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THE GREAT TRANSFORMATION IN THE SETTING OF ASIA

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A civilizational switch

We are in the midst of a major civilizational switch from a rural-agrarian to an urban-industrial mode of life and work. The long era, spanning over two thousand years, during which the march of mankind was dominated by peasant economies and peasant societies has ended. Propelled by the economic forces of capitalist production, large masses of people are driven out of agriculture and away from their habitat in the countryside. The great transformation was how Karl Polanyi analysed the onslaught of capitalism that disentangled the economy from the political, social and cultural framework in which it had been embedded.

Industrialization, in tandem with urbanization, was the organizing principle of the market-driven transformation that took place, in the first instance in, the Atlantic community. Polanyi insisted that the new order that emerged was already global in nature, an observation that led him to label the fringe zones as the colonial and semicolonial jungle. Europe, and Great Britain in particular, was the heartland on which his seminal work focused, and he described the landscape that arose as a veritable abyss of human degradation:

> Before the process had advanced very far, the laboring people had been crowded together in new places of desolation, the so-called industrial towns of England; the country folk had been dehumanized into slum dwellers; the family was on the road to perdition; and large parts of the country were rapidly disappearing under the slack and scrap heaps vomited forth from the "satanic mills" (Polanyi, 1944:39).

The exodus of rural labour began in Europe in the early decades of the nineteenth century. In the wake of decolonization in the second half of the twentieth century, a similar expansion spread to what came to be called the Third World. The exodus from agriculture and the countryside has now become a global phenomenon resulting from a process in which people with little or no land to cultivate become redundant in primary production and are converted into a huge reserve army of labour. The opening up of the countryside and

reduction in the cost of transport has accelerated labour mobility on a larger scale than ever before. During the initial stage of this worldwide upheaval, migration was truly intercontinental, leading to an influx into the underpopulated countries of North America, South America, Southern Africa and Australia. Passage to already developed zones of the world has since become increasingly difficult and people who were in the past lauded as enterprising colonists are now denigrated and stigmatized as economic refugees. Consequently, migration by and large tends to remain restricted to movement within the same country or local region.

Intra-rural mobility is quite significant, no doubt, but the main emphasis is now on the trek from rural to urban destinations. It needs to be stated at the outset that, although the pace of urbanization has accelerated, it is generally not accompanied by a rapid expansion in industrial employment. Migrants who settle down in the urban fringes fail, to a large extent, to become absorbed in steady jobs in factories, mills or even small-scale sweatshops. Instead they find a niche in the service sector as waged workers or remain self-employed. They get stuck in the informal sector economy, the defining features of which are low wages, payment by piece rate or job work, un- or low-skilled work, casual and intermittent employment, erratic working hours, no written labour contracts and an absence of institutional representation. These features dominate in the slum habitats where most of the newcomers from the hinterland congregate.

From the early 1960s onwards, the main focus of my investigations has been on monitoring the rural-urban transition and the social identity and dynamics of poverty, first in South Asia and then in Southeast Asia. The attempts made by a huge rural reserve army of labour to get urbanized are being frustrated by the growing saturation of employment niches, however defined, in the informal sector of the economy, as well as a marked reluctance by the well-settled urban inhabitants to tolerate the presence of poor people in their midst. Thus migrant labour has remained footloose, a phenomenon which has led to the continual circulation rather than to the permanent outmigration of workers from the countryside. I have

documented the conditions of massive labour nomadism in my field-based research in India and Indonesia and more recently also in China. In a collection of essays I have brought together my writings on these issues over the last ten years.

Going out and coming back again was also a major trend in the West, when the exodus from the countryside began to accelerate in the second half of the nineteenth century. However, fairly soon, such recurrent mobility decreased and migrants settled down in their new habitat, usually towns or cities. They left their rural habitat behind and became urban citizens, often as industrial workers. As Polanyi observed, what started as a catastrophe turned out to be the beginning of a vast movement of economic improvement that signified the growing control of human society (again) over run-away markets. The great transformation which changed the character of the Atlantic world eventually succeeded in harnessing the forces of predatory capitalism. Is this also the outcome of the upheaval caused by dislocation, essentially a trajectory of social progress, in the setting of contemporary Asia?

Labour circulation rather than migration

In various parts of Asia, a large number of people who leave the villages nowadays do not ‘arrive’ in the cities. To the extent their mobility is intra-rural in nature, it is usually only for the duration of a season: they return to their place of origin when their presence is no longer required. Thus, labour migration is actually labour circulation. My fieldwork for the last half century has focused on the coming and going of these people in South Gujarat, a region of high economic growth on the western coast of India. Those who belong to this nomadic workforce remain outsiders in the area to which they have been recruited on a temporary and casual basis, and are treated as transients by those who make use of their labour power. Informality and circulation together allow us to define these people as a reserve army of labour.

In considering the main features of their identity, the first thing that comes to mind is that as socially deprived contingents, i.e. as members of low or backward communities and sections of tribal or religious minorities, they belong to the land-poor or landless underclasses of rural society. In their search for work and income outside agriculture, they lack not only physical but also social capital (low education achievements and lacking the network which would make them eligible for steady and better work). In the absence of social, economic and political qualifications, they remain stuck at the bottom of the economy, both in their places of origin as well as in their new place of work. Pushed out because of their redundancy in the rural-agrarian labour process, they are driven back again because of their temporary and time-bound incorporation elsewhere. At both ends of their axis of mobility they are hired only for as long as they are willing and are fit enough to work, and are fired when there is a downturn in the demand for their labour power or when they have lost their capacity to work.

Circulation is work related. As dependent members of the household, women and children can come along or are even required to come along on the basis of their ability to take part in the labour process. Those who are not fit to work, because they are too young or too old to earn at least their own keep, are discouraged from accompanying members of the household who move off. It means that labour power, not the social unit of which it is part, is made mobile. Recruitment once started is both local and group based. The pattern of segmentation in the labour market that has emerged, rather haphazardly, tends to become repetitive over time in the sense that other factors than a particular aptitude seem to be the main trigger and driving force. Labour circulation has a chain effect and cannot be explained in terms of the supply/demand mechanism operating in the formal labour market. Labour brokers, acting on behalf of employers, form anther link in the chain of circulation for the footloose workforce and explains why they seldom have access to other jobs wherever they go, even in the informal sector. Opting out of the circuit with the aim of staying on and settling down at the new worksite is next to impossible. On the other hand, work specific

segmentation such as I found in brick kilns, stone quarries, saltpans and on construction sites perpetuates circulation.

Drifting in and out is not necessarily caused by local shortage, a lack of hands available or a willingness to work. The preference for outsiders is often part of a strategy resorted to by employers to command a pliable and vulnerable labour force which by their status as aliens and transients have on both sides forfeited their bargaining power. Consequently, because of migrants moving in, local labour becomes superfluous to demand and has to go out in search of alternative employment. They fall victim to the same process of failing to get access to steady work and in turn are made to join the reserve army of labour. Thus, influx and exodus are closely related to each other in a perpetual pattern of circulation.

What is the magnitude of people in India who work for the whole year or a substantial part of it away from home? Numbers are difficult to come by because the phenomenon of labour remaining footloose is hugely understated in census statistics and macro-level surveys such as reported by NSS. Moreover, there is a lack of consensus on the definition of migration, operationalized in terms of distance (demarcated by the boundaries of district or state) as well as length of absence (week, season, year or more). Are workers commuting from the village to the nearby town migrants, or do they only become so if they stay on at the work-site for more than a day, a week or longer? On the other hand, there are long-distance migrants such as the power-loom operators who go off at a young age to Surat and go home only for brief visits but who settle back down again in their place of origin in Orissa and Andhra Pradesh when they are worn out. As semi-permanent migrants they spend a large part of their working life in loneliness until economic compulsion, due to job loss or old age, ultimately drives them back to ‘where they belong’. At both ends, the migratory scale is fluid rather than fixed, difficult to comprehend in a research jargon that is heavily biased by formal sector concepts.

Based on the 1991 *Report of the National Commission on Rural Labour* (NCRL), in India a migrant is a person who migrates temporarily from his place of residence to another area, either rural or urban, with a

view to getting waged employment. A separate study group specified this further by stating that a migrant labourer is one who works as part of a temporary work force in different sectors and returns to her/his place of origin. Rather arbitrarily, i.e. on the basis of incomplete estimates, more in the nature of guesswork than backed up by verifiable accounts, the NCRL calculated in its 1991 report that about 10 million rural workers went out in search of work. With the caveat that seasonal migration had been the Commission's primary concern, this tally included 4.5 million interstate rural migrants and around 6 million intra- or inter-district rural migrant workers temporarily employed inside or outside agriculture. The change in composition of the national economy, both sector-wise and as far as the shift in the rural-urban balance of labour is concerned, accelerated dramatically after the report came out. But it is quite clear that the magnitude of circulation in the preceding decades had not been covered adequately. In addition to heavily underestimating the participation rate of females and children in the annual trek, both the rural-urban and the intra-rural migration rate must have been at least double the reported size. While it is a matter of dispute whether in south Gujarat either the short-distance sojourners (e.g. the village commuters going off to work in the Vapi industrial estate) or the long-stay migrants (such as the power-loom workers in Surat city) should be included in the figure on labour circulation, even when narrowing down the score to seasonal migrants, the stated figures are much too low. This was duly noted by the special study group on migrant labour. In a reference to my own published fieldwork findings, this panel of experts wrote:

> It appears that circular migration is much higher than what can be discerned from the NSS and Census data. Moreover both the NSS and Census data is dated; the developments since the mid-seventies, such as the Green Revolution, are not reflected. For instance, the presence of migrant workers from Maharashtra who speak Khandeshi seems to have been ignored by the 1981 Census in three taluks of Surat district – Kamrej, Bardoli and Palsana – where according to micro in-depth studies, around 60,000-70,000 migrant workers during that period worked in sugarcane farms. But the Census reports only 11,373 Marathi and only 6 Khandeshi speaking persons. And the Marathi speaking persons reported by the Census seem to be non-farm employees.' (Report NCRL, vol. 2, 1991: K-17.)

Do recent statistics show a higher degree of accuracy and reliability? I am afraid not, but once again even that observation has no foundation in factual and reliable data. According to the latest estimate with which I am familiar, the total number of migrant workers is supposed to hover around 30 million for the whole of India (Srivastava and Sasikumar, 2005). The source from which I derive this figure refers, as a typical example, to at least half a million seasonal migrants belonging to Muslim communities in the rice belt of West Bengal during the harvesting period. In view of incomplete coverage - caused by the same mixture of absence of investigative zeal, lack of definitional rigour, a politically inspired reluctance or outright unwillingness to take stock of what is going on in the lower echelons of the economy and society - I am inclined to suggest that presently at least 50 million people are and remain on the move in order to make up for the income and employment deficit the households they belong to face at home for a major part of the year. Migration findings presented by the Census and NSSO for 1991-2001 suggest that long-term work related mobility (more than ten years) is the largest category of migrant workers, representing a little more than half of the total, while the category in the range from 1-9 years went up in the same interval to 41 per cent, with a residual category of seven per cent migrants staying away for less than one year. Indeed, the NSSO reported a decline in short-term migration in the course of the 1990s, coming down to 11 million workers in 1999-2000 who went off for 2-6 months, of which 8.5 million were employed in rural areas.

What is shown as a residual category in the Census and NSS reports has remained a highly understated segment of the total labour force in the research carried out by those agencies specialized in the collection of statistical data but which fall short in the qualitative and contextual analysis of their database. Although circulation is not

restricted to mobile men and women who work away from home for less than one year, I would argue that this residual category going off but coming back within a short interval represents a much bigger proportion of all migrants in search of employment than a mere seven per cent. The *Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector* brought out by the National Commission for Enterprises in the Unorganised Sector (NCEUS, 2007) unequivocally states that the numbers of such migrants (i.e. circulating for up to one year) is much larger than that estimated in official sources (p.96).

Many features relating to labour circulation or migration are poorly documented, such as, for instance, information on the part of the household budget earned while working outside the place of residence. There is a dearth of data on both the amount of cash brought back home or sent as remittances that is spent on daily requirements, as well as on the expenses that are incurred during life-cycle events. From another perspective, we should not talk about savings but understand these transactions as 'loans' advanced by the employer or a broker/contractor as payment for labour to be performed later on. Practices of neo-bondage are often the *modus operandi* of such work contracts. While it is quite clear that the money needed for survival is met from what migrants manage to save, details of how family members back home contribute to the cost of reproduction in terms of child care, care for the old and the cost of medication in the case of failing health are often not taken into account. The kind of jobs for which footloose labour qualifies makes them prone to disease, injuries and accidents which impair the physical and mental condition of workers who, undernourished and overworked, are already suffering from all kinds of health deficiencies.

In search of work and shelter

The people pushed out of agriculture do not give up the habitat which keeps them embedded in the village of their origin; first and foremost, because they may have been accepted in the urban space as temporary workers but not as residents. It means, of course, that they simply cannot afford to vacate the shelter left behind in the hinterland. This is in addition to the fact that dependent members of their household do not join them on departure. Here we notice a major contrast with the transformation that went on in the western world when the rural exodus escalated one-and-half centuries ago. When the working classes in Europe started to move out of the countryside, they brought their families along to the cities where they settled down. Public housing was sponsored by the state/municipality or by corporations set up by the newly arrived citizens themselves. In India, housing societies for factory labour did not become a prominent part of the urban expansion in most parts of the country. Unlike in Europe, where housing cooperatives are part of working class neighbourhoods, in India this term invariably signals the presence of middle-class owners who have bought their bungalows and apartments from private contractors. Working class colonies used to be built by employers either as coolie lines on the plantations and in the mine belt or as *chawls*, consisting of dead-end alleys filled with cheap tenements which came up around the textile mills in, for example, Mumbai and Ahmedabad. Due to the relentless informalization of the economy, of which casualized employment is a major feature, the need to keep a stable workforce and to provide even a modicum of housing to them has gone.

Informal sector workers who have reached the city where they try to find a more permanent niche in the urban economy have to make their own arrangements. This they manage to do by squatting on unoccupied land or by finding a foothold in one of the settlements, usually on the outskirts, as portrayed by Mike Davis in his *Planet of Slums* (2006). Their self-built shelters, grouped in colonies and built from recycled material, lack basic facilities such as tap water, sanitation, electricity, a school and proper access roads and are difficult to reach by public transport. But colonies inhabited by the low castes or classes in the villages are not of a better quality. For no good reason at all the word slum has an urban connotation, while the shanties spread out in the countryside are similarly populated by residents living in utter degradation. Still, on both sides of the rural-urban axis, the labouring poor have at least a fixed abode, ramshackle though it may be. It is a space in which they can retreat from the

harshness of their daily work, from the bullying of the employer or his agent and from the nagging of neighbours.

Circulating migrants, however, are often made to live without a proper shelter and do not enjoy the comfort of privacy. This goes for the power-loom workers in Surat who sleep in a packed room in the company of workmates, construction workers who arrange a sort of bivouac at the building site, brick makers who erect a makeshift hut of broken and rejected bricks, gangs of paddy harvesters allowed to cook their food and pass the night in the farmer's courtyard and the mobile army of sugarcane cutters who camp along the roadside or in the open field in a tent of plastic canvas sheets; for the duration of the working season they have to make do without drinking water and toilet facilities. One worker had the courage to tell a group of officials that had come to find out about the way they were treated by the mill management that 'even dogs are better off'. This was more than twenty years ago, and since then nothing has changed. But the anger with which these labour nomads react to their plight of exploitation and subordination shows that they are not only in search of regular jobs but also in search of decency and dignity. One wonders what the prospects are for realizing these ambitions which are fuelled by the rightful demand for a better quality of life. The degradation and dehumanization which Polanyi highlighted as features characteristic for the initial stage of the great transformation made way for a decisive improvement in the further transition to an industrial-urban livelihood in the Atlantic world. The advance made in that direction so far does not seem to give ground for optimism about a better future for the much larger working classes of contemporary Asia.

What needs to be emphasized is the strong interdependence that exists between the ongoing practice of labour circulation and employment in the informal economies of the globalized South. Recruitment of labour for a limited time period, lasting no longer than one season, is in line with the time-bound nature of many informal sector operations: the harvesting of various crops (such as paddy, sugarcane, tobacco, cotton, mangoes, etc.), the quarrying of stones, the moulding of bricks or the manufacture of sea salt, are all operations that can only take place during the dry months of the year. The same goes for other industries, rural and urban, carried out under fair weather conditions in the open air and for construction work: production comes to a halt before the onset of the monsoon. As a matter of fact, labour circulation facilitates informal sector activity and, also the other way round, the progressive informalization of the economy puts a premium on movement by a highly casualized work force.

Conducive to the ongoing nature of migration/circulation is an improved mobility infrastructure: transport by mechanized vehicles and communication on where to go and what to do made available at both the beginning and the end of the route. The result is that distance can be bridged in a relatively short time by train, bus or truck while, at the same time, travel costs have gone down. Having said this, I would also like to point out that it is usually not the employer or his agent who bears the cost of the journey made, but the migrants themselves. Ferrying them from the village to the work site when they are hired and back again when they are fired involve expenses charged to their account, adding to the debt which is the start of the contract. The poor resource base of the massive army forced to participate in the annual trek to other destinations to work long hours at low pay rates is a direct consequence of their inability to qualify for better type of jobs yielding higher incomes at home. For the large majority of these people, poorly educated or totally illiterate, labour circulation is not a free choice, but a strenuous and tiresome expedition that has to be repeated again and again, rarely rewarded by getting skilled or bringing back savings that can be used for productive investment leading to a more secure economic condition. Circulation is at best a survival strategy, a route taken to cope with the threat of unemployment and the lack of means needed to keep the household going.

When, in the wake of India's Independence, land reforms were carried out, as was promised by the nationalist leadership in its efforts to mobilize the peasantry for the struggle against colonial rule, those segments of the rural workforce which had no or very little land did not benefit from the redistribution of agrarian capital.

Their exclusion at that critical moment of restructuring ownership of resources explains why they remained bypassed in the processes of socio-economic development that came about during the second half of the twentieth century. The NCRL backed up its verdict in 1991 on the political and policy failure to strengthen the asset-base of the rural under-classes with the following statement:

> Even a small piece of land can serve not only as a supplementary source of income for the rural labour household, but also as a source of security. Land-base, however slender, can weaken the dependency syndrome in the rural setting. Despite two rounds of land reform legislation, the surplus land acquired and distributed among the rural poor was below 2 per cent of total cultivated area. Thus, due to most unsatisfactory implementation of ceiling laws in several of the States, the objective of acquiring surplus land and distribution among the landless has not been achieved. Moreover, there was hardly any attempt to influence the land market in favour of the rural poor by advancing long-term loans to them for purchase of land. (Report, vol. I, 1991: v-vi.)

After Independence, the stalwarts of the Congress Party announced that there was simply not enough land to provide all peasant classes with a viable holding. Pressure on agrarian resources had already surpassed critical levels in most regions of the country. Instead of handing out tiny plots which would not yield adequate employment and income, the land-poor and landless were told that a better future would await them outside agriculture, as mill hands in the city. Factories were going to open up to provide skilled and decent jobs for all those whose labour power had become redundant in the rural economy. The breakthrough to an urban-industrial mode of production appeared to take longer than anticipated by the political designers and policy planners, but then the notion of an informal sector was ingenuously construed as a stop-gap solution to the problem of underprivileged contingents who were encouraged to leave the villages in search of alternative employment. The state, however,

did nothing to take care of people who were made footloose or to support and protect them in their search for work and shelter.

Informalization as a strategy to reduce labour cost

The initial understanding was that the informal sector acted as a waiting room for migrants who had found their way to the urban economy. Growing accustomed to the pace of urban life and work, they were supposed to move up in the labour hierarchy. However, that scenario turned out to have been too optimistic. While a rapidly increasing flow of steady job seekers kept coming, they were only offered casual work, rotated around as temporary rather than regular hands. Instead of finalizing their migratory status as new arrivals and finding a first niche from which to upgrade themselves in the urban economy, many of those who enter the city have to leave again. If not when the season or year runs out, then when they have lost the labour power needed to hang on. Even if they succeed in extending the duration of their urban stay, in the end they fail to escape from their membership of a footloose army.

Another unduly optimistic notion was the suggestion that the informal sector is able to accommodate any number of newcomers. Even if the city is already flooded with shoeshine boys, rickshaw-*valas*, construction workers, head-loaders, street vendors, beggars and so on, the prevalent notion is 'no problem', more can enter these trades and find a ready supply of customers willing to buy their services. It is the myth of the infinite absorption capacity of the informal sector and it is just that: a myth. Unemployment and underemployment of the footloose workforce are highly neglected issues which require focused and detailed investigation to shed light on this side of life at the urban and rural bottom which so far has remained in the shadow. In my last round of fieldwork in south Gujarat, carried out between 2004 and 2006, I found that both intra-rural and rural-urban labour circulation had gone down in the localities of my recurrent research. Not because more and better employment opportunities had locally become available in or at short distance away from the village but, as I was told, because migrants found themselves crowded out of the

job markets with which they were familiar. I am inclined to read this as a signal that the informal sector is getting saturated with an over-supply of labour that is already in a state of reserve.

Polanyi suggested that the free labour market which emerged in Great Britain with the abolition of the poor law arrangements in 1830s – provisions that had discouraged outmigration to urban localities – was ultimately beneficial to the displaced segment of the workforce:

> No relief any longer for the able-bodied unemployed, no minimum wages either, nor a safeguarding of the right to live. Labor should be dealt with as that which it was, a commodity which must find its price in the market. (Polanyi, 1944:117).

The new regime was harsh but received praise in retrospect as a blessing in disguise, because the unleashed market organization became counter-productive and led inevitably to the building up of pressure for protection. And this protectionist counter movement, Polanyi argues, was a reaction against a dislocation which attacked the fabric of society, and which in the end would have destroyed the very organization of production that the market had called into being. Is this then the change for better times to come that can be discerned in the booming economies of Asia today? One wonders if it is really possible for the vast masses redundant in their rural habitat to opt out and find regular employment elsewhere. What I tend to see is a supply of labour far in excess to the structural demand for this factor of production. It helps to explain why a bottom segment of land-poor and landless peasants do not drift around freely in the labour market but remain as a casualized workforce bonded in debt (Breman, 2007). They are made mobile in a state of immobility. This leads me to challenge the assumption that the kind of restless circulation in which a substantial part of mankind is presently involved will be replaced by a decent and dignified work regime that offers security and protection for the labouring poor as it did one century ago in the Atlantic world.

Earlier estimates that less than half of the working population came to depend for their livelihood on the proceeds of the informal sector have since been revised to include at least three-quarters or even more than four-fifths of all those who are gainfully employed. In addition to demographic growth, a complex of economic and social mechanisms – mainly fragmentation of land holdings and mechanization of farm work - has led to a rapid fall in the volume of labour in agriculture. The recognition of this trend has led to a reconsideration of the view that the process of transformation in the Third World is essentially a delayed repetition of the industrialization and urbanization scenario that laid the foundations for the Western welfare state in the early twentieth century.

This critical review of the initial notion of an evolutionary trajectory based on the Western model has major policy implications. The new political correctness is to state that efforts should no longer focus on formalizing the labour system. In a major deviation from the previous route to development, the suggestion now is that the privileges enjoyed by an exceedingly small proportion of the working population must end. The protection enjoyed by a vanguard of the workforce, which in Third World countries represents no more than a tenth of the total population living on the sale of their labour power, is detrimental, according to this argument, to the efforts of the vast majority to improve the conditions in which they live. This 'unfair' competition could be avoided by abolishing the security of employment, minimum wages, maximum working hours and secondary labour rights which usually apply in the formal sector.

But should we not then worry that things will get even worse? No. Those who call for flexibility to give employers a free hand to hire and fire as they please suggest that this approach would actually lead to more and better work, and a rise in real wages. The idea that efforts should no longer be focused on increasing formalization of the labour system seems to have become the received wisdom in the milieu of neo-liberal policy makers. Analyses focusing on the positive side of the regime of economic informality are designed to refute the idea that leaving the formal sector and joining the informal sector will automatically imply a deterioration in living standards. Such

a view often tends to culminate in an ode to the virtues of micro-enterprise and self-employment. The World Bank has been a leading proponent of the policy of informalization, which goes together with the erosion of the rights of formal sector workers. This was the basic message of the *World Development Report* 1995, which discusses the position of labour in the globalized economy.

Insisting on migration as the roadmap to progress

The World Bank is in the forefront of all those who argue that because of the pressure on agrarian resources - the man-land ratio is becoming even more unfavourable than it has been for a long time already - migration to wherever non-agrarian work and income can be found is a must. Actually, the verdict is more positive than that and is summed up in the latest *World Development Report* (2009). The case of China in particular is supposed to have demonstrated that the exodus of huge contingents of labour (at a figure of more than 150-200 million by 2008) from the rural hinterland to the urban growth poles is a win-win situation for all stakeholders: for migrants who get more employment and higher wages, for the places of destination in need of more manpower than locally available and for the places of origin which stand to benefit from remittances sent back home.

In offering its recipe of large-scale labour mobility as a pro-growth strategy, the Bank has carefully refrained from referring to evidence that shows what migrants often lose rather than win. In the first place because departure of many landless and land-poor peasants is a form of distress migration, away from misery or even destitution without necessarily resulting in better work and higher wages. It is an escape for the duration of a season, a short-term remedy in response to the structural lack of wherewithal to survive by staying put. For many of them, migration is bound to remain circular in nature because of the dearth of physical and social capital to settle down elsewhere. The decision to leave is also not based on the exercise of free but of forced choice imposed by the need to sell one's labour power in advance and thus become entrapped in a relationship of debt bondage (Breman *et al*. 2009).

Heralding departure from home as the way out of poverty, the World Development Report (2009:163) strongly condemns what it calls the setting up of barriers against labour mobility. Efforts to increase rural employment opportunities such as the newly introduced scheme in India to generate public works, are rejected as a waste of time and money, ill-advised because such interventions tend to undercut the free flow of labour praised as being in the best interests of all parties concerned. In a sharp critique of the Bank's judgment, the beneficial side of the National Rural Employment Guarantee Act (NREGAs) is brought to the fore:

> Media reports since the introduction to the programme indicate that in many areas of the country, the NREGS, described by the Report as retarding labour mobility, has enhanced the confidence of rural workers who have intensified their demands for higher wages. In failing to reference the politics behind the NREGS, the Report effectively disavows such struggles and their (however limited) success in winning a modicum of rights and thereby a "spatial" advantage for migrant workers. Representations in the Report of this policy and practice as ill-conceived effectively erase not only the (emotional and physical) injuries that becoming mobile entails for large numbers of people, but also the responsiveness of governments to democratic pressure. (Mariganti *et al*. ,2009:51).

Of course, together with other policy makers, the World Bank is fully aware that migrants require at least a foothold to enable them to settle down more permanently in the urban milieu. By not attending to their basic needs, the newly arrived may find the terrain to which they have come not congenial for staying on. Without access to minimal welfare services such as cheap shelter and food subsidies made available to other inhabitants, the cost of long-term city life becomes prohibitively high. The same logic suggests that granting property rights and tenure security to the plots on which the slum dwellers have built their shelter – leaves clearly taken from De Soto's notebook (Breman, 2003) - helps migrants to ease their journey along

the winding road leading to their acceptance as regularized urban residents endowed with a legal status. The question, of course, is to what extent is this minimum packet presented in the Bank's document as 'selective interventions' put into practice? Hardly or not at all, it seems.

While the pressure on resources in the rural hinterland is building up, the growth rate of the urban population in India is, contrary to what we would expect, not rising but declining. Why is that? According to Kundu it is not because labour mobility is going down (2003). The restructuring of the balance between countryside and town appears to taper off, he suggests, because the urban arena has turned markedly hostile to outsiders who have come not only to work but also to occupy space for their livelihood. Finding access to agencies charged with issuing permits required for urban citizenship is next to impossible for slum dwellers, blamed from day one as squatters with no right to the waste land, either in public or private hands, on which they have built their makeshift shelter. The space they encroach is required for building roads, bridges, canals and power stations as part of an expanding urban infrastructure, or is taken up by housing colonies for people with higher and regular incomes. The squatters are forced to leave again before the construction works begin. Drifting around the outskirts of the city, they have to keep a low profile because they cannot afford to buy the plot on which they erect a bivouac of sorts since land prices are far beyond their budget. Without assets and contacts with the municipal authorities, these settlers do not, of course, qualify for property rights and tenure security. They are what I have called nowhere people, drifting around in a nowhere landscape. Reporting on the outcome of my fieldwork findings in rural south Gujarat, I observed that:

> These working men, women and children are sometimes needed in the towns and sometimes in the countryside. Sometimes they are put to work in the obscure and degraded landscape in between these two extremes: alongside the highways and railway lines, in agro-industrial enclaves, brick kilns, quarries and saltpans, gathered together in temporary camps that arise where rivers are dammed, where earth has to be moved to dig canals or lay pipelines, where roads have to be laid or bridges and viaducts built, and so on. They live and work at these sites as long as the job lasts. The rest of the time they are confined in slum-like sprawling settlements of the fringes of villages, squatting with no legal title, waiting until the call comes for them to leave again. If the work is relatively close to home they commute back and forth each day, if it is farther afield they stay away longer, sometimes for whole seasons. But sooner or later the work is completed again and they return to their waiting room that lies beyond the purview of politicians and policy-makers. (Breman, 2007:409).

Those who manage to gain a foothold in one of the more regularized slums belong to the somewhat better-off category of migrants. It does not mean, however, that they have found a more permanent niche in which they are safe from forced removal. Even when they are put on record in the municipal books, their houses get demolished because the cheap land they occupy becomes a target for real estate dealers or building contractors who terrorize the slum-dwellers to vacate and move off. The hostile reception awaiting resourceless migrants in the urban arena is inspired also by new civic movements launched by bourgeois and politically well-connected sections of the population to disenfranchise slum dwellers arguing that their illegal status poses a threat to the maintenance of law and order (Mahadevia 2008, chs.12 and 18). The labour power of these outsiders is required, on and off, but not their cumbersome and defiling presence as regular inhabitants.

The growing prosperity of the more well-to-do, living far above the poverty line, has encouraged local governments to design projects for the beautification of city space. A clear example is the corporation in Ahmedabad, set up as a public-private partnership to develop the banks of the Sabarmati river, bifurcating the city into a rest and recreation zone for its middle-class citizens. Shopping malls, cinemas, playgrounds for children, fountains and statues are going to decorate the boulevard on both sides of the river along which

middle-class citizens will stroll and spend their leisure time. The price paid for the good life is at the cost of the poor who had settled on the riverbanks. Hundreds of households have been evicted, to be resettled in a swamp far outside Ahmedabad. Here I found them at the end of September 2009, deprived of the basic amenities that make life somewhat decent and trying desperately to hold on to their niche in the urban job market as hawkers, security guards, housemaids, rickshaw drivers, garbage collectors, waste pickers and such like.

Blocking access to mainstream society

The NCRL report of 1991 held the slow increase in per capita income, as well as the labour-unfriendly policy framework, responsible for the deprivation in which the lower classes in the countryside remained stuck and concluded that the trickle-down effects of growth had been negligible for India's rural poor. This assessment came after more than four decades of development praxis as specified in the five-year planning documents that formed the directory for the policies to be followed. A major shift came when, under the spell of the neo-liberal doctrine from the 1980s onwards, the state retreated from interference in the business of economic growth - at least, as far as the interests of labour, not those of capital, were concerned - to leave the field open for the free interplay of market forces. It essentially meant relying on a totally different approach to poverty alleviation, suggesting that rather than the problem, informality is the solution in the attempt to raise production and generate more and better employment opportunities. The restructuring which went on explains why the *National Commission on Enterprises in the Unorganised Sector* (NCEUS) found that by 2008 93 per cent of the total workforce in India had become dependent for its livelihood, either as waged labour or as self-employed earners, on the informal sector of the economy. It should immediately be pointed out that not all of them are living in dire circumstances. Actually, a sizable category enjoys higher incomes than the lower grades of formal sector workers. But these better-paid workers do generally not belong

to the deprived castes and communities which is the social identity of the lower segments of the labour force in the informal economy.

Flexibilization of employment and deregulation of the economy is said to have resulted in bringing down the number of people in India who survive below the poverty line, and statistics are produced to back up this welcome message. It is a mystifying operation meant to disguise the fact that life has not become better for the huge underclasses rotating around a variety of work-sites in the informal sector. The NCEUS reported that at the end of 2004-05 about 836 million or 77 per cent of the population had to make do with less than 20 rupees per day, i.e. less than half a dollar per capita. These people are the backbone of India's informal economy and their life in abject poverty was conditioned by the lack of any legal protection of their jobs and the absence of decent standards of employment and social security. The members of this National Commission do not hesitate to identify migrants as one of the most vulnerable segments within the workforce:

Migrant workers, particularly at the lower end, including casual labourers and wage workers in industries and construction sites, face adverse work as well as living conditions. This group is highly disadvantaged because they are largely engaged in the unorganised sector with weakly implemented labour laws. Migration often involves longer working hours, poor living conditions, social isolation and inadequate access to basic amenities... These groups of migrants are characterized by meagre physical and human capital and belong to socially deprived groups such as Scheduled Castes (SCs) and Scheduled Tribes (STs) and weaker groups such as the women. (NCEUS Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector, 2007: 97.)

Although floating around in large numbers, their presence is often not acknowledged and their muted voices remain unheard. They are redundant in a labour market that is already flooded with men, women and children who constitute the reserve footloose army. But the denigration shown to them is related also to their inferior status in the social hierarchy. Of relevance here is the interrelationship that Kannan, a Member of the NCEUS, has traced between the regime of

poverty and the social structure based on inequality (Kannan, 2008). On-going labour circulation and lack of representation reinforce each other in a vicious circle. The constant coming in and going off again pre-empts the building up of cohesion and mutual trust that workers need to engage in collective action. Keeping the workforce in a state of flux by instant hire and fire procedures is a strategy to which employers or their agents resort in order to avoid being confronted by the politics of solidarity from below. While the workforce thus remains unorganized, those who make use of their casual labour power find ways and means to coordinate their action. To call the informal sector unorganized is to overlook how employers operating in this vast terrain manage to lay down the terms of the contract by engaging in collective action.

Fragmentation is the outcome of a strategy of recruitment that brings together a heterogeneous workforce, internally separated by having no other option than to articulate their primordial loyalties. In their effort to realize a better deal for themselves, the diverse sections do not close ranks but fall prey to competing with each other in the narrow bargaining space left to them. And if they rise to the occasion, stand up to fight for steady jobs, higher pay, a basic dignity, they are dealt with as a law and order problem and have to face the ire of the employers as well as the heavy hand of the state intolerant of demonstrations of 'indiscipline'.

Since informality is mainly, if not exclusively, discussed as a phenomenon of the economy, I want to argue that it is a dimension of governance as well. While public space and public institutions have shrunk with the retreat of the state, many politicians and bureaucrats cash in on their role as civil servants to line their own pockets. Turning public power into private gain is the sort of fraud that is criticized when indulged in by high-ranking officials and power brokers, but it is at the lower echelons of the government machinery, at the district and sub-district levels, that we have to focus our attention on the wheeling and dealing of petty bureaucrats and political cadre. In collusion with vested interests, this set of local influentials operates at the interface between the informal and formal sector institutions and manipulates their legal standing to take illegal cuts

from the capital which is accumulated in their domain beyond the purview of the state. Of course, these transactions remain hidden to the public eye and fail to turn up in the database produced by formal sector agencies. It is one of the reasons why such tailored findings are a poor reflection of what goes on in the real economy, which is for a very large part informal.

It should come as no surprise that, as reported by the NCEUS, poverty lingers on much more massively than is acknowledged by those who have put their faith in the kind of wishful thinking which suggests that the percentage of people unable to satisfy their basic needs has decreased. As before, new schemes have been announced promising that life will also become better for all those who have not benefited much, or even at all, from the growth of the steadily informalized economy. The National Rural Employment Guarantee Act is meant to provide work and income for households belonging to the land-poor and landless underclasses in the countryside. It is still too early to tell whether it will be able to stem the tide of circular migration. Of similar importance is the introduction of social security provisions for the workforce in the informal sector. Already the NCRL commented in its 1991 report that such a scheme was long overdue:

> The expenditure on social security in India hardly accounts for 2.5 per cent of GDP. This is among the lowest in the world. Most of the social security benefits from this meagre allocation accrue to the well organised urban work force, who account for only one-tenth of the total work force. However, there is now a growing realisation among the States and the Centre about the need to provide adequate social security to the rural labour. A wide variety of social security schemes for rural labour are currently in operation in different States, although the coverage and the scale of assistance are far from being adequate. (NCLR vol..I, 1991:viii.)

It has taken more time than suggested in this passage. Nearly two decades later, in order to cope with adversities that are a regular feature of the working poor, the NCEUS took the lead in framing a social security bill to reduce the vulnerability which keeps these

households in a state of dependency that often takes the shape of neo-bondage. Without stipulating the basic provisions that will soon be introduced - related to health care insurance and some minimal support at old age - it needs to be clarified that the bill that was finally passed was a heavily diluted version of the original proposal. The main policy makers decided that the financial outlay required was too high to be paid out of the public budget and scaled down both the cost of the operation and the coverage of the scheme. In the face of these setbacks it is difficult to remain confident that the political will exists to honour the rightful claims of a labour force for which the relentless thrust towards informalization has meant that they continue to be dealt with as no more than reserve workers and marginalized citizens. The latest school of thought pushed by economists aligning themselves with World Bank policies suggests that in the current global crisis the informal sector economy figures as a cushion for people who have lost their formal sector employment (Breman, 2009). The message conveyed in this kind of statement is clear: informal sector workers are able to cope with adversities that are part of their day-to-day life and do not need public support or social security. The policy makers have now decided that the large masses of wage hunters and 'own-account workers' have somehow managed to find their own safety net: the informal sector.

A transformation aborted?

Polanyi did not mince words in his description of what the self-regulating market meant for the people pushed out of their rural habitat in Great Britain. However, he also clarified that the pauperization which went on in the nineteenth century was the start of a trajectory that led, from the early twentieth century onwards, to economic improvement for the urban-industrial workforce. Besides, the depeasantized labourer on the European continent did not pass through the kind of horrendous misery and degradation that was the fate of the British workforce:

> From the status of a villein he changed – or rather rose – to that of a factory worker. Thus he escaped the cultural catastrophe which followed in the wake of the Industrial Revolution in England. Moreover, the Continent was industrialized at a time when adjustment to the new productive techniques had already become possible, thanks, almost exclusively, to the imitations of English methods of social protection. (1944:175).

Can a similar turning point be expected in Asia now that the land-poor and landless, redundant in agriculture and in the countryside, are driven out in such massive numbers? I happen to be quite sceptical about such an optimistic forecast. Polanyi ended his treatise on a hopeful note when he concluded that the economic system has ceased to lay down the law to society and that the primacy of society over that system is secured once and for all. He illustrated the triumph of society over the market with the statement that 'not only conditions in the factory, hours of work, and modalities of contract, but the basic wage itself are determined outside the market'. Of course, in the light of the labour regimes prevalent in contemporary Asia, this is an untenable proposition. At least in the setting of Asia, we seem to be back again in the first and ugly phase of the great transformation.

A major feature of my analysis has focused on circulation in combination with informalization, which I have interpreted as ways to organize economic activity with a high return to capital and an excessively low return to labour. A more even distribution of the rewards gained by both factors of production would be a hopeful sign but is difficult to discern. The huge but also highly differentiated and fragmented workforce in the informal sector of Asia's economy has not been able to withstand the onslaught of the free market, let alone come together on a common platform. The countervailing power of collective action to which Polanyi, quite correctly, attributed so much weight in reversing the trajectory of pauperization is still to make itself manifest. In a critical essay Parry argues that Polanyi has understated the formidable obstacles that "active society" must confront in its quest to rein in the market nor did he adequately explain how a downtrodden and demoralized working class was able to assert itself (Parry 2009:177).

The erosion of the welfare state in the West, as well as its halting development where it had only just begun to come into sight in other parts of the world, can be seen as confirmation of a trend in which the steadily advancing emancipation of labour during the twentieth century appears to be reversing into its opposite – dependency and growing insecurity, in the Asian region emphatically so. The progressive polarization of social classes accompanying these dynamics has given rise to a debate that concentrates on the inclusion-exclusion contrast. It seems to mark the return of the old dualism concept in yet another form. The growing inequality between the well-to-do and the underprivileged classes has contributed to the separation of the latter from mainstream society. The most vulnerable sections of the rural poor try to cope with their social exclusion by remaining footloose. As circular migrants they have to face many hardships that go together with a life that begins and ends in poverty. They are the victims more than the beneficiaries of the transnationalized politics of development and are even blamed for their failure to work themselves out of their state of deficiency. In the morality dominating the dynamics of growth, based on a doctrine of inequity, these people at the tail end stand accused of defects in their behaviour which keep them stagnating in poverty. It is an ideology that comes close to the main tenets of social Darwinism. The hopeful notion remains, of course, that the neglect of social interests must eventually generate a political breakdown and a retreat of market fundamentalism (Hann & Hart 2009:8). Indeed, cracks have appeared in the façade of neo-liberal hegemony. Is this the beginning of the final episode of transformation in a globalized world that Polanyi had in mind?

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