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# Dignifying Discontent of Informal Labour

SHARIT K BHOWMIK

Much has been written about the hopeless condition of informal workers, and researchers and journalists have focused on their helplessness. The developed North would love to believe that these exploited, underpaid workers deserve special attention from donor agencies and governments, as being helpless they cannot expect to improve their conditions of life without liberal external aid. Rina Agarwala's book is refreshingly different because she finds hope in these workers and their efforts to improve their conditions. Though the conditions of work are poor and wages are low, she discovers how they use different tactics to change the situation in their favour.

In the introductory chapter, she notes that liberalisation policies have opened the markets and have led to greater competition among manufacturers, but "this ideological shift has enabled the Indian state to overtly absolve employers of responsibility toward labour, which has increased workers' insecurities and poverty levels" (p 3). The numbers of casual and contract labour have increased while the more secure formal sector jobs have been reduced.

The government has introduced some social security measures, such as the Unorganised Workers' Social Security Act, 2008 that provide insurance for these workers, but these are more as sops. The original bill envisaged regulation of employment and social protection, but was finally watered down to insurance, making it a mere sop.

## Class and the Informal Sector

The author tries to examine the basis of class formation in the informal economy. It is difficult to talk of classes because there are different types of workers who have varying relations with the employers.

## BOOK REVIEWS

**Informal Labour, Formal Politics, and Dignified Discontent in India** by Rina Agarwala (*New York: Cambridge University Press, 2013; pp 264, price not indicated.*)

The largest chunk of the urban informal sector (two-thirds) is self-employed. This includes domestic workers, each of whom may have a number of employers; home-based workers, whose main employer may not be known as they operate through contractors and subcontractors; and street vendors who may not have any employer.

The author does not include these sections as she focuses mainly on two types, namely, construction workers and bidi workers. The former work directly under the supervision of contractors for daily wages, while the latter are home-based workers who work on piece rates. The contractors provide the bidi workers the raw materials (tobacco, tendu leaves for wrapping the tobacco, and threads for tying the rolled bidis) and pay them for every thousand bidis rolled. The author has studied women workers in these two industries. Women predominate in bidi-making, while in construction they occupy the lowest rung in the workforce. She finds that there are definite bases for class among these workers, though class consciousness, which would bind them as a common group, may not be prevalent.

The author finds that the informal sector does not expand merely because employers want to decrease costs. There are more serious reasons, and the most important, as she asserts, is that it blurs class relations and thwarts class opposition. The author finds that in the early stages, the 1920s, workers in both industries had regular employment and they worked for contractors who employed them permanently. The bidi workers

were organised by communist union leaders, who initiated many movements that led to some gains in conditions of employment and wages. Ironically, when laws were passed for protection of workers in the post-Independence period, their conditions deteriorated. This was mainly because, on the one hand, the laws tried to guarantee employment rights, social security and retirement benefits to the workers, and on the other hand, the same laws had inbuilt failures.

For example, the Factories Act of 1948 defines a factory as a unit manufacturing goods that has more than nine workers, if it uses power, and more than 19 workers, if it does not use power. Similarly, the Act for protecting contract labour provides for permanency of employment, provident fund, etc, provided the contractor employs more than 19 workers. Hence, in order to escape the provisions of these acts, employers resort to subcontracting, where each subcontractor has less than 19 workers working under them. Hence, it is clear that the state's policies encourage informalisation. The result could be seen from the author's study where protected labour in bidi and construction were turned into unprotected labour.

## 'Competitive Populism'

The scenario may appear dismal, but the author finds that these workers have tried to evolve different types of movements to protect their interests. It is almost impossible for workers to organise against their employers because of their vulnerable position and also because, as in the case of bidi workers, the main employer may not be known as the workers negotiate through the subcontractors. The author finds that "rather than demanding traditional work benefits...from employers" (p i), the workers are using their votes to influence the state in providing for their protection through institutions like welfare boards.

The author elaborates on the origins of these welfare boards and measures of their success. One of the more important welfare boards is the one for bidi workers. This board operates on a small cess

imposed on bidi factories on the number of bidis produced. The amount collected is fairly impressive. However, the more important issue is that workers get the benefits of these boards only if they are organised. The author shows that around 40,000 bidi workers have got houses that were constructed by the board in Maharashtra. This was done through the bidi workers' union in Solapur, led by Narsayya Adam "Master" of Centre of Indian Trade Unions (CITU). Moreover, these boards are most active in providing scholarships to children of bidi workers. By 2007, over 8.5 lakh children were receiving scholarships.

The author gives an interesting analysis of how informal workers in Tamil Nadu use their voting power to gain favours from the competing political parties. They are willing to provide support to the party that will provide them with protection and better infrastructure. They are able to get promises in their favour from the Dravida Munnetra Kazhagam (DMK) as well as the All India Anna Dravida Munnetra Kazhagam (AIADMK). The political parties in Tamil Nadu are mainly populist and they compete with each other in providing benefits to the poor. The author calls this "competitive populism". This is certainly a new form of analysis and should be very valuable for future researchers on the informal economy.

### Unions at the State Level

The author has examined bidi and construction workers in three states with different levels of organising. These states are Maharashtra, Tamil Nadu and West Bengal. In both Maharashtra and Tamil Nadu, the traditional trade unions (meaning those operating mainly in the formal sector) have drawn up new tactics to meet the challenge of informalisation. The All India Trade Union Congress (AITUC) and CITU (close to the Communist Party of India (CPI) and Communist Party of India (Marxist) – CPI(M), respectively) have evolved tactics that are quite different from the strategies they employ when organising formal workers. The AITUC was a pioneer in organising bidi workers when they had formal relations. Later, like CITU, they shifted their

focus to pressurising the state, rather than the employers, in gaining benefits for the workers. Welfare boards of both industries, bidi and construction, are functioning with a fair amount of success because of unionisation.

On the other hand, the third state, West Bengal, comes up a damp squib. Though the state was ruled by the CPI(M)-led coalition for over three decades, the urban informal workers did not gain much. In fact, the author's data on wages in both industries show that this state pays the lowest wages of the three states covered. The author finds through her interviews of different officials and ministers that, for the first 25 years, the coalition concentrated mainly on the rural population as the leaders felt that their support base lay there. The urban voters had voted for the opposition in some of the elections.

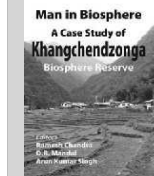
The other factor was that CITU had virtual monopoly over the state's workers. It had started organising construction workers since 1986, and it had a bidi union. However, unlike the same union in the other two states, CITU in West Bengal did not target the state. We should also add that due to some strange reason, the trade union movement in the state led by CITU tried to maintain "industrial peace" with a false understanding that organising strikes against employers (in the formal sector) would reflect badly on the state government. Hence, this state did not have any significant movement of the working class during the tenure of the Left Front. As a result, the trade union movement remained only on paper.

The left government should have known that trade unions are mainly opposition groups that defend the interests of labour. They are political insofar as they organise workers to challenge the power of the state. However, in India, politics and political parties are interchangeable, and hence, trade unions are invariably tied to the coat-tails of political parties, which prevents them from taking independent positions favouring labour. CITU in West Bengal is no exception. One can observe similar behaviour of the Indian National Trade Union Congress (INTUC) in Congress-ruled states,

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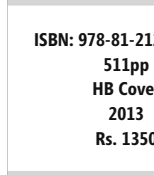
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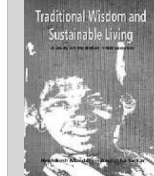


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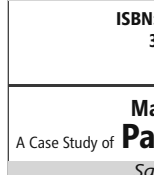
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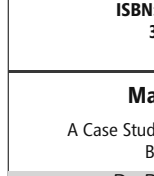
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and the Bharatiya Mazdoor Sangh (BMS) in BJP-ruled states.

This book is a painstaking effort by the author, and she has done an extremely good job. It throws up new ideas about the informal economy through its bold analysis. The author's background

of political science and sociology helps raise the analysis above the mundane cost-benefit analysis framework. The most important aspect of the book is that it shows that though informal workers are the wretched of the earth, they are learning to raise their heads and

fight for their dignity. It is definitely a very important contribution to the study of informal labour, and should be of interest to all social scientists.

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