

LIFE AND CULTURE OF CONTRACT LABOUR IN INDIA AND CHINA IN NEOLIBERAL ERA

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Since last three decades India and China pursue Neoliberal economic policies in the name of 'reform,' which at the sametime produces huge expansion of urbanization. The urban sector expansion has created a vast labour market with low entry barriers. The construction firms needed a new proletariat, unskilled and numerically large labours, who could be inducted at relatively low cost. This entailed large-scale labour mobilization of wage workers from the lowest agrarian strata. This article analyses the exchanges between construction firms, intermediaries and migrant labours. In case of China, the construction firms prevent, at the outset, a labour contract from coming into effect, hence disabling the workers from claiming the rights arising from it. Parallel to this, in the Indian case, the workers are also inducted into construction projects without recording their labour participation. The employment relationship in the case of the unskilled workers is determined by the contractor. The thekedar plays a crucial role in labour mobilization and determin the terms of employment. The characteristics of the labour regime in construction sector in both China and India are mainly that it is flexible, restrictive, coercive and of an enclosed nature. This paper try to focus how culture and community based identities of rural people are eroded and become nomads by neoliberal economic policies. This may be called the process of new proletariat creation.

We can identify some basic features of neoliberalism

- * Governments should not run large deficits that have to pay by the future citizens.
- * Tax-reform
- * Trade liberalization
- * Privatization of the state enterprises
- * Deregulation
- * Opponents of neoliberalism argue that globalization can subvert nation's ability for self determination.
- * Even if it could be shown that neoliberal capitalism increases productivity, it erodes the conditions in which production occurs in long term, i.e., resources of nature, requiring expression into new areas. It is not therefore sustainable within the World's limited geographical space.
- * Critics consider neoliberal economies to promote exploitation.
- * It increases corporate power, in turn power of upper classes.
- * Deregulation of labour market produces flexibilization and casualization of labour, greater informal employment, increase of industrial accidents and occupational disease.

ECONOMIC FACTORS RESPONSIBLE FOR LABOUR MIGRATION

The volume of migrant labour inducted in the construction sectors in China and India is not similar. The factors that are immediately responsible for the creation of vast rural labour surplus in the two cases are different; the outcome they have produced is largely comparable.

Migration in China is driven by a complex set of factors and motives. The spatial pattern of migration is largely from the provinces in western and central China such as Sichuan, Guangxi, Anhui, and Henan to the eastern coastal provinces like Guangdong, Zhejiang and Jiangsu cities of Shanghai, Beijing and Tianjin. This west to east flow underscores the fact that the migration is mainly a population flow from the low-income agrarian areas to the regions of successful rural industrialization such as Dongguan in the Pearl River Delta. The positive consequences of rural industrialization in terms of poverty reduction are evident from the coastal Provinces; the rural poor in the interior did not experience a similar outcome. This is because the remittance to the countryside mainly benefited the non-poor households rather than those below the poverty line.

This brings us to another question as to who the migrants are. What is their social profile? Where do we locate them in the agrarian relations of post-reform China? What are their human capital resources and skills? Rural strata that migrated had better education. Poverty lingered on stubbornly among the poorest households precisely because they did not have educated young workers who could find urban employment. Since the Migrants were not more skilled than the average rural workers, so Chinese countryside suffered a skill drain which constrained local industries. To measure the relative vulnerability of the migrants in India and China, it is pertinent to consider factors such as access to land resources. Ching Kwan Lee (a renowned scholar) has noted that what makes this choice viable is the system of land use rights and land contracts available to the rural households. Migrants holding rural household registration or hukou possess land rights in their natal villages. The transition to this system originated in the rural reforms that started in the late 1970s. With the introduction of the household responsibility system, the socialist planning era production brigades and communes were dismantled. The village collective then distributed the agricultural land to the households on contract basis with fixed tenure. The 1998 Land Management Law had extended the tenure of land use rights to thirty years. As a result of these institutional transitions, land rights are universal for most migrants, although the size and the quality of the farmland vary. The national average in per capita allocation of arable land was 1.2 mu in 1997. Despite the low returns, higher farming costs and tax burden, most migrants see land as an asset which functions as informal social insurance. The point here is that Chinese migrant workers, the vulnerabilities are transitory and contextual and have exit alternatives, however limited in scope. The main characteristics of the rural to urban migration in China will explain the vulnerabilities

that they suffered in the urban labour market. At first, the proportion of the rural working population who migrated to the cities suggested that migration is the source of unlimited labour supply. The progressive expansion of their size from 25 million in the early 1980s to 144 million in 2004 demonstrated an apparently inexhaustible supply of low wage and unskilled workers in the urban sectors.

Work migration has been a long-term trend in rural India. For the lower agrarian strata, securing a wage is a multi-pronged negotiation and unending search. They are compelled to be mobile, travelling villages and towns, as well as engaging in seasonal shifts between farm work and working in the urban sector. This aspect of rural life is well captured in Breman's idea of footloose labour. Work commuters comprising of landless villagers travel daily to regular worksites in the towns and return to their rural homes before dusk. There are also the sojourners, the landless who frequently change their place of domicile, largely driven by economic motives. In addition, there are seasonal migrations of the rural labour force propelled by the scarce local resources for subsistence, seeking temporary work elsewhere.

The post-reform agrarian crisis introduced a starkly new economic element in rural life in India, in which many farmers no longer have access to farm land as an insurance against poverty. Like the *da gong* in the case of the rural poor in China, temporary migration for casual employment has become a way of life for the deprived multitude in the Indian countryside. In the decades of 2000s, it assumed a regular pattern of population movement from the rural areas in search of wage work in unskilled and semi-skilled sectors, such as manufacturing, construction, mining and quarrying and services to the cities. The specific processes involved in the two cases are vastly different, but the outcome they produced was largely comparable. In both the cases, the prevailing agrarian system came under severe disruptive pressures that produced a large volume of surplus labour in rural areas. We can describe the process as a grand demobilization of the rural peasantry from the agrarian system. Once their spatial attachment to the rural productive process was served, they become available for large-scale labour mobilization in the urban sectors.

In China the drive and dynamics of the migration was such that in Provinces such as Sichun, it was so widespread, regular and large that an entire demographic strata of the working population was continuously being cleared out of the countryside through migration. The Indian case is certainly a parallel, but not really an equivalent process in terms of the volume of the demographic flows that we see in post-reform China. The excess labour in rural India, even under conditions of severe economic distress, did not migrate en masse, as in the case of China. Although the

process is comparable, their volume remains small. This is a critical point that influences the formation of labour regimes as well as their dissolution.

Better educational levels skills have helped the Chinese migrants labour escape the low wage and quasi-punitive labour regimes that formed in the post-socialist transitions in India. Since 2004, labour shortages and increasing wage revision demands are transforming most sectors in Gurgaon.

The recent trend of rural-urban migration is different from the earlier one in terms of its origin, scale and outcome. The recent migration is fundamentally that of disposed labour. More than identity-based exclusion, it is the severe livelihood crisis and the complete exclusion of any wage-earning opportunity that has forced millions to flee from the rural areas in what the literature generally refers to as 'distressed migration'. In this sense, it is an economic phenomenon rather than a social one. Second, it is a demographic movement in India on an unprecedented scale. Out-migration has become the characteristic phenomenon of regions hit by agrarian crisis in nearly all the predominantly agricultural states in India. Third, such large-scale distress-induced population movement has created vast labour reserves in the growth cities which far exceed demand in any sector. Fourth, the typical human capital characteristic of this vast labour reserve is of unskilled manual workers who have had limited schooling. There is a large mass of runaway wage seekers who possess little social resources for imagining class solidarities for purposive action. What are the possible labour market exchanges that arise between this kind of distressed runaway labour and venture capital in the cities? It ends up in a situation where the terms and conditions of employment are easily imposed upon the migrant workers by the subcontracting firms. The processes that form the migrant workforce under Indian conditions make them a social stratum under the disciplinary regime of capital. The often used term informal sector labours does not cover the actual extent of informal labour. A substantial portion of the informal labour is employed in the formal sectors. Labours in the urban construction is treated as informal because it is a form of contract employment and is not entitled to statutory protection and benefits. This only demonstrates how the process of contractualization has enabled the large construction firms to informalities.

LABOUR LAW IN INDIA AND CHINA: REALITY AND PRACTICE

In case of post reform China, the labour question suffered a discursive reversal where the official formulation subordinated it to the imperative of the economic reforms. Through a series of policy departures during the 1980s, the danwei-socialist industrial labour system was disrupted

at its foundation to shift contractualisation. What the new law did essentially was to give legal expression to the system of contract labour and institutionalize it as the norm for industrial employment. Taking refuge in these legal ambiguities, most enterprises pursued cost-reducing policies by employing workers for shorter period to complete their production requirements. The net outcome was the formation of an extremely flexible labour regime in the export-oriented manufacturing units as well as in firms and enterprises across China. The political and historical tenor of these protests are well encapsulated in Ching Kawn Lee's use of the term 'labour insurgency', where she has pointed out the formation of combative working class subjectivity in post-reform China. The larger context of China's transition to labour flexibilities seems to be the overriding objective to achieve global competitiveness.

When faced with the deteriorating industrial relations and mounting social pressure from the worker families and urban residents, the government enacted a new labour legislation in 2007. A key provision in this law is that it made the labour contract a binding agreement between the workers and firms and explicitly set for the rights, obligations and liabilities arising out of it. It lays down that firms and workers must conclude a written contract, and only that can establish a labour relationship. The new law clearly stipulated that employment requires a written contract that must contain details concerning remuneration, job description, working hours and social insurance of the workers. The new law came into force in January 2008. Now the question is that, is migrant labour less vulnerable in the urban construction sector after 2008? A definite answer to these questions can only be established through further empirical investigations. Nevertheless, the recent industrial disturbances reported from sectors such as automobile and the suicide protests of migrants workers in Foxconn (China's largest electronics manufacturer) suggest that the new law has had little impact in regulating labour standards of migrants labour in China.

In the Indian case labour contract flexibility forms a normal mode through which construction workers are hired and employed. In the unorganized sector in particular, the informal contract is the standard industrial practice prevalent across the country. Skills such as masonry, welding and fitting and carpentry command relatively stable demand and in that sense, possess better bargaining strength vis-à-vis the employers. Mostly, it is the unskilled workers who are hired for worksite transportation of bricks, cement mixing and other building tasks are most vulnerable. The relevant Contract Labour (Regulation and Abolition) Act of 1970 does not stipulated the contract to be a formally concluded agreement between workers and firms, as in the case of China. The contract here is between the workers and the contractors who have been assigned to execute a specific

production task. This is because the Act has only set forth the broad terms for employment contracts and has assigned to the labour inspectorate the task of ascertaining disputes if they arise.

The system of labour contract is functionally sustained through two kinds of contractors. One is the labour contractor or the jamader who hires mainly unskilled workers from the rural areas and supplies them to the construction firms, where they work under site supervisors. The second is the work contractor or the thekedar who has been subcontracted by the firm for a specific task. In both cases non-economic factors such as caste language and regional identities play a mobilizing role. In the cultural milieu of India, these identities often provide cohesiveness to groups, and it is common that a pool of industrial labour can be mobilized through these groups. In addition caste and region or village-level affinities from powerful social capital and provide the basis of trust and reliability. Certain forms of economic obligation also drive rural labour into contract employment. The other process of labour contract is monetary advances or lone.

Worksite accommodation: alienation of contract labour

Migrant workers are forced to do overtime without overtime wage. The CASS study has estimated that migrant construction workers work on an average 10 hours a day and twenty-seven days a month (China Daily 2009). Migrants construction workers in Beijing have reported to the HRW researchers that long working days of up to 17 hours a day or longer, in split shifts, without overtime wage, are common on construction sites. This process of deprivation to the workers is organized through the spatial integration of the worksites and temporary lodging shelter provided to the workers.

For all functional purposes, shelters are an integral part of the production process in China. On the other hand, residential utility structures are not always part of the production system in urban construction in India. The temporary workers' quarters in Indian Cities have less access to basic amenities such as safe drinking water and power supply, in comparison to their Chinese counterpart. The most critical difference between the dwelling quarters of the Chinese and Indian construction workers is the composition of the workforce who resides there. In China, the construction labour force is wholly comprised of male workers in the age group of roughly 20-45 years. Women workers are seen only randomly in road construction where they are engaged in the tasks such as clearing and cleaning and in the post-construction activities such as moving flower posts and so on. The temporary shelters are populated exclusively by single adult men. In most of the cases the labour regime in Indian cities has incorporated not only the individual workers, but their entire families and in many cases, the members of their extended family. This

produces different kinds of social consequences for the workers and they pay a relatively higher social cost than their Chinese counterparts.

There are three variabilities, through which we can summarize the character of labour regime of post-reform India and China. First, it is linked to the spatial polarization that has produced sharply contradictory social outcomes for the urban and rural populations in the period of economic reforms in the both countries. Although the factors that are responsible for the waves of out-migration from the rural areas are different in both India and China. They have produced a large mass of runaway wage seekers who have swarmed into the growth pole metro regions and have been forced to accept subsistence-level wages and fringe returns. Second, the creation of large labour reserves of rural migrants is linked to the rise of public consumption demands that has been the focus of urban transformation since the early 1990s, most notably in China. This demand, in the form of high-level infrastructure in housing, mass transport and shopping, has required a fast-track execution that has typically preferred rural disposed strata. Third, these processes have coined with the transformation of the local state into a quasi economic-managerial functionary facilitating the fast-track completion of projects. The institutional cost of this process has been the thinning down of the local state, substantially eroding the regulatory frameworks, especially in the era of labour protection. The specific mode of labour mobilization is different in two countries. The modes in which the construction firms impose these flexibilities are strikingly similar in both the cases. The range of wage flexibilities is markedly large in both cases, steeply reducing the workers' livelihood choices to subsistence-level existence. The characteristics of the labour regime in the construction sector in both China and India are mainly that it is flexible, restrictive, coercive and of an enclosed nature. This entailed large-scale labour mobilization of wage workers from the lowest agrarian strata. As a result culture and community based identities of rural people are eroded and they become nomads by neoliberal economic policies.

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