	16.6	60
2005	316,000	46.3	183,280	31.4	58
2006	409,000	29.4	229,040	25.0	56
2007	553,000	35.2	304,150	32.8	55
2008	704,000	27.3	380,160	25.0	54
2009	738,000	4.83	391,140	2.89	53
2010	770,000	4.34	400,400	2.37	52
2011	835,000	8.44	417,500	4.27	50
2012	879,000	5.27	439,850	5.35	50
2013	917,000	4.32	458,500	4.24	50
2014	990,000	7.96	470,250	2.56	47
2015	1,030,000	4.04	489,250	4.04	45

Sources NASSCOM (2002; 2003; 2004; 2005; 2006; 2007; 2008; 2009; 2010; 2011; 2012; 2013; 2014; 2015; 2016); NASSCOM-McKinsey (2005; 2009); Taylor and Bain (2003; 2008); Taylor and Anderson (2008; 2012)

[a]Percentages have been extrapolated from industry (principally NASSCOM) reports and research undertaken by two of the authors, Taylor (2003–11) and Roy (2011–16)

accounting for 46% of global business services by 2005 (NASSCOM[National Association for Software and Services Companies]-McKinsey 2005, p. 55) rising to 52% (NASSCOM 2013).

The sustained expansion of Indian BPO/M during the early millennium is evidenced by employment levels (Table 4.1). This data shows also the precipitate decline in *rates* of growth following the 2008 crash and then modest recovery from 2011.

This chapter addresses a lacuna; for while extensive research was undertaken in the pre-crisis years, by contrast, minimal academic attention has been paid to understanding post-crisis conditions. A review of the post-2010 literature reveals that it is overwhelmingly based on data—whether industry/company level or from manager or employee interviews[2]—predating the crisis (*pace* Noronha et al. 2016;

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[2]Includes articles by Murphy (2011), Malhotra and Pered (2014), Deery et al. (2013), Thite and Russell (2011), Sengupta and Gupta (2012), D'Cruz et al. (2012), D'Cruz and Noronha (2012), James and Vira (2010), Kuruvilla and Raganathan (2010), Das et al. (2013), Pereira and Anderson, 2012), Nath, (2011), Vaidyanthan (2012). In one case, D'Cruz and Rayner (2013), the data collection period was not specified. In another, Rowe et al., only one post-crisis interview was included. Monographs are similarly deficient, notably Mirchandani (2012).

Taylor et al. 2014). Even allowing for inevitable delays in the germination of research projects and data generation, the omission is striking. The widespread belief seems to be that the questions of work organization, management control, HRM (human resource management) and labour utilization, and employee identity and resistance, that animated first-wave research agendas, have been satisfactorily and permanently resolved. What is largely unacknowledged in these accounts is the importance of historical contingency, the significance of the temporal conjuncture surrounding the emergence and development of Indian BPO. If Indian BPO is to be understood, it is essential to grasp the ways in which it is embedded within the transnational flows of capital, technology and knowledge, within global value chains and/or global production networks (Lakhani et al. 2013) and the *timing* of this embeddedness.

Indian BPO is not a set of nationally bounded activities,[3] and not merely in the most obvious sense of agent–customer telephone encounters. The very decisions on whether to offshore, on what processes or services to offshore and at what volume, to what suppliers and subject to what sourcing relationship (in-house, outsourced) are taken at corporate level by organizations headquartered in the developed world. In the process, complex, integrated and constantly evolving transnational divisions of labour are established, around which global servicing supply chains are constructed. This chapter follows previous attempts at utilizing global value chain (GVC) and global production network (GPN) analysis (see Bair 2008; Newsome et al. 2015), to illuminate our knowledge of BPO supply chains (Lakhani et al. 2013; Taylor 2010b; Taylor et al. 2015) and their effects on work and employment. The chapter is informed by insights from the GVC literature (Gibbon et al. 2008), seeking to develop our understanding of how these GVCs constitute the integrative counterpart to the geographical dispersion of services and reconfigured processes.

While Indian BPO firms' growth has been driven by a compulsion to reduce costs in tight labour markets, swiftly followed by effects of the dot.com crash (Dossani and Kenney 2007; Taylor and Bain 2005), the broader political economic milieu for almost a decade now has been recession. Inevitably, disruptive consequences would follow for Indian BPO and for the global service chains constructed in a period of growth. It could not be otherwise given Indian BPO's dependence on demand from the developed countries most affected by crisis. NASSCOM (2009) estimated that 60% of BPO services delivered from India originated in demand from the USA, and 22% from the UK.

The first specific question this chapter asks, then, is what the effects of the recession have been on Indian BPO strategy and management practice, considered through the prism of our triptych of case organizations. The second question concerns the ways in which these effects might differ in extent and character, according to their contrasting servicing supply chains. Engaging with GVC

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[3]The state-centric tendency to aggregate activity in national silos for the purpose of comparison was the modus operandi of the Global Call Centre Project (Holman et al. 2007) and was based essentially on the varieties of capitalism (VoC) conceptual framework (Hall and Soskice 2001).

theorizing (Gereffi et al. 2005), we consider the contrasts that might be attributable to the explicitly "hierarchy" type (*CaptiveCo*) and the outsourced forms (*IndianCo*) and *GlobalCo*). The third question shifts the focus to front-line service delivery, asking what the implications might be of these organizations' respective post-recession strategies and management practices for employees' experiences of work and HRM. In answering these questions, this chapter charts new ground in knowledge of post-crisis work and employment conditions.

A caveat to the lacuna is that a preliminary study (2009–10) did investigate the initial effects of the crash on Indian BPO (Taylor et al. 2014). It showed how organizations had responded with cost reduction and efficiency improvement measures, and how employees had experienced, inter alia, work intensification, extensified work, harsher discipline and increased insecurity. However, the status of these findings must be regarded as provisional. In answering the three specific questions above, this chapter evaluates the extent to which these conditional findings are confirmed, contradicted or qualified by subsequent developments.

First, a critical review of relevant academic literature will include an evaluation of the post-2008 work and its limitations. Second, the case studies are identified and research methods explicated. Third, evidence from management and employee interviews is presented according to connected themes: immediate impacts of the crisis, post-recession strategies and their operationalization and, finally, employee experiences of work. These themes follow the logic of the research questions posited above. A concluding section reflects on the chapter's empirical and analytical contribution.

4.2   Work and Employment in Indian BPO

Scholarly research on Indian BPO is preoccupied with call centres at the expense of non-voice customer interactive service. One counter to this imbalance was Howcroft and Richardson (2012), whose study is joined now by additional work on BPO and/or KPO (Edvardson and Durst 2014; Noronha et al. 2016; Pereira and Anderson 2012). Globalization was the concern of much of the published work on call centres, less in respect of the political economy of transnational servicing and the structure of global chains and more in terms of the politics of culture and identity as experienced by Indian telephone agents when interacting with western customers. The cultural paradoxes implicated in the navigation of customer encounters which exercised many early researchers (e.g. Cohen and El-Sawad 2007; Mirchandani 2004; Poster 2007) have been recently amplified by Rowe et al. (2013), Nath (2011), Murphy (2011) and Vaidyanathan (2012). Mirchandani has developed the concept of "authenticity work" "as the bedrock of the transnational service economy" (2012, p. 11). However, it is argued that these cultural studies contribute marginally to understanding the "service chain" and the political economic, firm-level, organizational and technological elements that underpin and shape agent–customer interaction.

Another major theme in the literature relates to work organization, management control, working conditions and employee experiences and perceptions (e.g. Noronha and D'Cruz 2009; Taylor 2014; Taylor and Bain 2005; Thite and Russell 2011). Again, most of the focus has been on call centre work. As noted (Taylor et al. 2014), from the plethora of studies a general consensus did emerge, of Indian "voice" work consisting largely of standardized, transactional workflows, marked by stringent controls and demanding targets. For some, though, the call centre was characterized as semi-skilled, info-service work (Thite and Russell 2009). Taylor et al. (2014) provisional findings were that, due to effects of crisis, work had become intensified, agents worked longer hours, faced harsher discipline and experienced greater job insecurity. Others have suggested increased bullying (D'Cruz and Rayner 2013) and the departure from high commitment management (D'Cruz and Noronha 2012).

Research also highlighted the impromptu nature of early HRM practices, but documented more structured approaches in tightening labour markets (e.g. Budhwar et al. 2006). Although recent publications deepen our understanding of attrition (Das et al. 2013; Deery et al. 2013; Sengupta and Gupta 2012), widely acknowledged as the most intractable HR challenge, this research is nevertheless based on pre-crisis data.

To reiterate, studies have tended to neglect the significance of broader political economy operating at global, sectoral and organizational levels and have not explored the dynamics of transnational servicing chains. There are exceptions, principally (Taylor 2010b; Taylor et al. 2015), who explicated the mechanisms by which lead firms relocate services to India and then exercise control over their delivery. His argument is that service-level agreements (SLAs) are central to understanding transnational governance, for these specify the quality standards and quantitative requirements that remote suppliers must deliver to clients and end-customers in the "home" geographies. SLAs in Indian BPOs have also been cited by Noronha and D'Cruz (2009) in tacit, if not explicit, acknowledgement of their importance as the key coordinating and governance mechanism within global service value chains.

Finally, then, this chapter aims to make a distinctive contribution, not just by presenting evidence of Indian BPO from what is now an extended post-crisis period, but also by suggesting that variation in the specific serving chain arrangements (offshore-outsourcing to Indian BPO supplier, offshore-outsourcing to global supplier and in-house offshoring) might have consequences for work organization and experience of work.

4.3   Case Studies and Research Methods

An exploratory phase of 26 scoping interviews conducted in Pune, Mumbai and Noida/Gurgaon (July–September 2013) with 13 senior/middle managers and 13 front-line employees identified case study organizations representing the three main servicing chain relationships (Indian third-party, global third-party and in-house).

Interviewees were selected to represent Indian BPO's functional diversity (Kuruvilla and Ranganathan 2008), notably between call centre and back-office activity. The organizations willing to participate in intensive research (July 2014–January 2015) were *IndianCo*, *GlobalCo* and *CaptiveCo*.

IndianCo is a fully owned subsidiary of Indian multinational IT-services company and one of the significant players among Indian third-party providers. By September 2014, at the time of data collection it had over 30,000 employees servicing 144 clients in 26 delivery centres across 13 countries (*IndianCo* 2014). *IndianCo's* characteristic approach is to develop both horizontal and vertical BPO, with vertically focused offerings comprising one-third of its business. Maintaining margins of over 20% claims to be best market performance avaialable (*IndianCo* 2014). A strong presence in retail and consumer products, and in banking, insurance and manufacturing verticals is accompanied by horizontal expertise in analytics, sourcing, procurement and F&A. About 60% of business comes from parent company clients. During 2013–14, it derived most of its revenues from the USA and Europe. *IndianCo* reports expansion of value-added back-office work in India (*IndianCo* 2013), as "voice" business is downsized and relocated to the Philippines.

GlobalCo is a US-headquartered global third-party service provider that delivers diverse customer solutions. Its claimed objectives are to help clients reduce costs and generate revenue through utilizing its "extensive portfolio of capabilities", including customer care, analytics, technical support, collections and end-to-end selling. With an extensive global footprint, it has more than five times the number of delivery centres than *IndianCo* and four times the number of employees (*GlobalCo* Website 2016). It delivers voice services and back-office processes for an established client base from its sites in major tier 1 and tier 2 cities in India. Its priority call centre business is increasingly complemented by multi- or omni-channel services, given client demand for chat, email and social networking.

CaptiveCo is an in-house provider of a UK-based multinational banking and financial services company. The parent company operates in over 50 countries and employs approximately 140,000. Indian operations employ 5,000 and provide end-to-end support to the bank's retail, corporate and investment banking and wealth businesses. As a centre of excellence, its Indian site provides strategic programmes, such as the overhaul of payment processing across the bank's branches or the development of secure Internet banking for corporate customers. At the time of the research, *CaptiveCo* was facing a challenging operating environment given changed regulatory and economic conditions. Committed to increasing shareholder value, its parent company took several actions to realign its Indian business that led to job cuts and a reshuffling in top management roles.

The intention was to undertake semi-structured interviews with senior level management (SLM), middle level management (MLM) and front-line employees (FLEs) with similar sized samples at the identified sites of each organization. During the exploratory interviews, senior management gatekeepers were identified, who then facilitated access to middle management interviewees. FLEs were identified through snowballing techniques, independent of management. In total, 73 semi-structured

interviews were completed with 18 SLMs, 20 MLMs and 35 FLEs with even spread across cases. Most interviewees had experience of more than one BPO organization with some having worked for Indian and global third-party providers, across different verticals, and on UK and USA processes. The majority had commenced work as call centre agents. Middle management participants were aged 28–37 and senior management 40–53. The mean age of front-line employees was 25. Of the front-line employees, 12 were female and 23 were male. As is typical in call centre employment (Scholarios and Taylor 2011), women were under-represented at management levels. Despite repeated requests, no one could direct the researcher to a female manager. Hence, all middle- and senior-level management interviewed were male.

Separate interview schedules were prepared for each employee level. Senior management interviews focused on company history and structure, the factors driving, facilitating and inhibiting company and industry growth, post-crisis coping strategies, employment relations and labour market conditions. Operational managers, assistant managers, team leaders and HR managers were interviewed to understand operational issues post-recession and HR policies and practices regarding workload manageability, performance monitoring, training, employee engagement and reward and recognition. For BPO workers (call centres and back-office), issues of working conditions, pay and incentives, job enrichment, performance appraisals, job opportunities and career development and corporate culture were probed. Interviewees were asked to reflect also on the experiences of friends and family working in BPO, as these networks are "sensitive barometers of prevailing local labour markets and working conditions within the firm or even at the more detailed level of a particular project or shift" (Taylor et al. 2011, p. 7).

Interviews for entry-level employees took place outside office premises (mostly coffee shops) during the weekends or off days. Due to the nature of the industry, interview appointments were scheduled at any time of the day or night. Management interviews took place onsite, in conference rooms. Since no portable or mobile device was allowed, these interviews were not recorded. Protection of client confidentiality meant visits required written approval from director level. Supplementary data was collected from secondary sources, including media coverage of industry and case study organizations, NASSCOM reports and notes from the NASSCOM BPO Strategy Summit 2013. Observational data was documented in a reflective log book.

4.4 Findings

4.4.1 Immediate Impact of the Crisis

Respondents at all case studies reported a revival of business from 2010, once the immediate shock waves of crisis had subsided. Nevertheless, the trajectories of recovery differed due to multiple factors, including the organizations' positions

within their respective global supply chains, the specific relationships with clients (external or internal) and sectoral activity. The concrete ways in which the recessionary pressure impacted the volume and value of business prompted a reconfiguration of company strategies. Although cost, particularly labour cost, arbitrage is a sine qua non of offshoring, the immediate post-crisis conditions precipitated dramatic reduction (Taylor et al. 2014). The evidence confirms this immediate impact, although revealing a more complex, evolving picture as clients insisted on continuous cost reduction *and* quality improvements.

At *IndianCo*, senior managers (I-SLM2; I-SLM4; I-SLM5; I-SLM6) described intensifying competition in markets that pre-crisis had already become "aggressive". Clients now insisted on more frequent contract reviews. Typically, revision occurs biannually, not annually, and centres on downward pressure on cost "deliverables". Conventional FTE (full-time equivalent) pricing models were progressively replaced with transaction-based pricing.

> Clients are not willing to pay per FTE rate, as it does not give them flexibility to reduce costs when business is going slow. They are comfortable paying per transaction. So [*IndianCo*] offered a transaction-based pricing that provides a solution to the client to manage fluctuations in demand more effectively. (I-SLM5)

Managers gave concrete examples for back-office processes, of tariffs for each invoice or expense claim processed, or each journal entry made. Additionally, clients were refusing to pay "execution or initiation" costs (I-SLM1; I-SLM2; I-SLM5), further transferring risk from client to service provider.

GlobalCo experienced immediate disruption with clients urging "greater scrutiny" over operations. Nevertheless, the impact at *GlobalCo* appeared less severe than for the BPO sector overall. A notable contrast was the volatility of client base at *IndianCo* as compared to *GlobalCo*, whose clients remained loyal and extended their contracts G-SLM1 reported:

> Processes did not get ramped down altogether and business still continued coming in but at a slow pace. You could not have asked for anything more at that time.

Although longer-standing clients were more likely to remain committed to FTE-based payments, more outcome-based pricing models were increasingly adopted.

> One has to remember [we were now] dealing with a more sophisticated buyer constantly asking questions on our contribution to his business outcome. Pure FTE-based pricing is today proving insufficient to cope with the increasing intensity of market competition. This mode of pricing is making it difficult to deliver impact beyond cost arbitrage as it does not align pricing with client business needs or outcomes. (G-SLM5)

Immediate cost reduction imperatives found expression in *CaptiveCo*, although contrastingly so. What differentiates *CaptiveCo* from *IndianCo* and *GlobalCo* is its status as an in-house provider, although additional distinctiveness derives from its sectoral (financial services) location. Senior management reported that post-2008, "the main drive [became] to avoid instances of regulatory oversight" (C-SLM1).

CaptiveCo's corporate headquarters was compelled to shrink investment banking and retail banking, with inevitable contraction for Indian operations.

4.4.2 Post-recession Recovery and Corporate Strategy

In response to straitened economic conditions and then reviving demand, each company redefined its priorities. *IndianCo's* strategic shift involved the "aggressive" pursuit of clients beyond the parent company's portfolio. It aimed to become a "transformational partner" (I-SLM1) for clients, "increasing productivity, reducing complexity and reducing FTE, while improving overall process cycle efficiency [because] clients want upfront improvement in the process [and] ask what year-on-year cost reduction you can bring in" (I-SLM6). Diverse initiatives within this "aggressive" pursuit included transformational projects in HR that offered centres of excellence in shared services (I-SLM2) and greater value for clients in insurance and healthcare verticals (I-SLM3).

The aspiration was to secure higher-end transformational deals (I-SLM3; I-SLM5), a departure from providing commoditized services. Accordingly, managers reported "dwindling margins" from call centres, which were increasingly relocated to the Philippines. A constant refrain was the need to anticipate the demands of clients, whether for "faster delivery of products", for a wider "spectrum of solutions and services" or for "innovative" technology-led offerings. Clients had become "exceedingly demanding when it came to enhancing yield, improving efficiency and reducing cost … now [the objective] is SLA *plus* productivity *plus* business value" (I-SLM2).

GlobalCo's strategic reorientation had common aspects with *IndianCo's,* in responding to and anticipating clients' growing sophistication and the imperatives of "greater flexibility and scalability, faster time to market, greater discipline and round-the-clock processing" (G-SLM5). Economic downturn "actually proved to be a blessing in disguise", enabling *GlobalCo* to expand Indian operations and new projects were added (G-SLM3). *GlobalCo's* ability to leverage its global expertise to deliver efficiencies was a key source of competitive advantage. Perhaps the most notable aspect of *GlobalCo's* strategic shift lay in its promise to create a complete customer journey for clients "finding out the statistical and root-cause linkage" (G-SLM1), to be realized through "closer ties" and "long partnerships" (G-SLM2; G-SLM4; G-SLM5). So, to a greater extent than in *IndianCo,* which perhaps was representative of indigenous IT-BPO companies, *GlobalCo*, in turn, as representative of global service providers, was establishing intimate client partnerships to provide "superior service delivery" (G-SLM3) or "near flawless quality" (G-SLM5). Apropos Gereffi et al.'s (2005) ideal types, these nuanced differences may reflect the heuristic distinction between "relational form of governance", as represented by *GlobalCo,* and the more "market" form of *Indian Co*, as least in terms of their strategic intention and aspiration.

GlobalCo's distinctiveness rested on combining its proprietary analytics programmes with "omni-channel technologies". For contact centres, this meant first-time resolution or reduced effort by customers as they shifted between "smartphone, using chat from their desktop, and the phone" (G-SLM2). G-SLM5 explained the benefits of omni-channel technology:

> The benefits of this is that if a customer switches channels during transaction, an omni-channel solution ensures that this switch is seamless and it intelligently delivers a coherent message across each touchpoint. The result is not just improved customer satisfaction but efficient customer service.

GlobalCo reported "specialized", technology-based activity, while remaining committed to existing businesses in financial, retail, telecom and tech verticals (G-SLM5). The global strategy and priorities for India centred increasingly on the country's tech-related proficiency in web support and high-end analytics.

By contrast, *CaptiveCo's* Indian priorities were intertwined with the parent company's broader strategy. While less affected by financial crash than competitors, returns had been negatively affected by post-2008 regulatory change (G-SLM1; G-SLM2; G-SLM6; G-SLM7). The outcome was a global reorganization which cut operating costs by a quarter, produced significant redundancies in London and New York and involved the parallel transfer of back-office functions to India. *CaptiveCo* would become a high performing captive operation with [a] rapidly expanding scope of service [G-SLM6]. *CaptiveCo* shared *GlobalCo's* emphasis on technological innovation, in its case, to mobile banking, contactless technology and security services. *CaptiveCo's* strategic change involved it "maturing as a global in-house centre … more an extension of the bank and less an offshore service provider" (C-MLM2). In this sense, *GlobalCo* signified Gereffi et al.'s (2005) "hierarchy" ideal type. A "hybridization" substrategy directed low margin "commoditized" workflows to third-party vendors (including *IndianCo)* while keeping higher-end core work in-house.

4.4.3 Operationalizing New Strategies and Priorities

While senior managers can best articulate the strategic re-positioning of their companies, middle managers provide the most informed source for how strategies were operationalized. Here, for analytical purposes, it is helpful to separate heuristically process and people, despite their inseparability in practice.

4.4.3.1 Process

At *IndianCo*, middle managers reported escalating pressure to reduce operational cost and deliver expanded business volumes with less resource. Most were critical of senior management who, at contract renewal, promised additional deliverables when clients badgered *IndianCo* to do more work at no extra cost. What defined

IndianCo's organizational response to increased client demands was "a company-wide strategy of operational excellence" (I-MLM2). Managers elaborated on this, referring to the requirement to "optimize" or "streamline processes", "at the lowest possible costs and with minimum hassles" (I-MLM2; I-MLM4; I-MLM7). I-MLM1, who had responsibility for one of *IndianCo's* largest contracts, admitted how team leads and assistant managers were constantly "racking their brains" on how to make processes "less complex and leaner". Middle managers' reveal "operational excellence" to be lean methodologies combined with technological initiatives designed to standardize processes. I-MLM2 reported:

> We need to reduce the number of variables that affect process performance…leveraging the parent company's technology to drive efficiency. The focus is on making processes so robust that the processes [are] less dependent on people and human errors.

The established relationships with clients that helped *GlobalCo* "sail through the recession without much (*sic*) hiccups" (G-MLM2), and saw "contracts of longer duration" (G-MLM5), generated a highly pressurized, goal-oriented work environment. Operationalizing *GlobalCo's* strategy entailed frequent site visits from clients, often unannounced or at short notice. Client reps might even speak directly to call-handlers to discuss quality and compliance issues (G-MLM3; G-MLM5). All team leads (G-MLM4; G-MLM5; G-MLM6; G-MLM7) described these visits as stressful, not least because clients' evaluation of service quality and process improvement were major elements in mangers' performance appraisal.

Implementing client demands "to go beyond SLAs and bring transformations to processes" brought pressure. Pre-crisis, *GlobalCo* in common with third-party providers, were fined by clients for failing to meet SLAs. This "conventional stick approach" was replaced by a "carrot and stick approach" (G-MLM1; G-MLM2) in which financial rewards for good performance were complemented by penalties for failure. However, client intervention to drive operational excellence was regarded as intrusive and its effects damaging.

> People who are not able to perform that well and live up to the client's expectations start seeing themselves as losers and failures. They start suffering from low self-esteem. They get mentally disturbed and this affects their performance further. (G-MLM6)

While *CaptiveCo* did not share with *IndianCo* and *GlobalCo* intense pressure from external clients over delivery times, SLAs, quality and pricing models, the bank's focus on improving its "lean and mean operation" created a harsh environment. A majority reported undertaking constant employee monitoring to ensure that "the defined requirements of the deliverables were met" (C-MLM1).

4.4.3.2   People Management

At *IndianCo* unrelenting cost-cutting meant middle managers working under a "resource crunch", compelled to strip out wasteful processes or reform inefficient ones. The Siamese twin of lean re-engineering was reduced staffing. I-MLM5 stated:

If a process requires eight people, you will be asked to manage with six, if it requires twelve you will be asked to manage with eight. So this is the story now.

HRM practices were reshaped to meet these overriding objectives. Lean and Six Sigma training became mandatory at all levels. I-MLM1 reported:

The aim is for everyone to adopt a structured approach, eliminate waste and reduce cost. It is very rigorous training…they need to study, sit for exams and go through strict evaluations before they obtain certifications. These methodologies can be used to improve process metrics when aligned with employees' performance score cards…

Training involved acquiring domain knowledge, deemed necessary for error-free work, enabling *IndianCo* to secure transformational, higher-value deals. Temporal and cost pressures were inseparable:

The challenge is on bringing people up to the curve with minimum number of days of training [to] reduce the rebooting time…the time that a company has to consider before the employee starts giving profit. (I-SLM3)

Continuous productivity improvement and process re-engineering led to strict performance evaluation. I-MLM4, I-MLM5 and I-MLM6 reported weekly one-to-ones with team members and revising performance metrics each month to drive *kaizen*. This "heavy burden" was compounded by having to document progress and make weekly presentations to clients:

The client expects to see improvement each week, so I have to constantly drive my team to come up with something new that I can present for that week. It puts a lot of pressure on the team [and] on me… (I-MLM5)

Performance appraisal was based on peer relative ratings, ranging from 1+ ("Star Performance") to 1 ("Exceeding Performance"), to 2 ("Meeting Performance"), to 3 ("Partially Meeting Expectations") and 4 ("Underperformance"). The "constant need to check whether team members were completing assigned tasks occupies a major part of a team lead's everyday work" (I-MLM5).

Unwelcome client intervention at *GlobalCo* was seen as contributing to excessive work load through incessant monitoring, providing frequent assessments of each employee's performance and delivering continuous feedback and individualized coaching. In call centres, additional responsibilities, deriving from *GlobalCo's* strategy of developing intimate client relationships, produced striking examples of increased demands for team leads. G-MLM6 complained:

I have to be continuously by their side, available 24/7…I have to help them with the cases when they are stuck. I can get calls at 3am. "I am stuck brother, can you help?" So what I do is take a remote of his computer and start troubleshooting from home.

Considerable efforts were made to deepen the domain knowledge, with managers receiving intensive instruction on how to improve their team members. In call centres communication skills were now complemented by additional skills, including understanding the scientific basis to the metrics that drove a process, "omni-channel" capabilities and quality analysis. *GlobalCo's* objective was lean, continuous improvement as dictated by client and end-customer requirements.

> The pace of the change in the industries we support is very fast…everyday policies change, new terms and conditions, it's all very complex and agents have to have clear knowledge of them. They should also be able to simplify these for the customers on the phone. (G-MLM2)

GlobalCo's middle managers, similar to their counterparts in *IndianCo*, reported that performance management had become all-encompassing. Strict criteria were set by clients and imposed by *GlobalCo* in a system of "double monitoring". Among reported outcomes were the demotion of recently appointed team leaders (G-MLM5) and employees receiving zero incentives or no bonus (G-MLM6). Dealing with underperformance dominated HR practice.

> We cannot afford to show tolerance for non-performance. Performance Improvement Plans are put in place and it is a serious business as we move towards a more value-driven model. (G-MLM1)

GlobalCo was inflexible; if agents dipped on performance scores three times they were asked to resign, an action team leaders reported as emotionally difficult to execute (G-MLM4; G-MLM5; G-MLM6).

CaptiveCo's middle managers' experiences were similar C-MLM1 revealed.

> In order to reduce cost, the company moved core jobs to India–you get both skill and cost arbitrage here–and for us it is more work. [Yet] we cannot hire more people for increased work…if there were ten people working on a project, now it will be reduced to seven and the other three will take up extra work coming from the centre.

Finally, the fact of higher-end processes at in-house *CaptiveCo* did not mean that performance management was less stringently implemented. It was a corporate priority, an essential mechanism for inculcating appropriate values and behaviours. In C-MLM3's words, "the disciplined rigour adopted to assess and review performance creates a high performance culture". The "tough-minded" "forced ranking…helps cleanse out the slowpokes (sic)" (C-MLM5). Managers saw the ranking and the yanking of underperformers as an overly harsh way of evaluating performance, but believed there was no time for the alternative of continuous coaching and feedback. C-MLM5 conceded:

> However harsh it may sound, there is no denying that the process literally forces performance issues to be addressed for an organization that is trying to tighten its management processes.

4.4.4   Employee Experiences of Work

The logic of inquiry now leads to front-line employees (FLEs), the subjects of restructuring and, ultimately, the source of value for their organizations. The account of worker experiences is structured as follows: nature of work and workload, work intensification, reward and recognition, and performance management. Despite nuanced difference, performance management metrics, shaped by post-crisis business strategy, were the common HRM lynchpin in all three organizations.

4.4.4.1 Nature of Work

At *IndianCo,* all FLEs were engaged in back-office processes. Almost a half executed client transactions, verifying basic information and closing customer queries. Three FLEs had responsibilities for producing documentation, training teams on re-engineered processes and undertaking quality control and analysis. All reported having to acquire greater understanding of client businesses as they strove to reduce costs and gain efficiencies through standardization. Acquiring domain knowledge was a source of real pressure whether clients were new, or existing. Examples cited were A&F processes for a publishing company (I-FLE3; FLE4), expense control and customer enhancement for a US retirement/insurance company (I-FLE7; I-FLE8) or finance processes for US and UK mobile companies (I-FLE5; I-FLE11).

FLEs confirmed management testimony that business volumes had increased since 2010, but a majority expressed fears that *IndianCo's* "aggressive" pursuit of clients was bringing "risky" contracts of short duration. I-FLE4 voiced a common anxiety:

> You see processes coming in and then going away. I was so excited about working for this big client but they took the process away after a 6 month pilot.

Impermanence might lead to temporary redeployment to higher-volume contracts, but such moves were not guaranteed. They depended on project availability, the competitive evaluation of performance and team leader approval. The "loan" system might include temporary transfer to IT projects. The outcome was dissatisfaction centring on their "second-class" treatment (I-FLE2) and the IT side of the business "looking down" (I-FLE6) on them. I-FLE1 reported:

> I get appraised by both managers (IT and BPO). The problem is they do not consult…They have no idea how I am juggling between these two roles. They do the appraisal in a way that does not create a clear picture of the effort I have put in and the contribution I have made…you work so hard but it does not reflect in your overall appraisal.

All FLEs at *GlobalCo* experienced expanding business volumes in their established verticals of telecoms, financial services, health care and technology. Reflecting *GlobalCo's* operations, six of the nine were call-handlers and three provided chat (G-FLE1; G-FLE2; G-FLE3) services. *GlobalCo's* strategic prioritization of the customer journey through domain specialization and technological enhancement found expression in FLEs' "best in class" solutions and, crucially, first call resolution (FCR).

A majority at *CaptiveCo* testified to increased workflows which placed enormous strain on existing resources. Some FLEs found their managers to be not "competent" or "smart enough" to handle the transition of this work, while others ascribed insufficient planning to the all too frequent changes in middle management.

4.4.4.2 Work Intensification and Extensification

FLEs at *IndianCo* reported heavy workloads and long working hours, 12–14 h shifts without overtime and working on Saturdays to complete targets and training

modules. Yet, complaints of extensification, though widespread, were less pronounced than those relating to intensification. Each interviewee gave accounts of managers setting high targets and chasing individuals to meet them, with deleterious consequences.

> They will use all management "*fundas*", "*push your boundaries*", "*stretch your limits*", "*realize your potential*", but they don't see that beyond a certain point you cannot stretch the person's limits. He will break and collapse. (I-FLE4)
>
>   The guy who was processing 100 claims is now expected to process 300. Can you imagine processing 300 claims a day? The manager will constantly pressurise, get me 300, get me 300 and that increases the stress level. The guy who is doing 100 properly, now, under stress starts performing less. His figures go down and it reaches a stage where he leaves or is asked to leave. (I-FLE2)

IndianCo's readiness to accept additional work from clients translates into greater pressure. FLEs described the abrupt changes in work schedules, in "daily targets" (I-FLE7) and the need to be ready "to take up anything" given "the real time competition constantly driving people to push their limits further" (I-FLE10). Expanded contractual demands at the top cascades down into unbearably pressurized work with unachievable targets at the bottom.

Despite enthusiasm for "high profile accounts", FLEs at *GlobalCo* reported excessive pressure. The effects of the heightened emphasis on continuous quality improvement rippled through the organization. A quality analyst (G-FLE7) reported her requirement to evaluate five calls per agent per week and with twenty agents that meant "100 calls per week", resulting in having "to often sacrifice my off days". As at *IndianCo,* FLEs commented on working weekends (G-FLE7; G-FLE8) and getting night calls to resolve emergencies. Again extensification was accompanied by intensification. Intense pressure from quantitative targets remained, but the growing significance of first call resolution (FCR) was universally reported.

> Instead of opting [only] for the common performance metrics focussing solely on such as AHT (average handling time) plus wrap time plus hold time and ASA (average speed of answer), the objective has shifted to improving FCR. (G-FLE-7)

Managers told G-FLE1, G-FLE-2 and G-FLE3 that they would even tolerate a modest increase in AHTs for improved FCR, but this meant considerable increased work pressure (G-FLE4; G-FLE5). All FLEs on voice services reported exhaustion from constant call-handing. While in organizational terms, the recession had impacted market conditions, enlarged client expectations, made SLAs more demanding and, ultimately, led to increased targets, the crisis generated an additional, external source of pressure. Customer frustrations, even anger, might derive from wider political economic dynamics.

> We have more irate customers…it is not something to do with our service, they are not happy because they are not able to pay their bills, the recession took their jobs [and] they take their frustrations out on us. (G-FLE8)

Agents face huge problems delivering FCR on billing as customers make repeat calls to chisel a better solution. Chat sessions, equally, were stressful, given the need to respond to multiple customers simultaneously. G-FLE2 complained:

> Engaging customers becomes challenging as you are moving to-and-fro between several messages—looking at the screen to take other information into account before you type your response—and doing this for three customers at the same time. You can imagine how hard it is! You are a human being!

FLEs report quality being sacrificed for productivity, leaving many "quite drained" or "demeaned". Despite *CaptiveCo*'s hybridization strategy, its core FLEs experienced "huge workloads" and "long work days". Intensification was widely reported. C-FLE3 compared working at *CaptiveCo* unfavourably to previous employment at *IndianCo*:

> It is different here. There is no culture of taking breaks. You come in, start your computer and get on with the work. Twenty minutes of lunch break—that's it. Then you come back and start working again without raising your head till it's time to go home.

Working extended hours stemmed from "crunch project circumstances" (C-FLE4). Poor planning led to constant firefighting with managers juggling task allocation to already overworked FLEs C-FLE7 reflected:

> We are told to be flexible and embrace change which actually for us translates into more work, prioritizing work as per the managers' instructions, rushing from one task to another, seriously drains all my energy.

C-FLE12 described the front line of work as a place where "urgency supersedes importance", leaving "underlying causes…not addressed" which leads to a "blame game". Nevertheless, despite harbouring dissatisfactions all FLEs spoke approvingly of their specialized skills and knowledge and their use of new technologies and lean techniques.

4.4.4.3   Reward, Recognition and Benefits

Interviewees complained of paltry pay rises and inadequate performance incentives. There were diverse grievances: staggered incentive payments (I-FLE12), bonuses denied on spurious grounds (I-FLE1) or inferior bonuses when compared across the business (I-FLE4). The crisis had also prompted *IndianCo* to axe its transport policy of free pickup and drop off and to reduce food subsidies in canteens, decisions not reversed when market conditions revived. I-FLE13 observed, "The recession has passed but the effects are still with us". If *GlobalCo* did continue 24 h free pickup and supplied a Meal Pass, allowing subsidized food from affiliated restaurants and food courts, these benefits did not compensate for other dissatisfactions. FLEs widely complained of being unable to take leave because of excessive workload. G-FLE-8 had taken only 12 authorized leaves in her five-year career at *GlobalCo*.

At *GlobalCo*, FLEs evaluation of pay was more mixed. Some reported being "rewarded handsomely" (G-FLE6), for exceeding expectations and others described healthy bonuses. Yet, a majority depicted *IndianCo* as having become "very strict when it comes to discipline and targets" (G-FLE8). Falling short of only "six points

on the scorecard" could lead to the loss of "around 7,000 rupees" (G-FLE2). The intimate relationships between *GlobalCo* and its clients produced this dual and exacting system of evaluation.

One major distinction between *IndianCo* and *GlobalCo* as outsourcers, and in-house provider *CaptiveCo* was the latter's salary level at "almost 8% above market rate" (C-FLE6). Despite rigorous performance evaluation, FLEs reported healthy bonuses, something "everyone looks forward to after the appraisal" (C-FLE11). Consequently, employees were less concerned at losing free transport or food.

4.4.4.4 Performance Management and Appraisal

At *IndianCo,* all but two FLEs, who coincidentally reported personal friendships with team leaders, conveyed dissatisfaction with appraisals. They found it difficult to understand the scorecard and complained of changing monthly criteria, making it almost impossible to meet targets. I-FLE3 mentioned managers "doctoring" scores behind "closed doors" I-FLE4's spoke for many:

> I always complete whatever is assigned to me, but it still does not get translated into the required numbers in the scorecard. My manager always has some criteria handy to pick up, which I have no idea and says that you are falling short here, you need to take initiatives and demonstrate leadership skills. We have no idea when they add these criteria.

Many criticized the system for dashing promotion hopes. I-FLE13 felt he had "no value in the organization", having performed outstandingly without success. Others reported having to demonstrate excellence over a decade and, then, only with their managers' "blessings", might they become team leader (I-FLE2; I-FLE4; I-FLE5).

FLE's perceptions of performance management at *GlobalCo* were more varied than at *IndianCo*. Some saw working for a "big company" as beneficial, while others were persuaded by "great incentive offers" from clients to achieve top rankings. Nevertheless, even those positively disposed objected to "double monitoring" (client and *GlobalCo*) (G-FLE8; G-FLE9). All reported excessive pressure to excel. Tougher criteria included customer interaction and the ubiquitous lean working, including "smart" and "zero error" service delivery. G-FLE8s expressed widely held views:

> You will get pushed to your last nerve. Time is not your friend any more. You've got to pick up things fast and deliver results...if you can take pressure you're in.

However, the outcome for underperformers was bleak.

> People do not talk in shades of grey, but pure black and white, so everything is straightforward and clear—you perform well and you will get all the help, but if you don't then you [must] find some other place. (G-FLE4)

An inflexible system meant that falling short on only two of six metrics, or perhaps an occasional unauthorized absence, might be enough to designate underperformance.

Similarly, at *CaptiveCo* FLEs described harsh appraisal and talked about living in a state of constant fear and insecurity. While some internalized performance management as an inescapable part of the job, many did not buy into *CaptiveCo's* "high-performance" culture. Appraisals were riddled with subjectivity and bias; C-FLE13 believed "Lobby and oiling (sic) works here so those who play well politically stay here long term".

Performance management was inducing behaviours that contradicted the espoused values of team working, knowledge exchange and peer support C-FE10 recounted:

> We work in silos. Everyone is possessive of what they have learnt and have figured out for themselves. Nobody wants to share knowledge or exchange ideas.

Thus, a cooperatively based high-performance culture is undermined by the individualization of performance appraisal and management.

4.5 Conclusion

The evidence from these cases confirms Taylor et al.'s (2014) provisional findings on the implementation of cost reduction measures in the wake of the financial crash. Nevertheless, a more nuanced picture now emerges across, between and, in part, because of the differentiation in organizational type and servicing relationship, which becomes more manifest as the appetite for outsourced (Lacity and Wilcocks 2014) (and offshored) business resumed. In the extremely competitive market conditions, more aggressive client demands drove both the third-party providers to adopt outcome-based, rather than FTE-based, pricing models. The effect of the transition to these models could be dramatic. As governance, control and costing became subject to microscopic scrutiny and accountability, each link in the servicing supply chain becoming tightened as the aim became to remove unnecessary costs (of unutilized labour mainly) through these new pricing mechanisms (Bair 2008; Gereffi et al. 2005; Taylor 2010b). *IndianCo* was more determined than *GlobalCo* to make the transition as it tended to fish for clients in more open seas than *GlobalCo,* many of whose customers were longer-term and appeared more willing to continue FTE-pricing. Such subtle but real distinctions invoke the difference in governance types (Gereffi et al. 2005) between tending towards a more fully market form and towards a more relational arrangement. Nevertheless, the difference was mostly of degree, for the inescapable trend to outcome-based pricing in both organizational types was evident.

Variation in organizational strategy in the recovery phase is discernible. Of course, *CaptiveCo* represents distinctive case in that it is an in-house supplier, a UK-headquartered multinational, is a financial services company and the fate of its

Indian BPO operations was and is inseparably bound up with its post-2008 global corporate strategy. This strategy involved downsizing at the onshore core and a major transfer of work to India, as the offshore operations became less a remote offshoot and more an integral part of the bank's supply chain. *GlobalCo's* Indian operations were not dependent, unlike the two outsourcers, on multiple clients and in this case appear to exemplify Gereffi et al. (2005) hierarchy type. For *IndianCo* and *GlobalCo,* the pursuit of higher-end transformational contracts, whether from new or existing clients, depended on the ability (promised by both) to ensure speed of delivery, technology-led offerings, scalability and the assumption of increased risk. One nuanced difference was *GlobalCo's* ability to leverage a global customer portfolio, which made for a more stable or, more accurately, less volatile client base, than that for *IndianCo*. Such differences, however, marginal, impinge on their respective SLA-structured supply chains and have differential impacts on workers' experiences.

In operationalizing these post-crisis strategies, middle managers at *GlobalCo* and *IndianCo* commonly reported on their own company and specific client insistence on "operational excellence", the implementation of lean methodologies, standardization and technology-based solutions in a ceaseless drive to constantly improve levels of efficiency. If overpromising in order to attract new clients might create excessive pressures for managers and FLEs at *IndianCo*, contrastingly, at *GlobalCo*, it was intervention from established clients that generated similar effects. The latter's desire to form intimate relationships with clients permitted them to intercede on operational matters, which magnified scrutiny of operational matters and the performance of middle managers and FLEs. If *CaptiveCo* did not have external clients that propelled the same delivery time, cost minimization and tight SLA pressure that dominated at *GlobalCo* and *IndianCo,* "lean and mean" was nevertheless prioritized with a similar obsession with the "deliverables" and the "disciplined rigour" of lean. Following Ponte and Sturgeon (2014), it might be argued that "inter-firm" or "transactional" (as opposed to "whole chain") governance has assumed greater importance. If "going beyond" SLAs became the watchwords of lean transformation, then the inseparable accompaniment to process re-engineering was the "resource crunch" of reduced staffing. HRM policy and practices were not so much aligned with, as subordinated to, lean methodologies.

Although the *kaizen* in cost reduction, quality standards and efficiency and productivity was manifest in different ways and processes across the case study organizations, performance management was nevertheless all-encompassing in all three. An obsession with metrics, measurements, appraisals, one-to-ones, rankings and dealing with underperformance came to dominate middle management practice. It is argued that within the global service supply chains SLAs are the coordinating mechanism of transnational supply chains (Taylor 2010b), the fulcrum articulating the demands of the lead firms with the requirements placed upon service providers. Middle managers, and particularly team leaders, are important in this account, because they are that final layer of management, accountable for ensuring that the "deliverables" are indeed delivered on time, at the agreed volume and at the requisite quality. In short, they operationalize the SLAs.

The most compelling evidence, though, relates to the experience of front-line employees (FLEs). The words of an *IndianCo* employee that form part of this chapter's title—"the recession has passed but the effects are still with us"—serve as an apt summary of the experiences of many in terms of salaries, rewards and benefits, extended working hours and other working conditions. It certainly corroborates that the provisional findings that what might have appeared as temporary exigencies necessitated by the shock of crisis became enduring features of Indian BPO work.

However, this study goes much further than previous work. It demonstrates how the newly adopted transaction-based pricing models at *IndianCo* and *GlobalCo* have exposed workers much more directly to market pressures, by eliminating buffers of "spare human capital". Employees report a remarkable intensification of work and manifest in excessive and often unachievable targets in both call centre and back-office work of all kinds. As market-driven intensification (McGovern et al. 2007) impacted workers in the outsourced centres of *IndianCo* and *GlobalCo,* the parallel process at *CaptiveCo* was what one FLE described as urgency superseding importance, the stringent implementation of internally generated targets. In each of the three cases, the lynchpin of HRM was an emergent systems of performance management that drowned the FLEs and middle managers in performance metrics of all kinds and utilized "rank and yank" as an operative principle.

In evaluating the empirical evidence of the contrasting case studies, GVC concepts have been employed to inform analysis and explain developments and difference. It should not be forgotten, though, that the GVC is but one framework in a loosely integrated tradition (Bair 2008) that originated with the global commodity chains/GCC approach (Gereffi and Korzeniewicz 1994) and has more recently has been expressed in the GPN formulation that, despite differences, have commonly sought to describe, map, understand and analyse the increasingly interconnected transnational systems of production (Dicken 2015). This chapter has drawn on the version of GVC drawn from Gereffi et al. (2005) that emphasizes governance, inter-firm linkages and the mode of governance prevailing at a particular link, notably in relation to the contrasting inter-firm types. However, the focus is broader than the immediate dyadic links in the servicing chains for the lead firms, as drivers, reconfigured value chains in the context of a dramatically changed global economic context. Thus, the more parsimonious GVC perspective is extended, as the inter-firm linkages are embedded within the logics and shifts of global political economy (Palpacuer 2008; Taylor et al. 2015; Werner and Bair 2011).

Even if a fully expansive GPN analysis (Henderson et al. 2002) that meticulously evaluated the significance of all the territorial features of the "global–local dialectic" (e.g. local labour markets for BPO, human capital and skill, role of the national and regional state) lies beyond the scope of this chapter, this analysis still encompasses elements that might be considered part of GPN. In this sense, the work intensification outcomes evident in the three cases provide a telling illustration of how labour should be "enrolled" (Coe and Hess 2013, p. 5) into GPNs.

A final observation concerns the significance of the relatively modest rates of employment growth since 2010 (Table 4.1). It is suggested that the numbers

employed do not represent the full extent of the expanded volumes of business, given industry-wide praxis of "doing more with less", that is strongly evidenced in this study by the three interview cohorts—senior management, middle management and FLEs. Gereffi and Fernandez-Stark (2010) suggested that impact of recession would see conflict between a "demand effect" and a "substitution effect". Without neglecting the importance of historical contingency, it would seem that the latter, increased demand through the imperative of relocation to India as a cheaper destination location, has triumphed over the former, potentially reduced demand as a result of crisis.

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Theme 2
Rising Informalization
and Casualization of Employment

Chapter 5
Informal Work in the Formal Sector: Conceptualizing the Changing Role of the State in India

Babu P. Remesh

Abstract In India, the past few decades witnessed a growing process of "informalization of work within the formal sector". The most alarming aspect of this trend is the process of informalization within the public/government sector, where the governments (both at the centre and states) are found to increase the share of unprotected workers in the total workforce. Excessive use of employees under project mode, employment of temporary workers on continuous basis, outsourcing of non-core operations to service providers and engagement of workers through placement agencies/intermediaries are common practices followed by state-run institutions. With all these transitions, the role of governments as promoters of decent and protected jobs in the organized sector is gradually waning, as the state also participates actively in the rat race for cost-cutting measures like any other employer. This scenario, juxtaposed with the other ongoing changes in the state's role (e.g. the thrust on "reforming" labour laws for enhancing labour flexibilities, reduced social sector spending and so on), suggests that there has been a double laxity on the part of state, both as employer and as the ultimate regulator and promoter of decent employment. Based on secondary data and available empirical evidence, the present chapter elaborates these concerns of informalization of employment in the public sector.

Keywords Informalization · Public sector jobs · Flexi-staffing · Labour flexibility · Decent work

B.P. Remesh (✉)
School of Development Studies, Ambedkar University Delhi,
Delhi, India
e-mail: babu@aud.ac.in

5.1 Introduction

In India, of late, there has been a growing process of "informalization of work within the formal sector". This trend, however, has attracted a wider academic attention only very recently, especially since the revelations of the National Commission for Enterprises in the Unorganized Sector (NCEUS) that most of the increase in formal sector employment during 1999–2000 to 2004–05 has been of an "informal nature". As per NCEUS, 58 million out of 59.3 million incremental jobs created in the formal sector, during the above period, were without any employment/work or social security.[1] It is also shown that in 2004–05, 28.9 million out of 62.6 million workers in the formal sector (46.2%[2]) were in the "informal workers" category. This trend of informalization of formal sector employment has continued unabated in subsequent years also.[3]

From a closer look into this phenomenon of growth of insecure employment in the organized sector, it is evident that among its major determinants, the shifting role of the state in the recent decades is a prominent one. In the mixed economic system of planning followed in the India, the state has a dual role in the labour market, both as an employer (in the government sector) and as a regulator/custodian of labour standards (in all labour markets—including all government, quasi-government and private sectors). Of late, it is widely acknowledged that there is a discernible decline in the state's role in terms of both the above functions. A detailed probing into this aspect is attempted in this chapter, based on extant empirical evidence.

The remaining part of the chapter is schemed in four sections. Section 5.2 discusses the overall decline of employment in the government sector in recent times. The next Section (5.3) speaks of the growing trend of contractualization and temporarization of employment in the government sector, giving due attention on possible determinants. In Section 5.4, the declining role of the state in terms of safeguarding labour standards is highlighted. While doing so, the state's position in the ongoing episode of "labour law reforms" is specially looked into. Finally, Section 5.5 concludes the paper.

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[1]As per the definition followed by NCEUS, the three characteristics to identify informal employment are: (a) absence of employment security (no protection against arbitrary dismissal); (b) absence of work security (no protection against accidents and illness at the workplace); and (c) absence of social security (maternity and health care benefits, pension, etc.) (NCEUS 2009).

[2]The corresponding share in 1999–2000 was 42.1%.

[3]For instance, Economic Survey 2015–16 reports that the share of informal employment in the organized sector had increased from 48 to 54.6% during 2004–05 to 2011–12 (Government of India/GOI 2016).

5.2 Decline of Jobs in the Government/Public Sector

In India, during the early decades of post-independence planning, the public sector had been viewed as the leading sector and as the key engine for growth. Consequently, business in the heavy and capital industries as well as the major service activities (e.g. railways, posts and telegraph and civil aviation) were exclusively entrusted to the government sector. Also, as per the mixed economy framework of planning followed in India, the respective governments (be it at centre, state, district or panchayat/municipal levels) assumed key and leading roles in the provision of education as well as the production and distribution of public utility services (e.g. electricity, water, petroleum products and cooking gas). A natural corollary of this hegemony of the state as an important player in the economy is the emergence of public sector as a prominent employment provider in the country. Accordingly, the early decades of planned development saw a steady increase in public/government sector employment in the country. The majority of these jobs in the public sector were "secure" in terms of tenure and social security and included attractive terms and conditions. During this period, all government/public sector employees, irrespective of their relative positions in the organizational hierarchy, enjoyed all statutory employment benefits till their retirement and were entitled to pensionary benefits thereafter. During these days, all jobs in a government office or public sector firm were of a permanent nature and all the employees—right from lowest rung of workers to the officers in an institution—were provided with an equal degree of employment security and fair working conditions. Thus, it is reasonable to conclude that, during the initial decades since independence, the public sector had gained its identity as a provider "decent work".[4] However, in the subsequent decades, especially during the post-liberalization era, there has been a marked difference in the role of the state as a provider of stable, secure and "decent" jobs in an equitable manner to all the employees engaged in the sector.

During the post-liberalization period, there has been a sharp decline in the overall size of employment within the government sector. As per available official data, during the period 1995–2011, there has been a decline of about 2 million jobs in the government sector, with the central government accounting for half of the decrease (ISF/Indian Staffing Federation 2014).[5] It is also evident that despite a considerable expansion of the state's administration system (in terms of the number of states, panchayats, municipalities and so on) and the launching of a plethora of social development programmes, there has been no commensurate growth in government sector employment, especially in the permanent category.

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[4]Here, it is to be noted that the concept of "decent work" or "decent employment" came to usage only in the late 1990s, since the introduction of the decent work convention by the International Labour Organization/ILO in 1997.

[5]Economic Survey 2012–13 reports that employment by government declined from 19.5 million in 1995 to 17.5 million in 2011.

There are many factors that led to this situation of shrinking employment in the government sector. In an age of liberalization and competition, the managerial and business logic of government-run organizations and departments also heavily shifted towards market-based norms. In this changed regime, even public sector units (PSUs) and government departments started viewing downsizing (or "right-sizing") the workforce as a direct measure for enhancing economic efficiency. Accordingly, many of the vacancies arising out of retirement or attrition of permanent employees in government departments and PSUs are not later on filled up. Many of these permanent positions are either perennially kept on hold or are refilled with appointees from the category of temporary employees, giving way to the gradual but steady "temporarization" of the workforce.

Another major manifestation of this changed norm of business in the government sector and PSUs is the large-scale introduction of voluntary retirement schemes (VRS), which helped these firms to shed a considerable number of their permanent employees. The banking sector (including public and private sector banks) is a classic case where this strategy of worker repatriation was intensively experimented with. Here also only a minor proportion of the workers "pushed out" through VRS got replaced by fresh recruits, with almost all of the latter coming from the category of temporary and unprotected workers.

Coeval to these developments, there has also been a move towards the privatization of government organizations, which were earlier run by the government or public sector. Selling of public enterprises (or dispersing their ownership through the public sale of their shares) and encouraging private participation in the business of the government sector were some of the ways chosen for this privatization move. By early 2000, a dedicated Ministry on Disinvestment was set up and some of the PSUs were privatized through disinvestment, ownership transfer or strategic partnership arrangements. All these changes in the business structure *inter alia* led to a situation where many of the erstwhile public sector jobs got shifted to the private sector, with severe deterioration in the terms of work.[6] Apart from this "overt" way of privatizing public business and shifting erstwhile protected jobs into the informal sector, there has also been a silent but steady growth of private sector jobs within the government sector, with the advent of outsourcing and flexi-staffing arrangements in public sector workplaces.

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[6]After examining the impact of privatization on labour in the context of a disinvested public sector company, BALCO, Remesh (2007), explains that with the shift of the transfer of ownership of the firm from public to private, the labour standards of the erstwhile public sector employees have deteriorated considerably.

5.3 Growth of Temporary Work in the Government Sector

Nowadays, in all government departments and institutions, it is common to see a large number of temporary staff. This growing segment of workforce in the government sector includes group D (class 4) employees working as casual (daily wage) workers, clerical and technical staff working at middle levels and even consultants/tenured-professionals working at higher levels, mostly with short-term contracts or on project-based assignments. About 12.3 million (43%) of workers in the government sector are in temporary employment.[7] While 10.5 million among these workers are in casual employment (i.e. without any formal job contract), about 1.4 million are with written, short-term job contracts (ISF 2014).

5.3.1 Shift from Permanent to Temporary Positions

The growing share of temporary staff in the government sector is partially due to the shrinking trend of permanent employment. As explained in the preceding section, many of the vacant positions arising on account of retirement/superannuation (especially in the lower rungs of the organizational hierarchy) are either frozen or perennially kept unfilled. Even when new recruitment is done, the incremental workforce is mostly in the category of temporary workers.[8] It is only in the executive, managerial and professional positions that some replenishment of the workforce is done through fresh recruitment of permanent staff.

Many of the temporary employees of the government sector are working in short-term positions or in project-based vacancies, where they have been given a short-term appointment with consolidated pay packs. In these cases, though there is a direct bipartite employee–employee relationship, the workers are not entitled to any social security benefits, leave and perks normally available to the permanent employees. In some cases, the organizations provide the benefits of EPF (Employees' Provident Fund) and ESI (Employees' State Insurance), especially when the tenure is relatively higher or if there is a likelihood of frequent renewal/extension of the contracts. But if the appointment is for a shorter duration, these benefits are not normally extended to the employees.

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[7]As against this, the private sector has 14.1 million workers.
[8]The share of regular employees in the government sector declined from 94% in 2001 to 88% in 2009 (ISF 2014).

5.3.2 Outsourcing, Flexi-Staffing and the Role of Intermediaries

Along with this direct employment of temporary staff, of late, there has been a large-scale outsourcing of government sector work,[9] either through transferring non-core work to service-providing agencies or through resorting to flexi-staffing arrangements. The very common practice of shifting security services, catering jobs and cleaning operations in government organizations to external agencies is an example of engaging service-providing agencies. In the case of flexi-staffing arrangements, the identified agency provides the required number of employees in various categories to the client organization as leased employees or contract workers. The provision of annual maintenance contracts to private agencies is another major trend, by which private employment is facilitated in the workplaces of the government sector. In all these arrangements, the new jobs created are mostly in the temporary/contractual segment, where the employees face strong employment insecurity and inferior working conditions.

All the above arrangements cumulatively lead to a situation where a considerable chunk of jobs in the government sector are being "transferred" to the private sector. Interestingly, much of these "sourced-out work" are not actually going out of the physical space of the government sector. What is happening is the earmarking of government spaces for the informal work of the private sector! Given this situation, the margins between public and private sector workspaces are blurring. Accordingly, people working in the private sector are sometimes catering to the public sector or vice versa. In some cases, people physically present in the government sector are recruited by and working for the private sector. This osmosis of the workforce between private and public workspaces is a major dilemma while designing policies to counter the temporization of work in the public sector, in recent times.

Often, many of these "temporary staff" work on a "permanent basis" but without any commensurate benefits and long-term commitments from the employer. Given their unstable tenure of appointment, mostly, they are also not benefitted from organized collective bargaining and support of trade unions.[10]

In this changed environment of government sector employment, intermediaries play a major role between the principal employer and the worker. In the absence of strict regulatory mechanisms, quite often, these workers are subjected to myriad forms of exploitation that include charging exorbitant amounts for registration and its periodic renewal, absence of written contracts/non-issuance of appointment orders, irregularity and delays in payments, syphoning off employee contributions

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[9]With the increased adoption of work outsourcing, the erstwhile in-house work of government organizations is now being increasingly transferred to the private sector. As per a latest estimate, 3–3.5 million workers in the private sector are deployed to cater to government projects over 2000–01 to 2011–12.

[10]Almost all the temporary workers in the government sector are not members of any trade union organizations, as collective bargaining is largely confined to permanent employees.

towards the provident fund (PF), payment of lower wages by way of imposing undue deductions, demanding work for longer hours and denial of minimum wages. In most of such cases of exploitation or violation of labour rights, though the principal employer (in this instance, the government organization) pays all the admissible payments and benefits to the temporary staff, the intermediaries could easily pocket them as there is no efficient system in place to check the possible malpractices. In such a situation, it is common to see security guards working for 12 h, menial staff being paid wages below the minimum level and salaries being delayed for several months. A careful reading of the tender sections of the websites of various government institutions testifies that often worker welfare clauses are not given much attention while outsourcing work to the private sector.

5.3.3 Temporary and "Voluntary" Jobs in Social Development Programmes

The implementation of most of the centrally sponsored social development programmes is essentially done through contractual employees. The implementation of many of the government programmes (e.g. NACO [National AIDS Control Organization], ICDS [Integrated Child Development Scheme], NRHM [National Rural Health Mission], NREGS [National Rural Employment Guarantee Services], NRLM [National Rural Livelihoods Mission], UIDAI [Unique Identification Authority of India] and RSBY [Rashtriya Swasthya Bima Yojna]) is undertaken with a large number of temporary staff, either directly engaged by the respective government or employed through service-providing agencies. It is estimated that there are over one lakh[11] temporary workers engaged with the programmes of NACO itself. While some of these workers are inducted via project mode and their tenure is renewed time and again, many others are engaged as "voluntary workers" who receive only a meagre amount as honorarium which often is far below the statutory minimum wages. In this category of "honorary workers", the ICDS Scheme itself has around 2.5 million dedicated workforce as *anganwadi* workers and *anganwadi* helpers, whose payments are Rs. (Indian Rupees) 3,000 and Rs. 1,500 per month, respectively. Though some states are providing certain additional honorarium, the total payments often fall far below minimum wages. The accredited social health activists (ASHAs) under the NHRM is another major category of "honorary workers" who receive only a pittance as honorarium, in the range of Rs. 1,500–3,000 per month, even after adding the supplementary sums from the state

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[11]One lakh equals one hundred thousand.

governments.[12] In most of the above cases, the employees are denied of the "status of workers", and their contributions are viewed as "voluntary social service"[13]!

On the whole, all these transformations together bring in a clear-cut "dualism" in the government sector's workforce, where, along with a gradually dwindling but still higher proportion of "protected permanent employees", there is also a steadily growing category of footloose labour, characterized by dismal working conditions and employment benefits. With this sort of a situation, many of the noble principles safeguarded earlier in the government sector, such as "equal pay for equal work", "equal treatment for all workers" and so on, become naturally irrelevant. It is worrying to note that the deteriorating work conditions in the government sector often go unnoticed by the authorities and the issue faced by temporary workers remain unheard, be it at the central, state or local government levels.

5.4 Declining Role of the State as the Guardian of Labour Standards

In the mixed economic and federal system of governance followed in India, the state or the government has a major role as a regulator of basic labour standards in all sectors, whether government, quasi-government or private. During the initial decades of the post-independence era, this function of the state received a greater attention. In this phase, the state was actively involved in the implementation of applicable labour laws, regularly conducting inspections at worksites and pressurizing employers to strictly adhere to the welfare provisions stipulated in various guidelines and legislations. While many of the labour laws in India date back to the pre-independence period, there have been some remarkable additions and amendments that further strengthened the legislative protection accorded to the working class in the country. Efforts were also made to strengthen bipartite and tripartite negotiations and to establish permanent fora for regularly discussing and resolving the issues of labour—matters which received priority in the initial decades.[14] The government also appointed many important committees/commissions to study the

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[12]The Sarva Shiksha Abhiyan (SSA) programme of the central government also engages several teaching staff and cooks as temporary employees. As in the case of *anganwadi* workers, SSA cooks are also treated as "honorary" workers and thus paid only a meagre monthly honorarium (Rs. 1,000 plus supplementary payments).

[13]While commenting on this, Swaminathan (2015) says that through the large-scale engagement of temporary staff as "voluntary workers" and by denying them "worker status", informal employment is being formalized in the government sector.

[14]Setting up of the Indian Labour Conference (ILC) and Standing Labour Committee (SLC) structures is a classic example of this.

labour situation in the country.[15] The recommendations of some of these committees/commissions even led to the establishment of various enabling institutions in the labour front.[16]

But this initial phase of the state as a defender of basic labour rights and as a champion of overall labour welfare lost its glory by the 1980s and, more specifically, during the period of liberalization. There was an outcry that excessive state control in business would only breed inefficiencies. Industrialists and business corporates, the torch-bearers of this view, portrayed the government's proactive role in implementing labour laws as restrictive and debilitating measures of the "inspection raj"! In a period of globalization, where liberalization and privatization were the buzz words, this corporate argument got wider acceptance and accordingly, in 1990s and the years that followed, the government took several steps backwards in its role as a custodian of labour rights.

Right from the 1990s onwards, the "inspection raj" was considered as a necessary evil and labour officials at various levels were instructed to carry out inspections at factories and workplaces with due care and at times with prior permission only. This shift in the paradigm adversely affected the efficacy of many of the effective labour legislations.[17] With the overall weakening of trade unions, tripartite dialogues are also on a steady decline in recent times. There are only two major commissions (SNCL [Second National Commission on Labour] and NCEUS) appointed in the last two decades, and the recommendations of both these commissions still wait for serious follow-up.

The government's rollback from its earlier position as the guardian of overall labour standards is evident in many ways. As mentioned earlier, within the government sector itself, there has been a massive transfer of permanent jobs into the category of contractual and temporary employment, due to various reasons including disinvestment and outsourcing of work to service providers and flexi-staffing agencies. Mostly, these shifts are happening without any proper vigil from the authorities in terms of ensuring a modicum level of employment/work and social security. Often, no adequate attention is paid to insisting on basic standards while outsourcing work through tenders and service-providing contracts. Given this context, it is common to see employees working below minimum wages and with dismal conditions—be it in the case of temporary employees in government offices or manual workers in private-run construction sites for who implement projects of the central public works department.

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[15]For instance, in the first three decades since independence, the government appointed major commissions such as the First National Commission on Labour, National Commission on Rural Labour, National Commission on Women and National Commission on Self-Employed Women Workers.

[16]For instance, the National Labour Institute was set up following the recommendations of the First National Commission on Labour.

[17]For instance, the efficacy of the Child Labour (Regulation and Prohibition) Act 1986 was seriously affected by the decline of the inspection system.

The special economic zones (SEZs), organized at the behest of government with the objective of promoting export-oriented production, are treated as insulated zones as far the implementation of labour laws, otherwise applicable to similar firms working outside these zones is concerned. Also, these zones do not fall under the purview of the normal labour administration system. All these help the growth of informal and unprotected jobs, with the government assuming the role of a facilitator in the creation of informal jobs. Of late, a good chunk of work earlier carried out in workshops/factories is now being shifted to home-based work. Most of such shifts are undertaken primarily to circumvent the applicable labour laws. Here also, the government could not so far come up with some effective steps to counter this move of work from "protected zones" to "unprotected zones".

Directly or indirectly, the state is also found favouring and supporting the downsizing of the workforce, both in public and private sectors. On the one hand, in the name of labour reforms, the repealing of chapter VB of the Industrial Disputes Act 1947 has been high on the cards for quite a long time. On the other hand, by providing its accord to the VRS schemes, an overall conducive climate is created for resorting to downsizing of the workforce in public and private firms alike. Quite often, VRS is launched as a substitute for retrenchment,[18] with its axe ultimately falling on the employment security and organized strength of employees. A good example of this is the decline of collective bargaining and trade union strength in the banking sector.[19]

A growing body of literature suggests that, in contemporary times, many of the private firms are not properly implementing the applicable labour laws and the welfare provisions therein. Such a situation leads to many undesirable outcomes. Quite often, contractual and temporary employment is increasing at an alarming rate, and this vulnerably category of workers is even engaged in core production operations and tasks of a perennial nature, contrary to the letter and spirit of the Contract Labour Abolition Act. Similarly, many firms are found to engage apprentices in large numbers, flouting the extant governmental guidelines in this regard. In many cases, the employees are denied even basic labour rights, such as the right to organize and collective bargaining, as was evident in recent years in the case of the Maruti workers in Haryana.

In a neoliberal regime, various state governments compete to attract capital. Government support and patronage to industry is ensured in a two-pronged manner. On the one hand, the support is given through providing subsidies, infrastructure, tariff reduction and so on, which can be seen as "promotive" measures. On the other hand, patronage is also provided by not acting promptly on labour right violations, by not implementing protective frameworks and laws or by bypassing the provisions of pro-labour policies (Remesh 2015; Suresh 2010)

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[18]In BALCO, when the disinvestment took place, it was stipulated that there should not be retrenchment for a specified period of time. But the private management could downsize the workforce by introducing VRS and forcing the workers to opt for it (Remesh 2007).

[19]For a detailed account, see Paul and Mahurkar (2016).

The ongoing episode of labour law reforms also shows that various state governments and, more importantly, the central government are in the process of removing many of protective measures and thereby subordinating labour questions to the larger economic agenda (Gopalan 2016). The Rajasthan Assembly has already passed three amendment bills relating to Industrial Disputes Act 1947, the Contract Labour Act 1970 and the Factories Act 1947. All these companies working in this state to more freely hire and fire workers, as a firm employing up to 300 workers is exempted from obtaining prior approval of the government in the event of retrenchment. The "erosion of state-labour social contract" (Gopalan 2016) is strikingly visible in the ongoing move of the central government to drastically amend some of the crucial labour laws in the name of bringing in a flexible labour regime—to ensure the ease of business for corporate bodies. There are two bills actively under consideration with the government (the Labour Code on Industrial Relations Bill 2015 and the Factories Act Amendment Bill 2014). Once these bills are passed by the government, it will further intensify the insecurities of workers and the trend of informalization in the formal market.

5.5   Concluding Remarks

From the foregoing discussion, it is evident that two distinct shifts in the role of the state have been central to the large-scale informalization of formal work in the recent decades. On the one hand, there has been a shift in the state's role from that of a good employer to a "bad" one. On the one hand, the state's stature as a provider of decent employment options has declined over time. Thus, any policy for arresting and reversing the "informalization trend" needs to give due attention to bringing the state back to its old track where it assumes exemplary leadership, both as a good employer and as a guardian of labour standards for all sectors.

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Chapter 6
Matter in Motion: Work and Livelihoods in India's Economy of Waste

Barbara Harriss-White

Abstract All human society produces waste matter which has no value: in the circuits of capital in production, distribution, consumption, the production of labour and the reproduction of society. Some waste matter remains without value indefinitely, and other regains value in reuse, recycling and reprocessing. India's waste sector is one of the fastest growing in the world. This chapter analyses the livelihoods and life worlds generated by liquid and solid wastes in the circuits of capital of a small town in South India. It combines the analysis of 84 such livelihoods with four workers' own descriptions, chosen to represent the livelihoods and life worlds of the public sector salariat, informal wage work, self-employment and petty capital. The workforce is disproportionately Dalit and Adivasi. Conditions are dangerous, and the work is extremely hard. Formal contracts prove incomplete and informal labour depends on patronage, discretion and bonding. This chapter concludes with reflections on incomes and social stigma in this sector.

Keywords Waste · India · Poverty · Informal work · Formal work · Social discrimination

6.1 Introduction: Matter in Motion—Taps and Sinks

In all acts of material production, distribution and consumption, in the production of labour and in social reproduction, human society has constantly generated waste materials and substances without value and it always will. The moment waste spends without value may last a few minutes, as when a quarter bottle of brandy is emptied, cast onto the ground and quickly gathered, sorted and bulked for recycling, or effectively for all eternity—some plastics are thought to take 500 million years to decompose. The provider of resources, nature, is not simply a "tap". In subjecting waste to the physical laws of de- and recomposition, nature is also a

B. Harriss-White (✉)
Oxford University, Oxford, UK
e-mail: barbara.harriss-white@qeh.ox.ac.uk; barbara.harriss-white@area.ox.ac.uk

"sink". Though in the tropics biodegradable waste rots quickly, many other physical processes act almost infinitesimally slowly compared with the rapid physical cycles of the economy. Waste matter accumulates. In this neoliberal and globalized era, India's waste production has become one of the fastest growing in the world—yet India's moment of peak waste after which absolute amounts will decline is estimated at a century into the future (Hoornweg et al. 2013). Already in urban India, waste has started to engulf all open spaces regardless of tenure and is increasingly identified as a public health catastrophe in waiting; only a third of it is made visible in this form—as "consumption waste". The remainder comes equally from agriculture and industry (Centre for Environment Education/CEE 2014).

India's position in the global economy of waste—e.g. in shipbreaking (Demaria 2010)—and its role in the production of gaseous waste (greenhouse gases [Parker and Blodgett 2008]) are not the focus of this essay. Rather, it concerns day-to-day local-level liquid and solid rubbish and the livelihoods generated by it in a small town in South India, which I have taken for a case study. From this research, in 2015–16, about half the waste is not recycled and is left to nature's sinks in the form of a socially constructed municipal dump, an artificial lake and a dry river bed. Gidwani (2015) argues that the displacement of waste to these "sinks" (re)produces the essential infrastructural conditions for the circuits of capital accumulation. The other half of the town's waste is recycled or reused, and in-so-doing regains value as raw materials. This is how the oxymoron of the "waste economy" is resolved. Over and above nature's own pristine resources, the waste economy and India's consumed landscapes themselves are also a "tap". The combination of "sinks" and "taps" in the waste economy cannot happen without human labour. This waste work is indispensable to the cycles of modern capitalism. But—as is also the case with domestic work—since the social costs of disposing of waste do not enter capitalist accounts, this work is ignored and is visible only to those it directly involves. Unlike domestic work, this work yields returns. While some of these returns take the form of public sector transfers (wages in local government), in the informal economy of waste they result from self-employment, wage labour and capitalist accumulation.

While consumption waste is the responsibility of workers with formal contracts, a powerful combination of tax evasion, neoliberal ideology and new public management drives the contraction of this formal labour force—in hospitals, railways and municipalities—and its replacement by "contractualized" labour on casual contracts and much lower rates of pay. Indeed, an informal livelihood from waste work cannot support the reproduction of the waste labour force *un*supplemented by income from other work.

Waste work at other points in the circuits of capital—in production, distribution and social reproduction—is very rarely recognized in formal labour contracts (Harriss-White 2017). In India, not only does this informal work tend to be ignored by social and political elites, but also when it is noticed it is rarely regarded as other than the peculiar sphere of Dalits (oppressed low castes and untouchable social groups) (Singh 2012). In the town whose waste economy I have researched, however, not only are livelihoods in waste socially differentiated, but also the

labour force is socially cosmopolitan, involving low-caste, tribal, Muslim and Christian workers.

Given the inexorable expansion of physical waste, the social conditions under which is this material is moved must be of increasing political significance—if not social concern. In this chapter, I use the exploratory research of 2015 and 2016—conversations and structured interviews[1] with workers in waste that is being generated from the subcircuits of capital: production, distribution, consumption, the production of human labour and the reproduction of urban society. This is supplemented with waste workers' descriptions of their own livelihoods and life worlds, chosen deliberately to represent the work conditions of the public sector salariat, informal wage work, self-employment and petty capital.

6.2 Livelihoods Produced by Waste in Industrial Production

Factory production generates waste that is liquid, solid, biodegradable and non-biodegradable. The town provided case material of all types. A *clothing accessories factory,* for instance, has a labour force of 810, only 7% of which is unionized and has permanent contracts with standard social entitlements.[2] The rest —93%—is informal casual labour, 5% Dalit. The relatively little waste that is produced is organized through a specialist department. The need for records explains the high proportion of permanent labour here (25%), while the contact with waste metals and plastics is associated with a much higher proportion of Dalit casual labour than in the machine rooms (53%). These workers are engaged in waste segregation and aggregation. They are paid Rs. (Indian Rupees) 5,000–7,000 per month.[3] This factory waste does not lose value for very long and is sold directly as raw material to metropolitan reprocessors with a paper trail of receipts marking its price. Here, permanent labour tracks transactions, while casual Dalit labour is used to contain costs.

A suburban liquor distillery/*industrial alcohol factory* uses molasses,[4] water and fossil-fuel energy to generate industrial alcohol and liquid waste—in principle non-toxic and biodegradable, in practice neither. Untreated molasses sludge has been piped to a river bed from where evaporation solidifies the waste and percolation contaminates the water table, while unattended blockages and leaks pollute

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[1]Respondents were selected through snowballing field methods stratified by the circuits of capital (production, distribution, consumption, human labour production and social reproduction). A total of 84 workers gaining livelihoods through waste were interviewed.

[2]PF (Provident Fund) and ESI (Employees' State Insurance).

[3]Rs. 62 was equal to US$ (US Dollar) 1 and Rs. 92 was equal to £ (British Pound) 1 at the time of fieldwork in March 2015.

[4]Waste from sugarcane crushing.

nearby land and water. Facing protracted, multi-level, critical, party-politicized campaigning and complicit with criminally corrupt and gendered insulting responses, the factory was eventually forced to install a treatment plant converting waste into organic manure. But the process creates a dust which settles on, and irritates, plants and humans alike. Under 10% of the factory labour force is permanent. Both the factory and the suburb have histories of caste conflict. Dalits have been evicted from factory land and are being "constantly sacked" from its casual labour force—down from 50% of it at the start to 12% now, disproportionately concentrated in dealing with effluent and paid at rock bottom rates. The sector is "heavily regulated" which is alleged to involve caste- and party-politicized rent grabbing and sharing. It is selectively informalized both to contain costs *and,* workers argued, to reinforce the owners' contempt for Dalits.

The 50 *rice mills* ringing the town produce rice and a series of solids as by-products: husk, bran, brokens and ash—all theoretically biodegradable—all recycled, retaining value as raw materials and sold through a small army of local wholesalers. Husk is used as fuel on site, and surplus is sold to "factories with boilers" from which burnt husk ash is "abandoned" ("free for farmers"). Bran generates edible oil, soap and paint in a solvent extraction process, the waste from which is sold as cattle cake. Black and broken grains supply the intensive chicken industry. While 2–3 Dalit women sweep the mill premises, waste-work proper is one of the tasks for a migrant casual male labour force (say 10–15 workers), paid about Rs. 6,000 per month on a daily rate and gagged and disempowered by their lack of local language. Most of this cash is remitted home, leaving daily (food) allowances and discretionary perks to underwrite day-to-day existence. Meanwhile, in an industry undergoing massive concentration and expansion in capacity, in capital intensity and logistical reach, the small-skilled labour force (± 4) is made verbally permanent "and whenever we need a loan we're bonded" (observed a machine operator, laconically).

Most waste from production is rarely waste without value for long. Over time, by-products have been commodified as raw materials. The workforce dealing with marketed by-products remains disproportionately Dalit. Low-caste workers do low-paid, casual work without work rights or access to social security other than through the entitlements of citizenship. Migrants forfeit the latter and depend on their patron contractors.

6.3   Livelihoods in Waste Produced by Distribution

We can think of distribution in two ways: one is economic and the other one is physical and logistical: here, our case is the physical distribution system of Indian Railways as it passes near to the town.

"The problem of waste is cultural. Even educated people use the station as a dustbin" (complained a Railways Health Inspector). Railway transport generates solid and liquid waste as well as "human waste", much of it combined at its spaces

of generation—on the tracks. Tracks are the territory of Indian Railways' Engineering Department which occasionally throws lime or bleach onto the shitty ballast, while stations come under the aegis of its Medical Department. The latter has a wide brief, responsible for public health and disease prevention on railways as well as the health of the work-force, station cleanliness and the monitoring of water and food quality.

Of late, station cleanliness has been ordered to be subcontracted to a private company. With a private rate of return to investment which may approach 33%, this company has a "semi-formal workforce" of 33 waste collectors—mostly women, mostly Dalit—with 14 in supervision and administration. The waste labour force is organized in 24×7 shifts and provided with uniforms, equipment and contracts. But after this privatization, laid-off and re-recruited, their wages immediately plummeted by two-thirds to Rs. 210 per day (with PF but without ESI) just above the minimum wage of Rs. 180 (about Rs. 5,000 per month).

To maintain a family, this wage requires an informal supplement. So the working shift is stretched by extra hours spent separating paper, plastic, card and glass, bagging and hauling railway waste to sell, unreceipted, to wholesalers for an average extra income of Rs. 50 per day. Success in this self-employment will raise their total incomes to Rs. 6,000–8,000 per month per worker.

Residual waste goes in two directions. First, as part of their informal urban gathering rounds, scheduled tribal people also screen and gather items from the waste dumped in the station yards. Residues from this double screening are then regularly collected by a municipal truck crew and taken to the municipal dump-yard on the edge of town. There, yet another set of tribal families screen it, prior to compacting by municipal JCBs (colloquial [brand] name for a mechanical excavator/digger) and (illegal) firing.

Meanwhile, human waste generated at the station in and out of latrines, in and out of trains, is supposed to be treated in a siltation tank but is in fact power-hosed into a drain and released into a ditch where it joins other wet waste from wedding halls and thence to a foul marsh.

Here, we see a top-heavy superstructure of qualified and secure labour and a differentiated set of more or less formal wage and self-employment relations dominated (though not exclusively) by Dalit women. The structure of returns to formal labour is predicated on additional earnings in the informal economy. And the formal–informal labour process generates the raw material for a further two tiers of socially stigmatized and—as we shall see—severely pauperized waste hunter-gatherers.

6.4   Livelihoods in Waste Produced by Consumption

Consumption waste clogs every piece of spare urban land no matter how this land is owned. Over the last quarter-century while the volume of general consumption waste has increased by a factor of 8–10 and shifted decisively to being non-biodegradable, the municipal sanitation labour force has declined by 60%. Tax

evasion starves the local government of resources. Technologies have hardly changed, so an informal economy has ballooned which is now indispensable to the waste system—and so to the rest of local society and economy. The compulsions of new public management, the privatization and contractualization of a growing fraction of the town's wards have replaced jobs with full International Labour Organization (ILO)-style "decent work" rights, at Rs. 15,000–25,000 per month by jobs on verbal contracts, sometimes bonded, fetching Rs. 4,000–7,000 per month with few, discretionary welfare favours. Not only is this work informalized in itself but also, as with railway waste work, further informal side jobs are essential to supplement this pay.

For every decent job in waste disposal, there must be in the region of 15–20 in the informal economy. Rounds of gatherers mostly on foot, sometimes by cycle or (bonded) cycle carts scour the town before dawn, and after the municipal labour force has finished their shift, then sort it in public spaces to supply scrappers who, in turn, sort further, bulk up and supply a massive depot where recyclable waste is redefined into hundreds of categories for onward reprocessing. Small fortunes are made by the few at the top.

6.4.1 Public Sector "Aristocrats" of Waste Work

I am Kalpagam. I am proud to be named. Write about me. I'm illiterate, *paraiyar*, and in my fifties—I don't know my age—but I am the leader of the women's sanitation workers' branch of CITU/Confederation of Indian Trade Unions in this town. There are 40 of us women in the municipal workforce. The current rule is 4 municipal sanitation workers per thousand people in town. That way there should be 80 more women sweepers.

My children are educated—one of my daughters is a teacher and one of my sons an engineer. Each one cost me Rs. 30,000 every year—which I saved from side work cleaning wedding halls. I am glad they do not have to follow me.

In this work, we are machines.

The basic team for each round of waste collecting is 2 women and a man. Men do ditches, while women sweep. If the man is absent for a few days (in my team, it is often for 4–5 days at a time), there is no possibility of his replacement and we women have to do men's work.

It is always heavy work, but its heaviness varies. Monday is worst because Sunday is an off day for us but an on-day for meat and fish marketing. Chicken creates more waste than beef or mutton. The rules are that people should bury meat waste but instead they bundle it up and throw it onto no man's land. By Monday, the offal is rotting and the fish waste has worms. Our work varies with the seasons too. In the monsoon, all the work is much harder. It is not just waste of all sorts but also it is soil erosion and soil deposition in the gullies adding to the regular waste and clogging the pipes that have to be cleared. We have to recycle soil, plus garden waste—people throw branches and leaves. You would not believe what we find!

Some medical waste enters the main system we deal with—rubber tubes, syringes, bloody waste from the labour wards, etc.—some is recycled by the hospitals but by no means all. Now people are throwing sanitary pads in plastic bags; "Huggies", nappies and elderlies' diapers are also chucked onto the verges.

The job is a continual health hazard. Without alcohol we cannot work. We spend an average of Rs. 200–250 per day per person on liquor. Both women and men drink before work because of the smell and maggots—we never get used to this—and after work to mask the body pain and disgust. The *thotti* dealing with corpses gets through Rs. 1,000 per day to cope with the stench. So yes, you can tell people that alcoholism is a common disease of our occupation. A worker died from addiction here just 2 weeks' back.

Tasks vary in danger: when you hold a basket for wet waste between your legs, you get skin problems. Under 40 years of age, the main diseases are respiratory tract, urinary tract, skin disease and sepsis. Over 40, we get tuberculosis, liver and heart diseases and asthma. Yes, these are all diseases of ageing, but they are exacerbated by our work. We should have medical checks every 6 months, but we don't. It is also dangerous work due to accidents. Roadside work is worst because of dust and vehicles—waste workers have been run-over here. Drains collapse. The dump-yard is toxic.

Our tools are also substandard and useless. A year ago, the town council gave us a mask which tore easily, plus some *chappals* (slippers) with cardboard soles which came when they are wet. We also get *sarees,* but they are stiff and not useful for our work. Now, if we want masks, we have to buy them ourselves. We have to work longer and longer each day. The only gesture to the crisis in our ability to collect all this waste is two semi-automated trucks which compress waste as they collect. These vehicles were purchased cheaply and are constantly breaking down. The plans are for JCBs, wider roads and underground drainage. The job needs to be mechanized, and the technology scaled down. But we all know there is a relation between primitive waste disposal technology, narrow roads, roads with encroachers, poor maintenance and potholes—and tax evasion!

Few of us can eat before 5.30 a.m. so meals are skipped till the break between 10 a.m.–2 p.m., and breakfast is eaten after the morning shower. Even households with two earners only have two meals a day. We have to shower at home: there are no dressing, bathing facilities or toilets for us in the municipal building. In this job, we have to hold our urine. Many women also cannot shit before starting their rounds—we have to find a quiet corner while we work—what an irony! Sometimes, we even have to ask householders to use their lavatories. Being women, menstrual days slow us up. Women who are menstruating often confine their work to the afternoon. We pay for this by suffering abuse from households for not showing up in the morning.

Our pay is Rs. 250 per day for casual employees—oh yes, there are more and more on casual contracts—but permanent workers get a monthly salary according to seniority. I earn Rs. 15,000 per month. With long service, it goes up to Rs. 22,000. We are paid directly into our bank account, although the cashiers make us wait and other people jump our queue whenever we go to the bank. But this

humiliation is better than before we had accounts, when the supervisor used to skim about 10%.

We have benefits in this work. At *Pongal* (the harvest celebration in January), we are given Rs. 2,000. PF is deducted from our salaries, but we cannot use this as collateral for a loan. We get ESI, weekly leave on Sunday, casual leave of 12 days a year and annual leave of 30 days. In 2014, maternity leave was lengthened from 3 to 6 months, but there is a 9-month delay in our payment. Paternity leave? You are joking! We are insured for sickness and can get outpatient care at the government hospital's section for government employees are not allowed on inpatient wards for government employees. Many of us die before retirement—that is at 58 or 60 years.[5] For the funeral, at least there is an immediate relief of Rs. 10,000. On the death of a breadwinner, the family gets Rs. 1.5 lakh[6]—but, wait for it, with a delay of 3–4 years. For some of us, there is a job replacement for the next of kin—but with a 10-year wait! When we have accidents, the municipality tries to blame them on us—but we get a maximum 102 days of leave with pay. Our pension is half our final salary with a lump sum of Rs. 25,000. But our pensions start with a delay of 2 years during which the lump sum is well and truly used up. Many people die before their pension arrives.

I tell you, despite all these benefits, this is shit work. Shit and non-shit are not separated. Some of the shit is animal shit. It is technically possible to separate shit, but we do not have time. All goes to the dump-yard. If an official visits, a special show is put on of separating plastic and other waste, but this is for outsiders. Waste is intolerable for the workforce. Inadequate numbers, inadequate technology, inadequate enforcement, terrible terms and conditions, delays in pay and entitlements. Our children will never follow us into this work—and who will do it after us?"

6.4.2   Self-employed "Informal" Dump-Yard Worker

Here is the story of an illiterate, scheduled tribe, *Irular*, dump-yard worker, aged about 40. "Our forefathers came here 50 years or more ago when it was nothing but forest and beautiful. We shared it with animals. The land was *poromboke* (government title) and used for hunting and shooting. Gradually other people came here, took the land and built houses around us. Now, we live in tents and shacks near the dump-yard, on the municipal fairground and here in pits on the hilltop. We have to scramble up steep rock to get home. Others have electricity and water but we don't. We have been temporary for at least three generations.

Our preferred work is vessels cleaning, toilets and food waste clearing at wedding feasts in *kalyana mandapams* (wedding halls). For this, we may earn from Rs. 175–300 per day or Rs. 250–350 per night plus tea and food plus tips from the

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[5]A Human Rights Watch (2014) report states that 90% of India's sanitation workers die before retirement age, a statistic the municipal workers knew.

[6]One lakh equals one hundred thousand.

"wedding families". A 2000-guest, Rs. 10 lakh wedding would be work for at least 7 of our families for 3 days or more. We also get plastic, glass and cardboard waste from wedding hall work. Contractors call us on our mobile phones for this work. But we are lucky to get it 4 days a month. We also collect leaves for garlands—oh, Rs. 50–100 per day. We do seasonal agricultural labour at harvests and brick kiln work, and we do *bund* repairs. We used to fish but illegal sand-mining in the river bed has ruined that.

So our main work is gathering waste on the dump-yard. But in the rainy season, it is very slippery, we cannot take children there and we have to cut back on food. In other seasons, we work from 4 a.m. to 2 p.m. and then bathe in pools in the river bed. We have routes over the dump-yard—we are looking for useful plastic, polythene, paper, iron and other metals, boxes and bits of furniture. Others have already picked over this rubbish elsewhere. We are about 20 families—we are united and share our pickings to ensure equality. Other children, cows and pigs also work on the dump-yard. Sometimes, the animals charge and it is dangerous. We have to watch out for broken bottles and sharps and other infectious waste from the theatre and medical wards. We find body parts from hospitals, corpses and even aborted babies. One woman was stuck in her leg by a needle, the wound went septic and pus flowed like a pump. Each week, part of the dump is fired to level it, so the surface can be hot and dangerous. We get used to the smoke but not to the flies. Our buyer provides sacks. We bring the sacks up here from the dump-yard and sort and bag the finds. Then, our boys take them by cycle cart down to the buyer who rents the carts out to us and buys waste from us alone. He gives clothes and a biryani for *Pongal*. Everyone is indebted to him. As a family (two adults and 3 children) in a good month, we might get Rs. 5,000. The rice ration keeps us alive. The quality is so poor we sometimes refuse, but mostly we share ration rice.

Yes, we also share a quarter bottle of brandy each day. Women and men drink.

People believe *Irulars* are dishonest and steal and are scared of leaving metal goods in our presence. But we are honest, and our work involves trust and sharing. One bad case tarnishes us all. I am proud of my brickmaking skills. My son and I are honourable brickmakers. People ask us why you stoop so low as to gather plastic. Are you not ashamed? It is hunger that drives us to do this. At least we get our half meals this way.

Other people have no contact with us. We are called beggars, drunkards and *animals*. We are treated like animals. Our women cannot go out alone. People say we are strong because we eat rats and snails and do not eat vegetables".

Why are *Irulars* as a group thought by others not to be fully human, even animals? This is not a question easily answered through our fieldwork. *Irulars* seems to have a unique permutation of attributes, many of which are individually associated with other groups of Dalits or Adivasis or low-paid workers (Charsley 1997). These include closeness to nature: their past association with rat- and snake-catching—"but I have never hunted rats"; their knowledge of the world they "share with animals" as stewards, hunters and fishermen; their still living in hilly forest habitats (after multiple evictions), or pushed to the tops of urbanized hills ("their" territory encroached upon by others) or squatting on municipal land—never

with title. Yet other castes and tribes encroach with impunity, and it is the municipal sanitation workers not the *Irulars* that are ordered by citizens to dispose of dead animals in town. *Irulars* wash in water holes or tanks (for most have not been provided with water). Their combination of fluent oral expression but extensive lack of formal education (with few of their children in school even now) is unusual among local Dalits and Adivasis. Their living conditions are distinctively makeshift consisting of shacks and tents roofed with thatch, plastic, political posters and shards of corrugated iron. The relative independence of their women, the routine consumption of alcohol by almost every adult, marks them out. Their ethnic identity is outside the caste system. But, by themselves, none of these attributes is unique to them.

Whether as cause or as effect of their "marginalized humanity" in the eyes of others, those who most need their entitlements—ration cards and ST certificates—for access to basic utilities, education and employment are by far the least enfranchised as citizens. Addicted to alcohol which eats into budgets, unable to afford rice at market rates, their few ration cards have to be circulated between households.[7] "Socially excluded", they are discriminated against by being ignored and shunned by others in the waste economy, and they are actively socially expelled by encroachers and are often treated with brutality by the state (Harriss-White 2005).

6.5 Livelihoods in Human Waste: Waste Produced by the Production of Labour

The production of labour cannot avoid the daily production of human waste—prominent among which are urine, faeces and menstrual waste. The abolition of manual scavenging in the early 1990s brought about the abolition of public sector jobs reserved for female scavengers. The dereservation and disinheriting of sanitation work now means these horrible but comparatively well-paid jobs depend on official patronage and discretion. The municipal labour force is ever more male, and the disposal of "wet waste" in which human waste is mixed with general consumption waste in open drains is now men's work.

By now half the town's houses have septic tanks. But the SC (scheduled caste) and ST (scheduled tribe) owners of the small fleets of septic tankers report that very few households void them regularly—they might be cleared once in a generation or when they break down. And there are no facilities for the treatment of faecal sludge when it is pumped out, and it is dumped in a nearby lake and river bed. Meanwhile, human waste from the other 50% houses and almost all commercial buildings finds

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[7]A situation far from confined to *Irulars*, see Ehrenrich (2014).

its way into open drains and urban gullies. Impossible to separate, its resting place is the dump-yard, where, as we have seen, entire families of indigent gatherers and their children survive from sifting the putrid surface that others have scoured in three earlier rounds. "Someone" contains the putrid mass by systematically setting fire to quarters of it week by week. While it is blamed on *Irulars*, they clearly have no interest in increasing the danger of their work environment.

6.5.1 Scheduled Tribal Septic Tanker Fleet Owner: Petty Capitalist

"The Municipality stopped its own service some time ago. Then it subcontracted the work to two firms which have a total of 8 lorries. Mine is one of these firms. Now we are entirely a private service. Demand is seasonal—more in the rainy season when everything is waterlogged, less in the dry season because family waste dries up inside the tank. People think it is costly—Rs. 1,000–1,200 per septic tank —but I don't make big money… This is not a progressive occupation…Our business is much less than it ought to be…This isn't a business you can expand…

We have been pigmen. We fed pigs on waste from the vegetable market and food waste from meals in hotels and *kalyana mandapams*. At least 5% of the town's population eat pork. We would also sell whole pigs to Chennai, Hosur and Bangalore. Now, the government puts pressure on pig producers and 80% of us have left pig rearing and entered other businesses. I started in 2005. I assembled my septic tanker lorries from spare parts. But I am now building a house.[8]

About half the houses of the town are in congested wards where we could not get a lorry in even if people called us. Big enterprises which use us are *kalyana mandapams,*[9] colleges, cinema theatres, 4–5 companies and the hospital.[10] The police station requires us to do it for free. Then, we empty the tanks of houses in town: an average family produces 7 tonnes over 4–6 years.

Each lorry has two labourers, our people, a driver and cleaner who attach and remove the hoses and fill the lorries. That work is not dirty, but the motor is very noisy and people complain. We empty each tanker into the lake once or twice a day. My workers get Rs. 300 per day.[11] About 8–10 of the municipal sanitation workers clean the sludge from the bottom of septic tanks privately, as side work. I cannot say that that is not dangerous. There have been suffocation deaths of men cleaning out the solid sludge in blocked drains and at the bottom of neglected septic tanks" (see Anand 2014; PTI/Press Trust of India 2016). "Our women do not like us doing even the tanker work. People in the neighbourhood ridicule the wives of my

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[8]It is a large house on encroached land to which he does not have *patta* right (private land title).
[9]"Some big places do not even have septic tanks", said the septic tankerman.
[10]The cleanliness of vital state agencies now depends on the private informal sector.
[11]Rs 7,000–8,000 per worker per month.

labourers as shit carriers. There has been a high turnover of men because of lack of social respect. Our caste has achieved a lot, but it is our work that makes us discriminated against.

The greatest problem is the disposal of the sludge. We dump it in the lake, but real estate is encroaching on the lake, the lake does not flow to the river like it used to do, and the river does not flow to the sea. The lake is in a bad condition. In the last 3 years, fish have started to die. Now, very few people are stupid enough to take their bath there. Another huge problem is police extortion, fines and bribes because the lake is inside the town limit".

The problems and dangers of this system of informal disposal of half the town's human waste are not recognized in the growing public discussions about defecation.

6.6 Livelihoods in Waste Produced by the Reproduction of Society

An unhealthy society cannot reproduce in a way that moves towards human development. India's social system reproduces itself through relationships of health and disease that are locked into several dynamic transitions (between social classes and sometimes inside a given household): from high to low birth and death rates, from diseases of poverty (and undernutrition and high infant mortality) to non-communicable diseases of affluence (and diseases of obesity and of lengthening life expectation). India spends on health one of the lowest proportions of gross domestic product (GDP) in the world.[12] Its health system is one of the most privatized and centralized too. In our case study town, there is one large government hospital, six large private ones and about 50 private clinics—all formally registered.

The waste generated by health institutions is mainly handled as general "consumption" waste (e.g. food and human waste). The productive–therapeutic aspects of health care vary greatly in their generation of waste—operating theatres, maternity and labour wards and diagnostic laboratories generate the most, while paediatrics generates little. A small proportion of this waste is infectious or otherwise dangerous to health (needles and sharps; plastic syringes; blood transfusion, blood products and bloody waste; soiled cotton and cloth; drug bottles; saline and glucose bottles; body parts). It is termed medical waste and strictly regulated in a separate system of segregation, collection, incineration and burial. While the medical waste of the public and larger private hospitals is recorded and segregated, that of the smaller private hospitals and clinics is segregated inside the campus. However, once outside, it enters the system of general consumption waste and heads for the dump-yard.

Medical waste workers are euphemized as "housekeepers".

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[12]4% in 2013—on a par with Congo and Fiji (IBRD/International Bank for Reconstruction and Development [a.k.a. the World Bank] 2015).

6.6.1 Informal Wage Worker: A Private Clinic's Housekeeper's Livelihood

"My life has always been hard"…We are in a tiny ramshackle two-room house with a gaping hole in the roof where tiles have been ripped by monkeys. "My son bought the place cheaply from my daughter because my son-in-law had died there after falling from a tree. I fear harassment, living alone and use this place as a cupboard. I sleep next door, where I watch TV". She is about 50, Muslim, with no education, orphaned early, brought up by relatives and deserted by her husband who left her with three children and no financial support.

After years with a petty snack shop and then working as a washerwoman (*dhobi*), in 1990 she was recommended to a small private clinic in need of a cleaner and general factotum. Since then, this hospital has grown from 2 to 45 beds, from a focus on childbirth to general medicine, surgery and intensive care, from a single owner to a partnership of three—two of whom are supplementing work in the public hospital. Many of the skilled paramedical and nursing labour force are retired pensioners from the state health system.

"After washing soiled material for a year, I then worked as a helper in the operating theatre and the maternity ward before entering and later managing the teams of women housekeepers. In addition to cleaning wards and segregating waste, I work in theatre, I wash equipment, and I nurse post-operative patients, washing them, cleaning their teeth and dressing wounds. I work a 7 day week on 12-h shifts: this work is not compatible with family life or other work at home. Housekeepers cannot supplement this work with side jobs. There is no time for worship. I don't go to the mosque—it is too exhausting after work. I also can't afford the cost of cloth to cover my head nor do I want to draw attention to my religion".

All leave, for whatever purpose, is discretionary and unpaid, except for illness when she receives free treatment.

"Waste is segregated in buckets and housekeepers empty them into metal skips outside. Food waste is then collected by the municipal sanitation workers. Medical waste is packaged and collected separately. Human waste and bedpans are cleaned by a separate labour force of scheduled caste "bathroom cleaners". Our own needs are met by sneaking into the labour ward staff toilets."

She has worked for 20 years on a verbal contract for a monthly salary of Rs. 6,500 in 2015, with an annual festival bonus of Rs. 3,000, loans of up to a month's salary (deducted from her pay over 5 monthly instalments) and PF that has been paid, she thinks, for the last 10 years. But "there is no retirement age". Uniforms, gloves and masks are provided. "In place of a union, once a month there is a staff meeting for grievances: the demands are about shift length, better uniforms, overtime, breaks. About salaries, we talk privately".

"My relatives ask me why I do a filthy job. But this hospital is my "parent-home"…I get much mockery for this filthy job. Okay so it is dirty work but I'm proud of my reputation for being a good cleaner, and I am grateful to my patron. I also suffer for lack of education—ignorance and illiteracy. My son taught

me my signature. I can't read and don't know English and both are important in the hospital. For drug bottles, other people have described the label to me and now I know their contents. Otherwise doctors and nurses use English and I have made mistakes in my daily work e.g., when someone asked for a lavatory and I took them to the laboratory. I have learned English numbers through the wards: "Go toward 14 or 21, etc." I get used to it…I learned counting when I worked in a grocer's shop in Nagapattinam before I came here. I counted and separated coins in the evening. That is how I came to know numbers."

This is a very strenuous, grindingly poor livelihood with responsibilities incommensurate with her education, which she makes sense of in terms of patronage, flexibility and discretion.

6.7   Conclusion: The Poverty and Politics of Matter in Motion

Most waste material provides work that is hard, dangerous, stinking and oppressive. The state—the institutions of local government—finds the disposal of waste too costly to control and regulate. If we reclassify the private formal jobs as informal on the grounds that most have incomplete entitlements, for every formal municipal job there must be 10–20 informal livelihoods, many of which are female, and most of which are Dalit and tribal.

Despite the protective entry barrier of disgust, earnings are low. Self-employment and wage work yield between Rs. 4,000 and 6,000 per month. The urban minimum wage for the relevant state (Rs. 180 per day) would generate Rs. 4,500 for 25 days (Rs. 5,400 for a no-rest month) so waste livelihoods hover above and below the minimum. The minimum wage is not set to provision a family so these incomes require a minimal ratio of dependents to workers—which explains the appearance in the waste economy of labouring children and the aged.

By contrast, the urban poverty line has been revised upwards on CMIE (Centre for Monitoring the Indian Economy) data by the Rangarajan Committee from the Tendulkar-Planning Commission's Rs. 33 per day (Rs. 990 per month) to Rs. 47 per day (Rs. 1,400 per month) (Jitendra 2014). By this yardstick, earnings in this essential part of the economy are mostly in excess of the revised poverty line. But clearly, for people to reproduce at this level of income, their basic needs have to be available and subsidized, which is not the case here. In the past, waste workers have had to beg for food. Some waste workers still report accepting gifts of food from householders (though they no longer take it in their hands or pick it from the ground when householders place it there). However, in addition to food and shelter and time-consuming searches for fuel and water, private health, education and dowry costs are now well established to eat into the conventions of "essential expenditure"

of the lowest status and poorest labouring people (Heyer 2000; Cavalcante 2015).[13] The neediest people work in the informal waste economy and the neediest waste workers are the most imperfectly entitled to the social safety net. The public distribution system was frequently praised as a nutritional safety net for waste workers and its rations are often shared with those households without ration cards.

Informal work is an essential supplement to the formal municipal workforce which is failing to control the disposal of mounting quantities of waste. Yet the reproduction of the informal waste workforce is threatened—not simply due to poverty but also by the impact of work conditions on their health and by the stigmatizing social treatment, which most of them deny to be social discrimination.[14] No waste worker wishes their children to follow them. Yet all Indian trade unions advocate the regularization of contract workers engaged in perennial work and equal pay for contract workers performing the same job as permanent workers (Sampath 2016).

What is to be done? There is no shortage of technological solutions on offer. Human waste can be detoxified and redistributed to the land—one recent UN (United Nations) report thought 120 million farmers worldwide are recycling human waste on 20 million hectares of agricultural land. The technologies are not rocket science, but quite how they can be retrofitted—some scaled up for towns, others scaled down for tight, congested urban wards—are difficult practical questions. Then why should it be assumed that upgraded technology will be operated by Dalits and Adivasis? And if not, will plans that are focused on technology include the compensation and reskilling of the existing informal labour force when it is displaced? If not, why not?

Waste is often assumed to be uniquely a domain for the lowest of castes, but in this town, about a third of the municipal workforce is not Dalit or Adivasi but is most backward, other backward or backward class. While the municipal workforce is cosmopolitanizing—because being labelled as "government labour" does not cause shame—some of these non-Dalit entrants are found subcontracting their jobs to Dalits, while others bribe superiors to be promoted out of the filthy work to higher status-related jobs such as lorry-driving. The informal waste economy, by

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[13]The question can be posed: Is this primitive or capitalist accumulation? It is not primitive accumulation in the strict sense of the dual process of the separation of labour from means of production and seizure of initial capital prior to productive investment (Adnan 2015). Yet it is also not regular capitalist accumulation, if only because very little is ploughed back into productive accumulation. This is because like the larger informal economy, the waste economy is dominated by petty production and trade in which the balance of the residual over costs tilts towards consumption and the form expands through multiplication of firms rather than concentration and centralization. In the looser sense of Khan (2001): transactions not governed by market principles, it may be admitted. Stages of waste are highly socially ordered and segmented such that there is no seamless "market". However, since this is generally the case in capitalist economy, the term PA loses its particular meaning if used for all deviations from a strict definition of "the market".

[14]Instead, workers blame their treatment on their lack of acquired characteristics such as education and wealth (Harriss-White and Rodrigo, 2017).

contrast, consists almost entirely of Dalits and Adivasis. It is also socially stratified. Indeed, we have shown how one tribe is shunned and actively socially expelled, as are people who have forfeited the social right to be dependent upon others due to addictions, disease, elopement and crime—those who define themselves as "transients" but who may be transient in one place for years.

The urban social structure is experienced by waste workers as a structure of violence that consigns people who have the least choice or mobility to work in waste. While few of those we interviewed experienced discrimination among themselves at work, more instances were reported in their work-related contact with the rest of society (e.g. passengers expressing annoyance at Indian Railways' subcontracted cleaners if they even touch the inside of compartments, and specially abusive commands by medical patients to hospital housekeepers). There is a long way to go before discrimination is eliminated from what the Reserve Bank of India Governor described in 2015 as people's "preparation" for the economy: in housing, school, access to health, transport, temples, etc. (Rajan 2015).

Though the *Irulars* are routinely abused as a group, many other waste workers are now experiencing discrimination not as a result of "ascribed", group-based identity (their caste, tribe, gender) but rather as the product of "acquired" characteristics such as poverty, illiteracy, the filthy nature of the work and the need to drink alcohol. Individual discrimination exists alongside group-based discrimination and may be replacing it.

Research suggests that to break down this caste impregnation, caste-neutral "modern" jobs are needed, plus education and migration (Gorringe 2010). The waste workers I studied agreed and added "self-employment" (which they felt expressed a much desired independence) and the state. "In this town, we have set up in auto-rickshaws, lorries, sand, vehicles maintenance and sales, chauffeuring, tourism, construction, beef and mutton" (said a Dalit social worker). But while the state represents "progress" to waste workers, both as a provider of the elite jobs and a furnisher of lifelines such as ration rice, its role is complicated. Waste workers also encounter it as an upper-caste fortress that discriminates against them and refuses to entitle them. And achievements such as establishing bank accounts with nationalized banks come with new sites of discrimination—discrimination in accessing the bank services to which they are entitled.

Stigma is also addressed through political activism—through trade unions, political parties, social movements, legal activism, caste associations and the deliberations of kin and clan. But in this town, while some empowerment is being achieved patchily, it results from and reinforces a politics of social identity. Swachh Bharat or no, the betterment of the social lives and regard of waste workers *as waste workers* is right at the bottom of the political agenda.

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Chapter 7
Reclassifying Economies by the Degree and Intensity of Informalization: The Implications for India

Colin C. Williams

Abstract Until now, classificatory schemas of economies have differentiated countries by the character of their formal economic systems, such as by their levels of gross domestic product (GDP) or gross national income (GNI) per capita, whether they are control, market or mixed economies, or liberal or coordinated varieties of capitalism. Based on this, India has been depicted as an Asian tiger pursuing a market or liberal variety of capitalism. This would be appropriate if the majority of employment globally was in the formal economy. However, this is not the case. Consequently, the aim of this chapter is to develop a classification of economies according to the degree and intensity of employment in the informal economy and to reconsider the depiction of India's economy. This reveals that India finds itself at the top of this new global league table that classifies economies by the degree and intensity of informalization. If India is to move away from its current position at the top of the league table of countries by their degree and intensity of informalization, moreover, then it reveals that there is a need to pursue wider economic and social policy measures associated with development and greater state intervention in the form of higher tax rates and social transfers to protect workers from poverty. This sits in stark contrast to the remedies currently celebrated by the Asian tiger status which intimates that the higher performance of the country is due to its liberal market-oriented variety of capitalism.

Keywords Informal sector · Shadow economy · Undeclared work · Development economics · Economic development · India

7.1   Introduction

Conventionally, economies have been categorized and differentiated by the character of their formal economic systems, such as their levels of gross domestic product (GDP) or gross national income (GNI) per capita, whether they are control,

C.C. Williams (✉)
Sheffield University Management School, University of Sheffield, Sheffield, UK
e-mail: C.C.Williams@sheffield.ac.uk

market or mixed economies, or liberal or coordinated varieties of capitalism. This dominant way of classifying economies would be wholly appropriate if the majority of employment globally was in the formal economy. However, this is not the case (Autio and Fu 2015; Jütting and Laiglesia 2009; ILO/International Labour Organization 2012, 2013; Williams 2015a, b, c, d, e; Williams and Lansky 2013; Williams and Schneider 2016). Jütting and Laiglesia (2009) reveal that 60% of the global workforce has its main employment in the informal economy (Jütting and Laiglesia 2009), while Schneider and Williams (2013) find that the informal economy is equivalent to some 40–60% of GDP in the developing world. Consequently, the aim of this chapter is to develop a new way of classifying economies by the degree and intensity of informalization, so as to question the currently dominant portrayal of India as an Asian tiger due to its liberal/market-oriented variety of capitalism and to open up India to resignification (see Andriesse 2014; Becker 2013; Nölke and Carr 2013).

To achieve this, the second section defines what is here meant by the degree and intensity of informalization while the third section develops a typology for classifying economies using this criteria and the fourth section reviews the competing ways of explaining the varying degree and intensity of informalization of economies. In the fifth section, and to begin to understand this reclassification of economies and to explain the position of different economies, the ILO data set used is introduced which contains data on the degree of informalization in 36 developing countries. The sixth section then reports the economic and social measures associated with a high degree and intensity of informalization, while the seventh section reports the findings about India's position in this reclassification of economies. The eighth and final section then concludes by discussing the implications of India finding itself at the top of this new league table and the need for reconstructions of the portrayal of India.

7.2 Defining the Degree and Intensity of Informalization

Here, the degree of informalization refers to the proportion of all employment that is in the informal economy. As Table 7.1 graphically displays, employment in the informal economy (A + B + C) covers all persons who in their main job are employed either in the informal sector (A + B) or in informal employment (A + C), counting only once those persons who are classified in both categories. The intensity of informalization, meanwhile, is defined as the proportion in informal jobs in informal enterprises (A).

The informal sector (i.e. informal enterprises) is defined as private unincorporated enterprises that are unregistered or small in terms of the number of employed

Table 7.1 The anatomy of informality

Economic units	Informal jobs	Formal jobs
Informal economic units	A	B
Formal economic units	C	D

Source ILO 2012

persons. An unincorporated enterprise is a production unit not constituted as a separate legal entity independently of the individual (or group of individuals) who owns it, and for which no complete set of accounts is kept. An enterprise is unregistered, meanwhile, when it is not recorded under specific forms of national legislation (e.g. factories' or commercial acts, tax or social security laws, professional groups' regulatory acts). The issuing of a trade license or business permit under local regulations does not qualify as registration. An enterprise is small, meanwhile, when its size in terms of employment is below a specific threshold (e.g. five employees) determined according to national circumstances (ILO 2012).

A job is defined as informal, meanwhile, when it lacks basic social or legal protections or employment benefits. These can be found in the formal sector, informal sector or households. Persons in informal employment include the following: (a) own-account workers and employers employed in their own informal enterprises; (b) members of informal producers' cooperatives (not established as legal entities); (c) own-account workers producing goods exclusively for own final use by their household (if considered employed given that the production comprises an important contribution to the total household consumption and is included in the national definition of employment); (d) contributing family workers in formal or informal enterprises; and (e) employees holding informal jobs in formal enterprises, informal enterprises or as paid domestic workers employed by households. As regards (e), employees have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (e.g. advance notice of dismissal, severance pay, paid annual or sick leave). The reasons may be the following: non-declaration of the jobs or the employees; casual jobs or jobs of a limited short duration; jobs with hours of work or wages below a specified threshold; employment by unincorporated enterprises or by persons in households; jobs where the employee's place of work is outside the premises of the employer's enterprise; or jobs for which labour regulations are not applied, not enforced or not complied with for any other reason.

Given these definitions of the degree of informalization as the proportion of all employment that is in the informal economy and the intensity of informalization as the proportion in informal jobs in informal enterprises, attention now turns towards how economies can be classified according to the degree and intensity of informalization.

7.3 Classifying Economies by the Degree and Intensity of Informalization

Figure 7.1 provides a simple way of classifying the degree of informalization of an economy (i.e. the proportion of the workforce in employment in the informal economy). All economies can be positioned at a point on this spectrum. However,

Wholly formal	Nearly formal	Dominantly formal	Largely formal	Mostly formal	Semi formal	Semi informal	Mostly informal	Largely informal	Dominantly informal	Nearly informal	Wholly informal
0	10	20	30	40	50	60	70	80	90	100	
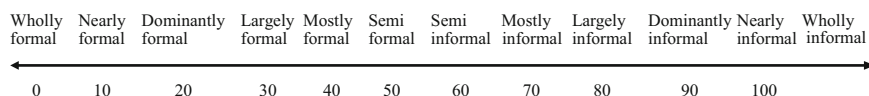
Fig. 7.1 Typology of economies by level of employment in the informal economy as percentage of all non-agricultural employment

when interpreting the different places economies occupy on this spectrum, care is required. Conventionally, a temporal sequencing has been overlaid onto this continuum by assuming that there is a natural and inevitable temporal trajectory towards the left of the spectrum (i.e. formalization) and thus a "development queue" depicted with the more formal economies of the West to the left of the spectrum and the more informal economies of the developing (majority) world located at the back (Massey 2005).

However, the position an economy inhabits on this spectrum does not signify the stage they occupy in their trajectory towards formalization. Rather, it denotes difference, and as such, a natural and inevitable temporal trajectory in a particular direction cannot be assumed. Indeed, the lesson from the past few decades is that economies are moving in different directions along this continuum (Schneider 2013; Williams 2007; Williams and Schneider 2016). Portraying formalization as a universal linear trajectory of economic development denies the lived practices of economies and excludes the possibility of other present and future trajectories.

To depict the intensity of informalization, meanwhile, a typology is required that portrays the share of all employment in the informal economy which is informal employment in informal enterprises (A). This provides a measure of whether there is a more intense form of informalization since both the job and the enterprise are informal, which is not the case with formal jobs in informal sector enterprises (B) and informal employment in formal enterprises (C). Once economies are classified according to the degree and intensity of their informalization, these variations need to be explained.

7.4 Explaining a Country's Degree and Intensity of Informalization

Reviewing the literature, there are three contrasting ways of explaining the degree and intensity of informalization in an economy. In the *modernization thesis*, which dominated thought in the twentieth century, the informal economy was widely depicted as a leftover from a pre-modern production era and as disappearing as the modern formal economy became ever more dominant (Gilbert 1998; Packard 2007). As Bromley (2007, p. xv) asserts, from this viewpoint, the informal

economy is "unimportant and destined to disappear". It is thus portrayed as a product of underdevelopment and will disappear with economic advancement and modernization. Cross-national variations in the degree and intensity of informalization, therefore, signal the position of a country on a one-dimensional linear trajectory towards formalization. Classifying countries using indicators such as GNP (gross national product) per capita, therefore, enables the relative level of economic advancement and modernization to be measured and for countries to be placed according to their position in the development queue with nations at the fore being "advanced", "modern" and "progressive" and nations at the back of the queue with low levels of formalization being deemed "backward", "traditional" and "underdeveloped" (Geertz 1963; Lewis 1959).

In recent decades, however, the recognition that the majority of jobs are in the informal economy in many countries and regions (ILO 2012, 2013; Jütting and Laiglesia 2009; Rodgers and Williams 2009; Schneider et al. 2010) and that the informal economy is growing in some countries and global regions and declining in others (Buehn and Schneider 2012; Feld and Schneider 2010; Rani et al. 2013; Renooy et al. 2004; Schneider 2011) has seen the emergence of alternative explanations. Each is here reviewed in turn (for a fuller discussion, see Williams and Lansky 2013).

From a *neoliberal* perspective, the persistence and even expansion of the informal economy are viewed as a populist reaction to high taxes, a corrupt state system and too much interference in the free market, leading workers to make a rational economic decision to voluntarily exit the formal economy so as to avoid the costs, time and effort of formal registration (e.g. Becker 2004; De Soto 1989, 2001; London and Hart 2004; Nwabuzor 2005; Perry and Maloney 2007; Sauvy 1984; Small Business Council 2004). The resultant remedy is to pursue tax reductions, lower corruption, favour deregulation and espouse minimal state intervention. From this viewpoint, therefore, the informal economy should be more pervasive in countries with higher taxes and public sector corruption and greater state interference.

From a *political economy* viewpoint, however, the persistence and growth of the informal economy are a direct by-product of the advent of a deregulated open world economy (Castells and Portes 1989; Gallin 2001; Hudson 2005; Portes 1994; Slavnic 2010; Taiwo 2013). The increasing functional integration of a single global economic system results in subcontracting and outsourcing leading to the integration of the informal economy into contemporary capitalism, causing downward pressure on wages and the erosion of incomes, social services and benefits. Viewed in this manner, the informal economy is largely unregulated, low paid and insecure survival-driven employment conducted under "sweatshop-like" conditions by marginalized populations excluded from formal jobs and formal welfare support who enter this realm as a last resort (Castells and Portes 1989; Davis 2006; Gallin 2001; Hudson 2005; ILO 2002). The informal economy is thus higher and more intense in economies in which inadequate state intervention exists to protect workers from poverty.

7.5   Methodology: Examining India's Degree and Intensity of Informalization

To classify economies according to the degree and intensity of informalization and evaluate the contrasting explanations, the ILO censuses conducted in 47 developing countries are here analysed. In total, data are available for only 36 of these 47 countries on both the degree and intensity of informalization. This uses the same definition and survey methodology across all countries in the form of an ILO Department of Statistics questionnaire sent to countries (for further details, see ILO 2012). Employment in agriculture, hunting, forestry and fishing is unfortunately excluded from these data. Moreover, when examining the share of the non-agricultural workforce in the informal economy, it is only the self-reported main job of a person that is counted so as to avoid any small-scale odd jobs in the informal economy being counted. However, the national figures from these ILO data sometimes differ from, and are lower than, individual country-level data, as is the case with India. Caution is thus urged, although the advantage of this data set is that comparative data are collected in the same manner using identical definitions.

To select the indicators against which the competing explanations can be evaluated, proxy indicators are used for the various tenets of each theorization, taken from the World Bank development indicators database for the year in which the survey was conducted in each country (World Bank 2013). The only indicator taken from a non-official source is on perceptions of public sector corruption, extracted from Transparency International's Corruption Perceptions Index for the relevant year in each country (Transparency International 2013).

To evaluate the modernization thesis, the indicator employed is that used in previous studies (ILO 2012; Yamada 1996), namely GNP per capita (ILO 2012). To evaluate the neoliberal thesis that the informal economy results from high taxes, corruption and state interference in the free market, indicators previously used when evaluating the assumptions of neoliberal thought are employed (Eurofound 2013; European Commission 2013; Williams 2013), namely the World Bank (2013) country-level data on:

- Taxes on goods and services as a percentage of revenue, which include general sales and turnover or value added taxes, selective excises on goods, selective taxes on services, taxes on the use of goods or property, taxes on extraction and production of minerals and profits of fiscal monopolies;
- Taxes on revenue (excluding grants) as a percentage of GDP. Revenue is cash receipts from taxes, social contributions and other revenues such as fines, fees, rent and income from property or sales. Grants are also considered as revenue but are excluded here.
- Tax revenue as a percentage of GDP. Tax revenue refers to compulsory transfers to the central government for public purposes. Certain compulsory transfers such as fines, penalties and most social security contributions are excluded.

Refunds and corrections of erroneously collected tax revenue are treated as negative revenue.

In addition, the public sector corruption tenet of the neoliberal thesis is evaluated using the following:

- Transparency International's Corruption Perceptions Index (Transparency International 2013). This is a composite index of perceptions of public sector corruption that draws on 14 expert opinion surveys and scores nations on a 0–10 scale, with zero indicating high levels and 10 low levels of perceived public sector corruption.

To analyse both the neoliberal thesis that state interference leads to greater informalization, and the contrary political economy perspective that it is due to inadequate levels of state intervention, the indicator previously engaged when evaluating these assumptions of neoliberal and political economy thought (European Commission 2013; Eurofound 2013; Williams 2013) is used, namely:

- Social contributions as a percentage of revenue. Social contributions include social security contributions by employees, employers and self-employed individuals and other contributions whose source cannot be determined. They also include actual or imputed contributions to social insurance schemes operated by governments.

Meanwhile, to analyse the tenet of the political economy perspective that employment in the informal economy is correlated with the existence of poverty, the variable analysed is the percentage of the population living below the national poverty line.

Given the small sample size of just 36 countries, and lack of necessary controls to include in a multivariate regression analysis, it is only possible here to conduct bivariate regression analyses of the relationship between informalization and these economic and social characteristics. To do this, Spearman's rank correlation coefficient (r_s) is used due to the nonparametric nature of the data. Despite this limitation, some meaningful findings result regarding the validity of the different explanations.

7.6 Explaining the Degree of Informalization of Economies

To evaluate the three competing explanations for the variations in the degree and intensity of informalization across countries, and beginning with the modernization explanation, the correlation between cross-national variations in the degree of informalization and cross-national variations in GNP per capita is analysed across these 36 developing economies. Using Spearman's rank correlation coefficient, and as Fig. 7.2 graphically displays, the finding is that there is a strong statistically
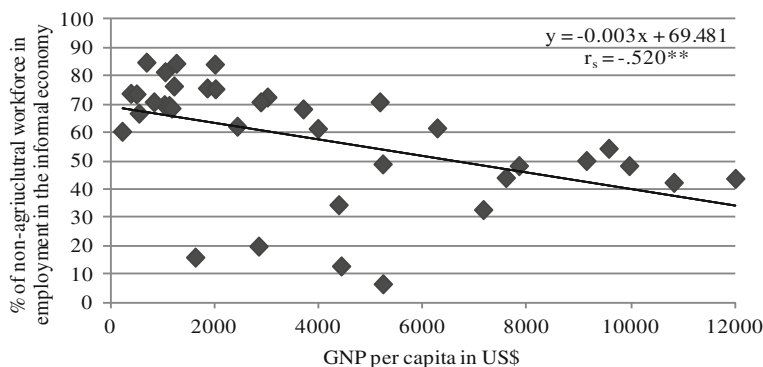
Fig. 7.2 Relationship between degree of informalization and GNP per capita

significant relationship within a 99% confidence interval between the degree of informalization of a country and its GNP per capita ($r_s = -0.520**$). The direction of this relationship is that the greater the degree of informalization, the lower the level of GNP per capita. There is also a statistically significant association within a 95% confidence interval between the intensity of informalization and GNP per capita ($r_s = -0.351*$). The intensity of informalization (i.e. the share of all employment in the informal economy which is informal employment in informal enterprises) is greater in developing economies with lower levels of GNP per capita. However, akin to previous studies (ILO 2012; Yamada 1996), it is not possible to establish a cause–effect relationship. This, in consequence, is a limitation.

Turning to the neoliberal explanation that views informalization to be an outcome of higher tax rates, public sector corruption and state interference, the first step is to analyse the neoliberal tenet that public sector corruption is associated with informalization because this leads citizens to exit the formal economy to seek livelihoods beyond the corrupt public sector officials. A strong statistically significant association is found between countries with higher perceived levels of public sector corruption and a greater degree of informalization ($r_s = -0.502**$), and although the association between public sector corruption and the intensity of informalization is not statistically significant ($r_s = -0.253$), countries with higher perceived levels of public sector corruption have a greater intensity of informalization.

Examining the core neoliberal tenet that the degree and intensity of informalization is a product of exit from the formal economy due to high taxes, the level of taxes on goods and services as a percentage of revenue is analysed. The finding is that there is a statistically significant correlation ($r_s = -0.430*$). However, its direction is the inverse of what neoliberals state. The degree of informalization decreases as taxes on goods and services increase. Meanwhile, although the relationship between the intensity of informalization and the level of taxes on goods and services is not significant ($r_s = -0.216$), the direction is that the intensity of informalization again decreases as taxes on goods and services increase.

Given these findings contest a core aspect of neoliberal theory, two further measures of tax levels are therefore evaluated. Analysing the level of revenue (excluding grants) as a share of GDP and cross-national variations in informalization, a statistically significant association is identified with both the degree of informalization ($r_s = -0.510$**) and intensity of informalization ($r_s = -0.656$**). Again, however, it is in the opposite direction to that suggested by neoliberal theory. It is similarly the case that when the level of tax revenue as a proportion of GDP is examined, there is once more a strong statistically significant association with both the degree ($r_s = -0.451$*) and intensity ($r_s = -0.679$**) of informalization, but again, the association is the inverse of what is suggested in neoliberal theory. Across all three measures of tax rates in consequence, the degree and intensity of informalization is lower in nations with higher tax rates. One reason that higher tax levels might be correlated with lower degrees and intensities of informalization may be that this provides greater state revenue to enable social transfers so that citizens can receive some level of social protection, which calls for the formalization of citizenship and that formal citizenship requires the formalization of the informal economy.

To evaluate this along with the neoliberal argument that state interference in the operation of the market leads to a greater degree and intensity of informalization, as well as the contrary political economy view that the degree and intensity of informalization reduces with greater state intervention, the level of social contributions as a percentage of revenue can be analysed. The finding is that a strong significant correlation is identified between the level of social contributions and degree of informalization ($r_s = -0.609$**) and also the intensity of informalization ($r_s = -0.582$*). The direction of the relationship is that the degree and intensity of informalization reduces as social contributions rise as a share of revenue, intimating support for the political economy explanation. No evidence is therefore found to support the neoliberal argument that state intervention leads to informalization. Instead, the political economy tenet is validated that informalization is correlated with too little state intervention in the form of social protection.

Finally, and turning to the political economy tenet that the degree and intensity of informalization is associated with the level of poverty, again, a strong statistically significant relationship is found between the proportion of the population living below the national poverty line and the degree of informalization ($r_s = -0.355$*) but not the intensity of informalization ($r_s = 0.194$). The greater is the share of the population living below the national poverty line, the greater is the degree and intensity of informalization, suggesting that informalization is a last resort turned to by marginalized groups with no other means of livelihood or support, as argued by the political economy explanation.

It is also important to highlight that there exists a strong correlation between the degree of informalization (i.e. the proportion of the non-agricultural workforce in employment in the informal economy) and the intensity of informalization (i.e. the share of all employment in the informal economy which is informal employment in informal enterprises). Figure 7.3 graphically displays that there is a statistically significant association. The greater is the degree of informalization in a country, the
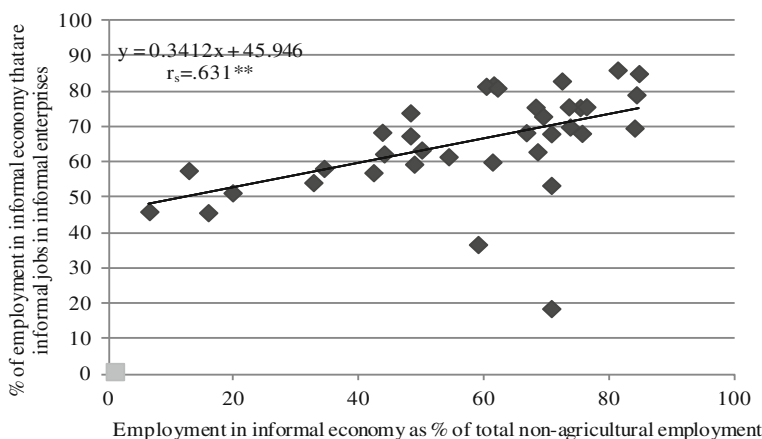
Fig. 7.3 Relationship between degree and intensity of informalization

higher is the intensity of the informalization (i.e. the more likely is informal employment to be located in informal enterprises). Indeed, the finding is that this is statistically significant within a 99% confidence interval ($r_s = -0.631^{**}$).

7.7 India's Degree and Intensity of Informalization Compared with Other Countries

According to various studies, the Indian economy is dominated by the informal sector. Indeed, the formal sector is only a minor segment of the economy. Displaying this, some 99.3% of all businesses start up unregistered and operating in the informal economy in India (Autio and Fu 2015). However, and perhaps reflecting how the few formal firms that exist operate in a separate production realm, the World Bank Enterprise Survey (2014) finds that just 50.1% of formal firms with more than five employees in India compete against unregistered or informal firms and just 17.3% identify the practices of competitors in the informal sector as a major constraint.

Examining this ILO survey, the finding is that 84.3% of non-agricultural workers in India have their main employment in the informal economy, of which 79.2% are in informal jobs in informal enterprises. The Indian economy, therefore, is a predominantly informal economy and it is "high intensity" informalization in the sense that well over three quarters of all informal jobs are in informal enterprises. Employment in the informal economy, therefore, is not some minor residue of little importance but a large realm employing the vast bulk of the workforce in India.

How, therefore, does the degree and intensity of informalization in India compare with other countries? Table 7.2 reveals that across these 36 countries, the

Table 7.2 Degree and intensity of informalization in 36 countries

Country	Year	Global region (World Bank classification)	Employment in the informal economy as per cent of non-agricultural employment (A + B + C)	% of employment in the informal economy that is informal employment in informal enterprises	Type of economy
Mali	2004	Sub-Saharan Africa	84.7	85.2	Dominantly informal
India	2009–10	South Asia	84.3	79.2	Dominantly informal
Philippines	2008	East Asia and Pacific	84.0	69.8	Dominantly informal
Pakistan	2009–10	South Asia	81.3	86.2	Dominantly informal
Zambia	2008	Sub-Saharan Africa	76.3	75.8	Largely informal
Bolivia	2006	Latin America and Caribbean	75.6	68.3	Largely informal
Honduras	2009	Latin America and Caribbean	75.3	75.6	Largely informal
Madagascar	2005	Sub-Saharan Africa	73.7	70.1	Largely informal
Uganda	2010	Sub-Saharan Africa	73.5	75.8	Largely informal
Indonesia	2009	East Asia and Pacific	72.4	83.1	Largely informal
Lesotho	2008	Sub-Saharan Africa	70.7	18.8	Largely informal
Paraguay	2009	Latin America and Caribbean	70.7	53.6	Largely informal
Peru	2009	Latin America and Caribbean	70.7	68.2	Largely informal
Nicaragua	2009	Latin America and Caribbean	69.4	73.1	Mostly informal
Viet Nam	2009	East Asia and Pacific	68.5	63.1	Mostly informal
El Salvador	2009	Latin America and Caribbean	68.2	75.7	Mostly informal

(continued)

Table 7.2 (continued)

Country	Year	Global region (World Bank classification)	Employment in the informal economy as per cent of non-agricultural employment (A + B + C)	% of employment in the informal economy that is informal employment in informal enterprises	Type of economy
Tanzania	2005–06	Sub-Saharan Africa	66.7	68.5	Mostly informal
Sri Lanka	2009	South Asia	62.1	81.1	Mostly informal
Colombia	2010	Latin America and Caribbean	61.5	82.0	Mostly informal
Ecuador	2009	Latin America and Caribbean	61.3	60.2	Mostly informal
Liberia	2010	Sub-Saharan Africa	60.3	81.6	Mostly informal
West Bank & Gaza	2010	Middle East and North Africa	59.0	36.9	Semi informal
Mexico	2009	Latin America and Caribbean	54.3	61.7	Semi informal
Argentina	2009	Latin America and Caribbean	50.0	63.6	Semi informal
Dominican rep	2009	Latin America and Caribbean	48.8	59.6	Semi formal
Venezuela	2009	Latin America and Caribbean	48.2	74.1	Semi formal
Costa Rica	2009	Latin America and Caribbean	48.2	67.6	Semi formal
Panama	2009	Latin America and Caribbean	44.0	62.5	Semi formal
Uruguay	2009	Latin America and Caribbean	43.7	68.6	Semi formal
Brazil	2009	Latin America and Caribbean	42.3	57.2	Semi formal

Table 7.2 (continued)

Country	Year	Global region (World Bank classification)	Employment in the informal economy as per cent of non-agricultural employment (A + B + C)	% of employment in the informal economy that is informal employment in informal enterprises	Type of economy
China	2010	East Asia and Pacific	34.4	58.4	Largely formal
South Africa	2010	Sub-Saharan Africa	32.7	54.4	Largely formal
Armenia	2009	Europe and Central Asia	19.8	51.5	Dominantly formal
Moldova Rep	2009	Europe and Central Asia	15.9	45.9	Dominantly formal
Macedonia	2010	Europe and Central Asia	12.8	57.8	Dominantly formal
Serbia	2010	Europe and Central Asia	6.5	46.2	Nearly formal

simple unweighted average is that 57.4% of the non-agricultural workforce has their main employment in the informal economy. However, the weighted average, taking into account the variable workforce size in each country, is that 59.8% are in the informal economy. India, thus, is well above the average figure. Indeed, it is second highest in terms of the degree of informalization of its economy (i.e. the proportion of the non-agricultural workforce which has its main employment in the informal economy) and seventh highest in terms of the intensity of informalization (i.e. the proportion of informal jobs that are informal jobs in informal enterprises).

Using the classificatory schema in Fig. 7.1 above, therefore, although no developing countries have the whole of their workforce in the informal economy and none are "nearly informal" economies (with 90–99% of the workforce in informal jobs), four countries (11%) are "dominantly informal" economies (with 80–89% in informal jobs). These four include India along with Mali, the Philippines and Pakistan. India, in sum, is not only near the top of this league table of economies that ranks them by the degree and intensity of their informalization, but also has a relatively high position in terms of the intensity of its informalization.

7.8 Conclusion

This chapter has provided a typology of economies that places countries on continua in terms of the degree and intensity of the informalization of their economies. Analysing the results of the ILO surveys conducted in 36 countries, the finding is

that India is second highest in terms of the degree of informalization, with 84.3% of non-agricultural workers in India having their main employment in the informal economy, and seventh highest in terms of the intensity of informalization, with 79.2% of informal jobs being in informal enterprises. This classifying of economies by the degree and intensity of informalization therefore puts India near the very top of the league table as an economy with a very high degree and intensity of informalization.

Turning to the reasons for countries such as India having a high degree and intensity of informalization, three competing explanations have been critically evaluated. These are the views that the degree and intensity of informalization is associated with economic underdevelopment (modernization thesis), higher taxes, corruption and state interference (neoliberal thesis) and/or inadequate state intervention to protect workers from poverty (political economy thesis). Support has been found for the modernization and political economy theses that associate greater informalization with underdevelopment and inadequate state protection of workers from poverty, respectively, and for the neoliberal corruption thesis that the degree of informalization is higher in countries where the perception of public sector corruption is greater. However, no evidence has been found to support the validity of the neoliberal theses that greater informalization is associated with higher taxes and more state interference. Instead, quite the opposite has been found. Higher taxes and more state intervention in social protection reduce the degree and intensity of informalization, presumably because of the ability of governments not only to have efficient enforcement regimes but also to make social transfers which then presumably reduce the necessity of the population to turn to employment in the informal sector as a survival practice.

The theoretical implication of this study, therefore, is that there is a need for a synthesis of both the modernization and political economy theses in the form of a new "neo-modernization" thesis when explaining the degree and intensity of informalization. Lower degrees and intensities of informalization are associated with development and state intervention in the form of higher tax rates and social transfers to protect workers from poverty. This will now require further evaluation in relation to a wider range of developing economies as well as the use of time series data within individual countries and, if possible, multivariate regression analysis on a larger sample size to determine how important each characteristic is to the final outcome while controlling for the other characteristics. The major barrier to doing this, nevertheless, is the lack of availability of cross-national comparative data on the degree and intensity of informalization to conduct such analyses. One of the few available data sets currently available to do this examines only the 28 member states of the European Union. Multivariate regression analysis of this data set has revealed very similar findings, namely that the degree and intensity of informalization is lower in countries with higher levels of GDP per capita, low levels of corruption, higher tax rates, lower income disparities and levels of poverty and greater levels of social protection (Williams and Horodnic 2015a, b; Williams and Shahid 2016; Williams and Windebank 2015; Williams 2015a, b; Williams et al. 2016).

If India is to move away from its current position at the top of the league table of countries by their degree and intensity of informalization, then there is a need to pursue wider economic and social policy measures associated with development and greater state intervention in the form of higher tax rates and social expenditure levels to protect workers from poverty. This sits in stark contrast to the policies currently celebrated by neoliberalism.

In sum, grounded in the recognition that the majority of the global non-agricultural workforce has their main employment in the informal economy, the present chapter has sought to classify economies according to the degree and intensity of informalization, thus transcending the conventional approach which differentiates economies according to the character of their formal economies. The analysis has revealed how the Indian economy is near the top of the league table in terms of the degree and intensity of informalization. If this chapter therefore encourages a new way of classifying India as an economy with a high degree and intensity of informalization, then one of the intentions of the analysis will have been fulfilled. If this then leads the Indian government to recognize that the situation will only be resolved by pursuing greater state intervention in the form of social protection to reduce poverty, then this chapter will have realized its wider purpose.

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Theme 3
ICT-Related Offshoring—Rewriting the Trajectory of Indian Society?

Chapter 8
Altering the Social Fabric of the Working Poor? Work and Employment Issues of Support Workers Catering to International ICT-ITES Firms in Mumbai

Randhir Kumar and Niels Beerepoot

Abstract The ICT-ITES (information and communication technology–information technology-enabled services) sector has been a major driver of economic growth and employment creation in India. Extensive research has been conducted in the past decade on access to this sector, employment terms and conditions and opportunities for upward labour mobility. Surprisingly, few studies have focused on the workers indirectly engaged in the ICT-ITES sector and whether and how they are able to benefit from growth of the sector. ICT-ITES firms primarily engage temporary and contractual workers through staffing agencies or labour contractors. In particular, low-end support services (viz. security, housekeeping and cab services) are availed of on a contractual basis through specialized service providers. Based on empirical data collected in Mumbai, and using the concepts of "servile class" or "service underclass" (see Scott, *A world in emergence: Cities and regions in the 21st century*, 2012; Standing, *The precariat: The new dangerous class*, 2011), this chapter examines how employment conditions and labour standards are changing in these support services through servicing the ICT-ITES sector. Whereas the ICT-ITES sector provides a major stimulus for growth and economic upgrading in these support services, its workers firmly remain a part of the (urban) working poor. Herewith, this chapter contributes to a better understanding of the labour flexibility regime in urban India and highlights the complexities and implications of contractual work for the low-skill, low-paid job service segments.

R. Kumar
Tata Institute of Social Sciences, Hyderabad, India

N. Beerepoot (✉)
Amsterdam Institute for Social Science Research, University of Amsterdam,
Amsterdam, The Netherlands
e-mail: n.p.c.beerepoot@uva.nl

8.1   Introduction

The international outsourcing of information and communication technology–information technology-enabled services (ICT-ITES[1] sector) has stimulated economic growth and regional development in several countries in the global south (Bardhan and Kroll 2003; Barnes 2013; Ghani and O'Connell 2014; Kleibert 2015; Lambregts et al. 2015). The sector has generated employment opportunities beyond the traditional manufacturing segments and has provided several direct and indirect employment opportunities (Ghani 2010; Kite 2014; NASSCOM/National Association of Software and Services Companies 2010). According to NASSCOM estimates, other than providing employment to 3.5 million knowledge workers, the ICT-ITES segment of India provides over 10 million indirect jobs (NASSCOM 2015). Most indirect jobs are created in support service activities such as housekeeping, security services and transport services, catering to the day-to-day needs of the ICT-ITES firms and their employees. Extensive attention has been given to the employment conditions of the knowledge workers involved in the ICT-ITES sector and their opportunities for upward social mobility (see e.g. Krishnan 2015; Murphy 2011; Noronha and D'Cruz 2009). In contrast, few studies have looked at the employment standards and labour conditions of workers involved in the low-end support services (e.g. janitors and cleaners, security personnel and cab drivers) working for international ICT-ITES firms. As argued by Barnes (2015, p. 89), while indirect job creation is emphasized (and sometimes over-stated), the quality of this employment is largely ignored.

Global ICT-ITES firms commonly make use of corporate support service providers, who, as a part of their client-following strategy, follow their ICT-ITES client firms to new locations abroad. For instance, Group 4 Securicor and CB Richard Ellis, two leading players in security and facilities management services, provide services to ICT-ITES firms across the globe (Beerepoot and Kumar 2015; Kumar 2015). The globalization of support services has stimulated standardization and harmonization of support service delivery, guided by international benchmarks and quality standards for service delivery. Given this emphasis on the quality of service delivery and involvement of global corporate support service firms (service vendors), it becomes relevant to identify what impact these have on the quality of employment for low-end support service workers and how they compare with the local standards and benchmarks for support service work. A growing international body of literature (see e.g.

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[1]ICT-ITES encompasses a wide range of BPO (business process outsourcing)-related and IT (information technology)-related segments. In this chapter, ICT-ITES firms refer to large corporate firms of Indian or foreign origin, engaged in offshore service work and having a base in Mumbai, India.

Scott 2012, 2015; Siegmann and Schiphorst 2016; Standing 2011) qualifies low-end support workers as a *new servile* class, *service underclass* workers or *precariat*. It is argued how in Western post-industrial cities the new work arrangements revolve around knowledge workers on the one side and low-wage service workers on the other (see Scott 2015). Service underclass work entails tasks like child minding, cooking, taxi-driving and janitorial services that provide direct and indirect support for the work and lifestyles of the upper echelon of the urban society (Scott 2015). These jobs provide limited scope for career advancement or salary increases and workers are characterized by general social marginality. In the Indian context, debates around precariousness of low-end support workers often revolve around the growing contractualization of labour and poor adherence with the existing labour laws (Barnes et al. 2015; Parry 2013; Rajeev 2010; Sen 2011).

This chapter aims to provide a deeper understanding of indirect employment provision through the rise of the ICT-ITES sector by examining the quality of employment in two low-end support services (housekeeping and cab services). This chapter identifies whether these workers should be regarded as service underclass workers or whether the quality requirements of international clients have led to an improvement of their work and employment conditions. Second, this chapter examines the implications of contractual (outsourced) support service work on the collective rights (unionization) of support service workers. By addressing these issues, this chapter provides insights on the variety of contractual work in urban centres in India and how international firms impact or refrain from interfering in the local low-end service delivery sector.

Section 8.2 discusses the service underclass and the contractualization of labour, and provides a brief introduction to the key labour laws governing the interests of the service underclass in India. Section 8.3 discusses the methodology used for the study. Section 8.4 provides the local context of the study and explains the prevailing labour market conditions for service underclass workers in Mumbai. It also provides a brief overview of the support service segments (viz. housekeeping and cab service) of Mumbai. Sections 8.5 and 8.6 present the data and discuss the key findings and policy implications, followed by the final section with conclusion and agenda for further research.

8.2 Service Underclass and Contractual Work

8.2.1 The Significance of Contractual Work in Business Strategies

Simultaneous and mutual strengthening processes in the past few years such as deepening globalization and increasing flexibilization of production have resulted in workers in various parts of the globe being exposed to increased job insecurity (see e.g. Allen and Henry 2002; Arnold and Bongiovi 2013; Kalleberg 2000, 2003, 2009; Maiti 2013; Standing 1997, 2014). Flexibility is passed on to workers who

then find it increasingly hard to obtain permanent employment. A common practice is the contractualization of labour, which involves a separation between the productive activity of labour and the formal (principal) "employer", often through a network of intermediaries (Barrientos 2013). Private labour contractors and specialized service providers employ the workers, not the (principal employer) firm for which they work, which relieves the firm of responsibility for compliance with codes of conduct or labour laws (Phillips 2011). The move towards flexible, non-standard employment has facilitated an unprecedented expansion of staffing agencies and specialized service providers for a range of support services (Coe et al. 2007, 2009; Peck et al. 2005). Labour intermediaries organize non-standard, flexible, work around "contingent" workers, who are typically non-unionized and could be hired or laid off as per demands of the business cycles (Barker and Christensen 1998; Carnoy et al. 1997; Peck and Theodore 1998, 2001).

By hiring contractual labour and making use of specialized service providers, employers avoid direct labour costs (such as paid holidays, sick leave and retirement benefits) associated with long-term, permanent employment (Allen and Henry 2002; Forde 2001; Ward et al. 2001). However, after paying the administration fee or commission, hiring personnel through staffing agencies could even be more expensive than employing the staff directly (Forde 2001). Still, the model of hiring through contractors is preferred, primarily because the uncertainty and risks are borne by the staffing agencies. Furthermore, the administrative hassles are delegated to the managers and supervisors of the staffing agency or service provider, which allows client firms to focus on their core activities. While beneficial for both the contractor and client firms, the non-standard, contractual work has far-reaching social implications. Critics have pointed out that indiscriminate expansion of non-standard work could affect the social fabric where the precarious work conditions and benefits could become the norm (Hewison and Kalleberg 2013; Kalleberg 2009; Siegmann and Schiphorst 2016). Moreover, it favours employers by pushing down the wages and working conditions. For instance, the vulnerable segments of workers (e.g. low-skilled migrant) in low-wage countries often accept lower work and pay standards and willingly engage in overtime work to earn enough to support themselves and send remittances to family (Bauder 2006). The contractual employments are also devoid of benefits provided to full time, regular workers in the same job category (Kalleberg 2000, 2003; Ozaki 1999; Standing 1999; Storper and Scott 1990).

8.2.1.1 The Organization of Contractual Labour in India: The Legal and Social Viewpoint

Indian labour laws are often considered to be too numerous and restrictive (Ahsan et al. 2008; Rajeev 2010). There have been several concerns related to "rigid labour laws", especially the constraints it imposes on firms to hire or fire workers (see Aghion et al. 2008; Besley and Burgess 2004; Bhattacharjea 2009; Hasan, Mitra, and Ural 2007). Following liberalization in 1991, there has been a substantial rise in labour dispute cases reaching the high courts or the Supreme Court of India. Many

of these cases are related with alleged (wrongful) dismissal of contract workers, who contest that they deserve to be regularized and their cases should fall under the "retrenchment" rules of Industrial Disputes Act (Ahsan et al. 2008). It has also been argued that the stringent labour laws (related to retrenchment and industrial disputes) are not doing much to safeguard existing jobs, but do act as a hampering factor in creating new jobs (Ahsan et al. 2008).

Post-liberalization, investors and employers sought more freedom in retrenching the workers along with the liberty to determine the wage rates (Ruddar 2008). However, in the absence of desired labour reforms employers have found ways to circumvent labour laws through decentralization and subcontracting of production processes along with increased use of contractual labour (Nagaraj 2004; Rajeev 2010). Engaging contractual or non-permanent workers provides additional incentives for the firms, as under the Industrial Disputes Act 1947, the contractual workers engaged for 240 days or less in a year are not considered as workmen (Ahsan and Pages 2007). This means that the contractual workers do not need to be provided with work benefits (such as paid leaves, severance pay during lay-off) at par with the permanent ones.

In order to safeguard the interests of the contractual workforce, the Government of India devised the Contract Labour Regulation and Abolition Act of 1970. The act stipulates certain minimum pay and work benefits to contract workers, which includes payment of state-determined minimum wages, provident fund and Employee State Insurance (ESI) benefits. Referring to the salary structure of contractual workers, Parry (2013, p. 350) observes that such (minimum) wages seldom allows anything more than precarious reproduction of minimal existence. Further, the ground-level implementation of legal measures for safeguarding the interests of contractual workers has remained elusive due to inefficient vigilance and enforcement machinery (National Commission for Enterprises in the Unorganized Sector/NCEUS 2007; Rajeev 2010). Various studies have noted the poor enforcement of labour laws and the inefficient inspection system along with corruption and collusive agreement between labour inspectors (law protector) and principal employers (or labour contractors) (Ahsan et al. 2008; Rajeev 2010; Rastogi 2010).

8.2.1.2 Contractual Workers in the Support Service Industry

The literature on labour contracting so far has a bias towards studying processes of contractualization (and informalization) in the industrial sector, as exemplified by case studies from around the world (see e.g. Arnold and Han Shih 2010; Beerepoot and Hernandez-Agramonte 2009; Benson 1998; Byoung-Hoon 2004). However, both in more advanced services and in low-end support services staffing agencies or specialized service providers have become a common phenomenon. As observed by Sen and Dasgupta (2009) and Papola (2008), labour contractors are now operating in "sophisticated" sectors such as engineering, finance and IT where the so-called placement and "head-hunting" agencies are often found to be participating in the process of contracting casual/contractual labour. For the provision of low-end support

services, large transnational corporations have "professionalized" the support service industry by pushing for international standards such as ISO/International Organization for Standardization 9000 (Herod and Aguiar 2006).

While the support service industry has gradually been professionalized, the contractual workers are commonly engaged through insecure job contracts. From the employer's perspective, measures such as engaging contractual labour are of certain advantage (by providing flexibility); however, from the worker's perspective it essentially means a greater job "insecurity" (Allen and Henry 1997). Allen and Henry (1997, p. 180) further note that:

> While there is nothing particularly new about the job insecurity of the bottom end of service labour markets, the growth in subcontracting along with rationalization of "marginal activities" by firms and public agencies has created a situation where many workers previously in secure jobs now faces regular employment on a more precarious, contract labour basis.

Most service underclass workers fall in the bottom quartile of the labour market, and their job terms and employment conditions have been deemed equivalent to "sweatshop" work (Herod and Aguiar 2006). Given the subcontracting practices, intensification of labour and attacks on unions, there seems to be limited scope for improving job and work conditions of the service underclass workers. Further, low wages and insecure work for the service underclass workers is a global phenomenon, as has been demonstrated by case studies from around the world (Abrahamsen and Williams 2006; Aguiar 2006; Allen and Henry 1997; Savage 2006). Another feature of contractual workers is the peripheral or subordinate status at their worksite, where the contractual workers are distant socially from the core workforce of the client firms (Allen and Henry 1997). In case the support workers were directly employed, then they could have commanded the same corporate identity (along with rights and benefits) as other workers. However, their contractual position clearly bars them from such privilege. Finally, Brody (2006) noted that the support workers in modern workplaces are required to be mostly invisible and non-interactive (with customers or office occupants) during their work hours.

While the "service underclass" or the "servile class" has many features of a "precariat" (as identified by Standing 2011), it essentially excludes those who are homeless, jobless, unemployable or those who belong to other presumably dangerous social classes (Scott 2012, p. 101). In order to recognize the segment of service underclass workers as a distinctive urban socioeconomic category, Scott (2012, 2015) uses the term *new servile class*. The primary reason for identifying the support service workers as *new servile class* is due to their constraints in finding a suitable employment in the manufacturing sector or in other white- and blue-collar jobs. What differentiates the servile class from broader conceptualizations like "precariat" (see Standing 2011) or informal employment is that the new servile class is intrinsically linked to the growth of knowledge-based sectors such as the ICT-ITES sector. Their function is to support the direct and indirect demands and the lifestyles of the upper fraction of the labour force that includes knowledge workers (Scott 2012). The social marginality of them is accentuated by the fact that so many of them are immigrants from diverse backwaters and peripheries (Scott 2015).

However, contrary to such negative connotations the argument could be made that greater spending power and sophisticated quality demands of high-earning knowledge workers stimulates upgrading in low-end service delivery and, subsequently, the nature of work and (potentially) the compensation for support service workers.

8.3   Methodology

This chapter is based on empirical fieldwork by means of open interviews carried out in Mumbai on different occasions from 2011 to 2014 (see Kumar 2015 for details). Three groups of resource persons were interviewed; the facilities managers of ICT-ITES firms, the managers of the support service providers and the support service workers deputed on the site of the ICT-ITES (client) firms (see Table 8.1).

Interviews with managers of ICT-ITES firms focused on their labour policies and service quality management. The measures undertaken to ensure compliance with labour standards by the service vendors were also discussed. Interviews with managers of support service providers focussed on their recruitment and workforce management practices. Additional questions concentrated on their strategies for maintaining the desired level of service quality when serving the ICT-ITES clients. For support workers, the questions were about their working standards, pay benefits, welfare and social security, collective bargaining and unionization. In order to complement the qualitative findings, a small survey was conducted among 64 workers in housekeeping and 59 workers in cab services to explore their opinion on various parameters related to their work and employment conditions. The motivation for a small survey was to complement the qualitative findings and to better articulate the key outcomes for workers in each sector.

Most interviews were recorded with the prior permission of the respondents. In some cases, where the resource persons were uncomfortable to speak on record, notes were taken and transcribed the same day. When all the interviews were transcribed, we analysed the interviews to identify recurring themes. After analysis of the interview transcripts, we reconnected with some respondents to discuss and validate our findings and interpretation. For the survey data, we used statistical

Table 8.1 Number of resource persons interviewed in each segment

Profile of resource person	Number of resource persons interviewed	
	Housekeeping	Cab services
ICT-ITES managers	6	3
Service providers managers	7	4
Support workers (cleaners and drivers)	11 (cleaners)	10 (drivers)
Total	24	17

Source Field study (2011–14)

analysis software (SPSS) to generate the frequency tables for the questions posed to the respondents.

In order to compare the work and employment conditions of the support service workers with those working for smaller (local) service providers, interactions were carried out with the cleaners and cab drivers catering to non ICT-ITES firms (14 respondents in total). This exercise helped us in understanding the larger context of support service industry practices in Mumbai. The interviews with these workers also focussed on their work conditions and pay benefits. As a part of the secondary data collection, we compiled a set of newspaper articles on the labour conditions of support workers in Mumbai. Altogether, this exercise helped us in gaining a better understanding the local context of the support service industry.

8.4 The Organization of the Support Service Industry in Mumbai

The outsourcing of peripheral or non-core tasks to dedicated support service providers is a common business practice as it is considered to bring efficiency along with lowering of the organization's administrative burden (Cotts et al. 2009). For the ICT-ITES firms, most of support service workers are hired through specialized service providers such as G4S or SIS in security and CB Richard Ellis or Jones Lang LaSalle in facilities management (Kumar 2015). In many cases, the client firms enter into long-term contractual arrangement with the support service providers.

Within the support service industry in Mumbai, a hierarchy in service providers can be identified (see Kumar 2015). Corporate service providers of Indian or foreign origin, such as CB Richard Ellis and Jones Lang LaSalle, dominate the segment catering to the ICT-ITES firms and other high-end clients such as international hotels and airports. Aside from them, there are many small- and medium-sized support service firms, which service smaller local clients. Usually the corporate service providers do not venture into the market segment of small players, as the profit margins are not lucrative enough (Kumar 2015). While some medium-sized firms serve as sub-vendors for corporate support service providers (of ICT-ITES clients), most of them serve local clients. Table 8.2 lists some of the key corporate players catering to the international ICT-ITES firms in Mumbai.

Originally, CB Richard Ellis and Jones Lang LaSalle were facilities management firms whose core service area involved property rental and lease management solutions. However, as a part of their one-stop solution for all the facility-related needs of the ICT-ITES clients, they act as an intermediary and delegate the ground-level work to their local sub-vendors.

Table 8.2 Key corporate players in the support service industry of Mumbai

Name of the service provider	Key service domains	Headquarters
Facilities management (Primary contractors or vendors)		
CB Richard Ellis	Property and rental solutions	Los Angeles, USA
Jones Lang LaSalle	Property and rental solutions	Chicago, USA
Local partners for facilities management (Sub-vendors)		
Dusters total solution services	Facilities and Building management	Bangalore, India
Property solution India private limited	Facilities and building management	Mumbai, India
Cab services primary vendors		
V-link	Cab services	Mumbai, India
Sai-care	Cab services	Mumbai, India

Source Own data and respective company's websites

In cab services, a similar arrangement of contracting and subcontracting exists, but here the primary vendors and sub-vendors are all of Indian origin. The primary cab service vendors pitch for the yearly contract of the ICT-ITES firms and coordinate the pick and drop services. The primary cab service providers usually have a certain number of cabs (and drivers) available and beyond that they engage small transport vendors as subcontractors. Another instance of pooling is through the use of independent driver-cum-owners of the cabs. It is common for the drivers of primary vendors to get a bank loan for acquiring a cab and work as an individual subcontractor. The primary vendors encourage this model of drivers becoming the owners of cabs as it takes away the responsibility and administrative hassle of maintaining the cabs. These individual subcontractors are either paid a fixed monthly amount or based on the actual number of kilometres driven per month (the preferred option for most cab drivers). The primary vendors assure income security by promising a minimum number of assignments for the vehicle.

As shown by Kumar (2015), the ICT-ITES firms have been a major stimulus for growth of the support service segments in Mumbai and have encouraged the service providers to upgrade their service delivery standards. The ICT-ITES firms have clear guidelines and standards for their service providers in terms of the age, physical fitness, educational credentials and other eligibility criterion for the support workers, which are higher than what is commonly required when serving local clients. In addition, the deployment of modern technology and international protocols and standards has led to improvement in the job content and status of support service jobs. Whether more demanding job contents and higher entry requirements would lead to an improvement of the labour standards and financial compensation will be examined in the next section.

8.5   Work and Employment Conditions for the Cleaners and Cab Drivers Catering to ICT-ITES Firms

ICT-ITES firms have clearly defined parameters for the support workers and the service providers are expected to run a preliminary screening process to identify and shortlist the potential support workers. Table 8.3 presents some of the screening parameters for recruitment and selection of both the cleaners and cab drivers.

Once shortlisted by the service provider, the facilities or transport team of ICT-ITES firms would conduct their independent assessment (mostly through interviews and documents verification) of the prospective candidates, before giving a final consent for their deputation. This shows how private regulations can be effective for achieving the desired quality of (better educated, young and experienced) candidates.

Given the relatively stringent parameters for recruitment, it would be expected that a similar professional treatment would be extended to managing them. The ICT-ITES firms invest a substantial amount of resources and efforts in upgrading the skills set and offer trainings related with personal grooming, hygiene, work ethics and interpersonal communication and social skills. Once trained, the ICT-ITES firms tend to retain them for a longer term by insisting that the service providers would not depute the trained personnel elsewhere. The emphasis on training even the lower-end, support worker was reflected in the statement of the facilities head of an ICT-ITES firm:

> They are also the face of our organization and our professionalism should be inculcated into them as well. Most of the workers will have rural background and it is important to inculcate corporate mannerism in them. Therefore we allocate separate budget for their training and development, which is in addition to the regular training provided by the service vendors. (Interview 27 September 2012)

The desired behavioural traits and mannerism is also expected from the managers and supervisors of the service providers, who are taught to treat the support workers in a dignified manner. The managerial practices of treating support workers with dignity was noted during the field interactions as both the cleaners and drivers

Table 8.3 Typical screening parameters of cleaners and cab drivers

Screening categories	Qualifying parameters for cleaners and cab drivers
Physical parameters	• Age, preferably below 30 years for new recruits, upper limit of 45 years for cleaners and 50 years for drivers • Physically fit
Language requirements	• Working knowledge of English required (reading and speaking)
Education and experience	• Minimum 10 years of formal education • One year of prior experience for drivers
Documents required (Background verification)	• Identity proof, local residence proof, police verification, work experience certificates (if any)

Source Field data (2014)

mentioned the professional language that they use to address each other. This is in contrast with practices in small local client firms, which are often not interested in upgrading the skills set of support personnel, or in resolving conflicts arising due to unprofessional conduct of workers or managers. The international ICT-ITES firms therefore have improved the status of support workers by extending professional treatment and inducing a corporate culture to low-end support services. This has positive implications on the perception of fair treatment, which was well reflected in the survey where around 90% of both the cleaners (57 out of 64 respondents) and drivers (54 out of 59 respondents) agreed or strongly agreed with the statement that they were satisfied with the professional treatment at the workplace.

The second (positive) implication for the support workers is the adherence with the disbursement of legally mandated work and pay benefits. A key legislation determining the wages of the support workers in Mumbai is the minimum wages legislation. From time to time, the state government of Maharashtra revises the sector wide minimum wages, which are binding for the service providers. Other than minimum wages, the service providers catering to business entities are required to pay for ESI (a state insurance policy for low-income group workers) and provident fund (a long-term deposit plan) benefits. Rather than the government's regulatory bodies, it is the ICT-ITES firms' diligence that pushes for the implementation of these local labour standards. The primary motive for doing so is related to the operational protocols of the ICT-ITES firms, whereby they are committed to follow business and labour regulations of the (host) country. Although the local government has established check mechanism, due to shortage of inspecting staff, soft penalty terms and bureaucratic hassles, the ground-level implementation of various labour laws is a challenge. During the interactions with the labour commissioner and with workers of local support service providers, it was highlighted how the support workers are being soft target for exploitation. While the legal provisions are meant to safeguard the interests of workers, many times, due to improper enforcing mechanism, there are violations such as non-payment of minimum wages, ESI, provident fund or paid holidays benefits, which have also been observed in a range of other cases (see also Boga 2012; NCEUS 2007; Rajeev 2010).

The shortcomings of government monitoring are thus compensated by the private regulations and vigilance of the ICT-ITES firms. Close monitoring and monthly audit practices are absent in other local segments of the support service industry. The manager of a global service provider in facilities management highlighted the main benefit of working with the international ICT-ITES client firms:

> Salary-wise there is not much difference between the salaries given to housekeeping staff working in an MNC (multi-national corporation) or in a small office. The advantage of working in an MNC is that the cleaners can be assured that their payments will be granted. They are sure that the minimum wages, revised DA (dearness allowance), ESI and PF contribution will be deposited on time. (Interview 18 February 2014)

The interviewed cleaners confirmed that they received the legally stipulated wages and secondary benefits in a timely fashion. In contrast, cases of non-compliance are quite common among small, local service providers, who,

while catering to cost sensitive clients, could compromise on disbursing legally mandated benefits for the support workers (see Kumar 2015).

For the cab drivers, the most lucrative aspect of driving for ICT-ITES client firms is the job and income stability. During interactions with drivers in various domains (radio taxis, private drivers and drivers on ICT-ITES assignments), it was highlighted that how a driver's job and income could fluctuate depending on external contingencies. In contrast, the ICT-ITES firm's service vendors offer a consistent and stable job platform and issues such as arbitrary dismissal, late payment or lack of pick-and-drop assignments hardly exist. One of the drivers working directly under the primary vendor noted:

> There is lot of hard work involved in driving cabs. If you are in tourist cab services or in Meru (a taxi aggregator company based in Mumbai), you have no fixed timetable of work. Here in call centres too, we are engaged the whole day for pick-and-drop across the city; but the advantage here is that I get salary on time and after eight or nine hours of work I go to my home. (Interview 03 March 2016)

Another advantage of working for ICT-ITES clients is their policy of employing sufficient staff, which makes the workload of cleaners more acceptable. During the interviews, several cleaners who previously worked with small service providers, complained about understaffing and excess workload at their former workplace. They revealed that overtime payment, if given at all, was meagre and the clients were usually indifferent towards such issues. Exploitation of cleaners is strongly discouraged and closely monitored by the ICT-ITES clients. In the absence of any workers' representative organization, the facilities management head of the ICT-ITES firms doubles as authority for the redressing of grievances. According to the head of facilities management of an international call centre:

> In case a contract worker comes to me saying that he has not received the salary or is being exploited or abused by the vendor, we intervene there. It's not that we have outsourced it and now we can relax. I can deduct the relevant amount pending as payment for the person concerned and warn the contractor. (Interview 13 May 2013)

While the work and employment benefits of cleaners and drivers working for ICT-ITES firms are better than their counterparts elsewhere, dissatisfaction with the basic wages remains. Almost all the cleaners stated that the payment was not sufficient to meet personal and family expenses and they all tried to get as much overtime work as possible. However, the ICT-ITES firms' labour policy has put a cap on the number of hours a person can work during one shift and the house-keeping personnel are not allowed to work more than four hours overtime after their regular shift. The need to earn through overtime was noticeable in a comment by one cleaner working in an IT park:

> We can't run a family with a salary of 7,000 rupees per month. I work overtime so that at least I could make 10,000 rupee per month. However, work is restricted to a maximum of 12 hours a day. We need more overtime. (Interview 06 August 2014)

Although self-exploitative, the willingness to work for more than 8 hours on a daily basis (in the name of overtime) and earn more was a common preference.

Similar concerns related to insufficient income were raised by the cab drivers. Cab drivers also complained about its inadequateness and they were willing to work overtime for extra money. They try to earn extra by (unofficially) picking up local passengers on the street or at bus stops. Cab drivers pick up commuters who are willing to pay a modest price for destinations that fall in the route prescribed to the cab. As put by one of the cab drivers:

> We are paid 10,000 rupee per month and if we do not pick up passengers on road, it will be difficult to make the ends meet. (Interview 31 May 2014)

This example shows that although the minimum wages are paid, it is not regarded to be enough for making a decent living. The minimum-wage concept of India, which is not in tandem with inflation and the rising cost of living, has already received criticism (see Jhabvala 1998; Muralidharan et al. 2014; Ramani 2013; Roy 1997 for detailed debate). The strategy of sticking with payment of minimum wages is in contrast with the high-end knowledge workers of ICT-ITES firms, who command a premium salary along with several fringe pay and non-pay benefits.

8.5.1   Existence of Two Contrasting Sets of Workers: The Case of Cab Drivers

Having drivers through sub-vendors or the driver-cum-owner model imparts two key benefits for the primary vendors: first, since the drivers will not be on the service provider's payroll, the primary vendors will not be held (directly) liable for imparting the minimum social security benefits or other obligations as an employer. Second, having non-regular drivers through subcontracting gives immense operational flexibility, as the number of cabs required could be scaled up or down in a short notice (e.g. during business summits). While there are merits in having the individual subcontractor model, such contractual arrangements have certain far-reaching labour implications. Many times the independent driver-cum-owners engage in self-exploitative practices and to optimize their earnings they engage in long working hours. For the direct drivers of primary vendors, the work hours usually do not exceed 9 hours per day, but for the driver-cum-owners this can reach 12–14 hours per day. Most drivers-cum-owners have secured their cabs through a bank loan and they end up working harder, as less run-time means a lower income.

When the operations head of a primary transport vendor was asked why they do not impose labour standards for drivers of sub-vendors (or for individual driver-cum-owners), he expressed their inability to do so:

> We don't do due diligence for our sub-vendors, because there are several complications involved in it. For example, the driver of the cab could be the owner too, so he would have to pay the EMIs (equated monthly instalments) and also take care of family and then save, so if you tell him that the labour standards mandate you to drive only for 8 hours, he won't do that. He would still prefer driving more number of kilometres. In such cases you can't do much. What kind of overtime we can talk about when the sole proprietor of the vehicle is engaged in doing so? (Interview 21 September 2014)

The ICT-ITES firms' functioning reshapes the local labour market for cab drivers and renders their conditions precarious in unexpected ways. The creation of individual entrepreneurs (as driver-cum-owners) is a new way of taking advantage of low-end labour, who would voluntarily drive down the labour standards. In a new form of dependence, the risks and liabilities previously borne by the employers have been transferred to the workers.

8.6　Collective Rights of Support Workers

Contractual workers in India have always been underrepresented in terms of their collective rights whereas increased contractualization of work is posing new challenges to the mainstream (national) trade unions (see e.g. Basu 2014; Chakrabarti and Dhar 2008; Ruddar 2008; Wilson 1996). For both the housekeeping and cab service segments, there are no national or local unions. The ICT-ITES firms lack an interest in supporting unionization or collective bargaining rights of the workers. Emphasizing the fairness and promptness of their grievance handling capacity, an ICT-ITES facilities manager highlighted:

> They (support workers) don't need collective bargaining. Collective bargaining is for private enterprises or manufacturing entities that may not follow mandates of the government. Here we are providing facilities at par, or in some cases, even better than the government-determined rates. (Interview 13 May 2013)

By building an alternate channel for addressing individual grievances, the onus to have collective organization is further weakened. From the field data, it was evident that neither the managers of ICT-ITES firms nor the officials of the support service providers were keen in promoting any form of unionism.

The prevalence of non-unionized labour serves the interest of both the ICT-ITES firms and their service providers. This provides an opportunity for both the ICT-ITES firms and their service providers to remain fuzzy (at least to the support workers) about each other's obligations. There is a tendency to shift the blame on either the principal employer or on the service provider, depending on the situation. For example, for payment hikes the concerned workers would be shuttled between the principal employer and the service provider. One of the cleaners working in the premise of ICT-ITES firms noted:

> We are not very sure whom to ask for what. When we ask for a pay revision, the vendor tells us that it is decided by the IT firm, but when we ask their official, they say they are paying enough to the service vendor and we should negotiate with the service provider. (Interview 26 July 2014)

The arrangement of contractual work essentially works against the facilitation of collective organization, as the workers are kept in a transient stage through yearly (renewable) contracts. Then there are tactics related with threat, which comes as useful tool to curb any potential organizing activity planned by the workers.

Usually a verbal warning is deterrent enough for the support workers to refrain from unionizing activities. Even when the workers are able to form collective organizations, there are always options of shifting individual's work site or even nudge the identified miscreants to resign from the job. With limited resources and no institutional support, seldom a support service worker will pursue the case of wrongful dismissal. Thus, the contractual work practice in support services creates a buffer zone of transient workers, where the trade unions have limited influence.

8.7 Altering the Social Fabric of the Service Underclass

Working indirectly for ICT-ITES firms through service vendors has mixed outcomes for the support workers. While the wages and secondary benefits of the workers have remained unchanged, the work conditions and adherence to legally stipulated benefits have certainly improved their work life. Further positive changes were noted in the push for professionalism in treating the support workers, which are partly motivated by the operational protocols established by the ICT-ITES clients. Within the support service segment of Mumbai, the corporate service providers (serving ICT-ITES firms) offer more stable job contracts to the workers. The corporate support service firms take due measures to perform well on performance parameters, so as to guarantee renewal of their service contracts. Further, owing to multiple clients across different segments, even when some (ICT-ITES) clients choose to discontinue their services, the workers could still be engaged in work sites elsewhere. This is in contrast with smaller service providers where in case of clients requesting termination of services (or in absence of sufficient demands), the service providers could prematurely lay-off or choose not to renew the worker's contract.

While there are positive implications of ICT-ITES firms on the work life of support workers, there are still several unaddressed challenges. One key issue is the absence of longer-term job stability and upward social mobility as neither the salaries have improved, nor their long-term career prospects are certain. While this is common feature of the global service underclass, it is clear that irrespective of the client firms, the support service workers will have limitations in bargaining for better salary or work benefits. The ready availability of a surplus workforce willing to accept the existing terms of low-end jobs further creates pressures to maintain the status quo. The second issue is related to the absence of pension benefits. As local labour laws do not make it compulsory to provide pension benefits, the ICT-ITES firms choose not to intervene here. Limited social security benefits are a characteristic feature of service underclass jobs. Due to the flexibility of hiring workers through service providers and a lesser degree of social security benefits, larger risks (of job and income insecurity) are borne by the workers and their family.

The third implication of the contractual regime is related to the promotion of inequality in the urban economy. In the current development trajectory pushed by the international ICT-ITES firms, the service underclass workers are considered to

be integrated on highly differential terms (Krishna and Pieterse 2008). While the knowledge workers of ICT-ITES firms enjoy generous compensation packages and can afford western (consumption-oriented) lifestyles, the support workers are rewarded according to local standards.

8.8 Conclusion

This chapter concentrated on the job terms and working conditions of contractual support service workers engaged in providing housekeeping and cab driving services to the international ICT-ITES firms in Mumbai. Whereas various studies have focused on the knowledge workers involved in this sector, there is still a lack of knowledge on how the emergence of this sector has impacted on workers indirectly involved. This chapter demonstrated that the presence of these client firms and their international service providers in low-end support services have led to an improvement in job content and compliance with local rules and regulations. However, working for international client firms hardly leads to an improvement in income and job terms for low-end service workers. Workers engage in voluntary self-exploitation by working overtime to make their ends meet. Whereas international firms have contributed to upgrading of service standards, they refrain from interfering in local labour standards.

Other than the generation of additional employment,low-end support service workers do not benefit from the rise of the ICT-ITES sector. Herewith the chapter adds to concerns how much of the indirect employment generated by the ICT-ITES sector occurs in sectors dominated by informal labour (see also Barnes 2015). In more general terms, this confirms observations on the deepening economic and social inequality in the main urban areas in India (see Krishna and Pieterse 2008). This divide is between the knowledge workers who benefit from the new opportunities provided by globalization (as in the ICT-ITES sector) and those who remain stuck in low-wage service jobs. Similar concerns have been raised in Silicon Valley, where the service underclass workers earn a fraction of the knowledge worker and lack secondary benefits (Guynn 2014). Still, the support service workers working for ICT-ITES client firms are well-off compared to those working for local clients. This illustrates the variation within the service underclass, along with differential work and employment conditions, creating even a hierarchy among low-end support service personnel conducting similar work. Further research could focus on examining how the ICT-ITES sector impacts a broader range of low-end support service activities, and in which services quality upgrading is combined with better working conditions and financial compensation.

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Chapter 9
Jack of All Trades and Master of None? The Development of IT (Compatible) Qualification Between State, Company and Individual Career Planning

Nicole Mayer-Ahuja and Patrick Feuerstein

Abstract   Given Friedman's assumption that the "world is flat", especially from the perspective of transnationally operating IT (information technology) companies, upward mobility should long be achieved, in this part of the economy. As a matter of fact, however, even software companies subscribing to an equal distribution of labour, responsibility and influence between IT workers in different world regions tend to keep Indian software engineers in a position in which they function as "the jack of all trades and master of none", as one of our interviewees has put it. What are the conditions for and impediments to an upgrading of IT (compatible) skills in India, then, which might pave the way for an upward mobility of the employees in question? Based upon empirical case studies in one German software company and its Indian subsidiary as well as in one Indian software company and its German subsidiary, it will be argued in this chapter that, in the Indian IT industry, social upgrading is impeded by a complex interplay between state policies (with regard to higher education), corporate policies (with respect to skills, careers and employment) and, finally, the ways in which Indian IT workers plan and organize their (working) lives.

Keywords   IT work · Value chains · Skill development · Political regulation · Labour market · Social inequality

N. Mayer-Ahuja (✉) · P. Feuerstein
Institute of Sociology, University of Goettingen, Goettingen, Germany
e-mail: nicole.mayer-ahuja@sofi.uni-goettingen.de

9.1   Introduction

During the first years of the new millennium, "large Indian IT companies like
Wipro, Infosys, and Tata [had] become important players in the global IT market"
(Eichmann 2004, p. 19). They were almost exclusively successful in the field of
software services, however, whereas the more profitable *production of standard
software packages* was still dominated by Western companies (mainly from the
USA), like Oracle or Microsoft. In 2007, a representative of the Indian National
Association of Software and Services Companies (NASSCOM) gave expression to
the widespread assumption that this situation was about to change: according to his
view, Indian IT (information technology) companies were undergoing a process of
constant upgrading. They would quickly reach higher strata in the international
division of labour, he argued in an interview at that time, thus conquering the realm
of software production. In the course of this process, more and more high-skill jobs
would be created, and the "brain-drain" among IT specialists, especially to the US,
would come to an end. Judged from today's perspective, however, such expecta-
tions were far too optimistic. After all, the international division of labour in the IT
industry has not changed substantially meanwhile; very few Indian IT companies
have entered product development; and IT services still represent the bulk of
Indian IT business.

It is tempting to argue, obviously, that an upgrading of the Indian IT industry has
failed simply because the world economy entered a period of severe turmoil from
2008, with direct implications for Indian IT companies. Since our empirical
research was conducted before the onset of the global economic crisis, our data
offer no insights with regard to post-2008 developments. In any case, however, we
suggest a different line of argument in the following passages. According to our
findings, there was no general process of upgrading around 2007, and it was highly
even at that time unlikely that even the most successful Indian IT companies would
"jump" to software production in the near future. Among the most important rea-
sons for the resilience of the international division of labour was the striking lack of
qualification profiles that were not only compatible with IT-related tasks as such,
but met the specific skill requirements as entailed in the production of standard
software. After some short remarks about the concept of "upgrading" and about the
empirical basis of this text, we will argue that even before the downturn of the
global economy, in 2007, the production of standard software in India met with
substantial difficulties, as an intensive case study on the Indian subsidiary of a
German "product company" has revealed. This was not least due to the very
practices of labour utilization among the biggest and most influential Indian IT
(service) companies. Moreover, the lack of upgrading with regard to qualification
profiles can be traced back to the Indian system of higher education as well as to the
specific division of labour in Indian IT circles and beyond, which affect the pro-
duction and reproduction of labour power.

9.2   "Upgrading": A Conceptual Approach

Among the vast literature on global production networks (GPNs),[1] studies on (the limits of) industrial, economic, or organizational upgrading constitute an especially productive starting point for our discussion (Barrientos et al. 2011; Gereffi 1999), in mainly three respects.

First of all, they provide a useful definition of "economic upgrading" as a "process by which economic actors—nations, firms, and workers—move from low-value to relatively high value activities in global production networks" (Gereffi 2005, p. 171). According to Barrientos et al. (2011, pp. 323–324), it is useful to discern between *process*, *product*, *functional* and *chain* upgrading. *Process* upgrading

> … involves changes in the production process with the objective of making it more efficient; this can be achieved by substituting capital for labour – i.e., higher productivity through automation. (Barrientos et al. 2011, p. 323)

Product upgrading implies a move towards more complex and value-added products within the chain or network. *Functional* upgrading affects the "mix of activities" (Barrientos et al. 2011, p. 324) a company performs within a chain or network, implying that a given company takes to a wider range of more value-added activities. Finally, *chain* upgrading signifies a move to a completely new production network with different end markets and different customers or intermediaries. In case of the Indian IT industry around 2007, then, it should be noted that a change from the provision of IT services to the production of standard software, as expected by many industry experts at the time, would actually have implied the most fundamental variety of upgrading: chain upgrading. After all, GPNs in the field of IT services on the one hand and IT products on the other hand follow different logics, and they are not necessarily interconnected. As far as IT services are concerned, global production networks comprise non-IT companies (as customers) as well as one or several IT companies offering specific types of assistance with regard to the operation, maintenance and adaptation of software; if several service providers are involved, their tasks and operations may or may not be interrelated. The production of IT packages, instead, requires a much more integrated network of production, based on a clearly defined division of labour between the companies or teams responsible for producing different modules of the software. At the same time, non-IT customers do not play an equally important role, since the standardized product is sold to a wide range of corporate (and even private) end-users that typically have little say in the developing process. Even if a specific customer (e.g. a non-IT company) buys a software package and asks a service company to install and maintain it, this does not necessarily imply direct interaction between these two production networks. Although representatives of the Indian service company of our sample have argued around 2007 that "upgrading"

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[1]In this literature, different concepts—global commodity chains (GCCs), global value chains (GVCs) and global production networks (GPNs)—are used for analysing similar phenomena (for an outline of the differences between these concepts, see Gibbon et al. 2008; Taylor et al. 2013).

could be effected simply through a further rationalization of processes, the integration of a new product (standard software) into the existing portfolio, and an expansion to new functions within existing customer relations, studies on GPNs suggest that the changes required for entering the market for standard software packages would have been much more substantial than that.

Secondly, studies on GPNs shed light on the manifold preconditions for upgrading, including "government policies, institutions, corporate strategies, technologies, and worker skills" as well as the interrelations between them (Gereffi 2005, p. 171). This strengthens our assumption that processes of skill development cannot be discussed by way of exclusively focusing on corporate practices with regard to qualification; instead, we need to take account of state policies, and individual strategies of skill acquisition.

Thirdly, the focus of attention is directed towards actual processes of "organizational learning" in many studies on GPNs that may support or impede upgrading (Gereffi 1999, p. 39; 2005, p. 171). While some authors mainly discuss the expansion of organizational capabilities through new machinery and technology, others have identified "skill development or […] increased dexterity and productivity on the part of workers" as an important precondition for an upgrading of products, processes, and network functions, as well as for entering new product markets (Barrientos et al. 2011, pp. 323–324). Hence, qualification profiles and skill development are crucial for most upgrading trajectories, whether with regard to the recruitment of skilled workers or to an upskilling of the existent workforce.

In the following paragraphs, we hope to take these conceptual considerations further, in mainly three respects. Firstly, we suggest that the lack of adequate qualification profiles constituted not one (unfavourable) precondition among others, but the most severe impediment to an upgrading of the Indian IT industry (i.e. the move towards the production of software packages) around 2007.

Secondly, the lack of "deep" specialization, which would have enabled IT companies in India to turn towards more complex tasks as required for the production of standard software, should not be considered as an external precondition at all, but as a direct result of dominant practices of labour utilization in Indian IT (service) companies. After all, the fast expansion of the IT sector in India, including Indian as well as foreign companies, has caused an enormous competition among employers for skilled labour, resulting in steep salary rises, systematic poaching, and high levels of attrition, which prevented a long-term specialization within one corporate context (see Mayer-Ahuja and Feuerstein 2008 for a more detailed account). As a consequence, the qualification profiles on offer in India were much too generic to allow for an upgrading of work processes around 2007. It should therefore be regarded as a comment on dominant practices of Indian IT companies with regard to labour utilization when an Indian team leader (TLM)[2] emphasizes the marked difference between the qualification profiles of Indian IT specialists and their German colleagues:

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[2]Throughout this chapter, persons interviewed have been mentioned via acronyms to preserve their anonymity. TLM stands for "team lead, male", TLF accordingly for "team lead, female".

> They [the Germans] will stick to that technology probably throughout their lives [in Germany]. But we don't get a chance to do that here [in India]. We normally become the jack of all trades and master of none. (TLM 6)

Thirdly, it will be argued that even if the development of qualification profiles is certainly no "external" precondition for organizational upgrading, it should not easily be interpreted as a direct consequence of corporate strategies either. Instead, it reflects the complex and conflict-ridden interrelations between corporate practices of labour utilization on the one hand, and the strategies of workers on the other hand, who may or may not accept the role as "jack of all trades" within a specific economic, political and social context in which their labour power is produced and reproduced. In directing the focus of attention to the absence of a general process of upgrading with regard to IT skills in India around 2007, then, we certainly do not aim at reconstructing the development of the Indian IT industry during the last decade. However, a close look at structural impediments to this upgrading during the period under review may well pave the way for a more consequent conceptual "embedding" of discussions about GPNs and for a better understanding of some of the features that continue to shape IT work in India and beyond.

9.3   Empirical Sample

This chapter is based on research focusing on transnational project work in two software companies, both operating in Germany as well as in India (for a more comprehensive discussion of the results, see Feuerstein 2012; Mayer-Ahuja 2014). Empirical data comprise four intensive sociological case studies, conducted in 2007, with a total of 68 interviews (of 90–120 min duration) with workers and managers.[3] The first case study is devoted to the headquarters of a German company producing high-profile software packages (labelled "G-Pro", for reasons of anonymity); the second case is constituted by the Indian subsidiary of this German product company. The third case study has been conducted at the Indian headquarters of a leading provider of software services ("I-Serve"); and the fourth at its German subsidiary. All (semi-standardized) interviews with workers and managers have been recorded, transcribed literally and analysed with the assistance of ATLAS.ti software for qualitative data analysis. In addition, the empirical programme included roughly 30 interviews with experts from academia, media, trade unions and employers' associations, in India and Germany.

(Footnote 2 continued)

MM translates into "manager, male", MF into "manager, female", "SEM/F" into "software engineer, male/female", DM into "developer, male", PMM into "project manager, male". Finally, PDM/F indicates a representative of the personnel department (male/female). The number following this information refers to the number of the interview in our empirical sample.

[3]The project was funded by the German Research Foundation (DFG) between 2006 and 2010 and conducted by the authors under the guidance of Volker Wittke.

9.4 "Upgrading" of Qualification Profiles as Corporate Strategy: The Case of G-Pro

In order to tackle the question why hopes of a general upgrading of qualification profiles in the Indian IT industry have not materialized, it might be useful to study a constellation, which should provide ideal conditions for such a process: the German IT company of our sample is one of the leading Western producers of standard software packages. Around the turn of the millennium, G-Pro established a subsidiary in India; since that time, and despite a slowdown during the economic recession around 2008, the company's workforce in India has been steadily expanded (to roughly 4,000 employees today). This was in line with G-Pro's strategic goal to "tap the Indian talent pool" at a time, in the late 1990s, when the company experienced massive difficulties in recruiting university graduates with IT (or at least IT compatible) qualification in Germany. As one German manager put it:

> The motivation was anyway in the year 1999 that we could not find enough people here anymore. The first internet wave was hot, and the start-ups naturally had a tremendous inflow of intelligent young people. For an established company, which was considered slightly old-fashioned, it was also a bit difficult to find good people here [in Germany]. In fact, we got absolutely no responses to some of our vacancies anymore. (MM 63)[4]

The jobs on offer in this company, in Germany as well as in India, are shaped by G-Pro's business model, which is based on "distributed development". This implies that every software package is split up into several modules, and each module is attributed to a specific project team, whose members are typically based in different locations. These teams work in parallel, and the parts they produce have to be assembled and integrated, in order to create a functioning software package. For this reason, "distributed development" implies a spatial distribution of tasks, but at the same time depends upon a close integration of work processes, as far as the speed and quality of work are concerned (see also Feuerstein 2013 for a closer examination of the influence of G-Pro's business model on work organization and control). Although the master plan for a software package is usually designed at G-Pro's headquarters in Germany, the detailed planning and scheduling is done by those in charge of each single module, and the complexity of tasks and technologies are similar in Germany and India. Since developers in different locations work simultaneously, and modules are highly interdependent, intensive communication is required, and corporate options to enhance standardization are limited. This has a number of direct consequences for the company's approach to developing qualification.

First of all, G-Pro pursues a policy of assigning similar high-skilled tasks to employees in all locations. Hence, the management has to take efforts to reduce

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[4]If the original quote is in German (as in this case), the authors have provided an English translation. For the German text, see Mayer-Ahuja (2014).

differences not only in formal qualification profiles, but also with regard to the level of job experience, and work efficiency, for instance, between the company's German and Indian employees. Secondly, since G-Pro aims at an "upgrading" of the Indian subsidiary (just like many Western companies; Fromhold-Eisebith 2002), the company mainly recruits employees with some experience in other IT jobs and encourages them to increase their specialization in G-Pro software. Thirdly, the temporal structure of work in the field of software production favours a specific type of qualification development. After all, inter-firm competition is moderate (due to the small number of market leaders), and it is based on quality, rather than on price or speed of delivery. Projects tend to run for years, and development milestones take place every few weeks only. Under these conditions, employees can concentrate on a given task for relatively long periods of time without the interference of superiors, and professional status, as well as actual responsibility, increases with one's experience on the job. The result is long-termism, which should provide ample scope for independent work, and for a long-term "deepening" of specialization on the production of (a specific module of) G-Pro software.

In the course of our interviews, however, it became obvious that G-Pro's strategy of upgrading qualification at the Indian subsidiary was far from being fully implemented. As a matter of fact, this was the reason why the Indian interviewee quoted above felt like the proverbial "jack of all trades and master of none". Despite the commitment of managers to an improvement of the skill base and to a stabilization of employment relationships, which was considered indispensable in order to be able to shift more and more responsibility to India, the actual division of labour between the German headquarters and the Indian subsidiary was still strikingly unequal in 2007. Most strategic decisions were taken in Germany, and even the role of project management was mainly exercised by German "team leaders" and supervisors. Moreover, the German members of the transnational project teams under review typically performed more complex tasks and were subject to less managerial control than their Indian colleagues.

We thus seem to face some kind of paradox: a highly renowned Western company like G-Pro opts for an upgrading of qualification profiles at its Indian subsidiary. Such an upgrading should be in the best interest of Indian employees, because it would render their work more interesting and autonomous, would strengthen their position within the corporate hierarchy and, all in all, promote them to a level of professional status and employment stability which is considered highly attractive by their German colleagues. Despite this apparent community of interests between capital and labour, however, this upgrading did not occur in the first decade of G-Pro's presence in India. In search for an explanation, at least three critical factors of influence on qualification development need to be taken into account: state policies, especially in the field of higher education; corporate policies, with respect to skills, careers and employment; and, finally, the ways in which Indian IT workers plan their (working) life. In order to draw a clearer picture of the peculiarities of skill development in India along these lines, Indian and German standards will be discussed in an integrated manner, especially since they are closely interrelated in the Indo-German project teams of our sample.

9.5 State Influences on Qualification Profiles: Systems of (Higher) Education

Systems of education in general, and especially systems of higher education exert a decisive influence on the qualification profiles available to IT companies. In Germany as well as in India, most universities are owned by the state, and the expansion first of technical and, later, of explicitly IT compatible lines of study (like electronic engineering) was supported by significant public subsidies in both countries, after the Second World War and Indian independence (1947). Still, both quantity and quality of IT skills in India and Germany differ markedly, and there is reason to argue that this impeded G-Pro's efforts to transfer the company's strategy of qualification development from Germany to India to a considerable extent.

In India, engineering courses at state universities were massively expanded during the last decades, and the number of graduates with technical expertise had virtually exploded when we conducted our interviews in 2007 (Kumar 2001). In the winter term 2004–05, for instance, 440,000 students started their Bachelor's course in informatics, computer engineering and economic informatics in India, according to the All Indian Council for Technical Education (AICTE). In Germany, instead, the Federal Agency for Statistics reported that only 15,000 students had taken up studies in these fields in the same term (winter semester 2004–05). These starters equated 3% of the total IT workforce in Germany, but 38% in India, which obviously reflects a much more dynamic development of this sector. The Indian state has contributed to this dynamism by way of investing a considerable and ever increasing share of public resources in this kind of higher education for the middle classes, providing inexpensive Bachelor's courses and various state scholarships for "academically rich, but financially poor" families, as one Indian manager (MM 37) has described the socioeconomic background of many IT professionals. IT companies can be argued to profit from these policies: in order to meet its rapidly expanding labour requirements, I-Serve, for instance, has been able to perform mass recruitments of Bachelors of Engineering (BE) in India each year, during the early 2000s,[5] which was possible only due to the inflation of university graduates with basic analytical and technical skills. At the same time, many observers criticize "a major waste of educational resources (much of which are government-subsidised, despite the burgeoning of private engineering colleges)":

> Because of the lure of high salaries and plentiful job opportunities in IT, graduate engineers are entering careers for which they have not been trained (and in which they often have no real aptitude or interest), while other industries are finding it difficult to recruit good graduates in chemical or mechanical engineering because most are being absorbed by the IT industry (Upadhya and Vasavi 2006, p. 27).

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[5]In India, where the bulk of coding and testing is done, the workforce of I-Serve has been expanded massively from roughly 10,000 (in 2002) to more than 90,000 employees (in 2008).

For the actual requirements of a company like I-Serve, however, the qualification profile of many engineering graduates is not necessarily considered sufficient. According to the US consultancy McKinsey (Farrell et al. 2005), only one in four Indian engineering graduates is regarded as qualified enough to work in a "multi-national company". Whether or not this evaluation is justified, our sample companies seem to agree, given that they only recruit graduates from the two hundred (I-Serve) or even one hundred (G-Pro) best educational facilities in India—thus marking more than 1,000 institutes as unacceptable.[6] These numbers give some credence to the criticism that thousands of Indian colleges absorb "millions of new students every year, only to turn 'out degree holders' whom no one wants to hire" (Giridharadas 2006).

At the same time, since university education beyond the bachelor's level is very costly in India, employees with Master's degrees or PhDs (doctor of philosophy) are rare—in the years before 2007, the number of Master's degrees had increased much slower than the number of BEs, the number of IT-related PhDs had even dropped, and graduates of elite IT institutes (like the Indian Institutes of Technology/IITs) were hardly available in India, since they tended to emigrate, especially to the US (Arora et al. 2000).[7] There thus seems to be a two-way interrelation between corporate strategies of qualification development in the IT sector, and policies of higher education: since influential Indian IT service companies recruit increasing numbers of bachelors of engineering with unspecific technical and analytical skills, public resources are focused on expanding the number of these degrees. This results in a lack of graduates with a solid IT education, which in turn forces big Indian companies (like I-Serve) to rely mainly on graduates with relatively limited IT skills, and to adapt their strategies of qualification development accordingly (see below). An "upgrading" of IT work, however, is impeded by the lack of qualification profiles that might constitute a basis for a deepening of qualification, as precondition for executing more complex tasks. Under these conditions, IT companies like G-Pro, which require a long-term and deep technical specialization, face severe difficulties in recruiting employees with adequate qualification profiles.

After all, G-Pro's strategy of qualification development is shaped by, and adapted to, the German system of higher education in many ways. In Germany, G-Pro almost exclusively recruited holders of a "Diplom" (i.e. a rough equivalent to a Master's degree, which was abolished in the course of the Bologna reforms) or a PhD, in a technical stream or the natural sciences, during the early 2000s. In marked contrast to the Anglo-Saxon system, these students were in a position to focus on a specific field of interest throughout their studies in Germany, which still seems to apply within the new framework of German Bachelor's and Master's courses

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[6]Upadhya and Vasavi (2006, p. 33) have observed, however, that large companies do hire graduates from less renowned institutes, but engage them for less qualified tasks.

[7]According to some observers, more than one-third of all IIT graduates live and work outside of India (Aspray et al. 2006, p. 218).

(Aspray et al. 2006). Before the reforms, a German "Diplom" course, which most of our German interviewees have completed, encompassed a continuous curriculum (of at least 4–5 years "Regelstudienzeit"), but many students actually spent a considerably longer time at university. In the absence of a Bachelor's degree, their line of study was not interrupted halfway, and many students actually focused on the same technical topics for many years. Thus, the German system of higher education provided a solid basis for a deep technical specialization, especially if the "Diplom" was followed by a PhD in a related field of study. It may well be argued, then, that G-Pro's strategy of qualification development, and especially the company's preference for highly skilled IT specialists who meet the company's requirements with regard to independent work, long-term learning on the job, and an independent deepening of qualification is not only in line with this company's business model. Instead, it must also be regarded as a reaction to the amount and quality of IT-related qualification as generated by the German university system. If transferring this approach to G-Pro's Indian subsidiary has proved difficult, this may at least partly be due to Indian policies of higher education. As argued above, "distributed development" requires a long-term, and deep, specialization, while the Indian university system does not provide enough IT graduates with sufficiently profound and specialized technical knowledge. Under these circumstances, G-Pro has taken to recruiting Indian employees with a Bachelor's degree in engineering and several years of job experience. Since many of them join G-Pro after having worked for one of the big Indian service companies, however, I-Serve's approach to qualification development, for instance, can be argued to have direct impact on G-Pro's (futile) efforts to effect an upgrading of qualification profiles in its Indian subsidiary.

9.6 Corporate Influences on Qualification Profiles: The Case of I-Serve

As mentioned above, I-Serve is one of the big and rapidly expanding Indian providers of software services, which increasingly compete with leading Western companies such as IBM or Accenture. These companies practice a specific type of spatial relocation ("offshoring"), since many (mainly Western) clients have taken to outsourcing IT tasks to an external service provider in a distant world region around the turn of the millennium (Aspray et al. 2006). This business model is based on a strong competition for customers, mainly based on price and speed of delivery, rather than on quality. For this reason, it is paramount for Indian service companies to employ the vast majority of their staff in India itself, where IT salaries have accounted for roughly one-fifth of the sum due in Germany in 2007.[8] Moreover, the

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[8]For a reconstruction of salary levels, which are treated as classified information in many Indian IT companies, see Mayer-Ahuja (2014).

provision of software services (especially under conditions of "offshoring") shapes corporate approaches to qualification profiles in at least three ways: firstly, the working tasks on offer at the headquarters of Indian service companies like I-Serve are typically not very complex. After all, Western companies tend to opt for "offshore-outsourcing" mainly in case of simple and standardized requirements (like the support or maintenance of existing software systems, or the customization of standard applications). Hence, support and maintenance projects represent the bulk of I-Serve's business, and even projects involving some kind of software development would typically not draw upon the latest technologies. Secondly, price-based competition, in combination with many Western customers' desire to monitor project execution closely, fuels a strong "process orientation". Resulting is the implementation of standardized "business process models", like ISO (International Organization for Standardization) 9000 or CMMI (Capability Maturity Model Integration), which require the division of tasks into small and easy-to-handle work packages, that can be distributed flexibly and monitored closely (Prasad 1998; Upadhya and Vasavi 2006). Moreover, given the high volatility of customers, projects and technologies in the IT service business, it is a common practice at I-Serve to reshuffle "resources" (i.e. workers) between different tasks, and projects, at short notice. Under these conditions, I-Serve's approach to qualification development is shaped by efforts to standardize work processes, qualification profiles and performance per time-unit. Thirdly, the close cooperation with clients results in a temporal structure of work that is shaped by a marked short-terminism. Most projects last only for a few months or even weeks (as opposed to project durations of several years at G-Pro), deadlines are tight, and customers tend to change their requirements even between two milestones. Hence, a long-term approach to the development of qualification, or even specialization of any kind, is neither possible nor required. For this reason, I-Serve could take to recruiting graduates from any stream of engineering around the turn of the millennium,[9] providing them with at least some IT skills through an initial training course (of 3 months for those with an IT compatible university degree, and 4 months without) in company-owned training facilities. After that, new recruits are expected to take up project work straight away, based on some basic knowledge about project management, an overview over different technologies and some preparation for a specific project (which may or may not be the first designation of the employee in question, since project requirements change quickly). Given the highly "process-oriented", standardized and formalized character of work at I-Serve's Indian headquarters, then, the company's strategy of qualification development differs markedly from G-Pro's approach as outlined above. Since the Indian service provider has to prepare employees for quick changes between projects, clients and technologies, qualification profiles need to be as standardized and

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[9]In the 1990s, the company had hired mainly graduates of computer sciences, computer engineering or electronics engineering. At the time of our case studies, I-Serve was about to start hiring graduates even from the arts or humanities.

as "broad" as possible. I-Serve thus discourages specialization, and employees are subject to a constant rotation between project teams, in order to achieve a broadening of qualification, which turns them into the "jack of all trades", according to the initial quote.

Since I-Serve's approach to qualification development is very much in line with the practices of other big Indian service providers, this has direct implications for the German product company G-Pro. Since G-Pro demands several years of job experience from new employees, and since the vast majority of IT workers come from one of the big Indian service companies in India, even "senior" IT professionals are typically technical "all-rounders", equipped with project management skills rather than deep technical expertise in a specific field. Even beyond the stage of recruitment, however, the "long shadow" of I-Serve's standards of skill development poses severe problems for G-Pro. Since tasks differ considerably, there can be no standardized initial training;[10] instead, learning has to take place on the job and in the project team, in a stable team constellation. In fact, a deepening of specialization (on a specific technology, module, or business domain), as required for "distributed development", is a long-term undertaking. The development of a new software package typically takes several years, and employees at G-Pro are expected to be part not only of this entire cycle of software development but also of future software updates. At the company's German headquarters, this long-term approach seems to have resulted in very stable employment, given that many German employees stay with G-Pro for decades. Apart from a deepening of specialization, such in-house careers involve a steady gain in professional recognition, and also in remuneration, but hardly any formal promotions. Again, however, it has proved difficult to transfer this system of career development to G-Pro's Indian subsidiary, especially given that employment relationships are considerably less stable there. In India, employees would typically leave G-Pro after three to five years, in order to earn a higher salary or to gain a more impressive title elsewhere. Again, the standards as established by big Indian service companies like I-Serve come to bear in this case, since they compensate employees for their highly standardized tasks, by way of offering formal promotions (and corresponding perks) in such regular intervals, that many interviewees feel entitled to "grow" after a generally acknowledged period of time. In order to retain Indian employees under these conditions, then, even G-Pro introduced new titles (like "platinum developer"), supposed to signpost a growth in professional status, despite the absence of formal promotions, and increased salaries in India much faster than in Germany. Since such titles did not translate into responsibility or hierarchical position, and the salary increases still lagged behind the rapid rise of wages in the Indian IT sector at the time, however, these efforts failed to bring down attrition effectively. As a

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[10]There is a very short introductory course, which provides some basic knowledge about the company; technologies or methodologies are touched upon only briefly.

result, G-Pro was not able to transfer the level of job experience and resulting task discretion, as practiced in the company's German headquarters, to the Indian subsidiary, which severely undermined the management's "upgrading" strategy.

9.7   Social Regulation of Qualification Profiles: Employees' Strategies of Planning Life and Career

It might be assumed that such differences could be ruled out in the course of time, through a long-term socialization within the company. The fact that this had not happened during the first decade of G-Pro's presence in India, however, points to another set of influences on qualification profiles: to employees' strategies of planning their lives and careers, which, again, differ markedly between India and Germany.

Firstly, most Indian IT workers of our sample displayed markedly less passion for information technology than their German colleagues. To some extent, this may be due to the socioeconomic background of IT professionals. Although they typically come from middle-class families, both in Germany and in India, since an IT career requires a university degree, this does not necessarily imply the same material, and social resources. In Germany, the parents of most of our interviewees are or were employed in qualified white-collar jobs (with or without an academic background) and earned average German wages. This has a direct effect on qualification profiles, since most of our German interviewees had access to computers (the proverbial Commodore 64) from their teenage years. After having turned into "computer freaks", they opted for a technical course of study, and, later, for an IT career. In India, instead, IT workers in general and also most of our Indian interviewees come from urban, Hindu, English-speaking families with at least one "public sector" income (Ilavarasan 2002; Mayer-Ahuja 2014; Upadhya and Vasavi 2006). The fact that such families are "academically rich, but financially poor" (MM 37) shapes the qualification profiles IT companies can draw upon, given that most Indian interviewees did not have access to computers before entering university. Even though import restrictions for PCs had already been lifted in India by the 1990s, when the interviewees were teenagers, most middle-class families could still not afford such a device. This might explain the striking lack of "techies" among our Indian interviewees, who tend to mention salaries or social prestige as main attractions of an IT career, rather than the actual contents of work, or fascination with information technology. It is certainly no coincidence, then, that most of them have opted for a bachelor of engineering rather than a bachelor of computer science.

Secondly, Indian employees approach issues of (long-term) qualification development differently than their German colleagues, which might partly be due to the age composition of IT workforces in both countries. As argued elsewhere (Mayer-Ahuja and Mah 2011), the Indian IT professionals among our interviewees

were not only "younger" in terms of their affiliation to the project, to the company, and also to the IT industry as such, given high attrition rates in Indian IT hubs like Bangalore (Mayer-Ahuja and Feuerstein 2008). Instead, they were also much younger than their German counterparts in terms of age, on an average by 10–15 years. Since the vast majority of Indian IT workers were single men in their early twenties, living far away from home in "paying guest" accommodation or in shared flats with colleagues, many of them were not especially keen on spending long hours "at home" (for similar observations, see Mukherjee 2008, p. 63 f). One female interviewee remarks:

> I know most of the people who are bachelors — they live in a hostel or they live as a paying guest in some place and they would prefer to stay for long hours in office [rather] than getting bored at home. (SEF 14)

This corresponds to the self-evaluation of a 24-year-old single man, for instance:

> I generally see that people with family try and leave as early as possible, which makes sense. Because for me, when I go home — I don't have anything to do. […] So, if I stay here — maybe I can learn more. (DM 56)

In our interviews, especially young men mention frequent overtime work, emphasizing their wish to learn and to impress their superiors. Interestingly, however, managers at G-Pro were not especially happy about the excessive overtime work of young Indian colleagues. A project manager, for instance, reported:

> I keep pushing them [developers] that nobody should stay beyond five o'clock in the evening. Beyond seven is absolutely not recommended. […] Once in a while you can be there until seven, if things have to be done. It shows their efficiency. If you can't do it before seven, then … it's a problem! [I]f you come here at eight and then you leave at seven *on a daily basis* — that's … not going to help you or help me. Because after five o'clock, I don't think you can work efficiently — if you have worked almost eight hours in this, since morning. (PMM 57)

According to the experience of many G-Pro managers, then, a regular extension of working hours resulted in a lower level of concentration in the company's Indian subsidiary. This impeded an intensification of the work process, which was considered indispensable, given the high complexity of many tasks in the context of "distributed development".

Thirdly, many of G-Pro's Indian employees indicated in the interviews that they considered a "deep specialization" (as propagated by the company) as an incalculable risk. Since (especially Western) IT companies had the reputation to come and go at short notice in IT hubs like Bangalore, for instance, relations of loyalty turned out to be more "flexible" than in other places, as Upadhya and Vasavi (2006, p. 42 and p. 48) have observed:

> [M]any software engineers believe that they should accumulate the maximum in terms of money and career advancement while they can, because they are unsure of the future. […] While the industry desires a workforce that is mobile and flexible, this requirement has also created a culture of individualism in which employees pursue their own goals over those of their employers — who are in any case often temporary.

Under these conditions, many IT workers considered a broad qualification as the best safeguard against a loss of job. A deep specialization on the software of one specific company (like G-Pro), instead, implied the risk to become virtually unemployable, in case this company should decide to close shop.

Probably the most important reason why many Indian IT workers were hesitant to stick to one company for a long time, however, was the fact that "job hopping" was the best way to boost one's salary around 2007—after all, considerable perks could be negotiated at every change of jobs. This approach to career development was possible, as long as skilled labour was scarce and sought after, due to the massive expansion of the Indian IT industry. From the companies' point of view, then, "job hopping" was, above all, an indicator of the strong bargaining position of employees around 2007. A representative of the personnel department (PDM) at G-Pro remarks:

> [I]t has to do with the growth rate of the economy, it has to do with a lot of multinational organizations […]: they can afford to pay much higher salaries to the employees back in India, because of the conversion rates. […] [I]f you leave one company, the other company will offer you some decent increase in your salary. […] Right now, one of the major reasons, why attrition is very high is because demand is more and supply is less. (PDM 62)

According to one of his colleagues, fear of unemployment had virtually vanished under these conditions:

> People are not *scared* anymore. They say: "Eh, finding a job is so easy these days!" They think it will run forever. That's where we lose our people. But this will *not* run forever. […] That's when stability comes in. Why? If we have 50,000–100,000 new jobs coming, people will not have that fear. So that fear level is *not there*. […] And if you are a reasonably smart person, the company will take care of you. (PDM 54)

It is worth noting, however, that it was not only possible but also *necessary* for Indian IT workers to increase their salaries by way of changing jobs frequently. After all, many of them supported "dependent parents", brothers, sisters, or other members of their extended family financially. For this reason, they seem to have put much more emphasis than their German colleagues on the notion that a "successful career" must imply a fast increase of salaries. Moreover, differences in IT workers' approach to material issues do not only shed light on the importance of family structures, but also on the impact of social security systems. After all, even though Indian IT workers do have access to various systems of social security provision, they still depend on private savings to a much greater degree than their German colleagues. Our Indian interviewees pay compulsory contributions to (private) health insurances (typically based on corporate group contracts), which cover medical costs—in contrast to Germany, however, this would only apply in case of hospitalization; the (public) old-age insurance (Provident Fund) pays a lump sum at the day of retirement—but there is no monthly payment till the end of the insured person's life, and no payment to his or her widow(er); finally, an unemployment insurance does not even exist in India. Under these conditions, in order to secure a long-term reproduction of labour power, private savings are much more important

for Indian than for German IT workers. For this reason, Indian employees insisted on regular promotions and salary hikes, and they resented G-Pro's attempts to deviate from this pattern of career development in the company's Indian subsidiary. In Germany, instead, G-Pro's standards of paying relatively high salaries, which increase but slowly over time, seem to be much more acceptable IT workers. Despite severe cuts during the last years, especially the German system of social insurance still guarantees a legal entitlement to a clearly defined share of social property (Castel 2000), in case of illness, old age or unemployment. In many ways, then, G-Pro's strong preference for stable employment reflects particularities of the German "work system" (Sorge 2005), in which social insurance, labour law and corporate employment policies combine in favour of long-term in-house careers. Moreover, "job hopping" is less lucrative in Germany, since wage levels are standardized through a system of collective bargaining, which ensures that a specific qualification profile is remunerated similarly in different companies—which, interestingly, even applies to the German IT industry, even though there are hardly any collective agreements in this sector. Finally, the fact that our German interviewees were considerably older and typically had a partner who earned an additional income, but no "extended family" in need of financial assistance, rendered it less urgent to change jobs in pursuit of higher wages. In many respects, this had direct consequences for the qualification profiles of the employees concerned. For this reason, the social security system is typically regarded as crucial influence upon the German "work system", for instance, that is assumed to promote a long-term development of expertise, culminating in deep specialization (Sorge 2005, p. 161). Around 2007, the preference of German employees for stable employment was probably further strengthened by the fact that the German IT labour market was stagnating, and job alternatives were rare. Hence, G-Pro's employment relationships, career trajectories and qualification profiles were considered highly attractive by German employees and persuaded them to stay with this company for decades. In India, instead, G-Pro could not convince Indian IT workers of this combination of deep specialization, modest salary increases, and disregard for formal titles. After all, the career trajectory offered by I-Serve (broad qualification, fast salary increases, regular promotions) was much more in line with common strategies of planning one's life and career among Indian employees, given Indian family structures and the Indian system of social security provision.

9.8 "Jack of All Trades": Here to Stay?

As argued above, our empirical research on transnational project work in the IT industry highlights several structural impediments to an upgrading of IT skills in India during the first years of the twenty-first century.

Among these factors, corporate strategies play a decisive role: the focus of Indian service companies on generic analytical skills (rather than deep expertise)

exerted a direct influence upon the "talent pool" available in a location like Bangalore, given the massive size of these companies' workforces. Consequently, employment practices in one production network (the "offshoring" model of IT service companies) can be argued to have direct repercussions for the options available to companies in neighbouring, but widely unconnected production networks (like the distributed development of standard software). Moreover, in their search for cheap labour, Indian as well as foreign companies have boosted competition for IT compatible skills in India, thus enabling employees to change jobs "for a few rupees", and jeopardizing stable employment, as a prerequisite of any long-term development of qualification. With regard to discussions about the dynamism of GPNs, then, it can be argued that dominant employment strategies of IT (service) companies in India have contributed considerably to the undermining of an upskilling among IT employees that would have been required for a move to the production of software packages.

At the same time, however, empirical evidence suggests that it would not suffice to focus on corporate strategies alone in order to explain the striking lack of "deep" specialization among Indian IT professionals, since corporate preferences have to be negotiated with labour, for instance. After all, the markedly short-term character of investment decisions (especially among Western companies) rendered it necessary for IT employees to keep job options open, instead of specializing on the software produced by one company. According to many Indian interviewees, relying on one employer (like G-Pro) only appeared far too risky.

As a result, even if a company like G-Pro opted for an upgrading of qualification profiles, it faced severe problems under these conditions. On the one hand, it was difficult to hire sufficient numbers of employees with an adequate skill level around 2007, given the socioeconomic background of IT professionals and their striking lack of passion for information technology. On the other hand, generating these skills through in-house training over time was impeded by the fact that Indian employees took to frequent job hopping.

In many ways, these impediments to an upgrading of qualification profiles were further aggravated by state policies in the field of higher education in India. As argued above, the systematic inflation of bachelor of engineering degrees fuelled the fast expansion of IT workforces, especially of Indian service companies, and motivated them to push for highly standardized tasks and easily replaceable employees. Moreover, the high costs of an IT compatible education beyond the Bachelor's degree deterred students from low- and middle-income families, thus aggravating the problem that IT companies only drew upon "a tiny fraction of the country's talent" (Krishna and Brihmadesam 2006, p. 3313). The lack of employees with a Master's degree or a PhD in IT-related fields of study, however, impeded the emergence of "deep specialization" required for more complex tasks and projects.

Finally, Indian IT workers obviously did not consider "deep specialization" as an especially attractive strategy, when organizing their lives and careers around 2007. As argued above, the lack of material resources among many middle-class families in India had resulted in a virtual absence of "techies". Since ample evidence

suggests that skill development in the IT sector and beyond is impeded by high degrees of social stratification, it is debatable whether policies of "market liberalization", which boost social inequality, can enhance the scope for an upgrading of qualification profiles. Finally, the reluctance of many Indian IT workers to opt for stable employment within one company, which could have allowed for a long-term and "deep" specialization, was due to the lack of an adequate system of social security provision around 2007, since employees were forced to build up private savings by way of "job hopping". At the same time, the absence of collective wage agreements enabled them to do so. Under these conditions, a stable in-house career, and a slow, but steady increase of salaries, which have prompted German IT employees to stay with a company like G-Pro for decades (thus creating a skill basis for the production of high value standard software), appeared utterly unattractive to their Indian colleagues.

Are Indian IT workers doomed to remain "the jack of all trades and master of none", then? Even before the economic downturn around 2008, some observers of qualification development in the Indian IT industry actually envisaged this possibility. Upadhya and Vasavi (2006, p. 55), for instance, have described a vicious circle, implying that

> … employees begin to feel dissatisfied when their jobs or projects do not allow them to improve their knowledge, while companies are reluctant to invest too much in employees who may not stick to the job.

At the same time, however, the empirical results presented above indicate some potential for change. First of all, the growth of the Indian IT industry has slowed down in the course of the worldwide recession after 2008, which also affected the dynamics of the Indian IT labour market. In many ways, the short "golden age of IT labour" was over. Since job stability is typically accepted much more willingly by employees under conditions of labour abundance, when many compete for jobs, however, the reduction of job alternatives in the Indian IT industry after 2008 may have rendered long-term skill development within one company (and a "deep" specialization) more likely. Secondly, it has been argued above that the reluctance of many Indian employees to opt for a long-term in-house career may have resulted from the age structure of IT workforces in India. Given slower growth rates, then, the massive domination of young singles may well dwindle, and a maturing of IT employees may increase their interest in a stable career and a long-term specialization. Last but not least, political regulation has the potential to bring about an upgrading of qualification profiles: if stable careers were rendered more attractive, by way of establishing an adequate system of social security, and if corporate access to labour power was mediated by labour law and collective agreements, IT companies might refrain from the flexible deployment of labour under conditions of labour abundance, and employees from job hopping in times of labour scarcity. This is a different story, however—a story of the interrelation between GPNs, state politics and power relations.

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Chapter 10
Partially Empowering but not Decent? The Contradictions of Online Labour Markets

Premilla D'Cruz

Abstract Online labour markets (OLMs) are new global workplaces that represent the latest wave of offshoring. Indians have a strong presence on OLMs, being freelancers on both international and national platforms, adding to the country's large and growing informal workforce. Through a critical hermeneutic phenomenological approach, this chapter examines the experiences of Indian freelancers on Upwork using the lens of decent work. The findings underscore that though full-time freelancers report some sense of empowerment in terms of income, quality of life, long-term investments and upward mobility, career development, work-life balance, link with the West and platform checks and facilities, there are decent work deficits across the four hallmarks of full and productive employment, rights at work ensuring human dignity, social protection and social dialogue. Effective pursuit of the decent work agenda on OLMs calls for counterhegemonic initiatives through global social movement unionism that reconciles labour differences across the North-South divide.

10.1 Introduction

Online labour markets/OLMs are digital workplaces where "labour is exchanged for money, the product of that labour is delivered 'over a wire', and the allocation of labour and money is determined by a collection of buyers and sellers operating within a price system" (Horton 2010: p. 516). Representing a new means of livelihood projected to grow to US$ (United States dollar) 5 billion by 2018 (Chan and Wang 2014), OLMs sit at the cusp of neoliberalism and technology. This chapter highlights

P. D'Cruz (✉)
Indian Institute of Management Ahmedabad, Ahmedabad, India
e-mail: pdcruz@iima.ac.in

case studies of four Indian freelancers on Upwork[1] through the lens of critical hermeneutic phenomenology.[2] In examining whether OLMs provide freelancers with decent work, the chapter contributes to the growing academic debate surrounding crowdsourcing sites as scholars attempt to understand and theorize the observed dynamics (Lehdonvirta et al. 2014). After a brief description of OLMs, the International Labour Organization/ILO's decent work agenda is discussed. Freelancer narratives are presented ideographically as lived experiences and nomothetically through ideology-critique. The extent to which OLMs facilitate decent work is then elucidated, with recommendations forwarded for realizing this agenda.

10.2   Understanding Online Labour Markets

Information and communication technologies and devices/ICTDs have evolved to enable members of the labour force to compete directly as independent contractors/freelancers with their international counterparts via Internet-linked crowdsourcing sites, offering their services to clients around the world (Huws 2013). This gives rise to a truly global virtual job market (Freeman 2008) connecting strangers across the globe (Aloisi 2015), seen as a critical driver in the further expansion of the services outsourcing/offshoring sector (Beerepoot and

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[1]Upwork is a "spot" OLM where clients and freelancers, interacting based on profiles, job posts and bids, trade at agreed prices for certain durations of time (Horton 2010). Upwork was formed in May 2015 as the merger of Elance-oDesk. This latter entity, launched in December 2013, combined the two independent crowdsourced work platforms of Elance and oDesk (Empson 2013). Whereas the 2015 merger arose as Elance-oDesk realized that their impact would be even greater if they built a single site, the 2013 combination involved linking resources and benefitting from investments in technology in a bid to achieve higher quality results and accelerated growth and scale, though the two platforms operated as separate services with no fall-out on clients and freelancers (Swart 2013). Following the creation of Upwork, the oDesk platform remained the foundation, retaining the best of both legacies and adding new innovations. Upwork has 9 million registered freelancers and 4 million registered clients, with 3 billion jobs posted annually and US$ 1 billion worth of work done annually (Upwork 2015).

[2]The case studies, drawn from a larger inquiry of Indian contractors engaged in crowdsourced paid work on Upwork (D'Cruz and Noronha 2016), have been selected to represent the four prototypes of full-timers evident in the sample such that together they optimize its theoretical generalizability (Thompson 1999). Based on data gathered via van Manen's (1998) hermeneutic phenomenology, the lived experiences of the four participants vis-à-vis the site are first described ideographically. Then, taking up the lens of critical theory (Scherer 2011), participants' narratives are subjected to ideology-critique nomothetically to highlight the extent of their empowerment. Following Comstock (1982), we adopt a hybrid approach synergizing interpretivism with critical theory, based on the well-recognized position that critical theory involves combining a phenomenological stance with social critique and praxis (Prasad 2005).

It may be noted that the scope of the present chapter is limited to full-timers though D'Cruz and Noronha's (2016) study also covered part-timers. That part-timers felt unable to shift to full-time engagement on the platform based on their experiences of erratic work and income is indicative of the spectrum of freelancers' experiences on OLMs.

Lambregts 2015), thereby reconfiguring the international division of labour while extending global value chains (Huws 2013). Indeed, web-based platforms serve as intermediaries for purchasers and providers of labour, hosting jobs ranging from software development to administrative support (Chan and Wang 2014), with most clients coming from developed countries and most freelancers coming from developing countries (Beerepoot and Lambregts 2015).

Virtual job markets push the neoliberal agenda, providing clients the opportunity to eliminate the transaction costs of outsourcing and facilitate profit maximization, given their benefits of flexibility, scalability, access to a broad range of skills and experiences at significantly less cost, coupled with the lack of employment regulations, thereby appealing to firms who can access labour that expands and contracts on demand, without any significant logistical hurdles (Caraway 2010; Kittur et al. 2013; Bergvall-Kareborn and Howcroft 2014). These virtual job markets with their global reach provide a larger set of choices than is generally available in the offline markets, thereby allowing employers access to a larger pool of workers than before (Chan and Wang 2014), through short-term work contracts, with no obligation to provide support, facilities or benefits to the workforce (Bergvall-Kareborn and Howcroft 2014). In fact, since all transactions take place in English, payments are made in one currency, interactions are standardized through templates, the impacts of national labour laws are neutralized and transport charges and taxes become irrelevant, OLMs are seen as creating low-friction e-commerce environments (Gefen and Carmel 2008). Observations that OLMs eliminate the need for functioning courts, developed finance sectors, work visas, information about commodity prices, local reputations or race, class or social backgrounds pertinent in local labour markets further reinforce their positive image (Horton 2010). Indeed, with only the rules of the platform to guide them, these virtual workplaces thrive on flexibility and distance (Bergvall-Kareborn and Howcroft 2014).

OLMs create earning opportunities for increasing numbers of workers (Lehdonvirta and Ernkvist 2011) who operate as freelancers and interface with spatially removed entities. Clearly, crowdsourcing provides a route to employment and employability for individuals who are already employed, self-employed, unemployed or retired, through full-time and part-time engagement. It offers opportunities to build work experience, "brush up" existing skills, uncover latent skills and develop specialist skills (albeit at the workers' expense) which may lead to further learning and training and other employment, being transferable to other roles, sectors and settings (Green et al. 2014; Aloisi 2015; Risak and Warter 2015). Competing for work opportunities in a context where disposability is high, workers involuntarily become entrepreneurial under pressure to protect their interests, with great emphasis on their digital reputation as a metric for acquiring future work and continuing on the site, though they may also settle for the least remuneration (Holtgrewe 2014; Kneese and Rosenblat 2014; Leimeister and Durward 2015).

Despite these advantages, succinctly captured in Friedman's (2005) thesis that the "flat world" under globalization offers a level playing field to its inhabitants, macro-level data available from various platforms point to discrimination in matters of hiring and remuneration. Living in less developed countries (Agrawal et al. 2013),

signing up as a male contractor (Chan and Wang 2014), being a foreign provider (Lehdonvirta et al. 2014), absence of prior relationships and language dissimilarities (Gefen and Carmel 2008) adversely influenced selection decisions. Information asymmetry (Chan and Wang 2014), lack of familiarity with different contexts (Agrawal et al. 2013), liability of foreignness (Lehdonvirta et al. 2014) and preference for caution rather than pursuit of absolute advantage (Gefen and Carmel 2008) account for client behaviour. In terms of wages, though Western contractors earn more than non-Western ones in absolute terms, the latter receive higher relative compensation compared to their Western peers such that these freelancers, once experienced on the platform, can secure decent wages. With non-Western contractors relying on the reverse auction system and clients' preference for cheaper options if output remains as expected, conflicts with Western freelancers, who see themselves as being undercut, emerge (Beerepoot and Lambregts 2015).

The contradictions apparent in the extant literature raise the question of whether OLMs promote decent work, contemporaneously the main policy objective for the international community with regard to labour. Addressing this research question in the context of Indian freelancers on OLMs is timely given their large presence on various crowdsourcing platforms. Globally, India is ranked second after the USA (United States of America) among freelancer nations (Elance 2013), being 7th in terms of rate of growth among the top 10 earning countries where the USA and the Philippines are first and second, respectively (Upwork 2014). An international study highlights that Indian freelancers top the list in terms of volume of work completed, though US freelancers gain the most in terms of earnings as their charges are exceptionally high. Nonetheless, Indian freelancers earn US\$ 500 million annually (Kumar Mukul quoted by Menon 2015). Nationally, Indian OLMs such as worknhire.com, freelancer.in, freelancerindia.in, wsession.com and creativefreelancersindia.com have a base of 40,000 to 120,000 aspirants (Menon 2015). OLMs add to the growing informalization of India's workforce, with freelancers traversing the line between the independent self-employed and the homeworker (Srivastava 2012).

10.3 Pursuing Decent Work

Promulgated by the ILO since 1999 as a means of worldwide labour regulation to address the emerging global business context, decent work comprises four pillars: full and productive employment, rights at work ensuring human dignity, social protection and social dialogue (ILO 1999), encompassing the ILO's core labour standards and demonstrating its new commitment to workers previously excluded from these provisions (Ghai 2003; Vosko 2002). It focuses on eight core conventions (against child labour and forced labour and for free collective bargaining and non-discrimination on grounds of religion, gender, race, etc.) within a broad non-binding framework whose conditions are not fixed by the ILO but engender international consensus about fairness at work, with specific details being worked

out locally (Ghai 2003; Moore et al. 2015). With neoliberalism decisively changing power relations between labour and capital such that employers and governments blocked new conventions and rolled back existing labour standards (Lerche 2012; Spooner 2015), the ILO's decent work agenda, linked to the influence of transnational coalitions between organized labour, emerging labour organizations in the informal sector and non-governmental organizations/NGOs (Vosko 2002; Hennebert and Bourque 2011), served as an innovative way forward (Hauf 2015). Focusing on the working poor and those in vulnerable employment who are the majority of all workers worldwide usually located in the informal sector (ILO 2011), the decent work agenda, encompassing rising non-standard employment (Spooner 2015; Vosko 2002), aims at a fairer globalization (Lerche 2012).

Whereas decent work diagnostics are useful to identify policy priorities for countries by pointing out their context-specific constraints that need attention (Tevodvski 2015), indicators are helpful in assessing the achievement of decent work objectives within and across countries over time (Ghai 2003). Dimension-wise measures around the notion of security provide an appropriate base, with Kantor et al. (2006) describing criteria devised through the amalgam of Unni and Rani's instrument and the ILO's People's Security Survey/PSS indices developed by Anker and Standing. This indicator, covering salaried, casual, piece-rate and self-employed workers including those in the informal economy, comprises labour market security, employment security, job security, work security, skill reproduction security, income security and representation security, highlighting dimensions of work quality relevant to decent work and thereby informing policy formulation and other interventions (Kantor et al. 2006).

Though decent work is criticized by some as soft law rather than binding law, implemented through promotional measures rather than sanctions (Elias 2007; Standing 2008), others maintain that decent work in general and social protection in particular provide a more holistic approach to enhance workers' rights in global production compared to the narrow focus on social clauses (Barrientos 2007; Kabeer 2004), signalling worldwide formal agreement towards a social floor for the global economy (Vosko 2002). Studies highlight the contributions and limitations of the decent work agenda (e.g. Hauf 2015; Lavagnini and Menella 2015; Peels and Fino 2015; Tevdovski 2015; Tomei 2011; Morgan and Olsen 2015; van den Putte 2015), underscoring that it is attractive to both capital and labour, being an ideal all parties unequivocally strive towards and subscribe to yet divergently interpret and enact. Depending on who uses it and how, it is simultaneously subhegemonic and counterhegemonic as it helps neoliberalism adapt to and reproduce predominance as well as supports marginalized workers who combat exploitation and reclaim dignity (Hauf 2015).

In enacting the decent work agenda, capital assumes an ethical posture (Sum 2010), fulfilling minimum standards through corporate social responsibility/CSR, certification audits, codes of conduct, etc. Reconnecting contemporary production practices to moral values without substantially challenging underlying power relations, capital reinforces neoliberal supremacy by co-opting criticism and seeking mastery over activism demonstrated by anti-sweatshop campaigns, labour

unions and social movements (Hauf 2015). Decent work as a subhegemonic discourse is an antidote to radical demands (Barchiesi 2012). In attempting a counterhegemonic response which catalyses an alternative vision of the global economy rooted in social justice, labour relies on critical analysis and innovative initiatives such as global union networks, international framework agreements, social partnerships, etc., through uniting trade union forces and liaising with NGOs and social movements to initiate joint action at local, national, regional and international levels (Hennebert and Bourque 2011; Munck 2010), indicating the significance of involving civil society (van den Putte 2015). Though international labour activity has reached high levels, the endeavour must embrace diminished union rights and strength, non-unionized workers, the informal sector, the issue of migration, multiple divergent ideologies and farflung geographies (Munck 2010). Working towards fairness across the developed and developing worlds cannot be ignored (Hennebert and Bourque 2011), despite the structural inequity in global wealth distribution (Munck 2010). Being motivated by a reformist urge, then, decent work is better for most workers than "a race to the bottom". Nonetheless, its capacity to be a transformative labour movement project is still being realized (Munck 2010), contingent on whether it addresses the structural mechanisms that undergird globalization (Hauf 2015) and the sociocultural dynamics that define nations (Morgan and Olsen 2015; Tevdovski 2015).

India evidences various attempts towards decent work (Lerche 2012; Srivastava 2012). Being a signatory to the ILO agenda, the Indian government has several initiatives (Lerche 2012). While social protection especially via the National Rural Employment Guarantee Scheme/NREGS is the most prominent and is assessed as fairly successful (Guérin et al. 2012; Lerche 2012; Pattenden 2012), contradictions plague other aspects. The government's disinclination to regulate the informal sector constitutes the major lacuna, accompanied by poor implementation of relevant national legislation, ILO conventions, available and new initiatives, etc. (Guérin et al. 2012; Lerche 2012; Srivastava 2012). Indeed, continued attention to realizing the decent work agenda is effected through the persistent efforts of social movements, unionists, labour activists working with the informal sector, academics and the National Commission for Enterprises in the Unorganized Sector/NCEUS (Lerche 2012; Pattenden 2012; Srivastava 2012). Interfacing with the ILO, the common agenda between these groups vis-à-vis the Indian government is an important binding force (Lerche 2012). Employers, particularly foreign/Indian multinational corporations/MNCs, institute labour standards, codes of conduct, CSR initiatives, etc. (Lerche et al. 2012), to ethicalize their production (Sum 2010), though these remain subhegemonic to their competitive intent (Hauf 2015). Even so, employers may be violating national legislation (Guérin et al. 2012), being able to hide these aberrations from labour inspectors (Lerche et al. 2012). Lerche (2012) maintains that the effectiveness of the decent work programme in India is hinged on a stable and healthy relationship between the middle class and the poor which can then push for social policies with universal coverage and against labour market inequalities, creating a welfare platform for both groups. Unless this alliance is forged, the decent work agenda in India will lack sustained transformative potential

since informal labour which forms the bulk of the Indian workforce is not a political entity to be reckoned with (Lerche 2012). Sociocultural dynamics remain critical to this development (Guérin et al. 2012; Lerche et al. 2012).

10.4 Freelancers'[3] Lived Experiences

10.4.1 Dhruv

Hailing from a Tier 2 Indian city, Dhruv considers digital workplaces a good solution to the problems posed by the local job context. Prior to joining Upwork, Dhruv held full-time positions in small and medium enterprises/SMEs where working conditions were highly exploitative, characterized by long hours, poor and delayed remuneration with no long-term benefits and feudalistic work cultures. Unable to relocate to other Indian cities with better employment opportunities due to family responsibilities, Dhruv found crowdsourcing to be a refreshing alternative (see Table 10.1 for freelancers' sociodemographic details).

After an initial casual stint proved to be promising, Dhruv took up freelancing on Upwork as a full-time occupation 2 years ago, finding the remuneration and nature of work to be very good. He works on the site like a regular job from 8 am to 1 pm and 2 pm to 7 pm (10 h a day), in addition to bidding during the night as required and can utilize his skills effectively, develop his abilities further and earn well for himself and his family. Ensuring that each year he increases his monthly income by Rs. (Indian rupees) 10,000, he also plans his investments with a future safety net in mind.

Dhruv emphasizes the importance of bidding and reputation as key to success. Newcomers, yet to develop their profiles, rely on their qualifications, skills, experience and resumes and attempt to create attractive bids crafted to fit the post on offer, usually quoting a rate that suits their circumstances and matches job requirements. Newcomers' rates may begin at lower levels in order to secure contracts and build up reputation, but these rise as platform profiles evolve. Dhruv's rate increased from US$ 3 to US$ 8 as he successfully completed projects and nurtured his reputation. Acquiring projects continuously so as to ensure a steady income, Dhruv maintains a disciplined approach to bidding. Beyond his work hours focused on task completion, Dhruv scans job posts regularly and develops and submits proposals appropriate to their requirements. Bidding occurs during the night to match Western time zones when jobs are posted. Dhruv submits a large number of proposals (about 10–12) at a time in order to get a couple of jobs as not all attempts are successful. He acknowledges that this is a time-consuming and arduous undertaking, calling for attention to detail, customization to client needs and recurrent periodicity but realizes its inevitability in rendering freelancing

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[3]Names of participants have been changed to maintain confidentiality.

Table 10.1 Participants' sociodemographic details

Name	Gender/age/marital status	Education qualification	Location	Duration of engagement with platform	Work undertaken on platform	Preferred contract type/work mode	Hourly rate (US$)	Monthly income (Rs.)	Other relevant details
Dhruv[a]	Man/32/ married	Bachelor of Science/BSc, Computer certification	Tier 2 city	2 years	Data entry and research	Fixed (though takes up hourly work sometimes depending on project)/independent	Started with 3 then increased to 8	30,000	
Prachi	Woman/29/married	Master of Arts/MA	Tier 1 city	1 year	Writing and translation	Fixed/independent	Started with 10 then increased to 16	40,000	Sometimes doubles up as a client on the platform
Veer	Man/32/ married	Bachelor of Engineering/BE, Master of Business Administration/MBA	Tier 2 city	2 years	Information technology/IT	Hourly/independent (though takes up virtual team work sometimes depending on project requirement)	35 (though this can increase up to 80, depending on the project)	400,000 (can increase to 1,200,000 at times)	Sometimes takes the role of team coordinator
Urvashi	Woman/37/married	BSc	Tier 1 city	4 years	Writing	Hourly/independent	10	20,000	

[a]Names of participants have been changed to maintain confidentiality.

effective. Completing jobs well and in time, accompanied with a good work ethic of politeness, punctuality and precision is the next unavoidable step, which feeds into building one's image. Apart from leading to "repeat clients" who invite capable and reliable freelancers to bid for/undertake later assignments, good performance motivates freelancers to pursue clients for evaluations of their work. These assessments, which become publicly available, add to freelancer reputation and influence the acquisition of more work at better returns. Dhruv is very particular that clients provide him with ratings and feedback. Not only would he prefer to forgo money in favour of evaluations but he makes sure he follows up with clients until they send their comments. He asserts that performing well and growing one's image are critical to getting work and improving quoted rates. The platform also adds information about one's track record and offers opportunities to gain skill-based certifications which enhance one's profile. Dhruv is proud that the platform ranks him in the top 300 among its millions of freelancers worldwide, underscoring how this position makes clients view him favourably.

With freelancers and clients having profiles to build and safeguard, misbehaviour on the platform, particularly of an overt and direct kind, is generally curtailed. That is, not only do clients comment on freelancers but, once this feedback is provided, freelancers receive the opportunity to assess clients. Freelancers' evaluations, which are also publicly viewable, contribute to client images, referred to by fellow freelancers during the job search. Dhruv believes that the dynamics surrounding reputation undergird the meritorious nature of the platform, making it an objective, rational and performance-based workplace. For him, this is a welcome departure from Indian workplaces in the real world where hierarchy and sycophancy predominate. Yet, despite the controlling influence of reputation on both clients and freelancers, negative acts do occur on the site. Either picked up by platform trackers or reported to the redressal system by the aggrieved party, such misbehaviour is sanctioned once it is upheld. Pointing out the risks to profiles and even continuity, Dhruv says that in the absence of platform support, targets of negative acts refrain from resolving matters overtly on the platform, opting for diplomacy, overlooking the issue and choosing other mechanisms, such as being positive, considering the learnings, valuing the gains and seeking informal support off the platform, that do not harm their interests.

Following platform guidelines is important to protect one's interests. In failing to observe platform stipulations, Dhruv once overlooked setting up proper contract conditions with the client. When the latter disappeared without paying him US$ 100 for the submitted task, Dhruv had no recourse. Nonetheless, he lists various other checks the platform includes such as identity verifications, minimum wages of US$ 3 per hour, decorum directions and redressal procedures, in addition to exhorting freelancers and clients to locate their work on the site as this is the route to grievance handling.

Dhruv misses the collegiality and help that colleagues can provide. Highlighting how organizations in the material world allow members to interact and provide assistance, inputs and support to each other during the course of work, Dhruv says that freelancers, especially those on independent projects like him, must remain

motivated and disciplined and fend for themselves, appropriating the onus to find answers to doubts and locate avenues for self-improvement.

Similarly, while hourly, rather than fixed, projects are commonly perceived as more reliable sources of income, Dhruv prefers the latter. He cautions that forgetting to enable the tracking software required to monitor one's work on hourly projects negates their advantage. Not resuming the surveillance mechanisms after a break can prove costly, particularly in the absence of colleagues whose likely reminders would prove useful.

Familiarity with English is critical. Dhruv opines that freelancers without proficiency in the language, which could be the case for many Indians, are disadvantaged on various counts. First, they may blindly sign terms and conditions that they do not comprehend and hence are either constrained by or fail to benefit from these. Second, they may be unable to express themselves clearly or effectively, inviting ridicule, sarcasm, abuse, deceit, etc.

Dhruv is unsure about the relevance of collective action. He believes that the merit-based focus and clear-cut rules of the platform are sufficient to ensure freelancer interests, making unions redundant.

10.4.2 Prachi

Prachi's decision to seek work via crowdsourced sites followed her marriage to a banker with a transferable job. Since frequent relocations constrained Prachi's employment continuity, Upwork offered an attractive practical solution, helping advance her nascent career.

The initial challenge was managing the bidding process in order to get jobs. Being a newcomer implied neither a reputation to fall back on nor familiarity with the process. Prachi made two decisions at this point. First, she sat for extended periods of 12–14-h checking job posts, submitting a bid within 15 min of a requirement appearing. She thus acquired a couple of good projects which aided in building her image. Second, she did not compromise on pay, operating on the premise that her competence deserved the quoted remuneration. This twin strategy, along with optimal task performance and a good work ethic of punctuality and politeness, helped her to develop her profile with meaningful jobs and satisfactory income. Consequently, she not only has "repeat clients" but these offers, together with fresh bids, result in a large workload. To manage effectively, Prachi sometimes doubles up as a client on the platform and engages freelancers to undertake some of the tasks she has committed to.

Isolation and loneliness are not relevant issues for Prachi who maintains that her purpose on the platform is to work, with her need to interact and socialize being fulfilled through her friends off the platform. Prachi points out that the limited interactions permitted on the platform have important bases. One, a prompt and cordial helpdesk is available to address queries and doubts first-hand. Two, freelancer fora for general experience sharing and specific knowledge and skill

dissemination provide collegial insights. Three, the competitive nature of the platform warrants caution. Freeflowing interactions imply that freelancers, drawing on their personal experiences, can malign clients and/or bias other freelancers about clients. Restricting interaction in favour of freelancers making independent decisions based on client profiles and job posts appears a more appropriate option.

Prachi reports pleasant relationships with her clients except in 10% of the cases. In favourable instances, a positive link is built up such that the accompanying trust leads her to take up clients' jobs off the platform, thereby saving the platform fee. Confidence in clients' credibility allows for such calculated risk-taking, giving rise to "repeat clients". With regard to negative experiences, Prachi points out that as long as dealings with clients are conducted on the platform, emergent problems can be escalated to the site redressal mechanism. In fact, platform administrators monitor the site to ensure socially acceptable behaviour on the part of clients and freelancers, with deviations inviting sanctions. Prachi described one instance where her client disappeared without paying her the agreed sum of US$ 200. Repeated platform intervention yielded no results as the client did not respond. Prachi reported instances of racial discrimination from foreign clients. Though the initial selection process following bidding was conducted on the platform, clients' preference for interviews led to interactions over Skype during which racial prejudice in the form of abuse and hostility was displayed. Prachi shared that her first experience of misbehaviour left her badly shaken for an extended period of time. In the following three incidents, she managed her distress better. Since these four interactions occurred off the platform, Prachi could not report them for redressal. Her coping drew on her spiritual and professional demeanour, apart from blocking these clients from her Skype account.

While highlighting that freelancing is usually misunderstood as casual work, Prachi asserts that her success on the platform has led her to consider starting her own venture. Her husband's decision to settle down in one place facilitates her plan. She envisages a small firm with staff, taking up writing and translation assignments sourced from Upwork and from the material world.

10.4.3 Veer

Giving up a successful full-time job in consulting to freelance on OLMs in pursuit of higher returns and better work–life balance, Veer reports satisfaction with his experiences on Upwork. His decision to make a complete transition to OLMs followed an initial part-time stint where an astute understanding of how the platform operates led him to strategize appropriately for continued effectiveness. Veer maintains that the verification process at the outset provides reassurance about the authenticity of other participants on the platform. That is, when one signs up, government identity documents must be submitted and skill tests pertaining to the platform and one's selected domain must be undertaken. Following verification of one's identity and competence, the account is activated. Free accounts are

accompanied by a particular number of bids and the opportunity to see who the other bidders are. The quantum of eligible bids here can be increased with the demonstration of higher skills based on qualifying further tests. Premium accounts, available via a payment, permit more bids and access to the proposals and quoted prices of other bidders.

Undertaking challenging assignments in information technology/IT which provide high returns through hourly projects such that payments are regular and risk is minimized, Veer points out that maintaining a steady inflow of projects is the major challenge. Working on one project of about 20–25 days at a time, Veer starts bidding for the next project around the 18th day, so as to ensure continuous work. The timing for bidding poses a constraint. Bids are usually posted between 12 am to 3 am and require speedy responses since the order in which proposals appear on the client's screen could affect his/her choice of freelancer.

Veer prefers independent projects where, apart from interfacing with the client, he works efficiently on his own. Nonetheless, he does engage in team projects when the task interests him and requires group work. Teams, which are virtual, are generally assembled and coordinated by the client, though there have been occasions when Veer has been assigned the role of leader/supervisor. Acknowledging that the assignment of the coordinator's role reflects the client's confidence in his competence, Veer also points out the demands of managing the team across time, space and culture which complicates task completion. Interestingly, virtual team work is the only means of freelancer interaction facilitated on the platform. Lasting the duration of the task, this interaction functions through the project work stream without making members' contact details available. Other than these opportunities and the client–freelancer interfaces during projects, avenues for socializing are limited to general discussion boards and specialized fora focused on particular domains and skills.

Generally opting for foreign clients due to their professional work ethic, Veer adds that he works exclusively on the platform and chooses only those clients who have an extended history on the site, assessing their trustworthiness based on their profiles and freelancers' feedback. According to Veer, newcomers to the platform, eager to build up their reputations, fall prey to clients' ploys. One is that of sample work. Novices take up such tasks which are non-remunerative on the premise that favourable evaluations of their performance will lead to paid job contracts, only to find that clients do not revert after the work has been handed in. Another is that of saving the platform fee which is interpreted as higher gains for both freelancers and clients. Newcomers, hoping to increase their earnings, move off the platform with the client only to discover that the latter takes off with the finished product without making any payment. Disadvantages in such circumstances include the inability to seek redressal on the platform since sample work is a pre-contract stage with no documentation and interactions occurring off the site are beyond its jurisprudence, the lost opportunity to build up one's profile and the forfeited income. Addressing these problems, the platform administrators have forbidden sample work, sanctioning clients who make such posts, and have issued cautionary guidelines to freelancers about moving off the site. Veer's careful stand stems from his negative

experience when he joined the site. He agreed to do sample work in an effort to build up his profile only to find that the client disappeared once the task was submitted. The absence of documentation in the pre-contract stage left Veer with no recourse other than repeatedly contacting the client who did not respond. Veer then decided to maintain his work exclusively on the platform. Veer reports mainly pleasant interactions with clients and team members, though there are instances where the latter attempt to bypass his supervisory position to curry favours with the client. Since these dynamics adversely affect work efficiency and work effectiveness, Veer tries to pre-empt their occurrence by specifying upfront appropriate work processes and their utility. He resorts to client intervention when his endeavours fail. While Veer has never personally experienced racial discrimination, he opines that this issue is complicated. On the one hand, clients desire talent at competitive prices, though for particular skills they may seek freelancers from specific geographies. On the other hand, differential standards of living across the globe imply commensurate incomes, with fallouts for articulating minimum wages.

Veer believes that unions are relevant for OLMs but doubts whether collective action can materialize in such a workplace. First, since freelancers are competing with each other in a highly individualized environment, the motivation to collaborate is low. Second, employment and labour laws vary across countries constraining attempts at a single unified response. Veer himself is a member of an offline group of Upwork freelancers based in his city who chanced to meet during an IT event. While the group gets together periodically to discuss the features of the platform, interactions are guarded as members would not like to share trade secrets with each other. Being competitors, they are careful about the extent of their support. In his view, such inhibitions impede unionization. Veer is aware of several informal freelancer e-groups off the platform on sites such as LinkedIn and Facebook, though he is not a part of any of them and is unfamiliar with their agendas.

10.4.4 Urvashi

Wishing to continue her career following the birth of her child, Urvashi chose virtual workplaces. While being sounded out about these platforms by her friends, Urvashi was simultaneously cautioned about fraud. After studying various OLMs, Urvashi selected Upwork, considering it to be authentic and reliable. She was further convinced of her decision after her first contract proceeded well. In fact, Urvashi emphasized the critical role of her first contract, indicating that despite being poorly paid, its contribution to her profile enhanced her credibility and paved the way for better contracts. Freelancing on Upwork allowed Urvashi to combine professional and personal roles effectively such that she could maintain her employability and look after her young child. She considered the income she received to be satisfactory, being commensurate with the demands of the job and with the standard of living in a third world context, even though it reflected the

cost-savings agenda of OLMs. Urvashi picked hourly projects, perceiving them as less risky since payments are guaranteed as long as task completion proceeds alongside the use of tracking software. Being cheated on a fixed project sealed her view on the matter. Here, following task completion, the client disappeared without paying her. Raising a dispute on the platform's grievance system did not help because despite their efforts, the client did not respond. Urvashi says that though freelancers attempt to guard against cheating in fixed contracts through procedural details, these do not always guarantee a foolproof approach. That is, whereas freelancers set up contracts which require staggered payments against milestones, stipulate transfer of funds into the platform escrow account prior to undertaking the work, etc., clients can default on payments by not releasing the escrow amount after task submission, citing dissatisfaction with the work or suspending further communication with the freelancer.

Urvashi reported occasional brushes with racial bias manifested through clients' condescending attitudes. If she picked up these vibes during the bidding and negotiation process, she did not pursue the project, but if she sensed these feelers after getting into the contract, she completed the task since she neither wished to spoil her profile nor forfeit the money which attracted her to it in the first place. Nonetheless, the latter instances were demotivating. Urvashi maintains that while OLMs help clients conserve their resources since they can source quality work from the developing world at a much lower price, the cost differential is no basis on which to misbehave with freelancers as skill levels are similar across different geographies.

Urvashi described being struck by the extent of platform control over freelancer interactions. Though various discussion fora are available, their contents are strictly monitored, censoring participant sharing. Even so, there are instances of misbehaviour ranging from undermining and disagreements to personal maligning, abuse and racial discrimination. Platform administrators intervene and sanction offenders with warnings, suspension and eviction, depending on the nature of the negative acts. Urvashi stated that client and freelancer contact details are unavailable via the site, implying the indispensability of the platform as a via media. Whereas clients and freelancers may share such information with each other during the course of the contract, freelancers wishing to connect with their counterparts have to search for the latter on sites beyond the platform. In Urvashi's view, the platform is not conducive to open discussions and easy linkages. Whereas this may be a strategy to pre-empt collective action, it also hinders freeflowing sharing of relevant issues. Under such circumstances, Urvashi considered unionization to be an important means of freelancer voice, recognizing that freelancers would have to come together outside the platform to represent their interests.

Notwithstanding the advantages that OLMs afford, Urvashi did not appreciate the isolation. Once her child was older and more independent, she opted for a job in the material world where face-to-face social interactions mark the workplace. The continuity in her employment history due to her association with Upwork and her location in a Tier 1 Indian city with a conducive labour market facilitated her decision. Urvashi found her work experience on Upwork to be viewed positively by

prospective employers during the job search process, with the latter noting the gains that accrued to her skills over time. Once employed, ethical considerations led Urvashi to cease taking up work on the platform—that she had agreed to pursue only a single position as her sole source of income as part of her job offer clinched her decision.

10.5   Insights from Ideology-Critique

Viewing participants' lived experiences through a critical perspective, we observe that they are simultaneously empowered and disempowered. Whereas some of participants' interfaces with digital workplaces are exclusively empowering and others are exclusively disempowering, there are experiences which harbour both aspects (Fig. 10.1). In other words, a sense of agency and autonomy coexists with a sense of helplessness and defencelessness.

Participants feel empowered by their earnings which allowed them a decent quality of life, facilitated long-term savings and contributed to career development, thereby promoting upward mobility. Given that the wages they earn on OLMs translate into good money due to cross-currency conversions, participants had no complaints that they were being paid less than Western freelancers. Instead, apart from their gains, they emphasized the benefits to clients who can get quality work at much lower rates. A participant underscored the advantages of virtual workplaces for freelancers from places with poor local labour markets. Enjoying work–life balance, though sometimes offset by the bidding process, and combining multiple roles enhanced participants' gains. Platform provisions including verification checks, minimum wages, a helpdesk, redressal procedures, behavioural directives and so forth, led participants to feel that their interests were being taken care of. Interfacing and working with foreign clients and freelancers added to participants' self-worth. Apart from the well-rooted pro-Western orientation that is common among Indians (Sinha 2015), participants appreciated the Western work ethic and

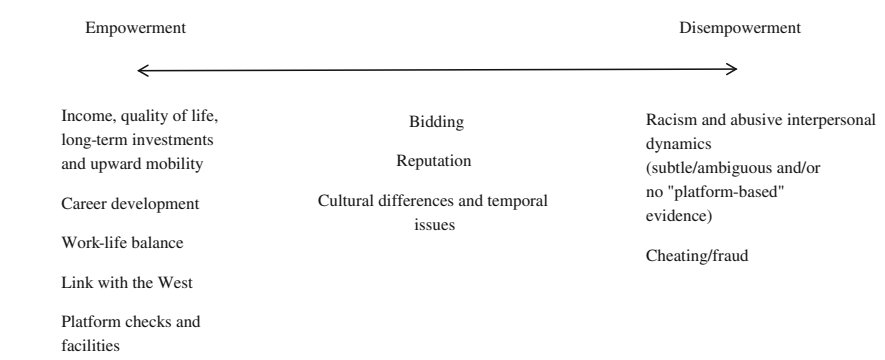| Empowerment		Disempowerment
Income, quality of life, long-term investments and upward mobility	Bidding	Racism and abusive interpersonal dynamics (subtle/ambiguous and/or no "platform-based" evidence)
Career development	Reputation	
Work-life balance	Cultural differences and temporal issues	
Link with the West		Cheating/fraud
Platform checks and facilities		

Fig. 10.1 Concomitance of empowerment and disempowerment

were happy to learn about other cultures. A participant also highlighted the contrast with India's feudalistic work ethos which was experienced as disconcerting.

Participants were well aware that their success on crowdsourced sites was contingent on bidding and reputation. Managing bidding effectively and building and maintaining a stellar and unblemished image undergirded participants' sense of control. Yet, these processes did not unfold in a linear simplistic manner. The demands of posting bids and nurturing reputation were not just perennial to ensure a continuous flow of meaningful and remunerative work, but they set the boundaries around participants' action even in instances of misbehaviour. Even though they had to extend themselves in terms of time and effort, participants considered a proactive approach to bidding critical to their continuity. Apart from its link with income, getting jobs implied augmenting one's profile which furthered one's prospects. Having to be entrepreneurial, while entailing self-control, self-commercialization and self-rationalization (Pongratz and Voss 2003), was not seen negatively. Instead, participants considered such commoditizing, marketing and systematizing of themselves to be the basis of their success. Perhaps, the Indian context, where the informal sector characterized by poor returns and uncertain opportunities predominates (ILER/Indian Labour and Employment Report 2014), accounts for participants' positive view. Being able to manage bidding and reputation was seen as a guarantor of security. Hence, notions of precarity were limited, standing in contrast to the Western discourse on OLMs (de Stefano 2015). Even so, participants noted that the pursuit of bids and image concomitantly limited their agency. Participants had to manage with emotion-focused coping (Folkman 1984) in instances of cheating, abuse, racism, etc., unless they had site-based evidence facilitating platform redressal or site administrators picked up the negative acts and intervened. Left to tackle the situation on their own, participants were circumscribed from giving vent to their feelings and taking matters into their hands on the platform as this could affect their profiles and hence their chances of getting jobs in the future. A sense of helplessness was described. Further, whereas the interface with overseas clients and customers was considered favourably, having to adjust to cultural differences and temporal variations was reported to be cumbersome.

Being the target of cheating and fraud, racism and negative interpersonal dynamics left participants disenfranchised, particularly in the absence of platform-based proof and in instances of covert misbehaviour where site administrators could not pick up the acts and so step in. Having no recourse via platform interventions, participants could not take up the matter directly with perpetrators on the site for fear of damaging their profiles and hence prospects. Apart from understanding the risks associated with trying to save the platform fee except in the case of repeat clients whom they trusted, participants recognized the role of competitiveness in general and of country-specific dynamics in particular. On the one hand, they acknowledged that all freelancers wish to progress and, perceiving each other as threats, may engage in one-up-personship. On the other hand, they realized that while clients' preference for skilled talent from developing countries harmed the interests of freelancers from developed countries, clients persisted in their

expression of condescension towards the former. Freelancers from developing countries were perceived as undercutting their counterparts from developed countries, triggering the latter's anger. Their competence was also questioned and undermined by clients who nonetheless engaged them to get quality work at low prices. Abuse, category-based discrimination and deceit took away from participants' sense of empowerment.

Isolation and unions drew mixed responses from participants. Whereas two participants were not affected by having to work alone, the other two felt the need for colleagues either due to a sociable orientation or as sources of professional support. Likewise, while two participants opined that unions were relevant in OLMs, the other two believed that the meritorious basis of digital workplaces rendered collective action redundant. Among the former group, despite recognition of the significance of unions, impediments to their emergence and effectiveness due to specificities of platform functioning and cross-national spread of OLMs were voiced. Contingent on individual preferences, isolation and absence of collective action could be viewed as empowering or disempowering.

Overall, owing to their involvement in virtual workplaces, participants experienced several areas of empowerment which led to a sense of agency and autonomy and promoted a feeling of well-being. The gains associated with OLMs outdid the challenges despite the latter's accompanying disempowerment. Participants came to terms with the helplessness and defencelessness arising from difficult experiences on the platform, seeing these as the price to be paid for the benefits from positive aspects. Indeed, as participants navigated their dichotomous experiences, they resembled Vanni and Tari's (2005) active agents managing life from the interior as they sought to balance both autonomy and suppression.

10.6 Discussion

Critical hermeneutic phenomenology underscores that Indian freelancers on OLMs experience some areas of empowerment. Yet, decent work indicators show several deficits, pointing out that all its four pillars call for attention in digital workplaces. Looking at the dimension-wise criteria (Kantor et al. 2006), freelancers have to put in concerted efforts to ensure labour market security (especially by bidding but undergirded by reputation), employment security (in spite of constraints, abuse and discrimination, etc., optimum performance and behaviour are required to ensure image and platform and project continuity) and income security including long-term safety nets. Skill reproduction security including arranging for infrastructure is fully their responsibility as is work security except for the platform's verification checks, behavioural guidelines and grievance redressal. While representation security is absent, job security is mixed. Freelancers resort to OLMs due to local labour market considerations and personal reasons. Skill-level matches depend on the domain and tasks selected but inward and outward skill transfers appear to take place smoothly. That being successful and, by implication, gathering experience on OLMs is

becoming increasingly important for continued effectiveness in the light of the rising numbers of and hence greater competitiveness between freelancers on OLMs, exacerbates identified deficits, particularly for new entrants. Besides, with platforms aiming towards higher revenues, paid membership may slowly become the norm for freelancers—even when it is not mandatory, workers may opt for it on the premise that it lowers uncertainty and facilitates favourable outcomes.

Though Indian freelancers feel partially empowered by their participation in OLMs, linked perhaps to the specificities of the Indian context, crowdsourced platforms, with their decent work deficit, deepen the disenfranchisement of labour. The capitalist underpinnings of digital workplaces, guided by profit maximization, undermine worker interests. Promoting precarity through non-standard employment patterns (Brophy and de Peuter 2007) with their accompanying uncertainty, variable income and limited statutory entitlements (Vosko 2009), OLMs, being invisible and borderless, go off-state (Urry 2014), operating outside legislation (Felstiner 2011; Aloisi 2015; Leimeister and Durward 2015) and beyond potential democratic oversight (Urry 2014). Facilitating the growing casualization and informalization of the economy, with freelancers being beyond the scope of labour laws that focus on employees (Aloisi 2015), OLMs shift costs and risks on to contractors, making them vulnerable to exploitation and abuse such that worker rights are often violated (de Stefano 2015), with platforms and clients escaping accountability to and scrutiny from governments and unions (Holtgrewe 2014; Kneese and Rosenblat 2014). Workers are kept "hidden" and "isolated" from each other, employers and platform administrators and from journalists, labour organizers and watchdogs (Caraway 2010; Irani and Silberman 2013; Kneese and Rosenblat 2014). Being entrepreneurial is commonly associated with these conditions, with implications for individualism and competitiveness (Brophy and de Peuter 2007; Cohen 2015). Entrepreneurialism concomitantly acquires romantic connotations of initiative, energy, independence and risk-taking (Keat 1991), being seen as a remedy for broader societal problems, and emphasizes self-sufficiency and personal responsibility for success, being linked to the rise of neoliberalism and aligned with the retreating welfare state, unfettered markets and lean corporations (Cohen 2015). OLMs, in normalizing these arrangements, democratize and perpetuate subordination and marginalization (Brophy and de Peuter 2007). Indeed, involvement in collectivization efforts under the circumstances could detract from freelancers' profiles. Following on such an in-built deterrent, organizing freelancers becomes all the more challenging, though not unattainable. Social categories such as race, gender, etc., which in conjunction give rise to intersectionality (Acker 2006), accentuate disadvantage, evidenced by the extant literature and the experiences of Indian freelancers.

What is the way forward if OLMs are to embody decent work in spite of their unique attributes? Platform initiatives focused on freelancer interests are subhegemonic, holding limited promise. To deliver, counterhegemonic initiatives are needed in the form of global social movement unionism (Moody 1997) which ushers in a modern labour movement (Spooner 2015). Capitalizing on various freelancer-driven e-discussion fora (Caraway 2010) and initiatives such as Turkopticon

(Irani and Silberman 2013), collective action joining freelancers at local, national and international levels with linkages to organized labour, informal worker groups, NGOs and community action, demonstrating a clear orientation and a committed will towards social justice (Kloosterboer 2007) is called for. Maximizing working class power by embracing "the diversity of the working class in order to overcome its fragmentation" (Moody 1997, p. 290), a new form of collectivization is needed which is networked, multifaceted and complex, reflecting a more democratic form of coordination across regional, country and global levels (Munck 2010) and reconciling the disparate interests of workers across the North-South divide (Hennebert and Bourque 2011; Munck 2010), nation-specific factors (Kneese and Rosenblat 2014; Urry 2014) and individualistic and competitive considerations (Holtgrewe 2014; Leimester and Durward 2015) so that the "voice of labour" (Hennebert and Bourque 2011, p. 158) worldwide is represented. Taking into account the reservations of successful freelancers if they are to be part of the endeavour cannot be ignored. Pattenden (2012) believes that progressive pressure groups have a role to play in protecting the interests of the informal workers, harnessing concerted state intervention and international moves towards the decent work agenda and charging capital with some responsibility for the working conditions of those who contribute to their success directly or indirectly. Spooner (2015) emphasizes the need for unions to rethink their scope, role and strategy to embrace OLMs. Apart from expanding their definition of labour and providing "union for life" membership regardless of workers' livelihood trajectories, unions must redefine collective bargaining to include freelancers' who interface with a host of counterparts (Spooner 2015). Risak and Warter (2015) maintain that the global reach of OLMs necessitates an internationally coordinated approach to prevent a race to the bottom. They hold that the ILO is well-positioned to promote discussions and actions on developing a framework for establishing and enforcing legislation to ensure decent working conditions for crowdworkers and to promote equal treatment between crowdworkers and other wage earners, taking into account the situation of the particular country involved, with ILO convention C177 on home-based work providing a robust foundation. Adapting Tevdovski's (2015) decent work diagnostic to map the dynamics underpinning digital workplaces would provide useful insights to anchor the aforementioned initiatives, catalysing their potential to usher in radical change (Hauf 2015). As well as mobilizing freelancers, then, these various attempts must influence measures at global, country and OLM levels, with particular emphasis against sanctioning workers who participate in collective action.

Banking on counterhegemonic forces is particularly relevant for Indian freelancers on OLMs, not least because of the challenges the decent work programme faces in India. Perhaps these influences can bring about the political will to implement the decent work agenda in the subcontinent (Guérin et al. 2012). Indian freelancers can then benefit from NCEUS (2007, 2009) recommendations of a proposed social floor for the informal economy. Ensuring coverage due to them under available legislation and lobbying for appropriate amendments to existing laws and initiation of new laws (Lerche 2012) is another aspect. Indeed, the

middle-class membership of freelancers can provide a fillip to the decent work agenda in India since it can promote pro-poor alliances considered to be critical to universal and sustained social welfare provisions (Lerche 2012). Perhaps these tie-ups can alter the balance of power between labour, capital and the state (Lerche 2012) and trigger structural reforms for a social democratic transformation of Indian society (Guérin et al. 2012), but also evidence that the decent work agenda in India is not just the objective of activists and academics but is driven by labour itself (Lerche et al. 2012). The key here is overcoming Indians apathy towards collective action (Noronha and D'Cruz 2009), also exhibited by two of our participants.

What goes in favour of pursuing a decent work agenda for freelancers on OLMs is the greater acceptability of alternative discourses to the neoliberal paradigm in the aftermath of the 2008 economic crisis. This challenge to neoliberal orthodoxy, although not highly radical, is certainly deeper today than at any time in the past quarter of a century, thereby giving labour greater space and possibility of improving its prospects for decent work (Srivastava 2012).

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Theme 4
Challenges Facing Industrial Relations and Collective Action

Chapter 11
The Paradoxes of Social Partnership and Union Revival in India

Vidu Badigannavar

Abstract After the adoption of economic reforms, trade unions in India find themselves excluded from the political processes and institutions that shape labour market policies of the state. Equally, the exigencies of global capitalism have as some argue weakened the collective bargaining power of trade unions. In this context, trade unions are being urged by policy analysts and academics alike to engage in cooperative relationship with employers. It is suggested that labour–management cooperation or social partnership will offer Indian trade unions a route to revive their fortunes. Using survey data from workplace trade union representatives of one of the largest national union federations in India, namely the Indian National Trade Union Congress (INTUC), this paper examines whether the policy prescription of social partnership has any merits for trade union revival. Findings indicate that despite a favourable legislative framework that may support enterprise-level social partnership, the ground realities of workplace industrial relations characterized by increasing employer hostility towards unions render social partnership an ineffective route for trade union revival. These findings are discussed within the context of judicial interventions in employment law and political affiliations of trade unions. This paper suggests union mobilization as an alternative strategy to social partnership for union revival.

11.1   Introduction

The growing interest in Indian industrial relations (IR) is primarily sparked by the policies of economic reforms pursued by the Indian government since the early 1990s. The macroeconomic policy and political shift from import substitution to export orientation in India seems to have resulted in a tendency of labour exclusion

V. Badigannavar (✉)
Aston University, Birmingham, UK
e-mail: v.badigannavar@aston.ac.uk

from policy-making bodies established by the government and also marginalization of trade unions in collective bargaining arrangements at the enterprise levels (Kuruvilla and Erickson 2002). For organized labour, this is a difficult period which some argue requires introspection on part of trade union leaders on the very nature of collective representation they offer to workers in this changed scenario. Venkata Ratnam (2003) for instance suggests that unions need to focus first on the interests of the consumers followed by interests of the company and finally on the interests of their members. This position subsumes that by prioritizing the interests of customers of the firm, unions would contribute to the financial growth and profitability of the firm which will eventually result in better job security, wages and working conditions for workers who are then more likely to join or stay with the union. In other words, cooperation with employers on improving productivity and profitability is likely to result in mutual gains for all parties in the employment relationship.

In a large-scale study of employment relations in the new economic context of India, Das (2010) found that there is a substantial rise in the uptake of Japanese-style HRM (human resource management) practices by employers in India. The author suggests that such HR (human resource) practices have resulted in greater employee involvement and participation in the decision-making processes. This in turn is likely to reduce the sense of collective grievance among employees and foster cooperative industrial relations at the enterprise levels. Unions perhaps need to recognize these trends and embrace cooperation rather than engage in traditional confrontational IR. Failure to do so may result in marginalization by employers and worker disenchantment.

The Confederation of Indian Industry (CII) has consistently argued that although India has deregulated its product and capital markets, the labour regulatory framework is archaic and in dire need of reforms to make the country an attractive destination for private domestic and foreign capital (CII 2006). According to the CII, the labour law framework disproportionately confers powers on workers and trade unions in the organized or formal sector of the economy at the expense of employers. The CII believes that this results in labour militancy, lower industrial output and joblessness. Needless to say that these views are informed by international policy prescriptions such as the OECD (Organization for Economic Cooperation and Development) Jobs Strategy 1994 and the World Bank's Doing Business Reports. The second National Commission on Labour (SNCL) appointed by the Government of India comes favourably on the side of the CII. It recommends a root-and-branch reform of the labour regulatory framework and promotes a spirit of cooperation between employers and unions in pursuit of industrial harmony and economic prosperity (SNCL 2002). While none of the recommendations of the SNCL have so far been implemented by successive governments, it reflects the orthodoxy entrenched in state policy on labour relations (Chakrabarti and Dasgupta 2007).

The 2012–13 Global Competitiveness Index published by the World Economic Forum (WEF) has downgraded India by 3 places compared to its 2011 rankings to 59th place out of 144 countries, and the WEF's report has been particularly critical

of inflexibilities in hiring and firing, redundancy costs and wage inflexibilities in the country. India is now poorly placed compared to other emerging economies such as South Africa, Brazil and China on its labour market efficiency. In its report, the WEF recommends further deregulation of labour laws with respect to wages, hiring and firing costs and a greater cooperation between employers and unions to promote industrial productivity. In fact, labour–management cooperation is one of its several indices of measuring competitiveness, and India falls short on this indicator when compared to other developed and developing economies.

These observations raise an interesting proposition for trade unions in India. Should unions in India actively pursue the policy of cooperation or partnership with employers to protect and promote the best interest of their members and workers at large? Is partnership the route to union revival in India? In the following sections, I first review the policy debate on Indian industrial relations. I then examine some of the ground realities of workplace employment relations as experienced by workplace union activists. These experiences are drawn from my recent study of workplace employment relations and labour regulations in India which involved surveys of workplace union representatives of the Indian National Trade Union Congress (INTUC) affiliated unions and interviews with officials from several national trade union federations such as the INTUC, HMS (Hind Mazdoor Sabha), NTUI (National Trade Union Initiative), AITUC (All India Trade Union Confederation) and CFTUI (Confederation of Free Trade Unions of India). I finally discuss the theoretical and practical implications of the salient findings of my study and draw conclusions about the prospects of labour–management partnership in India.

11.2   The Policy Debate on Indian IR

The policy debate on Indian IR is rooted largely in the institutional approach to industrial relations with its focus on the labour regulatory framework and the role of actors within this framework, viz. the state, employers and trade unions. According to the institutional analysis, the globalization of product, labour and capital markets has intensified competition for firms worldwide that during the 1980s operated in relatively "protected markets" with high entry barriers for competition. However, the liberalization policies pursued by national governments (including India) through the General Agreement on Tariffs and Trade (GATT treaty) which led to the setting up of the World Trade Organization (WTO) opened up markets for foreign goods. As a membership requirement of the WTO, national governments had to reduce their entry barriers for domestic and international competition. The intensified competition in turn provided a greater impetus and opportunity for capital to move across national boundaries in search of cheaper labour and infrastructure (Bhagwati 2004).

In the Indian context, the balance of payment crisis of 1991 when the government had to seek a loan from the International Monetary Fund (IMF) to service its debts served as an impetus to economic and labour market reforms. As a result of globalization and the increased capital mobility, it is argued that unions can no longer afford to engage in conflictual and adversarial industrial relations, nor can workers take improvements in their wages and conditions for granted. Hayens and Allen (2001) suggest that union survival is now increasingly dependent on their ability to engage in cooperative industrial relations with employers with collective bargaining closely tied to the business goals of the enterprise. Such mutual cooperation is more likely to result in the financial success of the enterprise and thereby ensure better pay and conditions for the workers. Similarly, Ackers et al. (2004) argue that if workers perceive their union to be instrumental in delivering better employment conditions and independent voice to the employees, they are more likely to join the union and thereby improve the trade union membership strength. At the macroeconomic level, it is suggested that the state should create an "investor friendly" market by unshackling the labour markets from institutional and legislative rigidities. This is likely to attract greater foreign direct investment which would in turn lead to employment creation and better pay and working conditions for labour (Ahsan and Pages 2009).

It is argued that the competitive pressures and firm strategies impact heavily on the organization of work, employment relations, class structures and class consciousness. Firms following the "high road strategy" of competing on quality and innovation (rather than cost) are increasingly introducing "high-performance work practices" that encourage direct communication and worker participation in the organizations' decision-making processes and hence challenge the notion of representative participation through trade unions and works councils (Sprenger and van Klaveren 2004).

Some European evidence indicates that a substantial part of union membership in countries such as the Netherlands, Germany and Denmark tends to perceive union structures as too bureaucratic and wants their union to be more of an "activity" instead of an "apparatus". Thus, it is argued that globalization and consequent changes to work organization have rendered traditional adversarial union approaches to collective bargaining redundant. In order to survive, unions will have to go beyond job saving and wage bargaining and engage in joint problem-solving with the employers to improve productivity and profits. This in turn requires union officials to learn new skills in cooperation and engagement with employers (Sprenger and van Klaveren 2004).

In the Indian context, Venkata Ratnam (2003) analysed some 215 collective bargaining agreements signed by employers and unions in both public and private sector enterprises in the decade following the launch of economic reforms by the Indian government in 1991. His study indicates that there is a clear shift in the pattern of collective bargaining from maximizing "rent seeking" on part of unions to productivity-linked cooperative bargaining. He reports increased decentralization of bargaining in both public sector and large private sector enterprises, a shift towards long-term agreements extending up to 10-year duration in the public sector,

and higher wages for workers but lower wage costs to companies accrued through increased labour flexibility and higher output per worker (Venkata Ratnam 2003, p. 237). He strongly advocates unions to focus increasingly on "consumer satisfaction" and competitiveness which in his view should be central to their bargaining agenda and which in turn would serve the best interests of their members—"Trade unions can retain bargaining power if they put consumers' interests first, company's interest second and their members' interest third" (Venkata Ratnam 2003, p. 246). What is unclear from this analysis is the extent to which employers are willing to reconcile flexibility with employment security or indeed employability. Nor is it clear the extent to which unions were willing or equal partners to cooperative bargaining, or whether cooperation was a precondition to any form of bargaining in the first instance (Claydon 1998).

One could question why should employers cooperate with workers or trade unions when they can circumvent labour regulations and state support enables them to hire, fire and deploy labour at will especially in an increasingly liberal market economy such as India? From an institutional perspective, it could be argued that although liberalization policies of the state have created opportunities for employers, these policies have at the same time intensified product market competition for many employers who hitherto had operated in protected markets with high entry barriers. Consequently, to sustain their competitive advantage, they require a workforce which is highly skilled, committed and flexible. By engaging with workers and their representatives in "integrative bargaining" (Peccei et al. 2005), employers are more likely to secure a shared sense of ownership from their employees and commitment towards higher productivity and possibly lower resistance to change.

In this context, Das (2010) examined the changing patterns of employment relations in the post-liberalization period in India. His work relies on a series of case studies in large- and small-scale enterprises across varied industrial sectors ranging from traditional manufacturing with strong union presence to information technology with no union representation. Das finds a shift from tripartite agreements of the preliberalization period to more of "HRM" or "joint team-based" patterns of employee–employer relations across industrial sectors. This he attributes largely to the competitive pressures which have forced employers, employees and their unions (where present) to work in cooperation with each other. More recent work on collective bargaining in India by Shyam Sundar (2012) also suggests that competitive product markets are proving to be an impetus for many employers to engage in cooperative labour relations with trade unions in order to secure higher productivity and lower operational costs. However, in most of his qualitative case studies, it is difficult to discern the extent to which concession bargaining on part of unions or indeed incorporation with management masks any meaningful forms of labour–management cooperation.

Most of the quantitative work on Indian employment relations has been undertaken by economists. The primary focus of this strand of literature has been on the analysis of economic policies on labour markets in terms of employment/unemployment, industrial output and wages (e.g. Anant et al. 2006; Bhaduri 2005; Papola et al. 2007).

A variant of this strand of literature has examined the differences in labour regulations between federal states within India and its impact on employment, income, poverty and industrial output (e.g. Aghion et al. 2008; Ahsan and Pages 2009; Beasley and Burgess 2004; Fallon and Lucas 1991, 1993). One of the often cited studies is that of Beasley and Burgess (2004) which examines the impact of state-level amendments to the Industrial Disputes Act 1947 (IDA) over a 30-year period on industrial output, employment and urban poverty. They find that Indian states which amended the IDA in a pro-worker direction suffered lower industrial output, higher unemployment and rising urban poverty compared to states which amended the law in pro-employer direction. D'Souza (2010) among many others has pointed out several empirical and conceptual limitations of this study. Beasley and Burgess simply assume that pro-worker amendments to laws result in labour militancy which in turn leads to lower industrial output and unemployment without actually examining the impact of law at the workplace level.

Some later studies have improvised on the work of Beasley and Burgess (2004). For instance, Deakin and Sarkar (2011) and Fagernas (2007) examined the impact of a broader range of indicators such as type of employment contract, industrial action and awards made by labour courts on industrial output and employment. These studies report rather contrasting findings compared to those of the Beasley and Burgess (2004) study. They find little or no adverse impact of pro-worker labour laws in India on unemployment or industrial stagnation. Neither do they find any significant association between pro-worker awards made by labour courts and growing casualization of employment particularly in the informal sector of the economy. Nevertheless, these later studies too rely on macrolevel analysis of econometric data and consequently fail to capture the ground realities of workplace employment regulation as experienced by workers and trade unions in India. From an institutional perspective, however, these studies do raise an interesting question: Does the existing labour regulatory framework favour organized labour at the expense of employers (as argued by the CII) and consequently hinder labour–management cooperation?

The varieties of capitalism (VoC) literature (Hall and Soskice 2001) suggests otherwise. According to the VoC perspective, labour–management partnership is more likely to take roots in coordinated market economies with strong institutional support for trade unions. In coordinated market, economies such as the Germany or the Netherlands unions enjoy greater statutory protection compared to liberal market economies such as the UK (United Kingdom) or USA (United States of America). Further, there are tripartite bodies set-up for national-level collective bargaining, and the state encourages bipartite negotiations at industry levels. Wage settlements too take place at industry or sectoral levels thus taking wages out of competition for individual enterprises. While the German model of employment relations has significantly changed since 2003 onwards, it still retains many of its institutional hallmarks that offers workers and unions better statutory protections compared to their counterparts in the UK or USA (Williams and Geppert 2006). It is suggested that these protections to an extent compel employers to pursue the business strategy of innovation and differentiation rather than cost reduction which

is predominantly found in the liberal market economies. Innovation and differentiation strategies are in turn associated with investments in high-performance work practices and cooperative industrial relations (Belanger and Edwards 2007). Thus, in other words, pro-worker regulatory framework as found in the coordinated market economies of say Germany or the Netherlands provides a conducive atmosphere for labour–management partnership. Extrapolating from the VoC literature, one could argue that the pro-labour regulatory framework in India should provide a fertile ground for labour–management partnership to take roots.

The concept of labour–management partnership is largely a European construct used by national governments in Germany and other West European countries for post-war reconstruction of their economies. Although partnership can operate at various levels such as national, industry and enterprise levels (Turner 2004), the second national commission for labour appointed by the Government of India largely makes a reference to the British-style enterprise-level union–management partnership (SNCL 2002). This is hardly surprising given the historical links between UK and India. In Britain itself, the concept of social partnership came into vogue during the 13 years of Labour Government rule which started in 1997 under the leadership of Prime Minister Tony Blair. The UK's Trades Union Congress (TUC) too endorsed the partnership agenda and set up a Partnership Institute in 2001 to offer consultancy services to public and private sector organizations on partnership working practices. The TUC proposed six partnership principles: commitment to employment security; recognizing legitimate interests; focus on quality of working life; transparency; commitment to success of the enterprise; and win-win or mutual gains. These six principles can be translated into the following HRM practices: direct worker influence on workplace-level decisions; representational participation in decision-making; provision of employment security; information sharing and consultation; a high level of employee trust in management; and positive employee relations with climate and mutual gains (Badigannavar and Kelly 2005).

In the Indian context, the SNCL (2002, p. 3) invokes this spirit of social partnership in its recommendations by stating that: "Attitudes of confrontation must give place to an attitude of genuine partnership. Organizations of workers as well as employers, and the state itself, should identify and create conditions on which the harmonious relations that we need can be created and maintained". Perhaps some of these conditions already exist in India's labour law framework. For instance, the Industrial Disputes Act 1947 (IDA) arguably confers a high degree of employment security on workers employed in establishments with 100 or more workforce (Saini 2010).[1] In such establishments, the employer is required to seek written consent from the appropriate government authorities prior to laying off or retrenching even a single worker or closing down the firm. Likewise, the same statute provides for the setting up of "works committees" at the plant level whereby management and

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[1]Following the election of the Bhartiya Janata Party (BJP) government at the centre in May 2014, some state governments such as the Government of Rajasthan have amended the IDA 1947 to raise the limit of workers employed in an enterprise from 100 to 300.

worker representatives can engage in a social dialogue on how best to improve productivity of the enterprise, resolve disputes and address grievances, share information on productivity and performance, etc. The IDA and the trade union recognition laws such as the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act 1971 (MRTU and PULP) also stipulate unfair labour practices which the employers should refrain from engaging into allow trade unions to function in a non-hostile environment. Deakin and Sarkar (2011) suggest that India has one of the most pro-labour regulatory frameworks even when compared to many developed economies particularly in the areas of employment protection. Thus, such a protective environment is likely to provide unions with greater opportunities to engage in cooperative industrial relations and, at the same time, the regulatory framework at least in theory should deter employers from engaging in hostile behaviours towards workers and trade unions.

11.3   Methods and Settings

The data reported here comes from surveys of workplace union representatives of the INTUC affiliated unions in the state of Maharashtra which ostensibly has one of the most "pro-worker" labour law framework (Beasley and Burgess 2004; Deakin and Sarkar 2011). A total of 447 workplace union representatives from establishments in the formal or organized sector of the economy were surveyed on their experiences of workplace employment relations. Establishments in the public services, private manufacturing and private services sector were included in these surveys (see Badigannavar 2012; Badigannavar and Kelly 2013 for further details).

Prior to constructing our survey questionnaires, we interviewed 27 union officials including workplace representatives from various trade union federations including HMS, INTUC, NTUI, AITUC and CFTUI and 12 other individuals including Labour Commission officials from Uttar Pradesh, Bihar, Karnataka and Maharashtra, retired Bombay High Court Judges and academic scholars at the Institute for Social and Economic Change (ISEC) Bangalore on the nature and meaning of social partnership within Indian context. The purpose of these interviews was to gain insights on what labour–management cooperation means and manifests itself at policy levels and more importantly in practice. Interestingly, there was a high degree of convergence in the views of academics and practitioners on the nature of social partnership or labour–management cooperation in Indian industrial relations. Almost all our interviewees conceptualized partnership as encompassing: employment security, worker and union involvement in decision-making processes, bilateral dispute resolution processes with minimal resort to state or judicial channels, and harmonious industrial relations climate with absence of unfair labour practices. The state officials and academic scholars also added the dimension of minimum interference of political parties in resolution of workplace industrial disputes which according to them violates the spirit of bilateral partnership between employers and unions. We incorporated all of these features as

questions/items in our survey questionnaires. They were also used to construct our interview guides for post-survey interviews. Survey data were augmented with a series of interviews with workplace union activists, union members, senior union officials of INTUC and other national labour federations in the country such as HMS, AITUC, NTUI and CFTUI as well as labour lawyers, retired high court and labour court judges, state officials and employer associations (CII and Employers Federation of India).

The INTUC provides an interesting test case for labour–management cooperation. As a national trade union federation, it is known to be a moderate union which proclaims itself as federation that promotes industrial harmony and social dialogue. On its website, the INTUC clearly states that strikes or agitations of any form would only be a last resort in attempting to resolve industrial disputes and instead emphasizes social dialogue with the state and employers. INTUC is affiliated to the Congress Party which was at the time of undertaking this research the largest party of the ruling coalition government both at the centre and in the federal state of Maharashtra. The Congress Party has historically been employer and business friendly and has been inimical to militant unionism. Indeed, union militancy and strikes back in the 1970s led to the imposition of national emergency and suspension of the rule of law by the then Congress Party leader and Prime Minister Indira Gandhi. The neoliberal economic reforms of the 1990s were unleashed by the Congress government, and the INTUC has, by and large, been supportive of these policies with a few exceptions such as its modest and cautious opposition to the Special Economic Zones (SEZs). Thus, on the whole, the INTUC is a pro-partnership trade union federation compared to some of its rival national trade union federations. Given its pro-partnership stance and its affiliation to the ruling party in government both at the centre and the state levels, one could reasonably expect that union representatives of the INTUC are less likely to face employer hostility as compared to those from other trade union federations.

11.4 Union Experiences of Workplace Employment Relations

11.4.1 Employment Security

This is the most contentious provision in Chapter VB of the IDA 1947 which requires management of establishments with 100 or more workers employed in the preceding 12 months to seek prior approval of appropriate government authority before laying off or retrenching even a single worker or closing down the establishment. There are some exceptions with regard to casual and replacement ("badli") workers. In this study, union representatives were asked to report any job cuts of permanent/regular employees at their establishment in the past 5 years. 57% of union representatives in the public services reported such job cuts at their

workplace. The corresponding figures for private services and manufacturing were 58 and 71%, respectively.

Interestingly, 68% of union representatives from private services reported that their employer failed to obtain prior permission from state authorities before cutting jobs of permanent workers. The corresponding figures for manufacturing and public services were 59 and 12%, respectively. Thus, it appears that only a small minority of employers in the private services and manufacturing enterprises are actually fulfilling the requirements of the IDA when it comes to job cuts. In cases where the employer had duly sought prior permission of state authorities, we asked whether the union where recognized for collective bargaining had been given a copy of the approval letter from the state authorities. Only 26% of union representatives from private manufacturing establishments reported that their employer had given a copy of the approval letter to the union. The figure was slightly lower at 18% in the public service organizations and even lower at 11% in private services establishments.

Union representatives were also asked about any headcount reductions at their workplace through voluntary retirement schemes (VRSs) in the past 5 years and whether or not employer consulted with the union over the target group of employees for VRS, the number of employees involved and the severance package. Although this is not a statutory requirement under the IDA, it is to some extent covered under the Code of Discipline in the Industry (1958) which is a schedule of the IDA 1947 (Jain 2007). It is also a statutory requirement on part of employers under the Bombay Industrial Relations Act of 1946 (Thakker 2009). VRS was a prominent feature in public sector establishments with nearly 73% of union representatives reporting it in our survey. Similar findings have been reported by Venkata Ratnam (2003). This was followed by workplaces in private manufacturing sector (52%) and private services (31%). In the latter two sectors, however, union consultation was very poor with just about one in four union representatives reporting that management discussed and consulted with them the details of the staff to be affected by VRS and the compensation package to be offered. Even in the public services, just over half of our respondents (56%) reported "meaningful consultation by management on VRS". Thus, in a large majority of cases, employers failed to fulfil their statutory obligations under the employment protection clauses of the Industrial Disputes Act and other relevant labour laws.

11.4.2   Unfair Labour Practices

The state legislation, viz. the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act 1971 (MRTU and PULP), and the central legislation, Industrial Disputes Act 1947, stipulate what constitutes unfair labour practices on part of employers and unions. In this study, union representatives were asked to report unfair labour practices at their workplace recorded by the union in the past 5 years. They were also asked to report any changes in the trend or pattern of such practices in the preceding 2 years, i.e. either such practices had

Table 11.1 Unfair labour practices reported by union representatives ($N = 447$)

Unfair practices	Public services	Private manufacturing	Private services
Illegal lockouts	12	35	32
Victimization of union representatives	47	69	62
Illegal breaks in employment of workers to avoid permanent contracts	47	72	61
Dismissed workers during strikes	19	59	53
Management offered incentives to workers to leave the union	33	57	41
Employer sponsors a union to break legitimate unions	32	43	50

All figures in percentages
Source Author survey of INTUC union representatives in Maharashtra

increased, decreased or had remained about the same. Table 11.1 describes the incidences of unfair labour practices reported by our survey respondents.

Data in Table 11.1 present a rather disturbing picture. About half of union representatives in public services and nearly two-thirds of those in the private manufacturing and private services establishments reported "victimization of union representatives by management". Nearly one in three union representatives in the private manufacturing and private services reported "illegal lockouts" by management. Even in the public services, nearly one in every three union representative reported "management offered incentives to workers to leave the union". This was proportionately much higher in the private manufacturing and private services. Nearly half of all union representatives in public services and nearly three out of four in private manufacturing reported "illegal breaks in service of employees to avoid permanent contracts". Employer-sponsored unionism was also reportedly high across workplaces in all the three sectors. And dismissal of workers during strikes was reported by over half of our respondents in private manufacturing and private services and by nearly one in five respondents in public services. 27% of union representatives in the public services reported an increase in employer unfair labour practices over the past 2 years. The corresponding figures for private manufacturing and private services were 39 and 47% respectively.

During interviews with senior union officials of the HMS, INTUC and CFTUI, it was reported that in two major Port Trust authorities—one in Maharashtra and the other in the state of Andhra Pradesh management was actively encouraging workers to quit the recognized union and join another rival union which was on "friendlier terms" with the management. In both cases, workers were being offered financial incentives to quit the recognized unions. Illegal breaks in service of workers were often reported by union officers and workplace representatives in our interviews. Management often hires contract workers and terminates their employment contracts a few weeks before they complete a continuous period of 240 days. The same workers are then rehired on a fresh contract either in the same concern or in a sister concern of the same enterprise. The same practices are used to terminate contract of

permanent workers on probation. There are instances where workers have been employed with the same employer for several years but were denied permanency of employment on the grounds of discontinuity in tenure. These findings are similar to those reported by other researchers such as Mathur (1991, 1992) and Sen Gupta and Sett (2000). They also report other ingenious ways in which employers try to exclude workers from statutory protection of the IDA, for instance by redesignating a telephone operator to "communications officer" and an accounts clerk to "payroll executive".

11.4.3   Industrial Disputes and Dispute Resolution

Union representatives were asked to report the number of strike ballots and actual strike actions the union had undertaken in the past 5 years. Likewise, they were asked to report the number of times the employer had imposed a lockout on workers over the same period of time. Furthermore, they were also probed on the number of individual and collective disputes the union had raised with the employer in the past 2 years. Union representatives were then asked to report what proportion of these disputes were settled through bilateral negotiations between the union and management, and what proportion of disputes were referred (and by whom) to state authorities for conciliation and adjudication. Although unions or employers cannot directly refer disputes to labour/industrial courts for adjudication under the IDA 1947, they can do so under the Bombay Industrial Relations Act 1946.

On average, the union had raised 3 individual disputes and 5 collective disputes per workplace with management in the past 2 years. Thus, on the whole, the unions had in the past 2 years, raised a total of about 1341 individual disputes and 2235 collective disputes with employers in the public services, private manufacturing, and private services establishments covered in our survey. Only 12% of disputes in the public service establishments were reportedly resolved through bilateral negotiations between the union and the management. The corresponding figures for private manufacturing and private services establishments were 14 and 8%, respectively. Of the remaining disputes, 72% of disputes in the public services were referred by management for adjudication. The corresponding figures for private manufacturing (83%) and private services (76%) were even higher. Thus, on the whole, a relatively small proportion of industrial disputes were referred to adjudication by the union. Hence, claims by employer associations such as the CII that the labour law framework in India results in litigious behaviour on part of workers and trade unions seem unsubstantiated. My findings suggest that if at all, it is the employers who are more likely to resort to litigations rather than the unions.

Likewise, in terms of growing labour militancy as claimed by the CII and other employer associations in India, my findings were quite the opposite. The average number of strike ballots across all workplaces reported by union representatives in our survey was 1.44 in the last 5 years. The actual numbers of work stoppages resulting from these ballots were less than 0.5 incidences per workplace over this

period. On the other hand, employers threatened lockouts during negotiations on average 4.6 times per workplace in the last 5 years. These threats were almost always in the private manufacturing and private services as it would be politically very sensitive to threaten or impose a lockout in the public services. The actual numbers of employer lockouts in the private manufacturing and private services establishments covered in our survey amounted to an average of 2.63 per workplace. In other words, the incidence of employer lockouts reported in my survey was about five times higher compared to union strikes. My findings are consistent with the pattern of strikes and lockouts reported by the Labour Bureau and the Ministry of Labour since 1991 onwards. According to the official statistics, employer lockouts far outweigh worker/union strikes in terms of number of workers affected and number of working days lost (see Shyam Sundar 2010).

11.4.4   Collective Worker Participation in Management

The IDA of 1947 requires establishments with 100 or more workers to set up a "works committee" with equal representation of employees and management to facilitate worker participation in the day-to-day functioning of the enterprise. Although the decisions of the works committee are not legally binding (unless incorporated in the service conditions of workers), the statute has a noble intention of promoting industrial democracy at the workplace. It has been widely acknowledged that the statutory "works committees" are largely conspicuous by their absence in almost all formal sector enterprises in India. There have been some notable examples such as Tata Steel and some public sector banks where worker directors have been appointed at board levels (Mankidy 1995; Ramaswamy and Schiphorst 2000). Recent studies (e.g. Das 2010), however, report a growing trend of employers using joint consultative committees, quality circles and other Japanese-style employee engagement practices in firms in the private manufacturing and services sector.

In this study, I asked union representatives about the presence of any such joint consultative committees or works committees at their workplace that would promote worker participation in the day-to-day management of the enterprise. I purposely used a rather broad definition of "worker committees" to include both unionized and non-union forms of collective representation to enable me to capture the type of management initiated joint consultative committees reported by Das (2010). Union representatives were also asked to report how worker representatives on these committees were appointed, the issues that management discussed at these committees and how effective these committees were in promoting workplace democracy and mutual trust between union and management. Not a single union representative from private services establishments reported the presence of a works committee or a joint consultative committee (JCC) at their workplace. Eighteen percent of INTUC representatives from public services reported the presence of

such joint forums for worker participation at their workplace. The corresponding figure for private manufacturing establishments was 12%.

A large majority of union representatives reported that management primarily uses these joint forums to discuss production and quality control issues (73%). The second most commonly discussed issue at these committees was shift patterns and overtime (39%). In very few cases, union representatives reported that individual disputes were discussed at these joint committees (22%). Interestingly, about 60% of INTUC representatives reported that "worker representatives on these joint consultative committees were nominated by management" in their establishment. In less than one in five workplaces surveyed, the union representatives reported that "worker representatives were democratically elected by all employees" in their establishment. In rest of the cases, the union nominated worker representatives on these committees. Not surprisingly then, 55% of union representatives in our surveys reported these joint forums to be ineffective in promoting worker participation in management. During interviews with INTUC and CFTUI officials, it was suggested that management tries to hijack these forums and use the unions as "rubber stamps" to endorse decisions which are already made.

Union representatives were also dissatisfied with the lack of transparency in union–management negotiations. Only 27% of INTUC affiliated union representatives reported that they received "adequate information from management on employment related issues" that would enable them to represent the interests of their members. This poor access to information and employer dominance of joint consultative committees where present was reflected in the poor level of trust union representatives had in their management. Only 34% of union representatives reported "a lot or some" trust in management to negotiate in good faith with the union. The rest reported "poor" or "no trust at all".

Thus, on the whole, findings suggest that despite a pro-worker labour regulatory framework in the state of Maharashtra, which was the test bed of this research, workers and unions found themselves vulnerable to growing employer excesses, there was an alarming evidence of employer militancy and litigious behaviour, employer use of unfair labour practices and employer reluctance to engage in meaningful cooperative labour–management relations through joint consultative forums where present. These findings do not bode well with the "social partnership" aspirations of the SNCL (2002).

11.4.5 Direct Worker Involvement in Organizational Decision-Making

There is a strand of literature on social partnership which suggests that although employers may not be inclined to engage in partnership relations with the trade union, they may nevertheless be supportive of partnership relations directly with employees. Thus, employers may encourage and facilitate direct worker involvement and participation in the firm's decision-making process, and this indeed is one

of the parameters of social partnership as conceptualized by the TUC as well as the Involvement and Participation Association in Britain (Ackers et al. 2004; Peccei et al. 2005). In this research, I decided to empirically investigate direct employee involvement in organizational decision-making process as a variant of social partnership.

Union representatives in this study were asked to report the level of direct involvement workers at their workplace had in a range of workplace-level decisions. These included decisions on how work is to be organized, setting working hours including shift working and overtime (OT), setting the pace or speed at which work was carried out, health and safety issues, workplace training and decisions pertaining to bonuses or perquisites offered to employees. Union representatives were asked to give a scaled response ranging from "a lot of influence", "some influence" to "little or no influence at all". The results to these set of questions are given in Table 11.2.

While it is acknowledged that collecting data on direct employee involvement in organizational decisions from workplace union representatives constrains its reliability, given that these workers' representatives were themselves employed full time in the enterprise as employees in addition to performing the duty of union representative lend credibility to the findings. In other words, these union representatives were also at the receiving end of these operational HRM practices at the workplace levels. The findings in Table 11.2 offer a mixed picture. Apparently, workers do seem to have a reasonably high level of direct influence on decisions such as organizing daily work routines and even setting the pace or speed at which they work. However, the level of direct worker influence on other crucial decisions such as setting working hours including shifts and overtime, health and safety issues, training and skill development and bonuses or perquisites offered to employees is very low. Thus, employers seem to maintain a tight stranglehold on decisions such as working hours and bonuses and even training which directly affects the unit labour cost of production or service delivery (see Deshpande et al. 2004). Given that labour costs as a proportion are a substantial part of the total

Table 11.2 Level of direct worker involvement in workplace-level decisions (N = 143)

	A lot of influence	Some influence	Little/no influence
Organizing daily work routine	40	32	28
Setting the pace of work	31	12	57
Setting working hours including shift working and OT	9	13	78
Health and safety issues	12	17	71
Training and skill development	12	20	68
Perquisites and bonuses offered to employees	Nil	8	92

All figures in percentages
Source Author survey of INTUC representatives in Maharashtra

operational costs, this seems hardly surprising. But what it clearly indicates is employer unwillingness to trust employees on such crucial matters or engage in any meaningful dialogue or partnership with employees directly on these issues. Overall, there was very little evidence of direct worker involvement in organizational decision-making even at the operational levels where management had instituted joint consultative committees and other non-statutory forms of employee engagement forums.

11.5 Discussion and Conclusion

The realities of workplace employment relations are quite contrary to the speculations of most macroeconomic studies on Indian industrial relations which presume that a favourable labour regulatory framework results in labour militancy and consequently lower industrial output (e.g. Ahsan and Pages 2009; Beasley and Burgess 2004; Fallon and Lucas 1993). Findings from this study indicate that even pro-labour laws fail to protect the interest of workers and trade unions in the formal organized sector of the Indian economy. One has to make a distinction between simply having a law in the statute book and its actual implementation. In other words, one has to differentiate between the dejure and the defacto effects of law.

The findings here also raise questions about the willingness of employers to engage in any form of meaningful partnership with workers and trade unions. While the virtues of labour–management cooperation might be appealing to academic scholars and policy makers alike, it is practically difficult for unions to engage in partnership with employers who simply prefer that they did not exist. What might explain these findings? Why have the laws failed to adequately protect the interest of workers and trade unions? If social partnership is not a viable option for Indian trade unions, what could be a possible alternative? From an institutional perspective, we can look at the role of judiciary in the Indian IR system and the relationship between trade unions and political parties in India.

The role of Indian judiciary has come under scrutiny primarily in the way judges interpret labour laws (e.g. Babu and Shetty 2007; Cox 2008; Singh 2008). It is argued that the rubric of liberalization and global markets has deeply permeated in the judicial interpretations of labour laws and this increasingly results in a pro-employer bias in court verdicts on labour disputes. The Steel Authority of India Limited and Uma Devi verdicts, for instance, have affected the job security prospects of millions of contract and causal workers who will now find it very difficult to secure permanency of employment even after completing the qualifying criteria of 240 days of continuous service under the IDA (Ray 2008). A review of judicial interpretations of some of the key labour laws in India dating back to 1970s and 1980s suggests however that this pro-employer bias is not a recent phenomenon after all. For instance, under a union recognition law in Maharashtra (MRTU and PULP 1971), the judicial verdict on strikes and lockouts is a case in point. If an employer engages in an illegal lockout without any prior notice to workers/unions,

he can then issue a notice during the course of the lockout and cure its illegality. The same benevolence is not extended to union strikes (see Premier Automobiles Limited versus G R Sapre, 1981 LIC 221; also see Badigannavar 2012 for details).

Peters (2011, p. 45) discusses the role of individuals within institutions and their actions which become a focus of research in comparative politics. Babu and Shetty (2007) suggest that the judiciary in India largely comprises of upper-class affluent men who also tend to belong to the upper castes in the social hierarchy. These individuals tend to be unsympathetic to the grievances of the working classes and hence are more likely to interpret laws in favour of employers. The pro-employer bias in Indian judiciary is well documented (Singh 2008). So although the laws may have originally been drafted in a pro-labour direction, their interpretation by judges whose interests increasingly correspond with those of employers has tilted the balance of power in favour of capital at the expense of labour. This perhaps explains why employers in India tend to be more militant in their use of lockouts and more litigious compared to unions.

Peters (2011) conceptualizes *actor's interests* as an important variable in analysing political processes. Along these lines, Burgess (2004) examines the intricate relationship between political parties and trade unions as actors in industrial relations. She suggests that party–union relationships are more likely to be tested in times of economic instability or when political parties introduce major institutional reforms which hurt the interests of union members. In times such as these, union leaders have to decide whether to side with the political party they are affiliated to and risk antagonizing their union membership or to confront the party and stand by the interests of their union members.

Burgess (2004) states that union leaders base their judgements on which of the two constituencies (party vs. union members) are likely to offer better incentives to the union leadership and equally, which of them are likely to punish them the most. Party incentives could be in the form of tickets to contest elections, senior posts within the party's executive, political intervention to secure union recognition with employers or secure favourable collective bargaining arrangements. It is likely that a political party is in a better position to offer such incentives to union leaders when they enjoy an absolute majority in the government. The party's ability to offer such incentives is likely to be constrained when it is part of a coalition government. Union members are more likely to stay with the union if they believe the leadership can deliver the desired outcomes either through the union's bargaining clout or through the leadership's ability to secure better deals from employers through political interventions.

Until May 2014, the central government in India has been a coalition government of nearly a dozen regional and national parties for nearly one and half decade. Likewise, industrially developed states such as Maharashtra have been governed by coalition governments for nearly a decade. It is quite likely that political parties such as the Congress are now unable to offer the same level of political patronage to its affiliate INTUC unions in securing union recognition with employers or favourable collective bargaining outcomes. This might also explain why politically affiliated unions such as the INTUC federation have witnessed a fall in their

membership levels in the formal or organized sector of the economy. Some estimates suggest that the national trade union federations in the state of Maharashtra together enjoy less than 35% of union membership share in the state (Shyam Sundar 2010). This fall in membership also makes these unions less attractive to political parties as electoral assets, and consequently, they lose their voice in the higher corridors of powers both within the party and the government.

If social partnership and political patronage is not a viable option for Indian trade unions, then how should they revive their fortunes? British and American experience suggests that rank-and-file union organizing as opposed to social partnership offers a viable option for trade unions to increase their membership levels and mobilization capacity (Badigannavar and Kelly 2005, 2011; Heery et al. 2003). Kelly (1998) developed the social movement theory based on the work of Tilly (1978) and McAdam (1988). According to this theory, workers are more likely to get organized and participate in collective actions if the following conditions are met. Firstly, workers must feel an acute sense of grievance over employer or government actions. This sense of grievance has to be deeply felt and widely shared. Regular union and community meetings for instance allow workers to share their grievances with each other and build a sense of solidarity. It promotes social cohesion by enabling workers to realize that they are not the only aggrieved individual; their grievances are shared by a large number of individuals at the workplace or in the community.

Sense of grievance is a necessary but not a sufficient condition for worker mobilization. Workers must attribute blame to a specific target agency such as the employer or the government for their actions or failure to deliver on promises made. If on the other hand workers blame abstract constructs such as "market forces" or "globalization", then they are unlike to engage in collective actions. Workers do make cost–benefit calculations of engaging in collective actions, and they must genuinely believe that joining a union or participating in collective actions will result in positive outcomes. The power resources available to workers also play a crucial role. If, for example, workers perceive that the labour laws are staked in favour of employers and against workers and their unions, this could dissuade them from engaging in collective actions. Similarly, if they perceive that the political establishment or the state agencies are favouring employers over unions, this may alter their perceptions of collective actions. Here, the role of union leadership is crucial. Union leaders have to frame issues in a way that collectivize grievances and tilt worker perceptions in favour of collective actions to resolve those grievances (see Kelly 1998).

Union organizing is quite different from the social partnership approach in two ways. Firstly, partnership is based on the assumption of mutual interests between workers/unions and employers, whereas union organizing is based on the assumption of conflicting interests between labour and capital. Consequently, the way in which union leaders frame issues in a partnership arrangement will differ significantly from the way they frame issues in an organizing campaign against the employer or the state. Secondly, in partnership arrangements, typically only the senior union activists or officials are involved in working with the management. In

the organizing model, however, the grassroot membership is actively involved in recruiting and mobilizing workers. British and American experience suggests that unions gained membership and influence through union organizing, whereas they lost membership and mobilization capacity when engaged in cooperative relations with employers (Badigannavar 2009; Kelly 2004).

I started this paper with a question as to whether Indian trade unions can revive their fortunes through social partnership or cooperation with employers. Although the labour regulatory framework in India is ostensibly pro-worker, it offers only weak protection if any to workers and unions in the formal or organized sector of the economy. Evidence from surveys of union representatives of INTUC affiliated unions in the state of Maharashtra reveals that even in pro-labour regulatory environment, union representatives find themselves increasing vulnerable to employer hostility. Thus, although in theory such pro-labour regulatory environment should provide ideal grounds for social partnership to take roots, the evidence in a developing economy like India is quite opposite to what we find in developed coordinated market economies such as the Netherlands or Germany. While state intervention in industrial disputes (real or anticipated) in India has weakened voluntarism and bilateral negotiations between employers and unions, increasingly judicial interpretations of labour laws has tilted the balance of power squarely in favour of employers. In such a hostile environment, social partnership offers little or no prospects for trade union revival. To the contrary, the paradoxes of social partnership as identified so far and manifested in the forms of worker disenchantment and weakening of trade unions render such policies open to serious critical review. Alternative strategies such as rank-and-file organizing and social movement unionism are more likely to help unions revive their membership levels, mobilization capacity and consequently political influence.

There are limitations to this research. The findings from the union survey come from a single trade union federation, viz. the INTUC, and are restricted in this case to the federal state of Maharashtra. I certainly do not claim that findings from one state can be generalized to the entire country. Nevertheless, my findings are indicative to the extent that if in an industrially developed state like Maharashtra with an ostensibly pro-labour regulatory framework, workers and unions find themselves increasingly vulnerable to employer hostility, then the prospects for union revival through social partnership in other states of India with a not so pro-labour regulatory framework are fairly bleak. Future research, however, would benefit from examining the trends of worker and union experiences from more than one state and by including union representatives from other politically affiliated and independent trade union federations. Longitudinal data as against cross-sectional data used in this study would also allow a more robust assessment of the changes in these patterns.

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Chapter 12
Locating Worker Power in a Changing Bargaining Scenario

Supriya Routh

Abstract The industrial relations (IR) framework in India is centred around the formal industrial employment model wherein employees bargain and negotiate with their employer through their trade union(s) and the government plays a significant mediatory role. This legally arranged framework of IR excludes informal workers, who are normally not engaged in a workplace-based industrial employment, from its purview. Such an orientation has led trade unions enjoying legislative safeguard to primarily organize industrial employees on the basis of their workplace engagement. The narrow trade union focus on industrial employment has left informal workers' concerns largely unrepresented in traditional IR. In this backdrop, while concerns of deteriorating worker power because of declining trade union membership and influence occupies IR scholars, informal workers innovative organizing strategies and resultant worker power remains largely unnoticed. In this chapter, I conceptualize this subtler *source of worker power* that has been gaining strength in India. I conceptualize the power generation capacity of what I term as *workers' aggregations*. In the workers' aggregation variety of collective action, unlike trade unions, power is per se not dependent on the numerical strength of the workers' organization; power emanates from the diffused range of functions and relations that these workers' aggregations undertake and sustain. In this chapter, I argue that the future of effective and sustainable IR in India lies in taking cognizance of these organizations and their modus operandi, while also recognizing the changing nature of bargaining (involving mainly the state) in economic relations.

Keywords Workers' aggregation · Trade union · Informal workers · Worker power

S. Routh (✉)
Faculty of Law, University of Victoria, Victoria, Canada
e-mail: srouth@uvic.ca

12.1 Introduction

Although the significant majority of the Indian workforce is informally engaged, the regulatory framework on industrial relations (IR) is based on the model of formal industrial employment.[1] The exclusion of informal workers from the formal IR model meant that registered trade unions and the trade union movement in the country generally remained narrowly focused on workplace-based industrial employees. This narrow focus on industrial employees blinded trade unions of the concerns of informal workers. While there is still a void in collective action by informal workers in the country, some informal workers are organizing themselves through innovative collective initiatives. Informal workers are reinventing collective power through these initiatives. Some of these organizing initiatives are germane with possibilities in promoting worker power, in spite of the fact that many argue workers' power is fatally diminished because of the globalization-induced changes in the production process.

In this chapter, I discuss self-employed informal workers' organizing strategies and analyse how worker power is generated in the process. The source of worker power in informal workers' organizations is different from that of orthodox trade union power. While trade union power lies mainly in its membership strength, the power of informal workers' organizations is more diffused and depends on several circumstantial factors, not merely on their membership strength. This kind of diffused power, I argue, is appropriate for the nature of bargaining and material improvement that informal workers aim at. This chapter has four substantive parts. In the following part 2, I engage the debate on the changing modes of production and how it affect collective action and worker power. This section is not intended to be a review of the changing IR system; its limited objective is to indicate the disconnect between the traditional IR system and the modern production relations. I then discuss the disjuncture between the formal Indian industrial relations scenario and its vast informal workforce in part 3. In part 4, I describe two instances of informal workers' collective action. In part 5, I argue why the informal workers' organizations that I discuss offer a new model of collective action different from trade unions and indicate the diffused and subtle sources of its power. This chapter ends with a brief conclusion (part 6).

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[1] At a general level of understanding, informal workers are workers who do not share the characteristics of the industrial employees and remain outside the *form* that is structured around the relationship between employees, employers and the government. Informal workers may be waged workers (even if there are problems at ascertaining an employment relationship), self-employed or own-account workers (i.e. vendors not employing others). For a more detailed discussion on the idea of informal, see Routh (2011) and Routh and Borghi (2016).

12.2 Are the Working Class and Labour Movement Withering Away?

In this section, I offer a generalized outline of the traditional IR system and note how that system is far off the realities of modern modes of industrial organization and what it means for the collective labour movement. Classically, IR is focused on the relation between employer and employees represented through their trade union, and the government is the other party to this relationship (Bogg 2009, pp. 29–34; Brown 1983, pp. 8–11). The essence of this relationship is the agreement arrived at through bargaining between employers and trade unions (Bogg 2009, pp. 35–45). Depending on the political ideology, the government has minimal to extensive role in engaging in this bargaining structure (Bogg 2009, pp. 35–45; Brown 1983, pp. 8–10). This bargaining is centred on the concept of two arguably autonomous entities—employers and trade unions—engaging with each other for coexistence. In order for the two bargaining parties to be autonomous and the bargaining independent, so the argument goes, both of the parties try to generate their own clout, that is, independent bargaining power (Brown 1983, pp. 11, 293; Von Beyme 1980, p. 4). For trade unions, this power emanates primarily from the membership strength of the union (Brown 1983, p. 1; Olson 1971, p. 137; Verma and Kochan 2004, p. 12). There are, however, factors in addition to membership that determines the power of trade unions; but these different factors ultimately contribute to membership strength manifesting trade union power (Brown 1983, pp. 281–285).

Trade unions developed organically in the aftermath of the industrial revolution; it is not surprising then that the United Kingdom (UK) was the birthplace of the industrial labour movement, followed by continental Europe and the United States (USA) (Brown 1983, pp. 1, 285; Galenson 1994, p. 133; Von Beyme 1980, p. 209). They existed as autonomous clubs outside the legislative purview (Brown 1983, pp. 280–281). In fact, their extra-legal existence contributed to their independence and consequently their power. Trade unions were so jealous to protect their extra-legal existence that when industrial relations were legalized in the UK, they refused sometimes to comply with the law, which they had no role in formulating (Von Beyme 1980, p. 209).

Irrespective of their objection, over the years bargaining between two autonomous entities was brought increasingly within the remit of legislative policy-making. The private industrial relation between two parties needed to conform to public interest, and hence, state interference was secured through legislation (Brown 1983, pp. 8–9). State regulation of bargaining, while curbing independence of the parties in regulating their relation, did also promote trade union power. Formation and recognition of trade union were secured through legislative initiative. Trade union members also received certain immunities. These guarantees

culminated into giving rise to powerful trade unions[2]—so much so that they can stall government policies and decide its policy-direction (Brown 1983, pp. 1, 12, 284–285; Von Beyme 1980, pp. 209–210).

However, scholars note that during the final decades of the last century, the once powerful trade unions' power started deteriorating with the changes in the global economy (Castells 2000, pp. 135, 165–167, 224; Galenson 1994). The deterioration of trade union density and power, it is argued, was not limited only to Western industrial countries; its spread included countries in the global south (Galenson 1994, pp. 1–4; Verma and Kochan 2004, pp. 2–4). IR scholars attribute this deterioration of trade union power to rapid globalization and the consequent changes in the production process—from Fordism's assembly line to post-Fordism's subcontracting and outsourcing (Galenson 1994, pp. 14–16; Silver 2003, p. 14).

Manuel Castells observes that the new modes of post-industrial production in the globalized environment result in the "simultaneous integration of work process and *disintegration of the workforce*" (emphasis mine, Castells 2000, pp. 224, 244, 255). Firms could easily downsize, subcontract, use temporary and part-time workers, engage informal firms and relocate their production (Castells 2000, pp. 165–169, 254). Moreover, firms could make workers amicably agree to these production strategies including imposition of stringent conditions on work. It has been argued that this is primarily because while capital has attained global mobility labour is constrained by "institutions, culture, borders, police, and xenophobia" (Castells 2000, pp. 247, 251–253).

As a result of these production strategies, *standard* employment is substituted with flexible working time, employment instability, indeterminate workplaces and an overall erosion of the employer–employee social contract, all of which go on to place workers in a weaker position, thereby adversely impacting the labour movement (Castells 1997, p. 360; Castells 2000, pp. 1, 130–131, 282–283). While Castells predicts that sporadic labour militancy might still survive, he is not so optimistic about the survival of trade unions (Castells 1997, p. 360).

He emphasizes that in the post-industrial society, power "is no longer concentrated in institutions (the state), organizations (capitalist firms), or symbolic controllers (corporate media, churches) … [t]he sites of this power are people's minds" (Castells 1997, pp. 359–360). Power, in this sense, is not static; it is shaped and reshaped through continuous struggles. Neither can it be easily seized because it is not concentrated at one place. According to Castells, identities and identity-based movements are important in the construction of this power structure because they emerge from locally grounded experiences and are culturally rooted (Castells 1997, pp. 1–3; Castells 2000, pp. 3, 13, 19, 77).

While Castells argues that labour movements are becoming rare in the new order, Aristide Zolberg goes as far as arguing that the profound modification of

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[2]However, one needs to be cautious of the fact that legislation, while often promoting trade union power, may also hinder trade union development in given circumstances. See Galeson 1994, p. 29; also see Von Beyme 1980, pp. 209–213, 218.

industrial capitalism is threatening the very existence of the "distinctive social formation" called working class (Zolberg 1995, pp. 28). Zolberg notes that the idea of working *class* developed around several economic, political, social and action-centric factors, which are now rapidly changing, so much so that the class identity is soon disappearing (Zolberg 1995, pp. 28–32). One of the principal bases of the class identity, he argues, was collective action, which depended on the numerical strength of workers. Because of the dwindling number in their rank and file, workers' unions cannot command the same power that they once did against the capitalists. And with the weakening of collective action, the working-class identity is disappearing.

While these authors spell the doomsday for the labour movement, Beverly J. Silver does not conform to the thesis that union mobilization is disappearing with intensive globalization (Silver 2003). Based on her reading of Karl Marx, she argues that capitalists always innovate ways to undermine workers' collective power, but consecutively workers respond by devising new ways to overcome that challenge—and this is a constant cyclic phenomenon in industrial relations (Silver 2003, pp. 19–20). According to her, the present form of globalization and innovation in the production process is one such challenge to workers' collective power, which, she argues, workers have overcome through their reinvigorated collective movement (Silver 2003, pp. 19–20, 168–172, 177). Worker power generated through these collective movements, Silver argues, is diffused through several locations. The collective strategies adopted by the workers in countering capital's backlash are also diverse. Workers' organizations are not only dependent on their class position, but their collective action is also centred around their identities (of gender, ethnicity, religion, race and spatial location).

Silver's conclusions are based on her study of the changes in the formal organized production processes in industries such as automobile, textile, semiconductor industry, teaching, and reproductive services and their effect on the labour movement globally. Even though Silver was not specifically concerned with informal economic activities and informal workers' collective action, some of her general conclusions on innovative collective action and diffused nature of worker power are also true in the context of informal workers as I will indicate later in this chapter.

According to Eric Ohlin Wright, worker power would necessarily entail encountering the corresponding power of the capitalists (2000, p. 962). This countervailing power, he notes, takes two forms—*associational* power and *structural* power. Whereas associational power is the direct result of workers' collective organizations, structural power results from workers' strategic location in the "economic system". Wright articulates that workers' organizational power is not limited only to the formation of trade union; such collective power exists in worker parties, in work councils and sometimes in community organizations. Structural power, on the other hand, is more of a chance factor for a specific category of workers that depends on whether or not workers are uniquely located in a specific market, sector or production process.

However, the problem in conceptualizing worker power, whether associational or structural, is that the very *idea* of worker power has been discounted in the

globalization discourse (Silver 2003, p. 16). That workers can really have power to change their material condition in the new production process has been successfully undermined by the dominant globalization narrative, which focuses on capital mobility and labour stagnation. In overcoming this conceptual barrier, Silver notes that when workers' strategic bargaining power is weak, they should emphasize their associational power to win victories (2003, p. 120), and in doing so, they need to permeate the class difference in organizing, a phenomenon seen in cross-class-based informal workers' organizations. In this chapter, I shall be concerned with the associational power of workers; but even while locating power in workers' organizations, the significance of workers' strategic location in constituting associational power cannot be discounted. In the next section, I draw the broad contours of industrial relations in India and indicate how it excludes the majority of workers in the country from its purview.

12.3   State-Centred Industrial Relations in India and the Informal Workers

The IR system is highly legalistic and state-centred in India (Papola 1968; Sen Gupta and Sett 2000). Some of the prominent statutes that regulate IR in India are the Industrial Disputes Act 1947, the Industrial Employment (Standing Orders) Act 1946, the Contract Labour (Regulation and Abolition) Act 1970, and the Trade Unions Act 1926. The Industrial Disputes Act's principal aim is to facilitate investigation and settlement of disputes between employer and employees. In accordance with the law, the government plays a prominent role in resolving a dispute between the employer and the employees. The government is required to approve any change in conditions of employment and reference of dispute to the Board of Conciliation, Court of Inquiry, or Industrial Tribunal. These apart, in matters pertaining to strike, lockout, laying off, retrenchment and closure, the government plays a pre-eminent role, including the power to authorize some of these actions under certain circumstances.

In pursuance of the 1946 Industrial Employment (Standing Orders) Act, an employer is to delineate the actual conditions of employment (collectively bargained or not) in an establishment. Again, the government is required to be satisfied about the appropriateness of the actual conditions of employment and authorize such conditions. The Contract Labour (Regulation and Abolition) Act regulates a tiered employment relationship wherein workers are employed by an employer through a contractor. As per this law, not only the government is empowered to determine the establishments wherein contract labour could be employed, but it could also specify certain workplace conditions that contract workers are entitled to. These prominent labour laws regulating IR assume that trade unions as representatives of workers will interact with employers under extensive monitoring by the government.

Accordingly, the 1926 Trade Unions Act promotes the establishment and registration of trade unions and secures certain rights for union members. However, trade unions receive legislative safeguard within a very narrow frame of industrial *employment relationship*. Under the statute, a trade union is a combination formed for the purpose of regulating the relation between employers and employees. Likewise, under the law, a trade dispute is understood as a dispute between employers and employees. Understood in this narrow functional sense of regulating the industrial employer–employee relationship, trade unions in India cater to the needs of only a small minority of industrial employees (Venkata Ratnam and Verma 2004, pp. 256–257).

The vast majority of the Indian workforce does not adhere to this industrial employee model. India is a particularly good example of what J. K. Gibson-Graham called the coexistence of capitalist and non-capitalist forms of production processes. They note (1996, pp. 245–246):

> What haunts the capitalist commodity is not only non-commodity production (those home-cooked meals and made beds, those inputs produced internally within enterprises and transacted there) but non-capitalist commodity production—independent commodity production by the self-employed, slave commodities […], family-based relations of commodity production and exploitation, commodity production in collective and communal enterprises, to name just a few of the non-capitalist forms for which there are names and therefore histories. How is it that these are often confidently banished from the present—which is thereby rendered purely capitalist—or depicted as relatively marginal and inconsequential?

Gibson-Graham, in fact, charts the reality of the complex modern economy characterized by the simultaneity of formal and informal economic activities. In the Indian context, according to the National Commission for Enterprises in the Unorganized Sector (NCEUS), the informal *sector* accounts for 86% of total employment and contributes to 50% of total gross domestic product (GDP) (NCEUS 2008, pp. 26–27, 35, 61–62). On the basis of the Commission's definition of informality 92% of total employment in India is informal employment, which includes agricultural workers.

The International Labour Organization (ILO) in its recent report notes that 83.6% of the total non-agricultural workforce in India works informally (ILO 2013, p. 107). Among these informal workers, only 41.9% are engaged in an employment relationship (albeit *informal* in nature). The rest of the 58.1% of informal workers are self-employed own-account workers or contributing family members, who do not conform to the industrial employment relationship model. Accordingly, the legally safeguarded trade union model excludes these informal workers.

This de jure exclusion also amounts to de facto exclusion of informal workers from the framework of trade unionism in India (Agarwala 2008; Chen et al. 2007, pp. 3, 8; Haan and Sen 2007, pp. 75–78, 80; Sundar 2008, pp. 160–162; Venkata Ratnam and Verma 2004). Some observers note that only 8% of informal workers

are organized in trade unions in India (Agarwala 2008, p. 383).[3] It is only in some specific informal activities that trade unions have been able to organize informal workers (Agarwala 2013). Even though there has been a failure on the part of the Indian trade union movement to integrate informal workers' agenda into the mainstream, the void is being filled in by unique organizing strategies of informal workers. In the following part, I describe two instances of this *sui generis*, that is one of its own kind, collective action, which I will later contend, have nuanced ways of generating collective worker power suited to their specific needs and their location in the economy.

12.4   Organization of Informal Workers[4]

Because of the limited efforts to integrate informal workers by the traditional political party-linked trade unions, newer modes of organizations employing innovative organizational strategies among informal workers in India are emerging (Agarwala 2013, p. 203; Webster 2011, pp. 101–102, 109–114). Many informal workers in India have organized themselves as different entities such as trade unions, cooperative societies, and charitable trusts in order to promote their collective interests. In this part, I discuss organizational initiatives of informal workers that are neither industry-based nor supported by traditional trade union federations. In my discussion, apart from the strategies of negotiation with the institutions of the state, I identify other strategies where these organizations successfully use the market, undertake welfare provisioning, and engage in civil society activism. I discuss two organizational initiatives of informal self-employed workers at different locations in India, pointing to two aspects of such organization—the formation process and the functions. I do so in order to indicate that these organizations are *sui generis* organizations and different from traditional trade unions. Accordingly, their associational power is also unique and different from traditional unions.

12.4.1   The Self-Employed Women's Association

The Self-Employed Women's Association (SEWA) is now one of the biggest trade unions in India and a well-known organization of informal workers (Kapoor 2007,

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[3]There is an absence of reliable data on the union density among informal workers. According to the latest government statistics, approximately 80% of informal workers do not have an organization in their respective activities. See National Sample Survey Office, Ministry of Statistics and Programme Implementation (2014). National Sample Survey (NSS) Report No. 557, 68th Round: Informal Sector and Conditions of Employment in India, vi–vii, 25, 90, available at http://mospi.nic.in/Mospi_New/upload/nss_report_557_26aug14.pdf (accessed 30 May 2016).

[4]Parts of this section of this chapter were earlier published in Routh 2015.

pp. 555, 560; SEWA 2016a). Registered in 1972, SEWA is an organization of self-employed poor women workers that aims to promote full employment for its members "whereby workers obtain work security, income security, food security and social security (at least health care, child care and shelter)" (Hill 2010, pp. 46–47; SEWA 2016a). The initial and principal impetus for the formation of this trade union of informal self-employed women workers[5] came from an independent professional, Ela R. Bhatt, who did not share the socioeconomic and cultural background of the self-employed workers—admittedly an outsider, at least during the initial days of the formation of the trade union (Bhatt 2006, pp. 3–5, 8–12, 50, 67, 99). At that time, other influential trade union leaders, in their individual capacities, also supported Bhatt in her endeavour. Bhatt then established contacts and forged partnerships with some of the (future) stakeholders of the trade union, that is, the self-employed workers. Initially, she also received active assistance from the trade union of formal workers, the Textile Labour Association (TLA).[6] She also integrated banks in her organizational initiative, which was the backdrop to setting up the SEWA Bank for the self-employed workers.

Highly educated professional individuals and the connections and resources they offer have always been vital to the organizational experience of the SEWA (Bhatt 2006, pp. 12–13, 16, 126, 214).[7] Networking with government officials, journalists, researchers, and academics was instrumental in advancing the agendas of the SEWA during its foundational period. Within 3 years of its formation, the union began networking internationally. Bhatt along with a Wall Street banker, Michaela Walsh, and a Ghanaian businesswoman, Esther Ocloo, established a network called the Women's World Banking, in order to facilitate credit access for women. Walsh was particularly instrumental in establishing the network.

The SEWA networks permeated political, ideological and geographical borders (Bhatt 2006, pp. 15–16, 66, 70–76, 98–213). The union successfully lobbied important political leaders, including ministers, in order to promote the interests of its members. It has also established close links with the government, including implementing government programmes such as the one on workers' education. Moreover, the union was allowed to accompany labour officers of the government during the inspection process, thereby de facto enforcing labour laws in their areas of influence. The International Labour Organization (ILO) too contributed towards the agenda of the SEWA. The SEWA also integrated several non-governmental organizations (NGOs) in furtherance of its initiatives and forged nationwide and

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[5]When we consider self-employment in the context of informal workers, we have to be mindful of the regular movement between self-employment and wage work by informal workers.

[6]The TLA was the parent trade union from which the SEWA was born, but the SEWA later severed its links with the TLA.

[7]The SEWA always had (and still has) highly educated committed members on its rolls. The SEWA's professional members and outsider friends hold degrees from universities such as Harvard, Yale, Oxford and Johns Hopkins. These educated professionals would often speak on behalf of the self-employed worker members of the union, when these workers were unable to speak for themselves.

international alliances of NGOs and trade unions of informal workers. However, at its core, the SEWA is an organization of informal self-employed women workers where decision-making is the prerogative of these workers.

The SEWA is different from the traditional concept of a trade union (Hill 2010, p. 75). The governance of the union is carried on by a mix of professional cadres and worker members. It offers specialist skills such as legal advocacy, financial and vocational training, organization and policy orientation to its members (Bhatt 2006; Hill 2010, pp. 75–76; SEWA 2016a). Despite being a trade union, the SEWA undertakes these initiatives through the approximately ninety registered trade and service cooperatives that it has established for its members (Bhatt 2006, pp. 16–17, 53–54, 99–122; Dave et al. 2009). The *Swashrayi Mahila Sewa Sahakari Bank* (SEWA Bank) is the largest cooperative of SEWA members with 93,000 savings accounts and is run by the members themselves (Bhatt 2006, pp. 41, 99–122). The SEWA Bank was established in reaction to the attitude of the mainstream banking sector towards the workers. Even though the government encouraged banking with the poor workers, banks would refuse to transact with the illiterate informal workers. The SEWA Bank improvised photo identity cards as a substitute for signature by the workers in order to integrate illiterate informal workers within its fold.

The SEWA's healthcare initiative, which is also run by the members, is a combination of health education and curative care (SEWA, "Sewa Services" 2016b). The SEWA's childcare initiatives are run by local cooperatives and other organizations. The SEWA initiated its integrated insurance scheme in 1992 with the help of the national insurance companies (Chatterjee and Vyas 2001; Ginnekenn 2004, pp. 192–193; SEWA "Sewa Services" 2016b). It also provides legal services including legal education and legal assistance to its members during litigation through its legal advisory centre. The SEWA Academy promotes its members' education and capacity-building. The SEWA established the Mahila Housing SEWA Trust in 1994 in order to improve housing and infrastructural conditions of women engaged in informal economic activities.

The SEWA also lobbies the government on several issues that are central to the working lives of informal workers (Bhatt 2006: 70; Hill 2010, pp. 76–83, 89–93, 98, 139–142; Dave et al. 2009, p. 32). Additionally, it resorts to direct struggle and agitation against myriad forms of discrimination against women informal workers. At a fundamental level, the SEWA unionization provides the much needed legitimation and recognition of informal workers and their activities. Based on her study of the SEWA unionization, Elizabeth Hill argues that by organizing the most vulnerable, marginalized and impoverished women workers, the SEWA addresses their inherent insecurity, hesitation, fear, exclusion, anxiety and oppression (Hill 2010).

12.4.2 The Kagad Kach Patra Kashtakari Panchayat

While the SEWA is an organization of self-employed informal women workers engaged in a diverse range of activities, the *Kagad Kach Patra Kashtakari Panchayat* (KKPKP) is an organization of waste-pickers in Pune, Maharashtra (KKPKP 2016). The KKPKP registered itself as a trade union in 1993 (Antony 2001, p. 17). Unlike the SEWA, the KKPKP admits both men and women members (Chikarmane and Narayan 2005). In its early days, the KKPKP developed much like the SEWA. Principal idea and impetus for the formation of an organization of informal waste-pickers in Pune, Maharashtra, came from two university professors, who were implementing the National Adult Education Programme for child waste-pickers during the early 1990s (Chikarmane and Narayan 2005; Sonawane 2007). The professors first campaigned for child education and source segregation of recyclable waste; they reached out to adult waste-pickers and proposed that their children be educated and had identity cards issued to adult waste-pickers by their university in order to enable them to smoothly carry on their work.

Having established their camaraderie with the waste-pickers, the two professors came in contact with Baba Adhav, an experienced trade union leader and president of a trade union of head-loaders (manual workers) (Chikarmane and Narayan 2005). Adhav emphasized the importance of organizing the waste-pickers as a trade union and was actively instrumental during the formation of the KKPKP. The activist-professors and the waste-pickers with whom they established a "close and enduring reciprocal relationship" reached out to the larger waste-picker community in the city of Pune in order to convince them to organize as a trade union (Chikarmane and Narayan 2005). It was through a convention, organized by Adhav, the activist-professors, and other individuals, that the trade union of waste-pickers, the KKPKP, was born in 1993. Thus, the formation of the organization of waste-pickers was a result of networking and close collaboration between different organizations (including a university), responsible and committed individuals, and the waste-pickers themselves.

One of the principal purposes of the union is to promote waste-picking as productive, valuable and meaningful work in order to ensure that waste-pickers are recognized and respected as workers (Antony 2001, pp. 17–18; Shekar 2009, p. 11). The KKPKP works on the same principles as the SEWA. The KKPKP has institutionalized socioeconomic promotion programmes for its members and has instituted credit cooperatives, group insurance and a cooperative store for its members (Antony 2001, pp. 63–64; Chikarmane and Narayan 2005). The KKPKP has also promoted self-help groups for its members. In 1995, the KKPKP established a cooperative shop for waste trade run by its members. Twenty to thirty members are engaged in the shop that sells waste for recycling. This cooperative enterprise (i.e. the "waste shop") arranges for provision of paid leave, provident funds, bonuses and other social security benefits to the workers engaged in the shop. Additionally, in collaboration with the Life Insurance Corporation of India (LIC), the KKPKP has

arranged for a contributory group insurance programme, whereby its members are insured against disability, accidental death and natural death.

The KKPKP undertakes educational and literacy programmes (Antony 2001, pp. 62–64, 66). It has launched awareness initiatives on issues such as child labour, discrimination against girls, domestic violence and child marriage, and the union counsels its members to refrain from child marriage. The KKPKP also organizes direct action and protest marches against the government. From 1999 onwards, the KKPKP has been organizing annual protest rallies with its members. It has been lobbying the government for the incorporation of waste-pickers under the scope of the Maharashtra Hamal Mathadi and Unprotected Manual Workers (Regulation of Employment and Welfare) Act.[8]

The trade union not only protests against the government, but also participates in issue-based collaboration with the government. On the basis of the KKPKP's negotiations, the Pune Municipality (i.e. where the KKPKP is based) developed a medical insurance programme for waste-pickers (Chikarmane and Narayan 2005). The KKPKP also partnered with the Pune Municipality in order to establish a door-to-door waste collection initiative by the waste-pickers from the municipal residents and commercial establishments. The advantage of this mechanism is that while on the one hand, the waste-pickers earn by removing the waste of these residents and offices, on the other, they also earn from selling the recyclable waste to the recycling agents. The KKPKP's innovation in involving the local government as a partner in this initiative is pioneering in the country.[9]

As a testimony to the KKPKP's growing influence, the union is represented in a number of decision-making bodies such as the Collector's Child Labour Committee, Apex Committee on Sanitation (Pune Municipal Corporation) and Advisory Committee on Domestic Workers Act (Antony 2001). The KKPKP also acts as the secretariat for an alliance of several waste-pickers' organizations from different states in India, named the SWACHH National Alliance of Waste Pickers (SWACHH) (KKPKP Central Secretariat 2009). The SWACHH currently has twenty-four organizations working with issues involving waste-pickers. The alliance developed a national policy on solid waste management and proposes to lobby government(s) in order to implement its policy proposal.

Informal workers are some of the most vulnerable workers in India, who are deprived of even the minimum securities in their lives and work. Accordingly, informal workers' collective action needs to devise ways to address the inherent insecurities and exclusion of informal workers, in both the shorter and the longer term. It is in this context that informal workers' collective action mentioned above makes judicious use of the legal framework in India. Apart from registering as trade unions under the Trade Unions Act 1926, informal workers' organizations are also

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[8]Unprotected Manual Workers (Regulation of Employment and Welfare) Act, 1969, No. 30, Acts of Parliament, 1969.

[9]For a more detailed description of activities by waste-pickers' organizations, see Routh 2014, pp. 80–84.

registered under the Cooperative Societies Act 1912, the Societies Registration Act 1860 and the Companies Act 1956 (repealed in 2013). As I have discussed elsewhere, each one of these statutes offers something unique to the informal workers' organizations (Routh 2016, pp. 312–320).

12.5   Workers' Aggregation and Workers' Power

As the examples above in part 4 indicate, informal workers' organizational initiatives are based on functional necessities rather than on strict adherence to a specific form. Because of the nature of their work, informal workers need to bargain mainly with the state (primarily the government) and not with employers. Accordingly, their priority is to enhance their bargaining power *vis-à-vis* the government rather than an employer (i.e. when one exists). Due to their marginalization, illiteracy, lack of awareness and informational deficiency, by themselves they are unable to generate enough political power to influence the government (or the state) mechanism. This is evident from the exclusion of informal workers from government planning and policies in India historically, as noted by the NCEUS (NCEUS 2007). It is therefore important for informal workers to involve as many institutions and individuals in their collective action as might help them enhance their bargaining power against the state.

However, the organizational initiatives I discuss in this chapter not only perceive the state as an adversary, but also involve the institutions of the state in partnership. A state consists of the government, the legislature, the judiciary, members of parliament, opposition parties, local administrators and local elected representatives. In the informal workers' organizational model, some of these constitutive entities of the state have been instrumental in the organization process of informal workers. Additionally, non-state entities such as NGOs, social activists and even universities or research institutions have become coalition partners in the organizational initiative.

Under the existing circumstances of impoverishment and marginalization of informal workers in India, such workers cannot be expected to be concerned very much with the long-term goals and consequences of their organizational initiatives. For their basic survival, they need to think primarily about availing themselves of short-term benefits and advantages. In order to make use of (limited) available opportunities for their more immediate concerns, informal workers' organizations need to decide their agendas and operate locally. Such localized determination of agendas and priorities for organizations of informal workers also indicates that they should be decentralized (rather than a centrally controlled union structure) and based on the local social fabric. Such decentralized organization is helpful because locally based organizations need not conform to any centrally adopted ideology, policy or strategy and may be informal activity-specific.

This model of organization of informal workers could be seen as a *flux*, or as a *transient* ever-evolving framework, which lacks specific form and characteristics at

a single point in time (Crow 2010, p. 54). I propose that we term this model of organization of informal workers as workers' aggregation. The term "aggregation" suggests a "more loosely integrated collection" (Allee 1931) which is a more appropriate concept for the nature of organizations of informal workers I discuss. The idea that I want to convey is that the organizational model of informal workers is not one of close-knit association with identical *trade* (worker) members; the informal workers' organizations described above are loosely formed organizations that integrate a range of workers engaged in several informal activities. It is also possible that each individual worker might work in different activities at the same time. Even though some trade unions and trade union federations include workers from a variety of activities, unions' primary organizational unit is employees in a specific industry.

Moreover, in the organizational model I describe, outsiders and non-worker members play a significant role in shaping and developing the organizations. Due to these unorthodox characteristics of informal workers' organizations, I propose that *aggregation* is a better term to convey the idea of a loosely formed group by (not identical but similarly situated) individuals for mutual benefits. While still a generic term, at the same time the idea of aggregation also suggests some kind of specificity or peculiarity. Since the principal constituent of this aggregation is informal workers, it is a *workers' aggregation*.

While an informal workers' aggregation needs to be primarily concerned with the interests of its worker members, its approach towards the institutions of the state and non-state entities ought to be principally collaborative rather than confrontational. A class-based confrontational agenda need not be a priority for a workers' aggregation. This ambivalence regarding class consciousness does not, however, mean that a workers' aggregation need not be concerned about the larger political process. Indeed, one of the fundamental objectives in the development of the strategic aggregation of workers involving a range of individuals and institutions is to raise the workers' political negotiating power. This emphasis on collaboration is because of the lack of confrontational tools at the disposal of the workers and their strategic location in the economy. However, this emphasis does not deny, if informal workers can, the possibility of confrontation in order to further their agenda. It is likely, however, that any confrontational strategy will be framed as *citizens' claims* against the state as pointed out by Rina Agarwala, rather than *workers' legitimate demands* (Agarwala 2013).

Thus, the possibility of enhancement of negotiating power is more likely to be the result of strategic cooperation rather than solely class-based (or identity-based) division and conflict, as I will indicate later. Links of some sort with the institutions of the state and civil society are a must for a workers' aggregation, but it should remain a central feature of aggregation that it may successfully operate even without any conscious class-based group formation and activism. Accordingly, the idea of informal workers' aggregation eschews the distinction between the different kinds of unionism as business unionism, social partner unionism or class struggle unionism (Hyman 2001, pp. 1–5; Upchurch et al. 2009, p. 5).

For an informal workers' aggregation to be effective, even though there should be a definite emphasis on collaboration with the different institutions of the state, these collaborations should not end up making an aggregation subservient to the interest of the state, as has been the experience of either corporatist trade unionism or one-party unionism of former socialist states (Bergen 2007, pp. 39–40; Kraus 2007; Pringle and Clarke 2010, pp. 2–3, 145–146, 202–203; Upchurch et al. 2009, p. 10). In this principally collaborative form of organization, it is thus a responsibility of the aggregations to guard themselves against encroachment by the state or becoming an extension of the state.

12.5.1   Generating Worker Power

Informal workers are mostly not strategically placed in the global production processes. Their location in the economy is not generally significant in terms of the disruption of vital production processes, which undermines their structural power. The non-existent structural power makes informal workers completely dependent on their associational power, if any, for amelioration of their conditions. While a large number of informal workers are actually deprived of associational power, when such power does exist, its nature is subtler than that in the trade unions.

Traditionally, trade union power is attributable significantly to its membership strength (Brown 1983, p. 1; Galenson 1994, p. 56). When Silver notes that workers' power in the era of rapid globalization is more diffused, she indicates the globally dispersed nature of trade union activism (and membership strength) even though trade union membership has dwindled in the Western industrial countries. Her conclusion is still based essentially on membership strength of dispersed organizations. However, as the instances of informal workers' aggregations discussed in this chapter suggest, the sources of associational power even within a single workers' aggregation are also more diffused. The nature of this diffused power is different from that of Silver's conceptualization. By diffused power, Silver meant the spread of workers' movements. Diffused associational power of workers' aggregations, on the other hand, means the dispersal of power within the domain of *one* organization, but not necessarily generated by and contained in only that organization, as I explain presently.

One of the primary sources of associational power in aggregations lies in the legal instruments employed by these aggregations. As I note, workers' aggregations strategically register themselves as different entities under the Trade Unions Act, the Cooperative Societies Act, the Societies Registration Act and the Companies Act, depending on the specific usefulness of these statutes for their agenda. The Trade Unions Act guarantees legal status of unions and extends certain immunities to the aggregations' rank and file; the Societies Registration Act facilitates service provisioning by the aggregations; and the other two statutes aid in structuring productive activities by the aggregations for their members. This flow of power, emanating from statutory safeguards, is state-centric (i.e. legislatively promoted).

Secondly, integration of well-connected and professionally accomplished members (including office bearers) substantially enhances the bargaining power of workers' aggregations. Power, in this case, could be traced to these members' education, knowledge, connection to the various institutions of the state and non-state entities, acquaintance with powerful individuals (such as member of parliament or legislative assemblies) and their international networks.

Thirdly, by securing social security provisioning for their members, aggregations ward off their immediate pressing insecurities. Potentially, this enables the members to focus more on the agenda of a good life rather than mere survival, with the latter being the case for the majority of the informal workers. Since members are usually ready and willing to engage in collective activities in furtherance of ameliorating their condition once minimum social security is arranged, such social security provisioning is also a source of inherent power of the aggregations. Likewise, workers' self-reliance through business activities set up by the aggregations adds up to the overall power of the aggregations.

Fourthly, workers' aggregations—particularly of the SEWA variation—offer training and education to their members. This training and education not only enable the rank and file to efficiently undertake their economic activities, but also prepare them to interact with the outside world (Hill 2010). More particularly, members' training equips them to engage in reasoned dialogue with the several institutions and individuals that they encounter in their day-to-day functioning.

Fifthly, arguably a somewhat soft power lies in maintaining cordial relations with the government. Workers' aggregations, of the variety I discuss earlier, mostly engage in reality with the government in a cordial rather than confrontational manner. They collaborate with the government in order to promote their members' livelihoods. The government often sees them as partners in engaging with informal workers' agendas. It is, therefore, no surprise that the government has allowed workers' aggregations to sit on different committees to discuss informal worker issues.

Sixthly, aggregations also derive associational power from networking and coalition formation. Informal workers' aggregations develop linkages with other organizations working on agendas similar to theirs—both nationally and internationally. This networking and pulling of resources together not only contribute to the collective power of several organizations, but also adds to every organization's bargaining power. Thus, instead of being generated internally just by the aggregation, an aggregations' associational power could also arise outside that specific aggregation.

What is distinctive about associational power of workers' aggregations is that power is not principally dependent on numerical strength of these organizations. That is not to ignore the significance of numerical strength for the clout of an aggregation. While membership count is important for associational power, informal workers' aggregations mainly derive power from their multifarious activities and their interactions with other institutions. As Castells notes, in the new political economic order power is no longer concentrated in specific institutions or organizations. A workers' aggregation—particularly because of the marginalization of informal workers—*just by itself* might not be powerful enough. Its power lies in the

comprehensive nature of things it is involved in. The source of power, rather than being concentrated in the organization, is dispersed.

Since power is not fixated on the organization per se, the idea of associational power is shaped and reshaped with every initiative that an aggregation undertakes (Castells 1997, p. 360). This power, because it is based on local experiences and cultural norms and is circumstantial in nature, cannot be easily seized; it organically evolves through years of collective initiatives. While informal workers' aggregations share some of the characteristics of resistance identities that Castells documents (Castells 1997, pp. 356–357, 359), it could not be fully categorized as an identity movement. While identity such as gender (as in SEWA's case) is sometimes central to an aggregation, *worker consciousness* is also fundamental to their movement. Aggregations thereby integrate both identity and class (howsoever complicated that class location is) into their fold.

The associational power of workers' aggregations is non-coercive vis-à-vis the state. Again, a distinction with trade union power might be instructive. Traditionally, trade unions bring their coercive power to the bargaining table with the employers. Capacity to strike, go-slow and other means of disrupting the production process is a vital component of this coercive associational power. The nature of informal economic activities takes these coercive mechanisms out of reach of the informal workers' aggregations. Informal economic activities such as home-based work (even if linked to global value chains), street vending, waste recycling and domestic work are unlikely to be based on a clear employment relationship. Moreover, several of these activities are mere survival activities (while at the same time connected to the market). It is, accordingly, inconceivable that coercive actions such as strike action will hold any significance for informal workers.

Moreover, the premise of the associational power of aggregations is in keeping with the nature of bargaining in the context of informal economic activities. As I mention earlier, because of the absence of or the uncertain nature of employment relationship in their activities, informal workers make their claims against the state (Agarwala 2013). Accordingly, bargaining in their context means their negotiation mainly with the state. The nature of this negotiation is mainly non-confrontational and collaborative, which is in keeping with their mainly non-coercive power.

The essence of aggregations' bargaining with the state (mainly the government) lies in the reasonableness of their respective negotiating positions. Aggregations' power lies in engaging the state and other entities in a justified discussion on their present and possible future condition. Aggregations' bargaining success would lie in making the state see (and appreciate) the justification in their argument. Reasonableness of the argument rather than the strength of their voice is more vital in their bargaining strategy. If their power needs to be used in furtherance of a justificatory dialogue-based bargaining, such power need not be confrontational but more subtle and diffused. And that is where the distinctiveness of informal workers' aggregations lies.

12.6   Conclusion

Informal workers, who have been historically excluded from the trade union movement in India, constitute the majority of the workforce in the country. Arguably, it is the informal workers who are at the forefront of innovation so far as collective action and generation of new forms of workers' power are concerned. Their collective action, however, is different from traditional trade unionism. Traditionally, collective bargaining with the employer and political lobbying with the government are the main methods of trade unions (Galenson 1994, pp. 56, 133–134; Olson 1971, pp. 76, 83–84, 96, 135–137). Additionally, some trade unions also offer safeguards for their members' contingencies such as sickness, invalidity, old age and unemployment (Brown 1983, p. 23; Galenson 1994, p. 134).

In the context of informal workers, the very *idea of bargaining* is different; it is not confined to a negotiation between the employer and the employee or its several variations. For informal workers, even though bargaining happens at several levels, they bargain primarily with the state and its institutions. Provision for social security for their membership is one of the essential functions of the organizations of informal workers. And in addition to these functions, informal workers' organizations undertake economically productive activities for their members. Not only a combination of these functions makes their organizations unique, but these are also the source of power for these organizations.

In this chapter, I indicate this subtler *source of workers' power* that has been gaining strength in India (and elsewhere). I have conceptualized the power generation capacity of what I term as *workers' aggregations*. Normally, associational power is dependent on the numerical strength of trade unions. However, in the workers' aggregation variety of collective action, unlike trade unions, power is per se not dependent on the numerical strength of the workers' organization; power emanates from the diffused range of functions and relations that these workers' aggregations undertake and sustain. However, numerical strength is a good thing to have—but even without it, there may be power in workers' collective action.

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Chapter 13
India at the Crossroads? Economic Restructuring, Deregulation and the Instability of Labour Relations

David Beale

Abstract Dominated by a strong state sector for the first four decades after independence, alongside a relatively corporatist approach to labour relations focused on formal labour, India has experienced obvious restructuring of its economy since the mid-1990s. This has been particularly in terms of increasing market orientation, deregulation and privatization, the emergence of internationally competitive industrial and technical sectors and growing integration with the global economy, in conjunction with rapid economic growth and very considerable, growing disparity of poverty and wealth. These changes have had an important federal dimension and substantial geographical imbalances, and also, the drive towards greater market domination of the economy has been protracted and contested. Regarding the impact of these changes on labour relations, the following aspects are critical: the formal/informal labour distinction, the ongoing demands for legal reform in favour of employers, the challenge of collective representation of informal workers, the question and dilemmas of political party allegiances of trade unions, the significance of special economic zones, the diverse pattern and periodic intensity of labour relations confrontation, and the impact of central government policies and ascendency of the Bharatiya Janata Party.

Keywords Restructuring · Labour relations · Unions · Politics · Instability · Change

13.1 Introduction

India won its freedom from Britain in 1947, throwing off the shackles of colonial rule after a long and sometimes bitter struggle. Tragically, at its birth as an independent nation India was riven by communal confrontation on a massive scale,

D. Beale (✉)
Manchester Business School, University of Manchester, Manchester, UK
e-mail: david.beale03@gmail.com

primarily between Hindus and Muslims, as the country was partitioned. Millions crossed the borders between the newly independent and predominantly Muslim Pakistan and the newly independent and predominantly Hindu India. In spite of this, India portrayed itself internationally as a secular state, based on parliamentary democracy and allowing the development of civil society, which contrasted sharply with the political experience of Pakistan (e.g. Candland 2007).[1]

However, with the sheer size of India and its immense historical, economic, cultural, linguistic and religious diversity, it was hard to see how the new state could have functioned without a fundamental federal dimension to it. A federal system of government was established, and this aspect is essential to understanding the political, economic, developmental and labour relations structures and dynamics of India today (Beale and Noronha 2015; Corbridge 2011; Corbridge and Harriss 2000, pp. 143–172; Sinha 2005; Venkata Ratnam 2006, pp. 87–88).

India has a population of 1.29 billion (2014 figures, World Bank 2016). Half of the population is under the age of 25 and 40% under 18 years of age (US/United States Census Bureau, as cited in Glover and Hammer 2010, pp. 630–631), indicating the potential for a significant dividend for the Indian economy (Venkata Ratnam and Verma 2011, p. 344). There are 29 states and 7 union territories and an electorate of 814 million (Business Today 2014). The country as a whole covers an area not dissimilar to Europe in size. The Congress Party, which was the political vehicle of the independence movement, dominated Indian politics from 1947 at least until the late 1970s and still commands a powerful position today in spite of more recent electoral defeats. Challenges to its position have come from the right (in terms of the Hindu traditionalist Bharatiya Janata Party [BJP], which won the 2014 general election), to a much lesser extent, the left (essentially led since the 1960s by the Communist Party of India [Marxist]/CPI-M) and from increasingly influential, regionally based parties and movements politically of the right, left and separatist inclination (e.g. Ruparelia 2011).

After 1947, successive Congress governments were led by Jawaharlal Nehru and subsequently by Indira Gandhi (his daughter) and then Rajiv Gandhi (his grandson). In addition to secularism (whatever substance it had in reality) and parliamentary democracy, Congress dominance was built on a strong state sector, a distinctive socialist-inclined ideology, a relatively interventionist and corporatist approach to labour relations, restrictions on foreign direct investment, centralized economic planning and close ties with the Soviet Union. However, cracks increasingly appeared from the mid-1970s onwards in the post-colonial Congress hegemony and its related era of political-economic stability. By the 1990s, a new era of political and economic change was obvious. BJP-led or Congress-led *coalition* governments were the expected outcome of national elections, alongside a clear shift away from a strong state sector towards a more deregulated and market-driven economy,

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[1]In a recent, important publication, the controversial argument is put that the secular image of India is a myth and that it was essentially a Hindu state from the outset (Anderson 2015).

albeit qualified by economic and labour relations changes increasingly mediated by India's state-level governments.

Today, India is the fourth largest economy in the world, with globally recognized companies in pharmaceuticals, steel and information and space technologies (World Bank 2013). In global terms, it is a relatively fast-growing economy. With faltering growth rates and various degrees of recession for many economies in the world, India achieved a growth rate of 5.4% in 2012–13, compared to 6.5% in 2011–12 and an average of 8.35% in the 2004–11 period (International Monetary Fund/IMF 2013). Although these figures indicate a slowdown and a significantly more problematic period for the Indian economy, the IMF was still able to report a growth rate of 7.3% for the fiscal year 2015–16 and a projection of 7.5% for 2016–17 (IMF 2016). However, this relatively positive pattern of performance for the economy as a whole has occurred alongside vast and arguably growing inequalities of wealth, with 400 million people in poverty in India, 150 million unemployed, 78 million homeless and 300 million unconnected to electricity (New Socialist Alternative 2009; World Bank 2013). Inequalities of poverty and wealth are also regionally imbalanced, with 65% of India's poor concentrated in eight states (UK [United Kingdom] Department for International Development 2013). The proportion of the population who live in urban centres (31%—World Health Organization 2013) is very rapidly growing, with an estimated 10 million per year migrating from their villages to towns and cities (World Bank 2013). Agriculture is in crisis, with about 60% of the population dependent on it, while contributing barely 20% to the gross domestic product/GDP (Venkata Ratnam and Verma 2011, p. 345).

India's labour force is divided between a formal (also known as "organized") sector and an informal ("unorganized") sector, with around 90% of the labour force (409.6 million workers) within the latter (Ahn 2010, p. 53; World Bank 2013). Formal workers come under employment protection legislation (or at least they do officially), are predominantly within the public employment sector and are often members of trade unions (53.2%—Ahn 2010, p. 14). The informal sector is made up of a mixture of self-employed, small business-based, subcontracted, agricultural and predominantly non-union labour, suffering the worst forms of labour exploitation, the poorest pay and frequently despotic conditions. However, the protection afforded to the formal sector has also been under intense pressure and attack over the last two decades, not least through the weakening of the formal-informal sector divide (Jenkins 2004; Noronha and Beale 2011, pp. 170–173).

13.2 Economic Trends and Restructuring

The trends of the Indian economy towards greater global integration, deregulation and privatization of state-owned enterprises and services have been clearly evident since the early/mid-1990s. In the post-Soviet era, India's main trade links have been with the European Union, USA and China (European Union undated, p. 3). India's GDP share of international trade in goods went from 23.7% in 2003–04 to 35% in

2007–08. Foreign and net capital inflows increased from 1.9% of GDP in 2000–01 to 9.2% in 2007–08, both factors reflecting continuing global integration (European Union 2010, pp. 4–5). The Congress-led government's foreign trade policy for 2004–09 aimed to double its share of global goods trade within 5 years and to use expanding foreign trade as a tool for economic growth and job creation. In spite of these developments and the fact that India became a founding member of the World Trade Organization/WTO in 1995, the World Bank has perceived India as relatively restrictive in terms of international trade (European Union 2010, pp. 4–5).

Regarding restrictions on both inward and outward foreign direct investment (FDI), these have been increasingly removed since the mid-1990s, with inward FDI growing from a US$455 million average in 1985–95 to US$3.45 billion in 2002 and outward FDI from US$23 million (1985–95) to US$431 million (2002) (UNCTAD/United Nations Conference on Trade and Development 2003). By 2011, inward FDI had grown very substantially to US$31.6 billion and outward FDI to US$14.8 billion (UNCTAD 2012, pp. 45–46, 171). However, regardless of its initiative that allowed 100% foreign ownership in both retail and parts of its agricultural sector (UNCTAD 2012, p. 78), India suffered from a 29% fall in FDI inflow in 2012, caused by its slowdown in economic growth, high inflation and major problems in the global economy (The Hindu 2013). Although India had overtaken China in 2015 to top the global league table in terms of inward FDI, this was more an indication of a disastrous FDI pattern of other emerging economies (Financial Times 2015). In fact, India had not overtaken its own 2012 figure and was evidently way behind its 2011 inward FDI levels.

1991 marked a very important milestone in India's economic and political trajectory that has an ongoing relevance. In that year, the country faced a fiscal crisis of major proportions, such that the IMF provided emergency assistance to the economy. Two currency devaluations occurred, and a "structural adjustment" programme was the price the Indian government paid to the IMF. This ushered in a new phase in economic policy, with extensive privatization of the state sector placed prominently on the agenda. The new government policy led to increasing commercial freedoms for public sector organizations, the abolition of licensing regulations for private investment, capital market deregulation and the increasing removal of international trade and FDI barriers (Balasubramanyam and Mahambare 2001; Candland 2007, p. 100; Hensman 2010, pp. 112–113; Uba 2008, p. 863). This broadly coincided with both the establishment of the WTO and the collapse of India's important traditional ally, the Soviet Union. However, the suggestion that 1991 is a clear watershed between four decades of a Nehru-/Congress-led, state-dominated economy and a post-1991 free-market era is a misleading simplification.

Firstly, Corbridge and Harriss (2000, pp. 143–145) suggest [citing Manmohan Singh] that notions of Indian sovereignty and economic self-reliance in the post-independence Nehru era are a myth, with financial and technical assistance provided by the Soviet Union, Czechoslovakia, as well as the UK and the German Federal Republic. They point out that these dependencies continued in the 1970s and in fact increased in the 1980s, including significant IMF assistance. Secondly, arguably the 1975–77 state of emergency imposed by Indira Gandhi, the impact this had in

weakening Congress political hegemony and the effect of some of her pro-employer initiatives associated with the emergency represented a significant juncture that acted to promote pro-market trends in government policy (Candland 2007, p. 95). Thirdly, by the late 1990s, there was a second round of pro-market reforms that won cross-party support, focused on the supply of cheap knowledge-based goods (not least software) to global markets, thus strengthening the trends towards Indian integration in the global economy (Corbridge and Harriss 2000, p. 144).

13.2.1 Central Government Caution, Federalism and Domestic and External Pressures

Three other factors might also be suggested that qualify and complicate the deregulation, restructuring and privatization of the Indian economy that has taken place in the last two decades or more. Firstly, while important "neoliberal reforms" have been implemented nationwide by successive central governments since 1991, there is evidence suggesting that these have been within significant limits and relatively gradual, not least regarding privatization (Ahluwalia 2002; Candland 2007, p. 91; Noronha and Beale 2011; Sinha 2005, pp. 18–20; Uba 2008, p. 863). Thirteen years after the 1991 fiscal crisis and IMF bailout, at most a mere 4% of India's state-owned enterprises had been fully privatized and only 19% partially privatized (figures based on Candland 2007, p. 100; Uba 2008, pp. 863–864). Commercialization of some state-owned enterprises—known as public sector units (PSUs) in the Indian case—is a common first step by governments towards full-scale privatization, but with India, when this has occurred, the process has often stopped at this point. Especially with the end of uncontested Congress political dominance, there is a case to say that central governments have been less stable and more sensitive to the threat of electoral defeat and the fear of mass popular—and trade union—opposition.

Secondly, the dynamics of India's federal dimension is essential to an understanding of how deregulation, restructuring and privatization are played out (Corbridge 2011; Sinha 2005). States often compete with each other through their governments, political elites and business interests for resources from the centre, and this can have a fundamental effect on economic development and the politics of state and central governments. With justification and considerable detailed evidence, Sinha's (2005) important economic development study has referred to India as a divided leviathan. Deregulation, restructuring and privatization are mediated through this federalized process, and there is a case to say that successive Indian governments have pursued such policies in a devolved manner via the various state-level governments as a deliberate central government strategy (e.g. Noronha and Beale 2011, p. 171). The intensity of competition between states is probably exacerbated by the very uneven economic development and considerable inequality between them. In turn, this interstate competition for resources increasingly extends

beyond tensions and conflicts with central government to competition to attract big business investment from both Indian employers and foreign capital. A well-publicized illustration of this was the battle between the communist-led West Bengal state government and the BJP state government of Gujarat for the location of the Tata Nano small car-manufacturing plant (which in the end went to Gujarat) (Ghatak et al. 2013; Outlook 2009; Sud 2008).

Thirdly, Hensman (2010, pp. 110–112, 2011) makes an important distinction between globalization and "liberalization"/deregulation. She suggests the latter goes much further than the former, incorporating the typical demands of the IMF and World Bank of currency devaluation, interest rate rises, deregulation of the economy, privatization and reduction of state expenditure. Her perspective is valuable analytically. It informs explanations of trade union responses to key aspects of these developments (which are considered below) and highlights useful distinctions between internal and external pressures towards economic "neoliberalism". Regarding the latter, Hensman's core argument is that there were domestic pressures to deregulate the economy, restructure and privatize prior to 1991, but that the external pressures which increased afterwards—coming from the World Bank, IMF, WTO and trends towards global integration—combined to strengthen the hand of domestic elites to make this a key item of both central and state government policy agendas for all the main political parties. She adds to this argument by suggesting that the trend towards more significant employer and government attacks on workers' rights probably predated the 1991 fiscal crisis and mid-1990s WTO initiatives, but that these events provided opportunities for employers and government also to develop and legitimize a strong anti-union agenda as a key element of pro-market policies (Hensman 2010, 2011).

13.3   Labour Relations and Change

The collective battles of labour and the emerging trade unions were a significant element of the struggle for Indian independence. Critical to the British occupation were the political, administrative and economic "presidencies" of Calcutta, Bombay and Madras. While the Indian independence movement recognized the obvious importance of these centres politically, their economic development brought about repeated and increasing attempts by workers to organize collectively. The first concern of the latter was obviously to improve wages and conditions of employment, but inevitably, this was increasingly linked to the independence struggle. British colonial policy did all it could to restrict, contain and where possible defeat unionized Indian labour, and—with a combination of prejudices based on race and class—its response was considerably more brutal than the repressive measures it applied at the same time to workers in Britain. Competing ideologies that addressed the injustices faced by Indian workers battled it out in the course of the independence movement's development. In the second half of the nineteenth century, Indian workers made increasing attempts to organize and—spurred on by the

international developments in the labour movement in the early twentieth century including the Bolshevik Revolution—the All India Trade Union Congress (AITUC) was formed in 1920. Communist influence within the leadership of the AITUC was predominant, and indeed today, the AITUC has close links with the Communist Party of India (CPI).

The considerable influence of Mohandas Karamchand Gandhi in the independence movement brought his philosophy of non-violent militant struggle and various forms of civil disobedience to the forefront of public attention and had substantial influence on the Indian National Congress in the first half of the twentieth century.[2] However, his ideas and personal influence—in addition and in contrast to competing communist notions of class struggle as embodied by the AITUC—also had a significant impact on the developing trade unionism (Beale and Noronha 2014, pp. 521–522; Breman and Shah 2004; Kamath and Kher 1993; Patel 1987). Gandhi and Anasuya Sarabhai founded and lead the famous Majoor Mahajan Sangh (MMS, the Textile Labour Association) in the early twentieth century. While the MMS fought hard for improvements in wages and conditions where necessary through strikes, it rejected the basic tenets of Marxism; its approach was to work with the employers and peacefully persuade them to improve wages and conditions through relatively militant but non-violent methods. Gandhi's approach was one of the important influences on the framework of labour relations established by the Nehru-led Congress governments following independence, while at the same time contrary communist perspectives and influence have had a continuing effect on Indian unionized labour.

13.3.1 The State, the Legal Framework and Collective Bargaining

The alliance of the political leaders and the trade unions in the independence movement is important in that in addition to making a significant contribution to the struggle itself, it also laid the basis for the central role of the state in post-1947 labour relations. This was not only in terms of the state as a large employer providing relative employment protection and social welfare, but also through an emphasis on a tripartite approach to labour relations in terms of state regulation, mediation, consultation and labour law enforcement (Bhattacherjee 2001; Glover and Hammer 2010, p. 632; Ramaswamy 1984; Sen Gupta and Sett 2000).

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[2]The Indian National Congress was the all-embracing political vehicle of Indian liberation, usually known simply as Congress, and in spite of significant electoral defeats, it remains today a cornerstone of Indian politics nationally. Also, it should be noted that Gandhi's ideology did not go uncontested during the independence struggle, and some important recent publications seriously challenge Gandhi's supreme reputation as father of the nation, not least in contrast to the perspective and ideas of B.R. Ambedkar (Ambedkar 2014; Anderson 2013; Roy 2014).

Thus, the post-independence governments quickly established a strong legal framework for the settlement of labour disputes. The 1947 Industrial Disputes Act —which was a virtual replica of Section 81A of the Defence of India Rules promulgated by the British government (Sen Gupta and Sett 2000)—was pivotal in this regard, although the Indian government immediately added the 1948 Minimum Wages Act and the 1948 Factories Act to the post-independence legal framework, as well as very many other labour laws over the next three or four decades.

This state interventionist labour relations policy was partly supported by the fact that the big trade union federations were and still are mostly affiliated or aligned with particular political parties, thus not infrequently securing improvements in wages and conditions via party political lobbying and patronage—a situation that has applied most frequently to the INTUC (Indian National Trade Union Congress) at central government level (Glover and Hammer 2010, p. 632). Thus, a significant element of de facto corporatism, especially in relation to the INTUC, operated for several decades following independence, with government attempts to promote labour relations stability as a prerequisite of state-dominated economic development and planning (Venkata Ratnam and Verma 2011, pp. 337–338).

In line with this approach has been the determination of wages in much of the public sector by legally established pay commissions instead of collective bargaining. However, this system can still be significant in provoking labour disputes focused on the implementation of pay commission outcomes at state level (e.g. Beale and Noronha 2014, regarding Gujarat). Civil servants' pay is the benchmark for public sector pay more widely, and in turn, public sector pay acts as the standard for unionized labour in the private sector to aspire to wherever possible (Venkata Ratnam and Verma 2011, pp. 341–342).

A contentious issue concerns recognition for collective bargaining purposes, which is not established as a legal right nationally, although some state governments have provided this in one form or another (Venkata Ratnam and Verma 2011, pp. 338–340). The parties to labour relations can establish formal agreements voluntarily, but the bargaining unit can be defined exclusively in terms of that union's membership only, thus potentially provoking other disputes with other unions in that company or workplace. The 1947 Industrial Disputes Act, however, provides for conciliation, and binding arbitration and adjudication, the latter being legally enforceable through the labour courts, industrial tribunals and national industrial tribunal (Venkata Ratnam and Verma 2011, pp. 338–340).

13.3.2 Trade Unions and Employers' Organizations

Regarding the considerable communist influence within the AITUC prior to independence, Congress responded by establishing its own trade union federation in 1947, the Indian National Trade Union Congress (INTUC). This post-independence situation triggered an unfolding process of party political fragmentation of the trade union movement that remains a central feature of labour relations today

(Venkata Ratnam and Verma 2011, pp. 331–332), with labour movement divisions into rival national and regional union federations based on political party affiliations. In addition, it has frequently been the case that when a major political party splits, the new smaller faction has then created its own new trade union federation.

The most recent official figures available at the time of writing identify 12 main trade union organizations/federations nationally, the top five of which are the Bharatiya Mazdoor Sangh (BMS, close to the Hindu nationalist BJP), the Indian National Trade Union Congress (INTUC, the Congress Party's union federation), the All India Trade Union Congress (AITUC, aligned with the CPI), the Hind Mazdoor Sabha (HMS, essentially independent and social democratic) and the Confederation of Indian Trade Unions (CITU, aligned with the Communist Party of India [Marxist]/ CPI-M). These top five account for 78.8% of total government-verified trade union membership (19.62 million members) (Ahn 2010, pp. 12–13, 15, 18; Dev Roye 2008; Government of India 2008). The total membership verified under the official government process is nearly 25 million, while the membership claimed by the unions is over 41 million (Ahn 2010, pp. 12–13, 15, 18; Dev Roye 2008; Government of India 2008). For a combination of reasons, the government-verified membership is certainly an understatement of the true figure, which may be closer to 41 rather than to 25 million (for a full explanation, see Ahn 2010, pp. 14–15, 18–19). Union membership grew nationally at least as fast as the growth in employment. It is concentrated in the formal labour sector, and although unions have made some inroads into the informal sector, collective bargaining in the latter probably remains very limited. Of the five biggest central trade union organizations/federations, BMS has the greatest membership in the largest range of employment sectors and industries, followed by the INTUC and the CITU (Ahn 2010, p. 16).

The post-colonial labour movement in India recognized the state as the principal vehicle for securing and representing the interests of workers through employment in public sector enterprises, providing a secure, albeit narrow, base for trade union presence and membership. Consequently, when the government in India began to deregulate, most central union federations had only weak representation in the "unorganized" (informal) sector, in which the majority of women workers were also located. However, in the 1980s and 1990s—frustrated with the limitations of the established, politically affiliated, central trade union federations—"independent" enterprise and industry-based unions and labour-related non-government organizations (NGOs) emerged. These were not aligned to any national union federation or political organization and focused on the informal sector and women workers (Gillan and Lambert 2013). Three significant union initiatives focused particularly on the informal sector are the National Centre for Labour (NCL), the National Trade Union Initiative (NTUI) and the Self-Employed Women's Association (SEWA). All three are non-aligned politically as a deliberate policy, with the NCL and the NTUI being essentially national coordinating bodies for a wide range of democratic and left unions. All three encourage links between trade unions and worker-focused NGOs and, to some degree, cooperatives. The activities of the SEWA and the NTUI in the sector have acted as something of a spur to the established central union federations to increase their organizing efforts, although

this has also led to a degree of tension regarding which unions might claim the effective representation of unorganized sector workers (Gillan and Lambert 2013).

The Council of Indian Employers (CIE), established in 1956, is the principal employers' organization. It represents Indian employers at the ILO (International Labour Organization) and makes representations to the Indian government on behalf of the core affiliated employer organizations that cover both public sector and large-scale private industry (Venkata Ratnam and Verma 2011, pp. 335–337). The Standing Conference on Public Enterprises (SCOPE) was set up in 1970, joining CIE in 1973. Indian employers' organizations nominate representatives to various joint bodies concerned with labour, business, economic and social issues, in terms of both the determination of wages and working conditions and consultative processes. They have an important function too in terms of lobbying government regarding legislation. For instance, the Karnataka government repeatedly extended the exemption of the information technology sector from the Industrial Employment (Standing Orders) Act 1946, and it was granted for many successive years because of the pressure from employers' organizations (Nandakumar 2013). Prior to independence, there was a diverse range of employers' organizations, and after 1947, the number increased considerably more in response to the extensive programme of employment-related legislation and the importance of public sector employment under successive Congress governments (Venkata Ratnam and Verma 2011, p. 335). Thus, the need arose for coordination and a consolidation of the various employers' organizations, and the CIE was set up to address this issue.

13.3.3 Key Issues and Recent Developments

India's immense diversity makes generalization about national trends and developments in labour relations difficult (Beale and Noronha 2015). However, six overlapping issues and recent developments are worthy of particular comment in relation to deregulation, restructuring and privatization: labour law; labour markets; special economic zones (SEZs); devolution and the dynamics of federalism; the problems, challenges and role of central government; and trade union issues and conflict in labour relations.

13.3.3.1 Labour Law and the Labour Market

Labour law and deregulation of the labour market are entwined issues, with a high-profile "reform" campaign focused on India that has been ongoing for many years. This is driven principally by the employers (Indian but also foreign) and global financial institutions (primarily the World Bank and IMF), but also supported to various degrees by many politicians and academics in India and internationally. Central demands are to deregulate the formal sector of the economy and reduce the legal restraints on employers' ability to hire and fire formal sector

workers (e.g. Hensman 2001). Government permission has been required by law for workplace closures and retrenchment/redundancy where more than 100 workers were employed, and there has been at least some degree of legal protection for contract labour. Employers campaigned hard for many years to repeal this but without success. Therefore, the focus turned to weakening the formal-informal labour divide through increasing decentralization of production, subcontracting to smaller businesses and workplaces and greater flexibility of workers' remuneration (Datt 2008; Noronha and Sharma 1999). Subcontracting to businesses with less than 10 workers is beneficial to bigger employers because such enterprises are classified as part of the informal sector, and union influence is weak or more frequently non-existent, managerial power over workers—especially to hire and fire —is increased, and labour costs may well be reduced in the process. Such trends have been linked to a wider, substantial and growing failure of employers and central and state governments to enforce these laws (Harriss-White and Gooptu 2001, as cited in Glove and Hammer Glover and Hammer 2010, p. 631; Hensman 2001; Venkata Ratnam and Verma 2011, p. 341). There is also strong evidence of considerable circumvention and defiance of labour law by employers, which has looked like an increasing trend (Adve 2005; Roychowdhury 2005). The statutory provisions of employment security in the Industrial Disputes Act are widely violated by employers in the formal sector enterprises, and workers and unions find themselves increasingly vulnerable to employer excesses as a result (Badigannavar and Kelly 2012). Also, as Venkata Ratnam and Verma (2011) state, management's use of coercion, threats and financial incentives to dissuade workers from joining unions is illegal, but it is a widespread practice that is frequently unchallenged through prosecution.

13.3.3.2 Special Economic Zones and Labour Relations

There are important links between these labour law and labour market debates, and the implications of the 2005 Special Economic Zones Act. In conjunction with previously established export promotion zones, SEZs are intended to be key geographical locations that rapidly attract clusters of extensive new investment and are seen as a critical element of economic policy and development. Figures for 2013 show that 576 SEZs had been formally approved and 49 SEZs had received "in-principle" approval (Government of India 2013). By 2016, 205 SEZs had been officially listed as operational (Government of India 2016). Glover and Hammer (2010, p. 632) highlight their importance in attracting FDI, although they do open up new, significant opportunities also for *Indian* big business. The oft-cited threat of multinational corporations (MNCs) is that they will not invest or will move existing investment elsewhere if labour is not cheap enough, if labour markets are insufficiently flexible and deregulated, and if trade unions exercise too much power and influence—all part of what many see as the "drive to bottom" globally in terms of labour costs. Not surprisingly then, India's new economic zones expand the existing informal economy further by making casual labour an integral part of

planned industrialization (Cross 2010). However, large Indian companies can employ similar threats in playing off one Indian state against another. Critically, SEZs secure exemption from many labour laws, with strikes outlawed and independent, political, industry-wide and nationwide trade unions strongly discouraged from recruiting and organizing (Murayama and Yokota 2009).

However, the very rapid growth of employment in SEZs, coupled with cases of very aggressive management practices and employer policies within them, may create some of the most important flashpoints and confrontations between capital and unionized labour. It is possible that militant unions could ultimately win some of these battles, with the critically demonstrative effect of rapidly unionizing particular employment sectors in SEZs, although this could occur alongside entrenched pockets of compliant unions and strictly non-union labour in other employment sectors within SEZs. State governments have also come under significant pressure from protesting rural workers who have often been the victims of aggressive and sometimes arguably corrupt land acquisition, as a result of the establishment of SEZs (*The Hindu* 2012; One World South Asia 2010; Sampat 2008).

13.3.3.3 Federalist Dynamics and Implications

The attacks in India on the relatively regulated formal labour market and labour laws more widely are also linked to the devolved and mediated restructuring and deregulatory processes that are taking place via *state-level* government policies (the dynamics of which are commented on above). These changes within India's 29 states are taking place at different rates, in varying patterns and with confrontations with workers and unions occurring at different times and on various scales. The labour relations system would seem to be increasingly devolved and fragmented as a result. One would expect the general consequence of this to be to strengthen the employers' hand, with unions finding it more difficult (though certainly not impossible) to fight battles on an all-India basis.

Also, there are limits to the extent of such devolution, and unions do still have the ability periodically to mobilize workers on a vast scale across India. For example, in February 2013, 11 trade union organizations came together to lead a two-day all-India general strike, bringing out probably about 100 million workers in protest (CITU 2013; IndustriALL Global Union 2013; New Socialist Alternative 2013). This was preceded by an all-India general strike in February 2012 and two very large bandhs (total shutdowns) involving millions of workers across India in May and September 2012 (BBC [British Broadcasting Corporation] News 2012; NDTV [New Delhi Television] NDTV 2012). The main focus of these actions concerned fuel and food price rises, anti-labour government policies including non-implementation of labour law and denial of rights to informal workers, and government initiatives to open up the retail sector to FDI—issues that are central to the deregulatory and restructuring polices of the government and employers.

In addition, the devolutionary trends of labour relations do not simply amount to "divide and rule" of trade unions by the government and employers. The federal dynamics also mean that the power of central government is, to some extent, weakened and anti-union strategies are, to some degree, fragmented. These devolutionary labour relations trends do pose a major problem for trade unions, but in addition, Indian capital and the state may not be able to coordinate their forces nationally in opposition to unionized labour to the extent that they would always like. Furthermore, such devolution *could*—ultimately—act to encourage the building and development of stronger forms of trade unionism from the bottom up, state by state.

On the one hand, a key question is whether the myriad of local and regional labour grievances, disputes and conflicts can coalesce at some albeit unknown points in the future into national labour campaigns, demands and sanctions. On the other hand, can national political demands translate into sustained action and related initiatives by unions and workers at regional and local levels? Some have argued that action by major trade unions in India at the national level has diminished the capacity of unions to engage at local level and that nationally oriented political action may not necessarily translate into sufficient grassroots strength to improve local bargaining power and conditions for workers in both organized and unorganized forms of work (Gillan and Lambert 2013). What is clear is that if Indian labour is to exercise sufficient power to bring about fundamental, radical change in its favour on an all-India basis—which is possible at some point—then its key battles and demands at local, regional and national levels would need to come together somehow at a critical juncture and on the basis of a genuine and democratic mass movement.

It could be argued that Indian trade unions currently represent an "aristocracy of labour", focused primarily—as they are—on the formal labour sector. This lives alongside an immense vacuum in which 90% of the Indian labour force is generally perceived as being largely beyond the reach of trade unionism, however much some unions might try to address this matter. While of course there are many differences, this was the general perception in respect of unskilled labour in Britain until the late nineteenth century, when an explosion of class conscious unionism—embracing the ideas of (often revolutionary) socialism—fundamentally changed this situation. As this case suggests, unionization of unorganized employment sectors may happen in great waves. At some future point, such developments could come to transform India's informal labour sector. If it does occur, it will have quite fundamental economic, social and political implications, both in India and internationally.

13.3.3.4 Central Government Policies and Dilemmas

At the heart of the central government policy in recent decades, whether Congress-led or BJP-led, is the objective of rapid growth of the Indian economy rooted in a market-dominated philosophy. This has been based on the expansion of

India's international trade through the increasing removal of trade tariffs and other trade barriers; the promotion of inward and outward FDI; a much more deregulated labour market through the removal of the formal sector's legal restraints; deregulation of the economy more generally; commercialization of state-owned organizations and enterprises; full-scale privatization in some instances; and the establishment of public-private partnerships. These policies are changing the nature of Indian labour relations substantially, not least as market pressures and new competitive environments open up an effectively state-sponsored section of the labour force to a pro-management, pro-employer and pro-capital shift in the balance of power.

However, at least prior to the BJP coming to power in 2014, the central government has been inhibited from trying to concentrate a full "reform" package, which includes widespread, complete privatization, into one or two electoral terms of office. One would expect the Indian left to say that this is because central government fears the wrath of the masses, only too conscious of the extent of poverty, injustice and the vast inequalities of income and wealth, and that the great majority of the people perceive deregulation, restructuring and privatization to exacerbate these basic problems. It must be said, however, that there is significant evidence to support this view. Successive governments of the main political parties have faced fundamental—evidently unsurmountable—obstacles to popularizing such policies, thus fearing mass, popular India-wide strikes and protests in themselves but also because these may translate into defeat at the ballot box. In a similar vein, successive central governments have dodged the issue of basic labour law reform. Perhaps in this case, it is not only because they are fearful of the workers' response but also of the employers' response, in that the central government—to protect their own short-term electoral interests—might end up conceding *too much* to union and popular pressure in any reform they propose. Hence, we might reasonably conclude that successive Indian governments in recent decades have had a major pro-market, deregulatory agenda, underpinned by various ideological and regionalist concerns, that is clearly affecting labour relations, but the implementation of this policy is also significantly qualified by elements of pragmatism and political opportunism of the main political parties when in government.

In addition, there may be significant, inherent contradictions for central government in its pro-market, deregulatory agenda. The federal dynamics of the system may be convenient for central government in that it can devolve some of the difficult and sensitive policy challenges to state level, but this, combined with its pro-market ideological commitment, may restrict its ability to adopt particular, decisive and large-scale state intervention that might aid economic development. One conspicuous example is that of education and training, of which the improvement of standards and coverage is vital if India is to fulfil its great demographic potential economically. Another concerns the quality and extent of nationwide economic infrastructure. These points relate to Chang's perspective (2002a, 2002b, 2008) that not only suggests the free market is a myth but also argues that extensive state intervention has actually been a critical ingredient of the economic development of the West historically. Thus, he challenges the case for

pro-market, deregulatory, privatization and trade liberalization policies as the basis for economic success of the contemporary developing and emerging economies.

13.3.3.5　Trade Unions and Conflict—Problems and Potential

There is a complex web of key issues and ongoing developments regarding Indian unions and workers. The pro-market argument is that deregulatory, privatization and restructuring policies are the only way to create rapid economic growth and economic development, while the counterargument is that these polices increasingly expose India's unions and workers to aggressive market forces, competition and associated downward labour cost pressures, threatening and undermining union bargaining power, workers' wages and conditions of employment. Such policies and developments also threaten, one way or another, to expand the proportion of informal labour, which represents the poorer and more vulnerable section of the labour force and which is the most difficult to unionize. At the same time, a major breakthrough in recruiting informal workers to the trade union movement on an all-India basis and securing collective bargaining or equivalent union rights would transform Indian labour relations. However, there are many serious obstacles to such a change that would need to be overcome as prerequisites or in the process. These include the great battles to secure negotiating rights for informal workers, the very considerable complications in establishing efficient and effective negotiating structures and procedures for various groups of informal workers, and the complex relationship and differences between conventional trade unions, social movements and labour-focused NGOs, with some perceiving the latter as an inadequate and even damaging substitutes for unions (e.g. CITU 2007).

MNCs are also often the focus of very bitter strikes, lockouts and related labour protests in India, not least in the auto manufacturing sector. These disputes are mostly related to demands that include parity of formal-informal wages and conditions, non-payment of wages, collective bargaining rights, serious health and safety concerns, reinstatement of sacked workers and victimization of union activists. Well-publicized examples of such disputes are those at Maruti Suzuki (where 147 workers were imprisoned on strongly contested charges of murder), Hyundai, Bajaj Motorcycles, General Motors India, Bombardier and PepsiCo (Business Standard 2013; IndustriALL Global Union 2012; International Commission for Labour Rights 2013; IUF [International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations] 2013; The Times of India 2013). Furthermore, recent publicized examples include a lengthy strike at the Swedish company Alfa Laval in Pune regarding job security; more workers' protests and police violence at Maruti Suzuki; a struggle for workers' rights and police violence at Honda Motorcycles and Scooters at Tapukara, Rajasthan; and workers' protests at auto part manufacturer Pricol regarding the "double-life" imprisonment of trade union activists for the murder of the company's human resources vice-president, which the union insists they did not commit (Committee for a Workers' International 2014; IndustriALL Global Union 2015, 2016a, 2016b).

These examples provide the flavour of such recent battles with multinational employers. There seems to be considerable evidence that where unions have flexed their muscles, the employers have often responded with a punitive backlash (Noronha and Beale 2011, pp. 179–181). Also, the overtly aggressive engagement of the forces of the state in support of the employers, especially in terms of the police and judiciary, is a marked feature of most of these disputes.

On a more general level, Uba (2008, pp. 872–877) highlights the development of anti-privatization strikes and protests of both unions and social movements in the 1994–2003 period, while suggesting there may have been a decline in such actions under the Congress-led United Progressive Alliance (UPA) coalition government elected in 2004. The official statistics on labour disputes in India exclude political strikes, so more recent trends in this regard are difficult to establish. However, after the withdrawal of the left (principally the CPI-M) from the UPA government in 2008 and judging by the press coverage of major strikes and protests against deregulation, privatization, price rises and the impact of FDI, all-India strikes and protests of this kind seem to have come back on the agenda. Following 2008, such action developed momentum most notably because the geographical and occupational scope of the strikes broadened and because the aforementioned political affiliations of the unions did not preclude increased cooperation and coordination of action. In particular, the 14th annual general strike in February 2012 was hailed by the various organizations as "historic", in that the officially recognized central trade union organizations, alongside an estimated five thousand independent trade unions across India, committed themselves to the organization of the event and the mobilization of their members. It is significant that both BMS, associated with Hindu nationalist politics, and INTUC, affiliated with the ruling Congress Party, joined the action. SEWA also joined the national strike for the first time and NTUI participated in the strike too, claiming to have mobilized contract workers and workers based in private sector manufacturing enterprises (Gillan and Lambert 2013).

In India's 2014 general election, the BJP was swept to power, with Narendra Modi as prime minister. Never before has the BJP held such a degree of political power in the country. At the same time, this development was indicative of a fundamental weakening of the Congress "dynasty" that had held sway since 1947 (perhaps a watershed in its political power), but also the left was in disarray, not least with the loss of the CPI-M's 30-year political dominance of West Bengal. Nevertheless, in response to the BJP government's proposals to extend privatization, remove employment rights from a big section of the workforce and impose legal restrictions on strikes, a massive 150 million workers participated in a one-day general strike in September 2015, drawing support from the banking, manufacturing, construction, coal mining, oil and gas sectors, as well as hawkers, domestic workers and daily wage labourers (BBC News 2015; International Marxist Tendency 2015; NDTV 2015; Quartz India 2015). India's ten major trade union federations participated in the strike, the only significant exception being BMS, which the government had persuaded to withdraw from the action.

As this joint national trade union campaign rolls forward—with a list of basic demands that include trade union rights, the retention and full implementation of employment protection laws and a halt to privatization—further general strike action by the leading unions nationally is on the agenda. A critical question is whether the unions will be able to maintain the momentum and indeed escalate the action sufficiently to impose a major defeat on the BJP government over its big business, "neoliberal" agenda. Time will tell. A second interesting factor in this situation is a central dilemma facing the BMS. With the BJP in power nationally, the current situation is an acid test for the BMS. Will it be able to satisfy its members sufficiently by winning apparent concessions through political lobbying of its political ally, the BJP, or will it begin to distance itself from the government and turn increasingly to strike action and protest alongside the other major national union federations? The BMS leadership, like that of most other major union centres and national federations, has its own power base and interests, but these cannot be adequately maintained unless it is perceived as providing sufficient benefits for the mass of BMS members, through one route or another. An important dimension of this is the potential trade-off between, on the one hand, concrete gains for BMS members in terms of their incomes, working and living conditions and costs, and, on the other hand, various public expressions of Hindutva that reinforce and assert traditional Hindu identities (appealing to BMS members primarily as Hindus rather than in class terms) and which inevitably gain greater prominence with the BJP in government nationally. Statistical data are not available to tell us, but the BMS's position vis-à-vis the 2015 general strike may have brought about some membership loss and transfer to other unions.

In addition, and not least with Modi's controversial history as chief minister of Gujarat, it is widely feared that at some point, the BJP government could bring the Hindutva dimension centre stage and allow (or some would say "covertly encourage"), a major outbreak of communal violence in the country. Alternatively or additionally, the BJP could beat the foreign policy drum in terms of international tensions and conflict. Of course, a conflict with India's traditional enemy, Pakistan, taps into both aspects here. Either of these initiatives would pose a major challenge to the unity and power of Indian organized labour in its current battle with the BJP government. On the other hand, the government would almost certainly come under very considerable international pressure from Western governments and big business interests (both international and Indian) not to go down either of these routes, with a fear of political instability creating a less favourable investment environment and posing a threat to India's FDI and related prospects. The relevant footnote here is that an upsurge of communal violence could be encouraged at some point by other sections of the wider Hindu nationalist movement in conflict with and out of the control of the BJP central government.

There is yet another critical issue that Indian trade unions face which cannot be divorced from how they respond to restructuring, deregulation and privatization. It concerns the links that most unions have with political parties (alluded to above regarding the BMS). Because of the predominant pattern in India of parties creating their own trade union federations and centres (in contrast, for example, to the

British experience of unions creating the Labour Party), all too often the unions have been adjuncts of the party to varying degrees. Potentially, there are often gains to be had by unions from political lobbying and such close party links, particularly when the union's party is in government at central or state level; but there are many problems for unions in such relationships, which often weaken and compromise the unions in question, and the extent to which gains from political lobbying actually filter down to the membership is somewhat uncertain. Certainly, this situation presents some significant obstacles for wider workers' solidarity, not least regarding the struggles and disputes of public sector workers. These challenges are the products of India's labour history, but they are not necessarily permanent nor always dominant features of the Indian trade union movement. Many Indian trade union leaders are evidently conscious of the problem, and there are some examples of serious attempts being made to find a way forward in some states (e.g. public sector workers in Gujarat—Beale and Noronha 2014) as well as through new national union centres and federations. In addition, as indicated above, there have been important developments since 2012, regarding the organization of very large scale, all-India bandhs and general strikes based on impressive new forms of trade union solidarity that cut across long-entrenched political divisions. The all-India two-day general strike of February 2013 that brought out 100 million workers saw 11 national trade union organizations came together under the Joint Committee of Trade Unions. It is noteworthy that this again included all the centrally registered trade union federations, including INTUC and BMS, that came out on one platform of demands focused on the impact of neoliberalism and that this was the third occasion within a year that such united action had been organized (New Socialist Alternative 2013). In spite of the BJP's electoral landslide in 2014, the scale of this kind of campaign, protest and strike action was even greater in 2015.

In short, in spite of their many difficult, complex and major challenges and the constant criticism of them by employers, the state and the media, Indian trade unions can be expected to continue to pose a substantial obstacle to the restructuring and deregulatory agenda of Indian governments, employers and international financial and trading institutions. Also, it is quite feasible that Indian unions will play an even bigger role in determining the outcome of the battles between labour, capital and the state in the future.

13.4 Summary and Conclusions

The post-independence government of India established a strong legal framework for the settlement of labour disputes by largely incorporating Section 81A of the Defence of India Rules within the Industrial Dispute Act 1947. It also emphasized a tripartite approach to labour relations through state regulation, mediation, consultation and labour law enforcement, while at the same time enacting many other labour laws over the next three or four decades. The Indian state was also a large employer providing relative employment protection and social welfare. As a result,

the post-colonial labour movement in India looked to the state as the principal vehicle for securing and representing the interests of workers, thus excluding a significant part of the economy and labour force, namely the unorganized/informal sector. The established doctrines of development at that time viewed the informal sector as transitory and postulated its gradual disappearance with the growth of large formal organizations. However, most of the cities and industrial centres in the developing countries continued to have a substantial—indeed often increasing—proportion of their economic activity in the informal and unorganized sector (Papola 1980). This was accentuated with the Indian state's policies of "neoliberalism" (i.e. policies that go far beyond the notion of globalization as perceived by Hensman [2010]), which supported subcontracting of production processes to the informal sector and induced employers to demand a change in labour laws. Pressures towards increasing informalization of labour are also being exerted through competition between various Indian state governments to set up SEZs.

Associated with these developments, an important trend in India's labour relations system is towards increasing devolution and fragmentation, with the attacks on the relatively regulated formal labour market and labour laws often taking place via policies of the country's 29 state governments that seek to attract FDI. However, with the election of the BJP central government in 2014, the battle regarding labour law and related deregulatory policies has also been significantly refocused at the national level. The complex relationship and differences between conventional trade unions, social movements and labour-focused NGOs, with some perceiving the latter as an inadequate and even damaging substitute for unions, pose a significant obstacle to the transformation of Indian labour relations in favour of labour. Nevertheless, major strikes and protests of national significance against deregulation, privatization, price rises and the impact of FDI have become an important national issue. These actions developed substantial momentum from 2012 onwards, not least because neither the political party affiliations of the unions (with the partial exception of the BMS) nor its absence in the cases of the SEWA and the NTUI have precluded increased cooperation and coordination of major forms of labour protest and strikes on an all-India basis.

In more general terms, we can conclude that the development of India's labour relations needs to be seen within the historical context of:

- the country's colonial and post-colonial experience and related political, economic and legal development;
- the eventual "relative demise" of Congress political hegemony that was a direct product of the independence movement; and
- a new era that has come to emphasize globalization, market forces and a "neoliberal" agenda, alongside massive labour injustices (especially among the informal labour sector), and major challenges to and some important opportunities for the trade union movement in providing a voice for such injustices.

There are clearly some key factors here in the nature and trajectory of Indian labour relations that distinguish it from those of developed economies and also from

many developing economies that have not had to shed the shackles of British colonialism in the last 100 years. In addition, while the employment relationship (i.e. the work relationship based on *waged* labour) is central to the "Anglo-Saxon" notion of labour relations, in the case of India—with its massive informal sector, a substantial part of which is non-waged labour—the analysis must adopt a broader understanding of the "labour question". This is essential not least because globalization, economic restructuring and deregulatory/"neoliberal" policies are acting to undermine the formal labour sector and attempting to substitute informal labour. The latter has become a critical and conspicuous feature of the changing nature of Indian labour relations, which is also probably more unstable now than in any other period since independence.

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Theme 5
Emerging Issues

Chapter 14
Gestational Surrogacy in India: New Dynamics of Reproductive Labour

Amrita Pande

Abstract When mainstream theories around globalization and outsourcing analyse the increased mobility of goods, labour, technology and capital across borders or reflect upon the changing dynamics of nation states and neoliberal policies, gender and reproduction are seldom a focus. In this chapter, I invert the frame to analyse how global processes affect and get affected by the most intimate of relations— those around gender and reproduction—by unpacking the case of gestational commercial surrogacy in India. What can we learn about labour markets, nation states, globalization, gender and reproduction from studying the encounter between them within this remarkable new form of outsourcing? Prior to the booming market in commercial surrogacy in India, surrogacy was theorized wholly in Euro-American contexts. With globalization and the spread of new reproductive technologies, this market has started spreading to almost all countries in the global south. India, which liberalized its economy in the 1990s, has emerged as a key player and, at the time of writing, ranks ahead of the USA/United States of America as the world's largest supplier of gestational surrogates. The challenge now is to invert the existing theoretical paradigm around surrogacy and innovate a frame that fits new empirical contexts in the global south. Instead of discussing surrogacy in abstraction as a moral dilemma, in this chapter, I analyse it as an empirical reality and a new form of reproductive labour market emerging with globalization. Finally, I highlight a fundamentally paradoxical characteristic of commercial surrogacy, which resonates with other forms of reproductive labour such as domestic work and sex work. On the one hand, commercial surrogacy becomes a powerful challenge to the age-old dichotomy constructed between production and reproduction. Women's reproductive capacities are valued and monetized outside of the so-called private sphere. As surrogates, women use their bodies, wombs and sometimes breasts, as instruments of labour. But just as commercial surrogacy subverts these gendered dichotomies, it simultaneously reifies them. When reproducing bodies of women become the only source, requirement and product of a labour market and fertility becomes the only asset women can use to earn wages, women essentially get

A. Pande (✉)
Department of Sociology, University of Cape Town, Rondebosch, South Africa
e-mail: amrita.pande@uct.ac.za

reduced to their reproductive capacities, ultimately reifying their historically constructed role in the gender division of labour.

14.1 Introduction

The year 2015 witnessed a flurry of activities surrounding commercial surrogacy in India. Though the Indian government is still reluctant to pass any concrete laws governing surrogacy, an affidavit was placed before the Supreme Court in October 2015, which, in a nutshell declared that the Indian government "does not support commercial surrogacy" and the scope of surrogacy would be now limited to "needy Indian married couples only". Other popular surrogacy destinations in Asia—Thailand and Nepal—recently imposed similar bans.[1] This chapter argues that the government decision is primarily based on the anxieties around reproduction entering the productive sphere of labour. I reflect on the empirical findings from my decade-long ethnographic work in surrogacy clinics in India, as well as the recent developments in the surrogacy industry to argue against such a ban for two connected reasons—the effect of such a ban on the most vulnerable in the industry (the surrogates) and the utter naivety of trying to resolve a global issue merely through restrictive national legislations. Finally, instead of a ban, I propose a regulatory framework, both national and international, in order to negotiate the complex terrain of this unusual form of reproductive labour emerging with globalization.

14.2 Researching Surrogacy in India: Ethnography and Analysis

A short newspaper article in 2006 spurred my interest in surrogacy. Surrogacy was still at its infancy in India, and the article described it as India's new form of outsourcing. After some quick digging around, I realized that there was no research on this rather critical issue. So began my ethnographic journey into the first country in the global south to have a flourishing industry in both national and transnational surrogacy. Almost a decade later, this culminated into the monograph titled *Wombs in Labour: Transnational Commercial Surrogacy in India* (Pande 2014). My ethnographic journey into the surrogacy world has included in-depth, open-format interviews with sixty-four surrogates, their husbands and in-laws, twelve intending

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[1]http://www.bionews.org.uk/page_599021.asp; (http://nepal.usembassy.gov/service/surrogacy-in-nepal.html). (Accessed 21 December 2015).

parents, five doctors, three surrogacy brokers, three hostel matrons and several nurses. In addition, I conducted participant observation for 10 months at one of the most popular surrogacy clinics in India and the linked surrogacy hostels. The interviews were in Hindi and in the local language of the region and were conducted either in the clinic, or the surrogacy hostels where most surrogates live and sometimes, at their homes. I have used pseudonyms for all places and people. The doctor and the nurses introduced me to my first round of respondents—surrogates in the clinic. Thereafter, the surrogates referred me to their friends, family, brokers and women who had already delivered. This awareness made me even more cautious about maintaining the surrogates' privacy; I refrained from taking photographs (unless the surrogates wanted me to take photographs with them), and I got their consent before starting any recorded conversation.

All the surrogates in this study were married, with at least one child. The ages of the surrogates ranged between 20 and 45 years. Except for three surrogates, all the women were from neighbouring villages. Fourteen of the women said that they were "housewives", two said they "worked at home" and the others worked in schools, clinics, farms and stores. Their education ranged from no education (illiterate) to high school level, with the average surrogate having approximately the beginning of a middle school level of education. The median family income of the surrogates was about Rs. (Indian Rupees) 2500 (US Dollar/US$ 50) per month. For most of the surrogates' families, the money earned through surrogacy was equivalent to almost 5 years of total family income, especially since many of the surrogates had husbands who were either in informal contract work or unemployed. Transnational clients had hired thirty of the surrogates in this study. By 2016, the clinic had delivered over 1000 babies through surrogacy.

To be the first one to conduct research on such a deeply provocative topic is both challenging and exhilarating. Getting access to the field was hard. It required a determined pursuit of the doctors at first but a strategy thereafter to minimize any gatekeepers of research interactions. Simply put, I was dependent on the medical staff to get access to the clinics and hostels, but I did not want my interactions with the surrogates, their families, the brokers and the clients to be mediated by the medical staff. To overcome the many challenges, I used a mix of research methods. During my fieldwork, I engaged in formal research activities such as conducting interviews with the doctors and surrogacy brokers, preparing questionnaires for nurses and brokers and collecting demographic information on the area from local libraries. But I also had lunch and tea with the surrogates and their families, smuggled in tea-time snacks for surrogates, prayed and cooked lunch for them in the surrogacy hostel. I even spent nights at a surrogacy hostel. After months of constant interactions with the surrogates, I found myself immersed in the intricacies of their lives and felt torn between my role as a researcher and a friend. I wanted to intervene when the nurses left out important information about side effects of some injections, when they gave minimal details to the (often illiterate) surrogates, or treated them callously. I initially tried not to immerse myself in the working of the clinic and the surrogate community but ultimately immersion became the source of the richest and the most invaluable conversations and experiences. This immersion

got even deeper when Ditte Maria Bjerg, a Danish feminist stage director, approached me to collaborate with her on a multimedia theatre production on commercial surrogacy *Made in India* as well as to facilitate a livelihood-generating workshop with the surrogates. The workshop culminated into a community theatre project in collaboration with the surrogates living in a hostel. This "creative" method complemented the ethnography and gave me much deeper insights into the world of surrogacy (Pande and Bjerg 2014).

14.3   Commercial Surrogacy as Reproductive Labour

Commercial surrogacy is a multibillion-dollar industry across the world, with India being one of the world leaders. Although often couched in dystopic terms, the topic of surrogacy is not restricted to medical or scientific circles and has been generating feminist, ethical, legal and social debates for over three decades now. While liberal feminists defend the practice as a woman's right to use her body as she chooses, others focus on the multiple systems of inequality and exploitation that are potentially reinforced by such practices or debate on the ethics or morality of this practice (Andrews 1987; Anderson 1990; Bailey 2011; Dworkin 1978; Raymond 1993; Rothman 1988). A more recent turn presents an empirically grounded or ethnographic scholarship on the lived experiences of surrogacy (Pande 2014, 2015; Rudrappa 2015; Vora 2015).

Until recently, the predominant focus of this scholarship was surrogacy in Europe and North America. Not surprising, commercial surrogacy is a very recent phenomenon outside the Euro-American context. Curiously, the complete absence of any empirical data about surrogacy in the global south did not prevent feminists from making alarming predictions about the future of these technologies. For instance, feminist Andrea Dworkin predicted in 1978, "While sexual prostitutes sell vagina, rectum and mouth, reproductive prostitutes would sell other body parts: wombs, ovaries and eggs" and sociologist Barbara Rothman in 1988 asked, "Can we look forward to baby farms, with white embryos grown in young and Third world women?". But over the past decade that I studied commercial surrogacy in India, I came to realize that such abstract theorizing through a Eurocentric lens is going to be entirely inadequate for analysing the booming surrogacy industry in India.

At first glance, surrogacy in India may well resemble the inhuman baby farms imagined by Rothman, but an immersion in the field provided a very different perspective on the impact of new reproductive technologies on women of the global south as well as a more complex theorization of the intersections of reproduction, labour and globalization. Unarguably, surrogacy is a challenge to the presumed sanctity of reproduction and mothering. But burying surrogacy within the usual debates about morality and motherhood limits our understanding of the critical

dynamics of surrogacy outside the sphere of reproduction. My interactions with the surrogate mothers in India revealed that the women navigate much more than their identity as mothers. They grapple with their new identity as participants in an industry that is morally contentious and constructed as deviant and unnatural in India. Husbands and in-laws coerce some of these women into surrogacy, but many others negotiate with their families to gain control over their own bodies and their fertility in order to participate in this industry. As surrogate mothers, they suddenly find themselves in an unfamiliar relationship with a hyper-medicalized system of reproduction, a medical system that has previously been inaccessible to them as lower class women in an anti-natalist state. Finally, as women hired by commissioning parents and clients from within and across borders, they navigate relationships that often cross boundaries of race, class and nationality. A linear emphasis on the reproduction and mothering component of commercial surrogacy discounts these intricacies of surrogacy in the Indian context. Given this new reality of surrogacy, in all my previous works *I* have analysed commercial surrogacy as a form of labour that challenges the socially constructed dichotomy between production and reproduction and argued that commercial surrogacy in India is a new kind of labour emerging with globalization (Pande 2014, 2015). It is a highly stigmatized, embodied and gendered form of labour, but labour nonetheless.

Feminist scholars have previously used the analogy of "labour" for surrogacy, very often to condemn the commodification of women and motherhood in the process of this labour. Anthropologist Martin (1987) discusses medical metaphors whereby the uterus becomes a machine and the woman becomes the labourer that produces the baby. Technology and patriarchy, according to Martin, together produce a "depersonalized mother machine being manipulated to efficiently produce babies out of the valued sperm" (1987, p. 58). Legal scholar Kelly Oliver uses the term "estranged labour" to argue that "surrogacy is the quintessence of capitalist patriarchy's estranged construction of motherhood" (1989, p. 112). Surrogates, unlike other women who sell their bodies, perform their bodily service non-stop and are in essence "never off-duty" (1989, p. 98). Barbara Katz Rothman, in a similar critique of how technology and patriarchy intersect to oppress women, has argued that "(A)s babies and children become products, mothers become producers, pregnant women the unskilled workers on a reproductive assembly line" (1989, p. 21). Rothman seems to be critical of the use of language of work for mothering. She believes that this reduces the intimate and emotional experience. As motherhood becomes work, and children the product of the labour of mothering, Rothman argues that there is "commodification of children and the proletarianization of motherhood" (1989, p. 66). In a more recent work, Gupta (2012, p. 27) introduces an interesting twist to the analogy of labour, when she labels surrogacy as the "industrialization of motherhood" and surrogates as "co-producers" (and not just consumers as with contraceptives). Curiously, Gupta quickly abandons this language of "co-production" by women and resorts to an often used analogy of organ trade and human trafficking: "While trafficking in solid organs, and sex tourism involving women and children and human trafficking, is considered morally reprehensible,

abhorrent, and is penalized, trade in reproductive body parts and exploiting women as surrogates have become socially acceptable practices" (2012, p. 47).

The commodification of women's reproductive labour or what sociologist Boris and Parreñas (2010) call intimate labours—whether domestic work, sex work, care work or, in the case of surrogacy, "womb work"—produces such intense anxieties as it allows for the extension of the market into the private and intimate sphere of sexuality and reproduction. Reproductive labour is typically defined as activities such as purchasing household goods, preparing and serving food, laundering and repairing clothing, socializing children, providing care and emotional support (Glenn 1992). While surrogate motherhood does not fall under the usual definition of reproductive, I have previously argued that with globalization and ever-expanding reproductive technology, "gestational services" need to be added to the list of care work. In their edited book, *Intimate Labours: Cultures Technology and Politics of Care*, Boris and Parreñas (2010) build on feminist scholarship on reproductive labour to examine "the social construction of commodified intimacies" (2010, p. 7). The umbrella term "intimate labour" brings under its ambit a continuum of gendered forms of labour that involve "embodied and affective interactions in the service of social reproduction". For instance, Laura Briggs, writing about international adoption markets in the same volume, argues that meeting one's intimate needs would include not only child care but also the bearing of children for others, what she calls "offshore reproduction".

Surrogacy, in particular, is a troubling form of reproductive labour to many because it defies laws of nature, family and religion, and is perceived to be a commercialization of motherhood, the act of giving birth and of children. The assumption underlying such anxieties is that while human labour may be bought and sold, women's reproductive labour is intrinsically not a commodity.[2] The bond between a mother and her child is assumed to be fundamentally different from the bond between a worker and his/her product and the commercialization of these intimate ties is believed to be degrading for both the mother and the baby.[3] Pateman (1988) suggests a slightly modified version of this argument by claiming that a woman's reproductive labour is "more integral" to her identity than her other productive capacities and hence should be treated differently (1988, p. 207). Elizabeth Anderson (1990) adds that the commodification of reproductive labour makes pregnancy an alienated form of labour for the women who perform it: selling her reproductive labour alienates a woman from her "normal" emotions.

Central to these claims are some fundamental assumptions about children, mothers and reproductive labour—the uncontested "pricelessness" of children, the "natural", biological bases of reproductive labour and the related assumption that

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[2]See, for instance Anderson (1990), Satz (1992) and Warnock (1985).

[3]See Satz (1992) for more on the thesis that there ought to be an asymmetry between our treatment of reproductive labour and our treatment of other forms of labour.

women's reproduction belongs to a sacred, special realm. The priceless child, however, is a historical construction. Paid parenting and the alleged commodification of children are not new to societies. In the classic book, *Pricing the Priceless Child*, Zelizer (1985) writes about instances of paid parenting in the USA (United States of America) in the nineteenth and early twentieth century—boarding mothers (foster mothers who agreed to take care of a child in state subsidized homes), baby farmers (who were paid by parents to look after their illegitimate children) and wet nurses. Zelizer traces how, over time, laws in the USA removed children from the marketplace. Much like the priceless child is a historical construction, the mother–child bond is a social rather than a "natural" creation. As philosopher Satz (2010, p. 122) succinctly puts it: not all women bond with their foetuses. Some choose to abort them. Nor do all mothers bond with their children naturally. Maternal bonding and affection are culturally and socially determined and a mother–child relationship often evolves over time.

While it is not surprising that markets in reproductive labour are more troubling than other labour markets, I am disturbed by the implicit reification of gender-based dichotomies—private/public, nature/social, reproduction/production and non-market/market—in many arguments against surrogacy. These rigid and gendered distinctions have been long identified as the basis of the asymmetrical and patriarchal division of labour where the concept of labour is reserved for men's productive work while women's share in production and reproduction becomes a function of their biology and nature. Ironically, in such a conceptualization, the act of giving birth or "labour" is implicitly assumed to be not labour or work but rather an activity of nature. In her pioneering work on the sexual division of labour, Mies (1986) contends that to challenge the asymmetrical division of labour, it is critical that women's activity in bearing and rearing children be understood as a conscious social activity: that it be understood as work. By conceiving of commercial surrogacy (giving birth for pay) as "labour", in my previous works I have challenged these gendered dichotomies by analysing the social and historical context under which these dichotomies are undone.

Commercial surrogacy evokes such intense moral anxieties that debates find it hard to veer from the morality of the practice. But in India, where surrogacy is fast emerging as a survival strategy and a temporary occupation for some poor rural women, it makes little analytical sense to *simply* battle about morals in abstraction. Paraphrasing critical theorist Nancy Fraser: a feminist critique that is "merely a defensive project and that seeks to protect women's reproductive labour from the sphere of market" is both inadequate and inappropriate (Sama Women's Health Group 2012, p. 29).[4] By conceptualizing commercial surrogacy as labour, it is

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[4]According to Nancy Fraser (2011), such a "defensive project" takes attention away from the historical fact that long before these were "marketized", social construction of such labour as non-commodities was typically a source of domination.

possible to arrive at a much more accurate and nuanced analysis. Such a frame moves beyond the moral sensibilities of the researcher and beyond the moral perception of the unnaturalness of a labour market in wombs to a more analytical question—about how a labour market for wombs is created and how the labourers experience this market. By identifying commercial surrogacy as labour, susceptible like others to exploitation, and simultaneously recognizing the women as labourers, we can complicate the image of the victim inevitably evoked whenever bodies of Third-World women are in focus.

In analysing commercial surrogacy in India as a new form of labour, and that the surrogates are labourers and not mere victims, I do not ignore the multiple bases of inequality in this form of labour. It cannot be denied that the limited range of a surrogate's alternative economic opportunities and the unequal power relations between the client and the surrogate call into question the voluntary nature of this labour. But instead of dismissing the labour market as inherently oppressive and the women involved as subjects of this oppressive structure, there is need to recognize, validate and systematically evaluate the choices that women make in order to participate in that market. A comprehensive evaluation of these choices, in turn, reveals the many intersecting layers of domination impinge on these choices. It allows for comparisons between surrogacy in India and other forms of women's labour—a comparison of the character of these markets and the forms in which compliance with a labour regime is enforced and resisted, at the level of the family, the clinic and the state.

Commercial surrogacy is a remarkable instance of reproductive labour where production and reproduction not only intersect but also collapse into each other. This extreme intersection shapes the labour regime, the recruitment and disciplinary tactics used by the medical staff, but also the surrogates' strategies of negotiating and resisting this regime. Once we start analysing surrogacy in India and a new form of labour, we can start analysing the most fundamental paradox of this new form of reproductive labour—that a labour market in assisted conception is booming in a country with a historically aggressive anti-natalist agenda (Pande 2014; Qadeer 2010). The fertility of lower class women in India has previously been constructed as not just undesirable at individual levels but a social danger. With surrogacy, this fertility gets temporarily revalued as lower class women become reproducers for clients who are relatively more privileged.

14.4   From Analysis to Policy Matters: Ban or Regulate

The frame through which we analyse surrogacy will shape the ultimate policies and regulations devised. If we use the lens of morality, we might well come to the conclusion that commercial surrogacy is inherently immoral and undesirable. It defies laws of nature, family and religion and is a commercialization of mother-hood, the act of giving birth and of children. An obvious policy corollary for a class of action considered intrinsically wrong is to prohibit it by imposing a formal ban.

While the "surrogacy is immoral" frame continues to inspire several contemporary campaigns, another popular frame for understanding commercial surrogacy is one of reproductive rights. In *Discounted Life: The Price of Global Surrogacy in India*, Sharmila Rudrappa (2015) convincingly argues that the reproductive rights frame cannot capture the dilemmas of transnational surrogacy. While those against surrogacy can use the reproductive rights frame to pitch clients, often classed individuals from the global north, against surrogate mothers. The same frame is used by the advocates of surrogacy to argue that all individuals whether gay men (with their right to have a child) or surrogates (with the right to choose what they want to do with their bodies) have a right to have their reproductive rights met! Rudrappa extends legal scholar Dorothy Roberts' argument to clarify that "markets in life" may indeed empower women and further working class women's rights. Yet, given social and economic realities in India, for reproductive justice to prevail, we need to consider the "totality of women's experiences …. and alter power relations in their favour" (2015, p. 173). But what can the various actors involved in surrogacy do for reproductive justice to prevail?

Contemporary examples have made it amply clear that state actors cannot live in the naïve hope that the market will empower the working women in the womb industry. There are two possible policy options: an outright ban or a regulatory framework. Whatever be our stance on surrogacy, I would caution against an outright ban on surrogacy. People's desire for genetic babies is unlikely to diminish in the near future. Development in relevant assisted reproductive technologies cannot be reversed, and with globalization, clients will continue to cross borders to make use of these technologies. A *national* ban is not just unrealistic but also undesirable. Banning surrogacy in India will just push it underground, further stigmatizing the profession and the women involved and undermine their rights as workers. If there is one thing that can be learnt from the experience of sex workers, the abolitionist tendency can only be calamitous for working women, whether in sex work or commercial surrogacy. To quote Debora Spar, author of *The Baby Business* (2005, p. 305):

> Unless one posits, however, that the existence of global inequality renders all economic choices moot; and until there is any path by which these inequalities can feasibly be addressed, denying women this particular choice seems oddly counter-productive. It also does not square with the kind of logic applied to other areas of the global labour market … where concerns about global inequality lead toward international rules and regulations, not a total prohibition of the activity involved.

Given that countries like India will most likely lack the political will to effectively implement a ban on surrogacy, the more likely outcome of a ban would be to make surrogates even more vulnerable and without any protection from brokers and clients. A 2012 news report on the surrogacy industry in China confirms this prediction. Although there is no specific law regulating the industry in China, in

2001 the ministry of health banned any trade in fertilized eggs and embryos, which in turn forbids hospitals from performing any gestational surrogacy procedures. The ban is regularly flouted by clinics and clients and has effectively driven the industry underground. While there is no official count of this fledgling industry, a 2011 study estimates that, to date, more than 25,000 children have been born in China through surrogacy arrangements. The article reports that, in fact, people of higher economic classes use surrogacy practices to bypass the one-child rule.[5] A similar controversy was unearthed in Taiwan—where surrogacy is illegal. A surrogacy company based in Taiwan was charged with human trafficking for allegedly holding Vietnamese women in hostels after confiscating their passports. In Guatemala, surrogacy seems to be replacing the industry of international adoptions, which has been featured in the media because of rampant human rights abuses. A Washington Times investigation reports that "some of the same people who were arranging international adoptions are acting as surrogacy brokers in Guatemala".

Imposing a blanket ban on surrogacy in India will as likely just shift it to another country in the global south. We need that go that far to hunt for proof but just peer over the India borders into Nepal and further to Thailand. The 2013 stipulations restricting surrogacy in India to married heterosexual couples effectively pushed all cases of "gay surrogacy" to Thailand. After a spate of international surrogacy scandals, Thailand banned cross-border surrogacy in 2014 and now only married heterosexuals with at least one Thai partner are allowed to use surrogates. Some gay surrogacy clients pushed out from India in 2013 resorted to another neighbouring country—Nepal. This industry flourished unnoticed before the earthquake brought media attention to the "scandal" of gay Israeli men supposedly abandoning the Indian surrogates and rescuing only their child after the earthquake. But these media reports revealed another scandal, which ironically no one discussed—the 2013 ban on gay surrogacy made the Indian surrogates even more vulnerable. Most of the Indian women who were in Nepal after the earthquake reported feeling most abandoned not by the Israeli clients but by the Indian government. The ban had pushed them to make their living in Kathmandu instead of in Delhi, Anand or Mumbai. Their status in Nepal was paralegal and most did not have money to purchase a flight ticket home. Indian authorities would not sign release papers for a child commissioned by gay parents. So what would happen to the child they were gestating, their contract and their payment even if they managed to return home? The Indian state banning their labour option is what made the India women more vulnerable, not the fact that their clients were international or gay.

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[5]See http://www.guardian.co.uk/world/2012/feb/08/china-surrogate-mothers-year-dragon. (Accessed 8 February 2012).

The idea of imposing a ban on just the cross-border aspect of surrogacy as it, arguably, increases the likelihood of exploitation, is not new. In fact, scholars in several sending countries (where the clients of surrogacy come from) have been debating the costs and benefits of permitting cross-border reproductive travel for services like surrogacy. Some believe that cross-border reproductive travel is an obvious and fair solution to restrictive national legislation. It promotes moral pluralism in democratic states, as it "prevents the frontal clash between the majority who imposes its view and the minority who claim to have a moral right to some medical service". Others see such kind of travel as not only a poor solution but also counterproductive to moral and political pluralism. It allows only a certain class of people—the ones with the economic means to travel—the option to escape the restraints of the law. Moreover, in effect, the availability of cross-border options allows national governments to enact stricter laws at home than they might otherwise have the political will to enact. Strict national laws, in turn, export the morally contentious industry to some other country, very often to a country in the global south. With the rise in cross-border surrogacy, most sending countries have started recognizing the need to incorporate these new complexities in their policies around surrogacy. Some countries, for instance Turkey and Malaysia, have extended their prohibitive approach to cross-border surrogacy and prohibit their citizens from obtaining surrogacy procedures aboard. Others, like France, UK (United Kingdom), Germany, Spain and Japan, attempt to discourage their citizens from pursuing surrogacy abroad by withholding legal recognition to such cases (Storrow 2010). Children borne out of surrogacy arrangements abroad, for instance, may not be given travel documents or not granted citizenship status. With the rise in international legal disputes regarding the citizenship of children borne out of surrogacy in India, other countries are contemplating a different strategy—making their domestic surrogacy laws less restrictive so that their nationals need not travel outside their borders to access this technology. Iceland and Norway, which currently prohibit all kinds of surrogacy arrangements, are currently debating a shift towards a less restrictive approach and allowing altruistic surrogacy at home to discourage its citizens from going abroad in search of surrogates. With more than 50 Australian families that had babies borne through surrogacy caught in a bureaucratic limbo in Nepal after the government passed an interim ban on surrogacy, the Australian government is under pressure to open up discussions on the domestic ban on surrogacy.[6]

These recent events highlight the ultimate ineffectiveness of restrictive national laws—a global and complex issue like surrogacy cannot be resolved or regulated within national borders but urgently needs a global dialogue. Much like

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[6]In Australia, it is illegal to pay a woman to carry a child for someone else, except in the Northern Territory where there are no laws concerning surrogacy. For more on recent debates in Australia, see http://www.abc.net.au/news/2015-04-18/commercial-surrogacy-should-be-legalised-family-court-justice/6402924 (Accessed 17 April 2015) and http://www.couriermail.com.au/news/queensland/push-to-make-surrogacy-legal-in-australia/story-fnihsrf2-1227308579743. (Accessed 17 April 2015).

cross-border adoptions have been regulated and discussed internationally (for instance, by the Hague Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption 1993), cross-border surrogacy needs a global platform. In my recent works, I proposed a step towards such a global regulation by discussing the provocative notion of "fair trade surrogacy"—cross-border surrogacy founded on openness and transparency on three fronts: in the structure of payments, in the medical process, and in the relationships forged within surrogacy. I connect the notions of free and ethical trade surrogacy in the next section of the chapter.

14.5 "Fair Trade Surrogacy" and Dignity of Labour

The reality is that surrogacy cannot be resolved as a national issue or by closing borders, nor can it be left for state actors to resolve. Given the nature of this industry, it would be naïve to expect that any national law will be enforced and effective on its own. As Chavkin (2010, p. 7) surmises: "With increasing globalization, a country's policy decisions on reproduction are not contained by national borders, as people, products, body parts, technologies and ideas move across borders". A more practical step might be to have an open international dialogue on the nature of this industry. Medical practitioner Casey Humbyrd (2009) proposes a move towards such an international dialogue and regulation in her guide to "fair trade practices" in international surrogacy. Humbyrd provides a provocative argument in favour of "applying fair trade principles to international surrogacy" in order to ensure that the benefits of surrogacy "are justly shared between the participating parties" and is beneficial to those who are the "weakest in the supply chain"—the surrogates (Humbyrd 2009, p. 116).[7] Although Humbyrd fails to address how this regulatory and compensation framework can be implemented, I find it constructive to evaluate and extend some of her policy insights based on my ethnographic findings. For instance, Humbyrd briefly mentions that a "fair price in the regional or local context" is "one that has been agreed through dialogue and participation". She goes on to add that there is a need for "transparency and accountability … of financial transactions between surrogacy brokers, prospective parents and surrogate mothers". I extend Humbyrd's insights and propose an international model of surrogacy founded on openness and transparency on not just the "price" end but on three fronts that relate more to dignity of labour: in the

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[7]Humbyrd outlines, in some detail, what a formal international agreement governing intercountry surrogacy could look like. She advocates a model similar to the The Hague Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption as well as more immediate regulations; for instance, clients must work with nationally accredited service providers. Within this regulatory framework, "brokers and agencies involved in international surrogacy could be accredited based on their compliance with fair trade surrogacy standards, and the list of approved surrogacy service providers could be publicized on the state department website as it is for adoption service providers".

structure of payments, in the medical process and in the relationships forged within surrogacy.

Transparency in financial transaction and allowing wage settlements through dialogue between the surrogates and intending parents are valuable recommendations—highlighted by the surrogates themselves.[8] A meaningful discussion on transparency in financial transactions, however, needs to consider the distinctive attributes of this work. For instance, surrogacy involves intense amount of body and emotion work and often forges relationships, arguably more intimate, than between the buyer and the seller in many other markets. Consequently, national or international laws cannot exclude the potential for change through dialogue and negotiations at the local level. The intimate and personal relationships that the surrogates forge with their clients are not just a source of potential exploitation for the worker but can be a basis for negotiating everyday advantages. For instance, scholars have indicated that the personalized employer–employee relationships forged in the provision of reproductive labour, like domestic work, often portrayed as disempowering and archaic, are not necessarily perceived as negative by the workers themselves. Workers often perceive these intimate relationships as a way to gain extra benefits. Despite the political urge to bring reproductive labour on the same platform as other forms of "productive" labour, we need to simultaneously acknowledge the unique characteristics of reproductive labour. For instance, in her astute analysis of what she labels, "intimate unions", Dorothy Cobble (2010) challenges us to get past the outdated "factory paradigm" of labour organizing and move towards one which is more appropriate for the new labour conditions, and which can effectively involve intimate and reproductive labourers as usual and not something exceptional. Having more intimate unions, according to Cobble, is to not fear "intimacy" in the work space, but to start recognizing that twenty-first-century economic reality is that more and more people are involved in such interactive, emotional and bodily service provision. Since a majority of reproductive labourers are women, especially black women, if we do not recognize and validate this trend, we will be marginalizing a certain gendered and raced category of workers. The conditions of work for intimate workers are very different from the factory space, and the relations with employers are also very different. There is far more blurring of the personal–impersonal and formal–informal relationship among worker–boss in intimate work, and this can be source of exploitation but also negotiation.

For surrogacy in India, transparency and control, in the second arena—medical process—needs to be much more than a signature indicating informed consent. For women who have little experience with biomedical technologies and professional medicine, being "aware" of the medical requirements and implications of assisted reproductive technologies cannot be a mere signature, but should be a continuous process of explanation and interaction over a period of time. Beyond transparency, there is a need for womb mothers to have control over the medical interventions—

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[8]See Pande (2014) for more details on the recommendations for change made by the former and repeat surrogates.

whether it be abortions, selective terminations in cases of multiple births, or cae-sarean sections. I have previously discussed the first two aspects of transparency in far more detail, here, I want to end with a focus on the third front for transparency—that of relationships.

If we indeed are in the midst of a "biological century", with bodies, body parts, organs and gametes entering the market, we need to reimagine how we define and value relationships forged by these biomarkets. What could fair trade surrogacy mean for the relationships forged within surrogacy? For many surrogates or womb mothers, "fair" surrogacy entails not just an increase in the payments they receive for their labour, but as critically, an affirmation of their dignity as labourers. Almost all respondents emphasized the desire that their efforts at forging relationships with the foetus/baby are acknowledged and reciprocated and clients continue to respect the ties that they have forged across seemingly impossible borders of religion, race, class and nation.

This call for openness and transparency is not as idealistic as it may sound. Legislations and policies around national and inter-country adoption have, for long, made this a central concern. Some recent reports on the growing industry of sur-rogacy indicate the urgent need to make productive comparisons between inter-country adoption and transnational surrogacy laws. For instance, social work scholar Rotabi and Bromfeld (2012), who primarily focus on inter-country adop-tions and "adoption frauds" in Guatemala, predicted that surrogacy may well be replacing adoption in countries such as Guatemala, whereby the consistent increase in the global demand for healthy, young children, and a decline in adoption opportunities, has resulted in an increase in the "price of young children" as well as an increase in the waiting time for the placement of these children. International surrogacy and in-vitro fertilization are emerging as lucrative alternatives. In a more tongue-in-cheek comparison, Anoop Gupta, an Indian fertility doctor has surmised "Surrogacy is the new adoption" (quoted in Twine 2011, p. 16). Whether surrogacy is indeed the new adoption is debatable but the "open" model of adoption can provide a guiding frame for future policies (Satz 1992).[9]

An open and transparent model of transnational surrogacy brings into focus another intricacy that has, curiously, escaped much of the discussion—the recog-nition that the *final "product" of this market is a living child*. Unlike in the case of adoption, where many countries (including India) have ratified The Hague Adoption Convention and have devised comprehensive laws regarding the rights of the adopted child, the rights of children borne out of surrogacy become a topic of discussion only during custody disputes.[10] More research is required in the future to

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[9]Debra Satz has previously compared surrogacy and adoption and argued for an "open" model: One that regulates the arrangement that respects the surrogates' option to change her mind and provides all relevant details about associated risks (Satz 1992).

[10]The Hague Convention in Protection of Children and Co-operation in Respect of Intercountry Adoption (1993) seeks to protect children and their families against the risks of illegal, irregular or ill-prepared adoptions abroad. In India (a signatory to this convention), the Central Adoption Resource Authority (CARA) under the Ministry of Women and Child Development functions as

gauge the impact of gestation on the lives of children. But for now we can reasonably assume that issues that have been relevant for inter-country adoption will arise in the future for transnational surrogacy as well. For instance, should the child borne out of surrogacy be told about his/her womb mother? Should a child be allowed to contact his/her birth mother? These are just some of the questions that will need answering in a not so distant future.

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(Footnote 10 continued)

the nodal body for adoption of Indian children. CARA is mandated to monitor and regulate all in-country and inter-country adoptions. See http://adoptionindia.nic.in/guideline-family/Post%20Adoption.html (Accessed 22 December 2012) for the specifics on "Root Search" or the rights of the child to obtain information about his or her origins.

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Chapter 15
Going Dutch, Remaining Indian:
The Work Experiences of IT Expatriates

Ernesto Noronha and Slawek Magala

Abstract Indian IT/ITES (information technology/information technology-enabled services) organizations often portray their espousal of an "open" work culture including flatter and flexible structures, comparing this progressive organizational design with the rigid authoritarian and hierarchical structure of traditional Indian workplaces. Yet, even Indian IT/ITES firms operating in the Netherlands fail to truly internalize and enact Western industrialism. Instead, they continue to harbour and exemplify the typical features of Indian workplaces such as high power distance, politicized career progression paths and lack of transparency, reflecting a feudalistic mindset. Far from homogenizing in the global business context, Indian organizations hold on to their ethos when it comes to dealing with Indian employees. This does not mean that we support Hofstede's static dimension of culture. First, we found that the Dutch or European employees were treated differently in Indian organizations especially in matters of work–life balance. Second, given that outsourcing is a low-cost strategy, many Indian managers had to delegate responsibility to subordinates in order to manage a large number of projects. Third, the interaction between the employees of different cultures highlighted the discrepancies in the discourse of Indian organizations—an aspect which becomes more glaring to Indian onsite employees who then want a better work–life balance and a more consultative and egalitarian relationship with their Indian managers, failing which they moved to Dutch organizations. Even so, rather than culture being static, interaction of employees from different cultures results in reformulating set values, meanings and norms. Finally, though employees welcomed changes to their work life, they were quite conservative with regard to changes in their social life.

E. Noronha (✉)
Indian Institute of Management Ahmedabad,
Ahmedabad, India
e-mail: enoronha@iima.ac.in

S. Magala
Department of Organization and Personnel Management,
Rotterdam School of Management, Rotterdam, The Netherlands

283

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15.1 Introduction

In the late 1980s and early 1990s, most Indian software companies acted as sub-contractors, executing assignments onsite (at clients' premises) through human power contracts popularly known as "bodyshopping" (Nath and Hazra 2002; Xiang 2007). The Indian software firm largely provided software programmers and analysts on a temporary basis to the client who managed and supervised them (Arora and Asundi 1999). This spawned a whole gamut of research which argued that IT (information technology) professionals from a periphery society like India struggle to join the global system, entailing high human costs (Xiang 2001). Citing examples from the USA, Banerjee (2010) argues how visa categories were used by the American corporate sector to create a flexible immigrant workforce that has a tenuous legal work status. The compulsion to remain employed drove H1B employees to accept severely exploitative work conditions, including wage cuts, deduction of commissions from hourly wages, lack of benefits and frequent relocations. The bodyshopped "techno-braceros" or "techno-coolies" often ended up working for low wages under sub-optimal conditions by local standards (Mir et al. 2000). Further, subtle discrimination prevented Indians from being considered for high-level management work. Besides this, many Indians on H1B visas were constantly in fear of being sued or deported, particularly during an economic slowdown (Varma and Rogers 2004). These studies, thus, mainly focused on the phenomenon of bodyshopping that uses the employees' temporary status (Chakravartty 2005) and ethnic networks to deliver a flexible labour market which minimizes costs while violating workers' rights (Xiang 2001).

Nonetheless, in the course of this journey, the Indian software industry has evolved from being a provider of bodyshopping services to becoming a provider of offshore services. This required software suppliers to maintain small bridgehead teams in client countries for the purposes of sales and customer liaison (Krishna et al. 2004) as well as task performance related to software development and maintenance onsite. As Indian employees travelled across the globe, it was argued that people were becoming more similar in their interests and attitudes and, therefore, their identities (Walsham 2008). Thus, the outsourcing of software and other services on an international basis became an emblem of globalization, exemplifying the new flat world (Walsham 2008). Besides this, to tackle the problem of attrition, many global HR (human resource) practices that are comparable with those of their international rivals were adopted by Indian IT firms with minor changes (Arora and Athreye 2002; Budhwar et al. 2009).

Reinforcing the foregoing idea was the claim made by Indian IT/ITES (information technology/information technology-enabled services) organizations that they imbibed the client culture which was divergent from other Indian organizations

in the old economy industries. This implied that they espoused Western industrialism and privileged rationality, objectivity, merit and competence (Noronha and D'Cruz 2009) in contrast to the Indian ethos which emphasized personalized relationships and exchanges, identity-based interactions and hierarchical systems with related in-group–out-group affiliation and high power distance (Kakar and Kakar 2007; Sinha 2008). Employers from the IT/ITES industry maintain that they are equal employment opportunity (EEO) compliant organizations, thereby claiming that the organization eliminated discrimination based on ascription and judged an individual on the basis of his/her achievements, during both recruitment and promotion (D'Cruz and Noronha 2012), emanating from the unprecedented competition for skilled English-speaking knowledge workers (Raghunath 2010). Consequently, they challenged hegemonic traditional management practices, which were both very paternalistic and hierarchical, often invoking caste (D'Mello and Eriksen 2010). Managers further asserted that bureaucratic structures and processes are downplayed in IT/ITES organizations, thereby de-emphasizing hierarchy. Under such circumstances, any third-party intervention including legal protection and collectivist groups in India such as trade unions were seen as redundant by the management (D'Cruz and Noronha 2012). Overall, most IT/ITES organizations claim to have an "open" work culture with flatter and flexible organization designs, compared to the rigid authoritarian and hierarchical structure of traditional Indian companies (Upadhya 2008).

However, doubts have been expressed by Upadhya (2008) that the official position maintained by the Indian IT/ITES industry may not necessarily be the reality (Upadhya 2008). Indeed, D'Cruz and Noronha (2012) are more forthright while arguing that though the IT/ITES industry brought changes to the ethos of workplaces in the subcontinent, Indian IT/ITES organizations remain hierarchical with high power distance, politicized career progression paths and poor transparency in their dealings with employees. This contradicts the notion that the contemporary world is flat and well integrated (Walsham 2008).

When Indian organizations based in India display the aforementioned contradictions, it is worth examining whether such discrepancies disappear when the organization operates from a Western country like the Netherlands. Indeed, presuming that culture is not static, the Dutch ethos should provide an opportunity for Indian organizations in the Netherlands to aspire to be egalitarian, transparent, objective and performance-oriented. However, this chapter challenges the assumption that Indian organizations are homogenizing and converging with Western practices even when operating in the same context. This does not mean that Hofstede's static dimension of culture is valid. While Indian organizations continue to be high on hierarchy and autonomy and low on work–life balance, the interaction between Dutch and Indian employees raises the latter's aspirations for a work culture which is non-hierarchical and more autonomous and facilitates better work–life balance. With this background, we now review the extant literature on cross-cultural interaction in an organizational setting.

15.2 Theoretical Framework

According to Friedman (2005), ICTs (information and communication technologies) and globalization are flattening the world, providing a level-playing field to competitors regardless of geography, distance and even language. This view propagates the idea that people across the globe are becoming more similar in their interests, attitudes and identity (Walsham 2008). Alternatively, while acknowledging that it is increasingly difficult for any group to remain isolated and uninfluenced by other cultures (that is groups shifting their attitudes from their initial cultural starting point and individuals refraining from mechanistically enacting their country's culture scores based on cultural dimensions) it does not mean that globalization facilitated by ICTs, is leading to a homogeneity of culture (Romani et al. 2011; Walsham 2002). When employees from different countries in multinational or global organizations interact with each other, cultural dynamics evolve (Sackmann et al. 2011). National cultural traits recombine or modify over time through interactions among employees giving rise to a "negotiated culture" (Brannen and Salk 2000; Frenkel 2008). Thus, culture is an active process of meaning making and contestation (Zhang 2015) wherein sets of values, norms and interpretations are permeable and can be reformulated (Brannen and Salk 2000). This emergent ethos is related to the culture of origin, the stance of individuals and the international joint ventures (IJV) environment but, in its entirety, may not reflect one or the other culture. A new situation-specific culture arises based on contextual influences and task-related factors rather than being determined a priori. The emergent cultural context can become the occasion for incorporating novel repertoires as it provides opportunities for individuals to give up certain practices that they tolerated in their home organization (Brannen and Salk 2000). In short, culture is not an inherent, bounded or static entity but a dynamic, fluid and situationally constructed process in which individuals change their views about their cultural self in response to the environment (Zhang 2015).

Not surprisingly, IJVs are regarded as contested terrains where groups compete to assert their norms and practices. IJVs challenge members to see themselves, work situations and others in new ways (Brannen and Salk 2000). Therefore, acculturating expatriates consider how much they allow themselves to identify with the mainstream culture and how much the dominant group allows them to identify with it (Berry 1997). The organizational context also plays an important role in expatriates' acculturation. The expatriates' job role affects the extent to which expatriates can be exposed to the host country culture at work. The more localized the unit expatriates work for in the host country, the greater the exposure they experience of the host country language and cultural elements at work (Zhang 2015).

Apart from their professional lives, expatriates' bi-culturalism is affected by how they spend their non-work time (Zhang 2015). Cultural domains that pertain to decision-making, working hours, pace of work and customer interaction are areas where social negotiation takes place whereas other aspects retain their original features. Differences and similarities that do not find expression in the work setting

or do not impinge upon critical activities or goals might continue to coexist without any substantial change or convergence (Brannen and Salk 2000). In fact, expatriates might not need to achieve integration with host country nationals in order to be successful. They might need to internalize only the host country's cultural schema selectively in the work context, reaching the basic behaviour level. In other words, they require to understand the host country's work philosophy and behave like a local only if this is needed for work purposes. Thus, expatriates' bi-culturalism might persist exclusively at the behavioural level, serving the function of working in the host country (Zhang 2015).

15.3 Context of the Study

As just discussed, though cultural dimension constructs have limitations, employees may enter intercultural situations with certain mindsets based on national, professional and organizational cultural values. National cultural origins serve as initial anchors or points of departure for employees as sources of values, meanings and norms brought to the global organizational context (Brannen and Salk 2000) and therefore worth discussing at this juncture.

Hampden-Turner and Trompenaars (1994) underscore that the Dutch are more egalitarian and less hierarchical. Managers in the Netherlands emphasize job autonomy, consult subordinates in decision-making and provide training opportunities that contribute to the success of the organization (Hofstede 1991). The need for consensus among all parties, based on an open-ended exchange of views and a balancing of interests, is neither predetermined by a contractual relationship nor by class distinctions. Thus, Dutch managers are often seen as excessively democratic and employees are understood as those who very readily distrust authority. Here, the role of authority is not to exercise power over employees or force them to do the managers bidding but to make sure that functions are properly organized to achieve the agreed-upon purposes of the business (Trompenaars 1993). Concepts such as participation, cooperation, mutual trust, group cohesion and individual growth characterize the culture in Dutch industrial enterprises (Verburg et al. 1999).

In the case of Indian organizations, Kakar et al. (2002) note that in spite of being exposed to Western influences and therefore to assimilation, transformation, reassertion and recreation, Indian organizations do not function as organizations in the West do (Sinha 1997). In India, personalized relationships and exchanges, identity-based interactions and hierarchical systems with related in-group–out-group affiliation and power distance influence work life (Kakar and Kakar 2007; Kakar et al. 2002; Sinha 2008). Age, kinship, caste, religion, region, class, gender and authority are important factors in this regard (Beteille 2006; Sinha 2008; Verma 2004), though exceptions do exist (Noronha 2005; Noronha and Sharma 2002).

Power distance is favoured by both superiors and subordinates. Managers prefer the centralization of power, displaying not only a leaning towards hierarchy, tight controls and limited delegation but also a lack of confidence in their subordinates. Subordinates prefer a top-down approach embodying close supervision, restricted autonomy and clear and direct orders and hence work best under these conditions (Budhwar 2009). Not surprisingly, bosses who demonstrate powerful and authoritative personalities are more likely to gain the respect of subordinates, with democratic management styles being viewed as a sign of weakness or incompetence (Sinha 1995). With people finding it easier to work in superior–subordinate roles rather than as equals (Sinha 1982), decision-making is centralized and communication tends to be more downward, favouring in-groups (Sinha 1997). Superiors appreciate the attention and flattery and cultivate subordinates' loyalty. Sycophancy and ingratiation are considered to be the appropriate means of influence with leaders and are extensively used by employees to maximize their gains (Bohra and Pandey 1984; Pandey 1981). While superiors gain power and information, subordinates' employment continuity, security, career growth and success are ensured, with access to undue resources also being facilitated (Pandey 1981).

In matters of gender, men continue to espouse patriarchal world views, and since they dominate workplaces, these attitudes prevail, further sideline women. Discrimination against women workers and managers is commonly reported (Basu 2008; Bharat 2001; Papola and Sharma 1999). Similarly, Banerjee and Knight (1985), Ito (2009), Noronha (2005) and Thorat and Attewell (2007) highlight that kinship, caste, region and religion play a role in selection, appraisal, compensation, promotion and confirmation processes as well as in task performance in Indian workplaces. Jodhka and Newman (2007) point out that in spite of a globalizing economy with concomitant emphasis on merit in recruitment as cited by private sector employees, caste, class and geographical location (proxied by family background) and region continue to affect selection processes. In short, Indian workplaces resemble feudalistic set-ups (Budhwar 2000) which privilege the informal organization (Kakar et al. 2002), allowing favouritism, discrimination, manipulative behaviours and corruption to persist (Kakar and Kakar 2007; Noronha 2005; Noronha and Sharma 2002; Sinha 1982, 1990). At the same time, there is also some evidence of "cross-vergence" (Baruch and Budhwar 2006, p. 97).

The above literature, additionally, has to be viewed in the context of the highly institutionalized industrial relations system in the Netherlands as compared to that of India where there is no collective bargaining or trade union presence in the IT/ITES sector (Noronha and D'Cruz 2009) and the applicability of labour laws here is often disputed (D'Cruz and Noronha 2010). In the case of the Netherlands, Den Hartog and Verburg (2004) hold that Dutch labour laws with regard to working conditions, such as maximum numbers of hours, are strictly implemented. However, when it comes to Indian IT professionals working in Europe, they acquire labels such as "sloggers" and "time slaves", indicative of the hours worked as compared to the Europeans who emphasize a good work–life balance (Upadhya 2008). Some managers seek to explain these long working hours of Indian employees as a cultural difference between Indian and Europeans. However, in

reality, the management's ability to make Indians work for long hours may be related to strict deadlines or vulnerability of migrants rather than to culture (Chakravartty 2006). This becomes all the more pertinent in the context of the changing industrial relations system in the Netherlands. Observers have recently pointed out that there is gradual move towards a more flexible system of labour relations based on the competencies of employees (Verburg et al. 1999) with fewer government interventions, more leeway for employment relations' negotiations between the "social partners" (trade unions and employer organizations) and the decentralization of collective bargaining agreements (Boselie 2009).

15.4 Method

A phenomenological study was conducted with onsite Indian IT professionals in the Netherlands. Prior to leaving for the Netherlands, the first author conducted 6 interviews with Indian employees who had returned to the subcontinent after working in the Netherlands. Their experiences enabled us to develop the first draft of the interview guide which was subsequently reworked after the initial interviews in the Netherlands.

In order to grasp the essence of participants' experiences as they are lived, conversational interviews with 42 employees—27 Indian and 15 Dutch/European—across different levels in the hierarchy were used to gather experiential narrative material (van Manen 1998). Of the 27 Indians interviewed, 15 worked with Indian companies and the rest had switched to local Dutch organizations or multinational corporations/MNCs in the Netherlands. Of the 15 Dutch/Europeans interviewed, 11 were Dutch and the rest were of other European citizenship. Of the 11 Dutch interviewed, 2 were freelancers and the rest were a mix of client and Indian vendor employees.

Participants were identified through links via personal contacts from India. The stature of the authors' employers, being well-known business schools worldwide, made the process of data collection relatively comfortable. For the interviews, the first author travelled to either to Amsterdam, Eindhoven or the Hague as most of the participants either lived or worked in the area and were available after office hours or during office hours. Dutch employees were usually available before 5.00 pm while Indian employees were available after 5.00 pm or on weekends.

All interviews were held as per the convenience of the participant and were conducted in English. These were recorded with the permission of the participant. Informed consent, voluntary participation and confidentiality were the highlights of the ethical protocol followed during the inquiry. Data recorded were transcribed verbatim for analysis. Thematic analysis was then undertaken—first, through the sententious approach; later, through the selective approach—and major themes, themes and sub-themes capturing participant experiences were developed (van Manen 1998). Following an iterative process, both data collection and analysis occurred simultaneously to the point of saturation.

15.5 Findings

We begin by describing the working of Indian firms in the Netherlands starting with the process of selection for onsite posting through the major themes of privileging pragmatism, layers of hierarchy, the appraisal conundrum and the plodding Indian. Later, under the major theme of segmented acculturation, we discuss how the Dutch interaction resulted in Indian expatriates altering their work culture while insulating their social lives.

15.5.1 Privileging Pragmatism

Employees sought onsite opportunities abroad primarily for financial reasons, followed by international exposure, social status, a better work culture and direct client interaction. Yet, receiving an onsite assignment resembled winning a prize. As the workforce of IT organizations increased, the demands for onsite postings became more competitive, lengthening the waiting period. Economic recession prolonged the wait. Under such circumstances, visibility took precedence, with aspirants actively projecting themselves and specifying their desire for a foreign placement to the talent acquisition manager or the onsite delivery manager. In their constant quest for an onsite assignment, employees shifted from one project or development centre to another, believing that an opportunity may open up in their new project or location. Rationally speaking, for an onsite appointment, an employee should have worked on the same project for at least 2–3 years to acquire domain knowledge and soft skills such as ability to deal with the clients, setting their expectations and convincing them of costs. Though meritocracy in these terms mattered it was difficult to find a complete fit between project demands and human power available, resulting in compromises. The inability to get the numbers was sometimes exacerbated by large requirements, high attrition, gender stereotypes, preferences of employees and visa stipulations.

This mismatch between client requirements and vendor capabilities arose when vendors got huge contracts but lacked a critical mass with the required skill sets to carry out the operations. The situation further exacerbated by high attrition rates both onsite and offshore. The prevalent gender stereotypes added to this. Apart from the view that Indian women employees would not travel because of marriage, it was believed that they wanted to return quickly from onsite assignments or proceed on extended leave due to family reasons. Obviously, this excluded them from the consideration set. However, women participants argued that though the foregoing description may have been the case earlier, it no longer held true as many of them actively pursued overseas postings.

> There was a point when I was working in this X project for two and half or close to three years, and all the male people were sent onsite and I was ignored. After sometime, I asked my manager, "Why are you not sending me?" "Oh! We thought you're getting married so

you don't want to go". I was shocked, "What, you made that decision for me?" that since I am getting married and I am a lady, I will not want an onsite appointment. (Indian, Senior Tester, Female, 30 years)

Additionally, since most employees wanted onsite postings to the USA or the UK, they were reluctant to pursue similar opportunities in other European countries. This was often due to lack of awareness about the English-speaking capabilities of nationals in places like the Netherlands or Germany. Moreover, dual-earner couples desired projects on the same continent despite also preferring different clients to mitigate risks in case of a project ramping down or winding up abruptly. Besides this, visas were issued only to employees having specific work experience, accentuating the scarcity of the pool available for selection. Finally, not all Indians wanted to move onsite (e.g. middle-aged employees with teen-aged children), the candidates available for onsite opportunities were even fewer.

Consequently, managers had to be pragmatic. A combination of reasons such as seniority, holding a valid visa, billability, favouritism and ethnic stereotypes and leanings manifested in regionalism impinged on the decision of whom to send onsite. Employees, on their part, attempted to build a case for an onsite posting by threatening to quit, trying to influence the boss or building a relationship with the onsite manager. Thus, though some may argue that relationships could be built only by performance, collegiality and team work, onsite selection was not based on merit but was an outcome of the circumstances. The same can be said of hierarchy which we now turn to.

15.5.2   Layers of Hierarchy

Hierarchy was not the privilege of the company's Indian operations alone but was also quite visible in the Netherlands. In Indian IT organizations, hierarchy was observable at three levels: first, at the level of the superior–subordinate relationship; second, at the peer level depending on the date of arrival onsite; and third, between onsite–offshore employees.

In a very strict hierarchical situation, the project manager made all the decisions and the onsite employees followed those instructions. As a result, Indian managers did not take into account views or suggestions of employees while making the final pronouncement. Clearly, it was difficult for employees to bypass an Indian manager and take decisions or be creative. This led to a culture of waiting for instructions rather than displaying initiative, impacting project implementation. Obviously, Indian employees did not ask questions, feared speaking up and limited themselves to orders. The Indian tendency of posing queries rubbed off on some Dutch colleagues who worked for Indian organizations. One of them working for an Indian company stated:

I still have the tendency to ask the question "why" but I have stopped doing that regularly because it never got me any further than a response: "Just do it, because we need to have it done". When it comes to the direct managers, I have learnt that when they've got their mind

set on something they will push through in that way and then it is useless to ask "why". In the beginning, I found it a little bit frustrating, but now I just let it go—it's like okay, if he wants it that way then I will just do it that way. (Dutch, Project Manager, Male, 41 years)

Thus, Dutch saw Indians as "order-takers". In contrast, they preferred employees who shared their opinion, asked questions and took responsibility rather than those who wanted direction. Some European managers hold that Indians managers liked to run the hierarchy with maximum control. With "bossism in their blood", Indian managers enjoyed flaunting hierarchical authority by screaming at their subordinates and strictly monitoring them. Some European managers labelled these Indian managers as "alpha males". Not surprisingly, hierarchy within the superior–subordinate relationship got manifested through aggressive yelling, allocation of physical space, use of salutations and restricting client interaction.

> The conversations that I've heard from senior employees talking to junior employees—very aggressively, loud, raising voices. They often speak in Hindi so I don't really understand what they're really saying but it certainly sounds abusive. (European, Project Manager, Male, 39 years)

Undoubtedly, Indian managers were entrenched in theory X and had not evolved to theory Y. Even though Indian managers in the Netherlands often sat on open floors like Dutch managers (instead of cubicles as in India), they still imposed their authority. The first name basis in the IT sector was therefore superficial. Senior management was required to be approached politely and submissively giving due deference to the person's position. Rather, to the amusement of the Dutch, even in the Netherlands, Indians still used "sir" to address their superiors. Moreover, Indian managers even seemed to have a right over the lives of the subordinates and could summon them at any time. For instance, managers held parties on weekends and expected the employees to attend.

Some Indian employees indicated that their organizations had much to learn from the Western world. Though the Indian economy had opened up, the Indian mindset was still not liberated since managers wielding influence today belonged to a different era. On the other hand, Dutch managers were supportive and transparent and facilitated the development of their subordinates, helping the latter to find a way out of problems. Since, in the Netherlands, the boss–subordinate relationship was consultative rather than hierarchical, Indian managers who had to work with Dutch teams found this requirement to be frustrating and had to remind themselves of the location they were based in.

> Yes, sometimes I just try to move the way I want—sometimes I don't take opinion then I remind, Oh! I'm in Holland, so I should take opinion. (Indian, Project Manager, Male, 31 years)

At the peer level, hierarchy was introduced on the basis of arrival dates to the Netherlands. Indian employees newly coming to the Netherlands were constantly supervised and dominated by colleagues who had arrived earlier. A similar hierarchy was apparent in the relationship between onsite–offshore employees. Being in the Netherlands gave the onsite employees a superior status both because of their direct interaction with European clients and the requirement of the offshore team to

take instructions from them. However, since the onsite team directly reported to the client, they had to shoulder greater responsibility and were unhappy with the appraisal process which favoured offshore employees.

15.5.3   The Appraisal Conundrum

Given the above discussion, it was natural for employees to want quick promotions as compared to the Dutch who gained expertise by working at the same position for years. The European (non-Dutch) employees working for Indian firms thought that the Indian appraisal process was better and more objective than the Dutch processes which mostly promoted employees based on seniority. However, it seems that they were unable to sense the complexity of the Indian process because their assignments had more autonomy and challenge, requiring them to interact with the client and manage a team. Being in this position allowed them to imagine a high growth potential for themselves in Indian organizations and rapid movement up the ladder. In fact, the size of the Indian company and the high growth rate provided enormous opportunities to European employees to work in India and broaden their horizons by gaining international experience. This blinded them to other facets of the appraisal system in Indian organizations.

In contrast, Indian onsite employees alleged that performance management was one area in which there was no transparency and they were not appraised objectively. The overall impression was that, in spite of salvaging projects, onsite employees received poor ratings, with the feedback being rarely shared. Some onsite employees believed that the onsite–offshore tussle resulted in poor ratings for the onsite team. For others, since onsite employees were paid in euros, cost-conscious vendors tried to save foreign exchange and therefore rated offshore employees higher. Further, onsite employees believed that since the India-based management decided the performance ratings, the offshore employees were at an advantage as they could ensure the visibility of their presence. In fact, those onsite employees directly working with the client with little interference from the onsite Indian project managers were even more disadvantaged, as the manager evaluating their performance would not have the information necessary for the process. The most plausible reason was that those who got onsite postings were, in some sense, rewarded monetarily and could not expect promotions. Added to this was the fact that the attrition of offshore employees was higher than of those onsite and hence the former were rated higher in a bid to contain this churning. The strategy of awarding higher appraisal points to offshore employees further aimed at calming accusations of this group who believed that their onsite colleagues simply passed down all the work to them.

Even so, some Indian managers insisted that offshore and onsite employees were evaluated separately and there was no deliberate attempt to score onsite employees poorly. The onsite employees were appraised in relative terms to their onsite colleagues and, likewise, the offshore employees were compared with their offshore counterparts. One interpretation of this is that since the numbers were higher

offshore, it seemed that onsite employees were rated poorly. Nonetheless, some managers agreed that when offshore and onsite employees were rated jointly, offshore employees received better scores to ensure equity and mitigate financial losses. While ratings did not make a difference to the salary of onsite Indian employees, good scores helped them to secure their jobs against future policy changes.

The actual problem lays with the relative ratings and the bell-shaped curve which demotivated employees. Not only did the bell-shaped curve affect relationships but also resulted in dipping performance and growing dissatisfaction. European employees who were not concerned with appraisal also endorsed the same. They too believed that the bell-shaped curve was unfair and brutal in Indian IT companies. An objective performance appraisal with the idea of helping employees to develop was appreciated, rather than the approach of arbitrarily dismissing employees commonly prevalent in Indian organizations. They noted that the ruthlessness of organizations asking employees to leave was extremely difficult especially when Indians developed an emotional bonding with the workplace. Moreover, women availing of maternity leave were especially targeted.

> In company Y, one of my colleagues went on maternity leave for four months and she was appraised poorly in spite of doing a very good job before going on leave. In fact, the manager told the woman employee that he was generous to give her a rating of 2. Maternity leave is actually a basic right of a female employee—it is not a favour … but that happens. (Indian, Delivery Lead, Male, 30 years)

The constant threat of being sent home for poor performance did not go down well with the participants. While Indian companies resorted to hire and fire at will, Dutch companies ensured that even when projects were outsourced, the prospective employees working on the project were taken over by the vendor, usually an Indian IT company. This was termed rebadging where the employee took their jobs from the client organization to the vendor.

> So we take our job and we go to the vendor company and we become their employee. So this was a good exercise instead of firing people. The parent company makes sure that all people are placed with the vendor at the same positions, same salary. (Indian, Transition Manager, Male, 30 years)

However, not all those who (especially Dutch) were transferred to a vendor continued in the new employment as they were uncomfortable with the organizational culture of the incoming employer (especially Indian) which usually entailed long working hours. In fact, even former employees of Indian organizations were peeved by Indian managers' expectations of wanting them to stay back extra hours in office, with refusals to comply impacting their appraisals.

15.5.4   The Plodding Indian

The ability to be present at any time was a strength as well as weakness. Indians worked longer hours as compared to the Dutch. Some observed that the metro

station was crowded with Dutch employees at about 4.30 pm and with Indian employees at 6.30 pm. The Dutch normally clocked 40 h a week but Indians generally put in 54–56 h a week, with some stating that they worked as much as 70 h a week inclusive of acquiring certifications. While the Dutch refused to work on weekends or holidays, Indians did not have the culture of saying "no" to their managers. The perception was that if a Dutch employee refused work, it could be passed over to the Indians who would put in the extra hours to complete the tasks. One Indian employee now working with the Dutch company had this to say:

> My manager gave us some work which we could not complete in the allotted time, so he told us, "Just pass it on to your Indian colleagues, they will do it. They will give it to you tomorrow". So, ya, they have a perception that Indians can work long hours but we will not. (Indian, Senior Tester, Female, 30 years)

The main reason underlying the need for longer hours of work was that (since clients played one vendor against the other to extract the maximum performance), vendors tended to oversell. This pressure from the client trickled down to those involved with delivery, in the process subsidizing the company by putting in more hours during the week and on weekends without being paid overtime. Besides this, the Dutch state that the Indians had an inclination to please the client, requiring them to work extra. Like freelancers, they had to make their presence visible to the client and prove that they were better than the permanent Dutch employees. Long hours were also related to the culture of working at the last minute and using whatever means possible to meet deadlines, a situation often termed as *jugaad.* Moreover, there was the belief that Indian employees did not spend time on any extra-curricular activities after office hours and had no place to go to after work and hence could spend more time working. Finally, and more importantly, while the Dutch were protected by strong labour laws, Indian workers were excluded from their purview. Nonetheless, even Dutch employees working for Indian companies felt obliged to stay longer after observing their Indian peers, though the management dealt with them carefully and never forced them to do so.

> The working ethic has changed—putting in the extra 20% all the time. This means being willing to answer the phone at 10 o'clock at night because I see that my direct manager in India does the same. If he does it, who am I to complain? (Dutch, Project Manager, Male, 41 years)

Working long hours had implications for efficiency. Since the Dutch spent limited time in office, they worked more efficiently and intensely as compared to the Indians. Many Indian employees endorsed the fact that the Dutch ate their meals at their desks and wanted meetings to begin and end on time, while Indians worked less intensely, wasting time browsing the Internet or doing things other than their tasks. Given that Indians took longer lunch/tea breaks, did not plan and manage time effectively and were always late in coming for meetings, it was not surprising that they had to stay back longer to complete their work. In the Dutch context, those who did not stay back beyond official hours had a better chance of being praised for efficiency, while in the Indian context, those who clocked longer hours were supposed to be working harder and were perceived as more committed to the organization than those who left early.

The long hours of work did not impact permanent Dutch employees, but they certainly put pressure on Dutch freelancers who took a rate cut because Indian employees were cheaper, precipitating a race to the bottom. With competition from Indian organizations, Dutch freelancers were resentful of Indians taking their jobs and therefore blocked knowledge transfer. Secretively, they wished that the outsourcing experiment with Indians failed. There was a sense of insecurity among the Dutch because "today the IT jobs were going, tomorrow it would be something else". However, except for some freelancers passing snide remarks or mocking them, most Indians did not face any severe racial abuse in the workplace.

15.5.5 Segmented Acculturation

15.5.5.1 Altering Work Culture

Over a period of time, Indian employees had to handle two sets of cultures—one of the client and the other of their own Indian employer. They had mentally programmed themselves to switch from one culture to another while working for clients. Those who had lived in the Netherlands for more than 3 years and worked for Dutch organizations noted that they had begun to behave like the Dutch. Indian culture laced with nuances of hierarchy and ingratiation was more difficult for them to handle than Dutch culture which emphasized straightforwardness. The basic difference between Indian and Dutch managers was that the Dutch trusted, empowered and facilitated the development of employees while the Indians wanted more control and micro-managed. Not surprisingly, most Indian employees preferred Dutch managers irrespective of organizational affiliation because the latter gave them space and autonomy in performing the tasks. This was also tied into the identity of knowledge workers who wanted a participative rather than a hierarchical culture. Respect and cordiality irrespective of hierarchy was important in Dutch culture, while in India, authority mattered, resulting in sycophancy or flattering the boss. Thus, Indian IT companies were characterized by high power distance while Dutch companies with low power distance.

Obviously, Indian IT employees demanded the same freedom from their Indian superiors. Indians wanted a boss who looked into their grievances but did not micro-manage their work. Fortunately, there was less micro-management by Indian managers in the Netherlands as compared to the situation offshore. Some Indian managers in the Netherlands got accustomed to the fact that their subordinates could interact with the client directly. However, this client interaction was influenced neither by design nor by Dutch culture but was an accidental and informal arrangement arising out of circumstances that required control over costs rather than focus on efficiency. Micro-management was not possible in the Netherlands because project managers had to handle several projects simultaneously forcing them to give subordinates more leeway. What further enabled this client interaction was the fact that, most of the time, team members had adequate knowledge of the

projects, given that they had worked on the same project for a considerable amount of time. Besides this, Dutch managers often preferred working directly Indian employees, away from the constant intervention of Indian project managers. Clients wanted the project manager to intervene only when the problem was escalated or when pricing issues arose. Indian employees, on their part, provided status reports to their superiors in order to ward off the latter's overbearing attitude and interference. In spite of this, the strong hierarchy, poor work–life balance, job insecurity and lack of appreciation demotivated employees who showed signs of moving to non-Indian MNCs.

Indians working with Dutch organizations found that their productivity improved in the Netherlands. They were more appreciative of the Dutch way of working and tended to work intensely rather than extend their working hours. Coffee was consumed at their desks and unnecessary breaks or phone calls during work hours were avoided. Those who lived for many years in the Netherlands were more vocal, disregarded hierarchy and were as assertive as the Dutch. They developed the habit of saying "no" which was not common among Indians who were known to say "yes". Others liked the Dutch way of separating work and life rather than mixing it up. They, therefore, started work early and ended early, leaving them with enough time to do other things. They took vacations and had travelled more in Europe than in India.

Even those who continued working with Indian organizations in the Netherlands wanted to weave into their lives the positives of Dutch culture such as planning, straightforwardness, being on time, respecting each other and work–life balance. When they revisited India, they would be more participative and consultative, more direct in their communication, start work early, insist on meeting timelines and avoid unnecessary breaks or wastage of time. However, this did not go down well with the Indian employees who often sarcastically labelled the returnees' adherence to Dutch way of working as a "cultural hangover". As a result, those who returned gradually succumbed to the dominant Indian culture. They soon realized that the Dutch experience did not impact the larger Indian organization ("You have to toe the line of the mother ship"). This also scared many others who contemplated returning to India because they would have to unlearn whatever positives they had imbibed of Dutch culture. Thus, working in Indian organizations with the Dutch framework was difficult.

Nonetheless, there were several things that Indians did to amalgamate with Dutch society such as learning the Dutch language and joining sports clubs. Some Indian employees wanted to learn Dutch because it was important for them to know the language of the country in which they lived and worked. Learning the language helped them to integrate and enhance their acceptability with workplace colleagues (e.g. be part of jokes) and interface with the client while taking part in sports helped them to familiarize themselves with Dutch social norms.

> I really want to learn Dutch now. It is not fun to be in a country where you cannot speak their native language. Because when I am at office with Dutch colleagues who crack some jokes, either I request them to translate it to English or I miss it. If I know, Dutch I will

enjoy 100%. Translating into English will not give the same punch. The moment passes. (Indian, Project Manager, Male, 31 years)

15.5.5.2   Insulating Social Life

While being Dutch in their work life, employees continued to remain Indian in their social life. Though they preferred Dutch organizations, this did not mean that they were not proud of being Indians. Some stated that in spite of adopting Dutch culture, they remained Indian. Complete integration with Dutch culture was not possible because, at heart, they were Indians and their society was "back home". Some said that they were Indian because they still could not speak Dutch while others said that they were Indian in spite of wanting to learn Dutch. Their long-term plan was to return to India because the business opportunities were better there while Western economies like the Netherlands were stagnating. Others preferred to retire in India and had invested in property in the subcontinent.

> I don't intend to be a Dutch. The reason is—I don't see a value add in becoming Dutch. I can work in the European Union as an Indian citizen. So I don't have to, you know, give up my Indian citizenship to become a Dutch and to enjoy this kind of work environment. (Indian, Transition Manager, Male, 30 years)

The Dutch argued that the culture of Indians working abroad would not change given that they lived as islands hardly interacting with others. While Dutch felt that they made friends with all nationalities and religious denominations, Indians were closeted within their own community. This view was reinforced by Indians who stated that they lived in the Netherlands like they would live in India. They got their spices from India and lived in the same apartment complex with other Indians. Hence, Amstelveen, where most Indians lived, was called "mini-India". As Indians socialized with each other at home, they collaborated in office in spite of belonging to different organizations. Ethnicity overrode other dimensions so much so that the Indian identity resulted in cooperation with other Indians irrespective of their belonging to different vendor organizations. In fact, the Netherlands had become a melting pot for Indians. Even those from the South who did not speak Hindi now learnt Hindi. Some Dutch observed that Indian expatriates were in general more conservative than their home country nationals. They returned to India for arranged marriages, followed the caste system rigidly, preferred the male child and were more fervent in celebrating Indian festivals than their counterparts in the subcontinent. On the other hand, Indians argued that social life was bland in the Netherlands and a lot more interesting things took place in India. Family relationships were very formal in the Netherlands while, in India, the family was always around. Ironically, Indians believed that the Dutch only wanted to socialize with their families after working hours, while, for Indians, friends were family. Nonetheless, there were few Dutch managers who got close to Indian team members and visited their homes.

15.6   Conclusion

The literature on Indian IT firms has quite clearly brought out contradictions in what is claimed by the industry vis-à-vis what occurs in reality. For instance, D'Cruz and Noronha (2012) underscore that the IT industry says that it imbibes client cultures which reflect Western industrialism and privilege rationality, objectivity, merit and competence but empirical data evidence that software firms function like other Indian organizations, remaining hierarchical with high power distance, displaying politicized career progression paths and lacking transparency in their dealings with employees. Therefore, our aim in this chapter was to examine whether these inconsistencies disappear when Indian organizations operate in a Western country like the Netherlands. The answer appears to point towards the negative. It is seems clear that Indian organizations continue to be hierarchical, exhibit a haphazard approach in their selection of onsite personnel and follow an appraisal process riddled with contradictions.

Far from homogenizing and converging with the global business context, Indian organizations hold on to their own culture when it comes to interfacing with Indian employees. However, it would be wrong to conclude that the culture of Indian organizations in the Netherlands was completely exported from home. There were three instances to support this point: first, we found that the Dutch or European employees were treated differently in Indian organizations especially when it related to issue of work–life balance. Indian managers were ready to accept a negative response from Dutch employees who refused to work long hours but did not apply the same standard to Indian employees. Second, given that outsourcing is a low-cost strategy, much against their will, Indian managers had to delegate responsibility to their subordinates in order to manage a large number of projects. Third, the interaction between employees of different cultures highlighted the discrepancies in the discourse of Indian organizations, making the gap more glaring to Indian onsite employees who then wanted a better work–life balance and a more consultative and egalitarian relationship with their Indian managers, failing which they moved to Dutch organizations. Thus, our findings debunk the view that cultural differences are fixed and static. Individuals do not mechanistically enact their country's culture scores based on cultural dimensions (Romani et al. 2011); rather, when employees from different countries in multinational or global organizations interact with each other, cultural dynamics evolve (Sackmann et al. 2011). Further, sets of values, meanings and norms are permeable and can be reformulated (Brannen and Salk 2000). Thus, expatriate bi-culturalism is not an inherent, bounded or static entity but a dynamic, fluid and situationally constructed process in which individuals change their views about their cultural self in response to the environment (Zhang 2015). In other words, individuals' characteristics are not limited to their ethnic heritage but are subject to change and modification through experience (Frenkel 2008). Nonetheless, our participants who stayed on with Indian organizations and returned to India with the Dutch mindset were often viewed by their colleagues back home as having a cultural hangover and were forced to revert to the Indian work culture in the long run.

While working with Indian organizations, at the individual level, employees indulged in alternation (Hong et al. 2007) which meant switching between the Dutch and Indian cultures. Those who had lived in the Netherlands for more than 3 years and worked for Dutch organizations had begun to identify with the Dutch, especially when it came to issues of work ethic and work–life balance. Thus, contrary to Sinha's (1995) observation, bosses who demonstrate powerful and authoritative personalities did not gain the respect of Indian subordinates in the Netherlands, with democratic management styles being preferred. Most Indian employees favoured Dutch managers irrespective of organizational affiliation because the latter gave them space and autonomy in task performance. The result was that many employees moved to Dutch organizations so that they could truly experience what the Indian IT organizations advocated. Thus, the new cultural context can become the occasion for incorporating novel repertoires as it provides opportunities for individuals to give up certain practices that they only tolerated in their home organization (Brannen and Salk 2000). Finally, though employees welcomed changes to their work life, they were quite conservative with regard to changes in their social life. Thus, differences and similarities that do not find expression in the work setting or do not impinge upon critical activities or goals continue to coexist without any substantial change or convergence (Brannen and Salk 2000) as expatriates need not to achieve integration with the host country in order to be successful. They need to internalize the host country cultural schema selectively only in the work context, reaching the basic behaviour level (Zhang 2015).

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