

Bias as base

Capitalism in India, especially its globally integrated variant, has used modes of social discrimination and exclusion to advance itself.

MANY people, especially in India, tend to believe that the process of economic growth is likely to be mostly liberating for those oppressed by various forms of social discrimination and exclusion. The argument is that market forces break open age-old social norms, especially those of caste and gender, which have denied opportunities and restricted options for so long and for so many.

Unfortunately, the current Indian reality is more complex than that. The big capital, which is leading the current economic boom, derives its strength at least partly from the persistence and even expansion of precarious and low-productivity employment, in which a wide range of workers are engaged.

Most significantly from the point of view of the Indian corporate sector, different degrees of outsourcing have blurred the lines between formal and informal activities. The proliferation of such low-paying self-employment has become an important means of reducing costs for the corporate sector as well, passing on the risks of production to smaller units that are essentially part of the working class.

The extent to which all successful formal economic activities in India rely on the implicit subsidies provided by cheap informal labour is largely unrecognised. Yet corporate profitability in India hinges substantially on the lowering of a wide range of fixed costs through outsourcing.

Thus, for example, the success of the much-lauded software industry in India is only partly because of the availability of skilled information technology professionals who are



Preoccupations
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cheaper than their international counterparts.

A significant part of the lower costs comes from the entire range of support services: cleaning and maintenance of offices, transport, security, back office work, catering, and so on. These are usually outsourced to smaller companies that hire temporary workers with much lower wages and long working hours. There is hardly any form of worker protection or other benefits and no job security. Without the cost advantages indirectly conferred by these low-paid workers, the domestic software industry would find it much harder to compete internationally. The same is true of a wide range of corporate activities across both manufacturing and the newer services.

These processes of direct and indirect underwriting of the costs of the corporate sector have been greatly assisted by the ability of employers in India to utilise some social characteristics to ensure lower wages to certain

categories of workers. Caste and other forms of social discrimination have a long tradition in India, and they have interacted with capitalist accumulation to generate peculiar forms of labour market segmentation that are probably unique to Indian society.

SOCIAL FACTORS

Numerous studies have found that social categories are strongly correlated with the incidence of poverty and that both occupation and wages differ dramatically across social categories. The National Sample Surveys (NSS) reveal that the probability of being in a low wage occupation is significantly higher for the Scheduled Tribes, the Scheduled Castes, Muslims and Other Backward Classes (in that order) compared with the general "caste Hindu" population. This is only partly because of differences in education and the level of skills, which are also important and which in turn reflect the differential provision of education across social categories.

Such caste-based discrimination has operated in both urban and rural labour markets. For example, even in a major metropolitan area such as Delhi, which is one of the epicentres of economic expansion, there continues to be significant discrimination against Dalit workers operating dominantly through the mechanism of assignment to jobs, with Dalits largely entering poorly paid "dead-end" jobs.

These are actually essential jobs in both production – such as sweepers, loaders, unskilled construction workers – and services – such as shop and sales assistants and security guards. Methods of recruitment based on contacts, which are widely prevalent in such low-skilled occupations, ensure

that past discriminations are carried over to the present and thereby condemn lower caste groups to poorly remunerated labour that is nonetheless essential to income generation in the economy as a whole.

Similarly, empirical studies of caste behaviour in rural India have found that there are many ways in which caste practices operate to reduce the access of the lower castes to local resources as well as to income-earning opportunities, thereby forcing them to provide their labour at the cheapest possible rates to employers. One study, *Untouchability in Rural India* (by Ghanshyam Shah, Harsh Mander, Sukhdeo Thorat, Satish Deshpande and Amita Baviskar; Sage Publications, New Delhi, 2006), of various caste-based practices in rural areas of 11 States – Punjab, Uttar Pradesh, Bihar, Madhya Pradesh (including Chhattisgarh), Rajasthan, Maharashtra, Orissa, Andhra Pradesh, Karnataka, Kerala and Tamil Nadu – found a large number of social practices that effectively restricted the economic activity of lower caste and Dalit groups, and forced them to supply very low wage labour in harsh and usually precarious conditions.

In 73 per cent of the villages surveyed in this study, Dalits could not enter non-Dalit homes. In 70 per cent of villages, Dalits could not eat with non-Dalits. In 64 per cent of the villages, Dalits could not enter common temples. In 36 per cent of the villages surveyed, Dalits could not enter village shops. In around one-third of the surveyed villages, Dalits were not accepted as traders dealing with commonly used items of consumption or production. These practices in turn can be used to keep wages of Dalit workers (who are extremely constrained in their choice of occupation) low, even in period of otherwise rising wages. These practices persist even during the period of the Indian economy's much-vaunted dynamic growth.

But the important point to note here is not simply that such practices continue to exist, but that they have become the base on which the eco-



CONSERVANCY WORKERS CLEANING a drainage channel in Tirunelveli. A file picture. A large number of social practices effectively restrict the economic activity of "lower caste" and Dalit groups and force them to supply very low wage labour in harsh and usually precarious conditions.

nom accumulation process rests. In other words, capitalism in India, especially in its most recent globally integrated variant, has used past and current modes of social discrimination and exclusion to its own benefit to facilitate the extraction of surplus and ensure greater flexibility and bargaining to employers when dealing with workers.

So social categories are not "independent" of the accumulation process – rather, they allow for more surplus extraction, because they reinforce low employment-generating (and, there-

fore, persistently low wage) tendencies of growth.

GENDER DISCRIMINATION

Similar tendencies are evident in patterns of gender discrimination as well. With respect to women's work, there have been four apparently contradictory trends: simultaneous increases in the incidence of paid labour, underpaid labour, unpaid labour and the open unemployment of women. This is a paradox, since it is generally expected that when employment increases, unemployment comes down; or when



A PROTEST BY members of the Domestic Workers Union in Bangalore. A 2009 photograph. For urban women, the increase in regular work has dominantly been in services, including low-paid domestic service.

paid labour increases, unpaid labour decreases.

For urban women, the increase in regular work has dominantly been in services, including most importantly the relatively low-paid and less desirable activity of domestic service, along with some manufacturing. In manufacturing, there has been some recent growth of petty home-based activities of women, typically with very low remuneration, performing outsourced jobs as part of a larger production chain.

But explicitly export-oriented employment, even in special zones set up for the purpose, still accounts for only a tiny fraction of women's paid work in urban India. Meanwhile, in rural India, self-employment has come to dominate women's activities even in non-agricultural occupations largely because of the evident difficulty in finding paid work.

In this period of economic boom, average real wages of women workers increased relatively little over the 10-

year period 1993-94 to 2004-05 despite rapid increases in national income over this period, and for some categories of women workers (rural graduates and urban illiterate females), real wages actually declined. What is more, there were fairly sharp increases in gender gaps in wages, which are now among the highest in the world.

Even public services rely heavily on the underpaid labour of women. While a privileged minority of women in government employment continue to access the benefits of the government behaving as a "model employer", new employment for the purpose of providing essential public services has been concentrated in low-remuneration activities with uncertain contracts and hardly any benefits. This is true of school education (with the employment of para-teachers) as well as health and nutrition (with reliance on anganwadi workers and Accredited Social Health Activists).

The Mahatma Gandhi National

Rural Employment Guarantee Scheme is the only public intervention to make some difference in this with evidence of gender gaps in rural wage work coming as a result of the implementation of the scheme.

Conditions of self-employment among women show many of the disturbing tendencies of wage employment. Women's self-employment in non-agriculture is largely characterised by both low expectations regarding incomes and remuneration and substantial non-fulfilment of even these low expectations. Despite some increase in high-remuneration self-employment among professionals and micro-entrepreneurs, in general the expansion of self-employment seems to be a distress-driven process determined by the lack of availability of sufficient paid work on acceptable terms.

Case studies and evidence from large surveys of the NSS both suggest that payment for home-based work, which is typically on a piece-rates basis and accounts for increasing proportions of the economic activity of women, have been declining not only in real but even in nominal terms in many urban centres, despite the economic dynamism of the areas in general.

Similarly, unpaid labour of women is likely to have been increasing because of public policies such as reduced social expenditure that place a larger burden of care on women, or privatised or degraded common property resources or inadequate infrastructure facilities that increase time spent on provisioning essential goods for the household, or simply because even well-meaning policies (such as for afforestation) are often gender-blind.

Once again, the relevant point here is not simply that such gender differences exist, but that they – and therefore the particular forms that patriarchy takes in India – are closely intertwined with processes of capitalist accumulation. So, the recent growth has not broken existing patterns of social discriminations; instead it has relied on them to take forward the growth story. □