

GLOBALISATION, THE FINANCIAL CRISIS AND PETTY PRODUCTION IN INDIA'S SOCIALLY REGULATED INFORMAL ECONOMY

Barbara Harriss-White
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Abstract

Material from political economy, economic anthropology and criminology is used to discuss two key features of informal economic activity – its small scale, and its regulation by informal social institutions, rather than the state - and to speculate on the impact on these features of trade liberalisation and globalisation, and of the west's financial crisis.

I : Introduction

This essay explores the theoretical and practical problems arising from the impact of liberalisation/globalisation and its latest crisis on India's informal economy - heavily populated by petty commodity producers and petty traders (pcpt). It is concerned with the distinctions between pcpt and 'labour' more generally, and sheds some light on the non-developmental behaviour of states. Using field material from Europe and India it focuses on two key features of informal economic sectors – the persistence of small firms and their regulation by institutions of identity rather than by the state's enforcement of laws. It concludes with some observations on the impact of globalisation, and some speculations about the impact of the west's financial crisis on pcpt in India.

The scale of pcpt in India is a well established and comparatively well studied phenomenon. Two thirds of GDP comes from unregistered, informal activity; this proportion is growing rather than contracting, and accounts for over 90% of India's livelihoods. More than half of these livelihoods come from self employment – as much as one third of GDP - and 98% of self-employed livelihoods are in the informal economy (Kannan, 2008, p8). By contrast, the informal economy in the 'west' (which one estimate puts at 20% of the Gross European Product) (Shapland and Ponsaers, 2007) is thought to be a new 'backwash' of globalisation: criminologists speculate that the practices of that kind of economy may be being imported by migrants from developing countries and clashing with established regulative law in Europe (ibid). Meanwhile

FDI from the OECD heartland is busy exploiting looser regulative regimes in developing countries.

But Europe's 'informal economy' is not a new phenomenon: development conceived as a transition from custom to contract is a narrative about changes in the relationship between the informal economy and the modern state.¹ This concept of 'development' has survived much criticism precisely because it draws attention to the key issue of the state's enforcement capacity.² Looked at in this light, the informal economy is as modern an element of capitalism as any other, where modern states, which possess the power of enforcement, actually choose not to exercise it in some sectors of the economy. Pcpt is not 'preserved', it is not a separate form of production, it is an outcome of capitalist relations and unable to be reproduced without capitalism.

Mushtaq Khan, interrogating the state's role in this process of accumulation (2003), has argued not only that states have had to permit the existence of *fuzzy*, indistinct property rights in order for initial capital to be amassed for capitalist investment, but also that forms of extra-market accumulation, which he calls primitive accumulation, *co-exist durably* with advanced forms. He is challenging the classical political economists – Smith, Marx, Weber, Veblen, Schumpeter and others, who expected non-market forms of exchange to be destroyed by (respectively) the animal spirits released by markets, the struggles of wage labour against exploitation and illusion, the rationality of state bureaucracy and planning, the discipline of machines and technology and the dissolving force of education.^{3,4}

¹ There is a large literature in European economic history concerned with the phenomenon of 'proto-industrialisation' where the debates revolve around the causal relation of pcpt to factory production, rural0-urban relations, multiple organisational pathways to industrialisation, non-factory forms of industrialisation and the co-existence of a variety of forms of production (Mendels, 1972; Berg et al, 1983). Tilly's coverage of Europe requires a lexicon for pcpt: out-servants, cottagers, artisans, handicraft workers, petty trades, non-agricultural trades and crafts which have varied relationships to merchants' or commercial capital which he doesn't pursue (Tilly, 1983, p5-12). That the period of this historical debate stops at 1900 again suggests that small scale enterprise is\ no longer of much importance in the modern economy.

² Despite resistance from the National Commission for Enterprises in the Unorganised Sector (2006, 2008), the concept accepted in official India – 'unorganised' rather than informal - also strongly suggests a disorder to be replaced by a different sets of arrangements governed by state planning. The official definition of being unorganised is a firm with electricity and fewer than 10 workers which also shows no appreciation for the differences between pcpt and petty capitalism..

³ Some of these factors were also invoked as forces that would undermine capitalism itself.

⁴ By implication Khan is also challenging Hernando de Soto and new institutional economists such as AJR (Acemoglu, Johnson and Robinson) for all of whom well defined property rights are fundamental institutional preconditions for 'development'.

They thought two aspects of archaic economic exchange would lead to this result. First, small firms would be destroyed through competition from large firms exploiting economies of scale, or by the logic of centralisation and concentration, or as a result of the historical process of creating a wage labour force. Second, ‘forces for social inertia’ in economic behaviour (Myrdal, 1968 - those he named were prescient – ethnicity and religion - though he omitted gender) would be dissolved by the ‘common economic bonds uniting different groups’ i.e. by class formation - Madan, 1987, is quoting Nehru here.

But the informal economy persists in the era of globalised and advanced capitalism; its role changes, as do the roles of its key features of smallness of scale, and social - rather than state - regulation.⁵ These shifts have to be understood if we are to understand the impact of globalisation on an economy like India’s

1.1. Small size:

The informal economy rarely survives as a form of archaic peasant or artisan craft production. Marx himself, while famously predicting the triumph of factory-based capitalist industrialisation, left analytical room for small scale production under capitalism: ‘Manufacturing always rests on the handicrafts of the town and the domestic industries of the rural districts as its ultimate basis’ (Marx, 1977, ch 30, p700). Manufacturing needed these forms of production for ‘the preparation of raw material’. ‘Villages’ might have a main labour force in industry with an ancillary labour in agriculture. The peasantry would never be quite destroyed but would be part of the market-creating process. In the colonies, the analogue, the independent producer not exploiting wage labour, would compete successfully with economies of scale in European capitalism (op.cit. ch 33). Marx then proceeded to list a set of tactics fully worthy of today’s corporate raiders by which what he called this ‘private property of labour’ might be annihilated and the colonies’ competitive advantage hobbled. But this competitive struggle persists, as does small scale production below the radar of state regulation through registration, without legal electricity connections, below tax thresholds and free from employers’ obligations for social security.

In fact small-scale forms of commodity production - together with generally overlooked petty trade and services – show a rugged capacity to

⁵ Other notable features not discussed in this essay include lack of legal or social protection and vulnerability (Kannan,2008 pp5-8; see also Harriss-White, forthcoming).

survive misfortune, disaster and transformations of environment. They can be found alongside factory production all over the world, from small scale mining in Bolivia, through cosmetics and shoes in Nigeria, to rice in West Bengal and traders on Italian beaches. Furthermore, the “law of one technology” does not hold either; in fact a range of technologies, contracts and organisational forms are employed simultaneously. On the other hand, because of their numbers small firms and self-employment often appear superficially to embody the perfect competition of the textbooks; but beneath the surface, they are frequently found to bear a fractal resemblance to networked MNCs, in which oligopolies control a mass of small firms through credit, raw materials supplies and marketing outlets – a long established form of ‘contract’ production.

There is a range of product types, production conditions and social relations under which small-scale, unregistered production persists in a developing country like India, as well as in Europe,

First, with reference to its internal dynamics, in so far as petty production and distribution cannot survive without rental payments, loans and markets for inputs and products, it has been reconceived as a form of dependent ‘disguised’ labour equally subordinated to capital as is wage labour. But it differs from wage labour in several ways. Pcpt may be more cost-effective than using wage labour. Operating with a different logic, production is possible past the point where the marginal product equals the wage. Wages may not exist as either an alternative or a referent. In sites hidden from scrutiny, pcpt permits the exploitation of the entire family, including child labour. Its dispersed locations make labour organisation difficult. As part of a set of household subsistence activities including food production pcpt may subsidise industrial wages which may then explore levels below the reproduction cost of labour. Surplus is extracted through markets in the forms of rent, interest and the terms of commodity exchange rather than through the wage-profit route. Formal production, with its economies of scale, is not always able to out-compete such arrangements.

Second, with respect to relations with other fractions of capital, pcpt may be incorporated into formal firms. The out-sourcing or subcontracting of (small-scale) elements of production can be an integral part of factory production, as can be ‘in-sourcing’ (where ‘independent’ petty producers bring their own machines and equipment into a factory not owned by them). Cost and risk may be shed from large firms through out-sourcing, in-sourcing, sub-contracting and home-working. Obligations to labour are offloaded.

Third, pcpt is flexible - permitting the tying of firms at peak seasons through delayed and partial payments while shedding them at will. Using its small satellites, the hub firm can shed the capital and repair costs of equipment, working capital, bespoke services, and the need for infrastructure, and avoid scrutiny by state. It does not shed all supervision costs, since the finished product requires scrutiny (and often deductions are made from payments as a result). Through this flexibility pcpt may subsidise permanent wage labour.

Fourth, connections among producing units create interdependence between workers using their own means of production and petty capitalists. Clusters and industrial districts generate economies of collective organisation and collective political 'voice', lowering the costs of information, skills acquisition, technical innovation and organisational flexibility, often theorised as being based on trust (Roman, 2008; Basile, 2009). Caste- or ethnically stratified artisan clusters, locked into pcpt by exploitative exchange relations, appear to express the institutional pre-conditions for clusters and flexibly specialised production but in practice are unable to escape 'low equilibrium' social organisation and productivity (Cadene and Holstrom, 1998).

Fifth, the state may have an interest in sustaining pcpt. Its infrastructural responsibilities to employers may be avoided if production is outsourced to petty producers, and it often does not enforce laws through which the super-exploitative advantage of petty production would be abolished, or enforce fiscal measures that would threaten through taxation the nutrient-bed of petty production. So small-scale production and trade also thrive because the capital involved does not accumulate sufficiently for the revenue from tax to outweigh the costs of its collection. The state also 'inadvertently' subsidises and promotes production by small enterprises through condoning and not policing the onward lending of 'formal' credit on terms and conditions which prevent the borrowers from accumulating (and of late through permitting a mass of more or less experimental micro finance arrangements). It subsidises and promotes the reproduction of small enterprises through whatever infrastructural and welfare interventions are aimed at the households involved in it. To prevent mass unemployment, widespread malnutrition, etc, it implements – more or less exiguously - policies that prevent the destruction of small scale production, trade and services, it creates small enterprises it cannot

regulate and incidentally also restricts accumulation.⁶ The state implicated in this account of pcpt is one which may have had ‘bourgeois revolution’ as its project but which has actually created a petit bourgeois revolution for which it does not have any project other than trickle down.⁷

In Europe, informal activity consists of repairs, spares, scrap; transport, retail, personal services (including protection) and construction, the products of theft and illegal commodities (see Mollona, 2005 for Sheffield; Shapland and Ponsaers, 2007, for Paris). While (small) arms and drugs are the best documented illegally traded commodities, other important ones include art and antiques, stolen cars, wildlife products, nuclear material and other toxic wastes, trafficked women and children for domestic and sexual slavery and body parts (Harriss-White, 2002).

The sudden “discovery” of informal capitalism in the heart of Europe is a product of the ignorance of ground realities on the part of mainstream economics, and of a failure to understand the logic of commodification. Commodified service activity, often hidden from the state and in that sense ‘invisible’, is increasingly less residual to the economy (Huws, 2003).

India’s informal economy expresses commodification both through mass production and through pcpt (Harriss-White, 2005). It includes entire industrial clusters making goods for export (metal-ware, machine tools, leather-ware, textiles and garments, tools and equipment, and some IT services). They are selectively off-bounds to the state. While petty commodity production and trade dominate livelihoods in statistical terms, not all subcontracting in the informal economy is to pcpt enterprise. The informal economy is a differentiated site of accumulation where casual wage labour forces approaching a thousand unregistered workers per firm have been encountered in fieldwork. In 1999, over 40 % of India’s manufactured exports were estimated to have originated in unregistered workshops and ‘gulleys’ (Sinha et al, 1999). The informal economy includes the black economy, focussed on retail inventory, construction and real estate, the film industry, precious metals and the products of tax evasion (Roy, 1996). Estimated at 40% of GDP ten years ago (Kumar, 1999; 2005), and growing, India’s black economy is not marginal or confined to socially excluded people; it is central and involves prominent

⁶ Combinations of these forces may operate at a given time and place, and it would be very difficult systematically to test any one of the relationships between the state’s selective failure to enforce and the flourishing of self-employment, family firms and small enterprise.

⁷ The NCEUS ‘struggles to bring the informal economy to the policy agenda’ (Papola, 2008, p6)

and socially powerful people too. It is not confined to services, but includes production and property rights protection as well as informal institutions of economic/‘social’ security (provision of help in time of need) - all key formal responsibilities of the state which it has all too often honoured in the breach (Harriss-White, forthcoming).

Although this essay focuses on pcpt, activity in the informal economy is not all petty, as already mentioned. It is not just that pcpt may hire in wage labour and invest productively when possible and needed – so moving between pcp and petty capitalism - it is also that informal activity also thrives inside large and complex formal, corporate, state and para-statal organisations. One kind is socially accepted and consists of the norms and procedures without which complex organisations do not work: ‘work to rule’ jams such organisations. The second is predatory, primitive, fraudulent and socially accepted only by the class of perpetrators, happening wherever there is pressure on cost, and/or poor enforcement capacity and/or non-compliant tax cultures. In formal terms, economic crime can be very widespread. It takes the forms of chicanery in transactions (especially against the weaker party to a transaction – adulteration, counterfeiting etc); extortion in credit and finance; oppressive and illegal labour practices; and tax evasion, reinforced in the informal economy by sanctions against non-evaders and compliant activity. Much is not reported. That the amount of crime reported in Oxford (where I live) every 24 hours equals that reported in an Indian market town of the same population (which I study) over 3 months does not necessarily indicate less crime in the Indian case.

So though the poor are in the informal economy not all the informal economy is poor. Poverty and informality may go together more in Europe than in India, yet the personalised face-to-face transactions that are often seen as a distinguishing feature of informality are just as critical for formal organisations. The social psychologist Nick Emsler, for example, found that 90% of transactions in the UK’s corporate economy, apparently full of expert systems, were actually personalised. Clearly, as has been concluded for rural Mexico, there are ‘many phenomenal forms of capital’ (Cook and Binford, 1986, p23).

When the state supplies neither the collective preconditions for competition nor undertakes income redistribution, institutional ‘substitutes’, guilds, trade associations and other kinds of collective action take on many of these functions. They facilitate economic activity, but at the same time they constrain it because while they are necessary, they are all more or less arbitrary, incomplete and exclusionary. These

institutions are real and no policy blind to their existence is likely to achieve its intended results – at least without the distortions needed to work through them.

1. 2. Social forms of regulation:

The informal economy was originally expected to be marginal and transitory – the formal economy would destroy it. When the opposite occurred in developing countries, it was understood to be structural – the formal economy used it and depended on it. Now it is being accepted that it is an integral part of the global economy, with its own dynamics, bolted onto formal global processes.⁸

The particular value of the concept of informality lies in the way it draws attention to what lies beyond the boundaries of state regulation. In Britain, the informal economy lies outside social security entitlements, its population varying with the legal status of casual labour, the medicalisation of unemployment and the fuzziness of home and work sites (Huws, 2003; Mollona, 2005). But in Britain, the informal economy, even if it accounts for as much as 20% of GDP, is nonetheless not central to the economy. By contrast, the Indian informal economy is normatively residual but actually dominates GDP. The law is meant to regulate it but does not. Law enforcement requires a set of institutions providing adjudication and justice, allowing claims for the redress of wrongs, punishment and the prevention of recidivism (McBarnet 2003; Stern 2006). The absence, or malfunctioning, of any one of these mechanisms makes law enforcement problematic or impossible. Lack of enforcement capacity, and/or complicitous non-enforcement, create cultures of non-compliance in which the law is irrelevant. Both the state and the economy become socially regulated. So the degree of enforcement of regulative law defines the extent of the informal economy. Processes of selective enforcement likewise are socially embedded and ‘informalised’.⁹

⁸ Mainstream sociology would therefore replace it by the concept of social networks (Meagher, 2004). But ‘social networks’ reduce the relations of informality to nodes and flows and do away with the richness and the specificity of the power expressed in the regulation of informal activity. Further, by denying these relations analytical status as forms of instituted capitalism, their logic and dynamic are airbrushed out of the frame.

⁹ We know from Eastern Europe and Russia as well as from India that in societies with pervasive corruption, the law abider is the ‘deviant’ and may actually be punished – as may those who refuse to punish the ‘deviant’ (Varese, 2000; Ledeneva and Kurkchiyan, 2000).

But enforcing informal, social regulations require the same institutional preconditions as law enforcement and will confront as many kinds of deviance as there are social rules to break. Control is achieved with methods that are illegal but ‘customary’ – from threats, social sanctions, ostracism, the seizure of documents to physical force (Shapland and Ponsaers, 2007). We know relatively little about practices ensuring enforcement and continuity, particularly when threatened with external changes and with acts of ‘agency’ and of contention experienced by others as acts of deviance and to be resisted. How institutions police themselves; how cultures and subcultures of non-compliance develop; how they affect the wage-profit relationship, revenues and the political economy of selective enforcement of state law; all these are important matters needing more research.

What we do know is that in the absence of state regulation, the informal sector is not unregulated or chaotic. Forms of social regulation bring order and stability to a rich complexity of forms of production, contract and exchange relations.¹⁰ My work in India shows how aspects of identity are reworked to become regulators of the non-state regulated economy (Harriss-White, 2003). They structure and stabilise accumulation. They may also pervade the state (Khalidi, 2008). Age/generation, gender, caste, ethnicity, religion and place constitute regulative forces all of which play a role in – and disguise, delay but do not halt - class formation. Ethnicity and caste, for instance, persistently structure recruitment and occupation. Caste and ethnicity lie behind modern-sounding (but-guild-like) business associations - which are obstacles to the mobility of capital and labour and which were also confidently predicted to disappear with modern market forces. These small units of accountability and of collective action may police entry, organise apprenticeships, calibrate weights and measures, regulate derived markets (labour, porters, transport), adjudicate disputes, guarantee livelihoods, respond to individual or collective misfortune and accumulate the funds necessary to represent the interests of market actors, shape the way policy is implemented and collectively evade tax. In this effectively corporatist project, the interests of labour are conspicuous by their absence (Basile and Harriss-White, 2000; Basile, 2008). It is hard to destroy such institutional arrangements, so state and social forms of regulation co-exist and inter-penetrate. The dissolving forces of modernity are at work, capital and labour do become more mobile, labour forces do become more cosmopolitan, old institutions are indeed

¹⁰ Kate Meagher, working on Nigeria’s informal economy, calls their study ‘identity economics’ (2004).

destroyed and new ones created, but the opposite also occurs at the same time and in close spatial proximity (Parry, 2007); so-called archaic forms of regulation co-exist with modern ones and adapt, rework themselves and intensify. Some have the capacity to persist as regulative forces, almost unchanged by modernity.

Institutional change therefore involves four processes : creation, destruction, persistence and adaptation/reworking. These simultaneous processes are not easy to theorise, but their reality must nonetheless be a central focus of any useful social science of development. So in the second half of this essay, we turn to the relationships between liberalisation and globalisation, on the one hand, and what we now know is a persistent structure of socially regulated petty production in India's informal economy, on the other.

2. Trade liberalisation, globalisation and petty production in India

In *Globalisation and Insecurity* (Harriss-White, 2002), we examined concrete dimensions of globalisation (finance, manufacturing, weapons as a case in point, trade, labour, social security etc) and asked how globalisation created new insecurities and 'what was being done' about them. Eclipsed by security research after 9/11, the project nonetheless pointed to many causes of economic insecurity for capital as well as labour, and to the fact that rather little was being done in response that did not exacerbate these insecurities. It also revealed a parallel set of relations of global informality in finance, trade and manufacturing, in which independent petty compete with economies of scale in global value chains. These have also generated insecurity in the formal global system, with even less being done to protect against these informal and sometimes criminal processes. Experience since then shows that under globalisation, capital has reproduced itself recklessly and, even before the Wall Street system's collapse, the security and working conditions of the world's restructured division of labour had not unambiguously improved.

In developing countries, globalisation encourages export-led industrialisation in certain manufactured goods and services which are also stimulated by imported technological upgrades. Thirty-four sectors of India's ISI core have been opened up in this way (Nath, 2008, p 539). Rather less foreign capital and even less FDI than was predicted has materialised – it is more that some investment has been re-allocated from the informal to the formal ('modern', 'tradeable') part of the economy in which forces of centralisation and concentration are operating (Ghose,

2008). Some fractions of Indian capital have embarked on mergers and acquisitions in Europe and the USA (Sardar, 2008). Simultaneously under liberalisation, capital-biased technology in the formal sector displaces labour into the informal economy in which production is decentralised (Sinha and Adam, 2007). Nath notices UN agencies' dignifying this process by classifying informal workers as 'own account'/'independent producers' etc. (2008 p539). As well as dignifying labour, they are distinguishing pcpt from wagework. In fact, these formal-informal, wagework-pcpt migrations put downward pressure on both labour productivity and wages in the informal economy (productivity is now a third that of formal sector workers). They stall the process of improvement of conditions of production there (Ghose, 2008, p503-4)¹¹. The 2006 NCEUS report on *Social Security for Unorganised Workers* records that in 2005, nearly 80% of workers subsisted on Rs 20 per day or less, without rights to work, at work or to social security.

What is happening? Official data on employment is often hard to interpret, a given task occupying varying class and status positions and varying in its content while people move in and out of it (Huws, 2007). Scholars of globalisation and employment/labour use official statistics which conflate wage work and self employment (occasionally expressing regret for doing so). They make theoretical arguments assuming that they are mutually substitutable. But the empirical case-study evidence we have shows that this assumption is wrong.

The case-study literature traces the emergence of global value chains (GVCs) which structure an ever more complex division of tasks and add stages and value to the production of raw materials in developing countries. GVCs also develop internationally from existing 'artisan' cluters. A variety of organisational technologies sit side by side in GVCs within a given sector (Vijay, 2008 , p5-10). Both processes of emergence require the construction and exploitation of competitive advantages in labour costs - and replace horizontal competition in transactions at each link in the chain by tight vertical coordination in production. MNCs redefine core competences to focus on innovation, product strategy, marketing and highest value-creating manufacturing and services. They divest direct ownership over non core functions such as services and volume production. Codification, standardisation and computer-aided design have enabled control over GVC logistics (Vijay, 2008, Huws, 2007). Tightly controlled 'network governance' requires shedding risk and cost wherever incentives to work can be self-driven – key in which is

¹¹ See also Kanbur and Jhabwala, 2004, p293-7, p311; Ghosh, 2009 and Ghose, Majid and Ernst, 2008, who corroborate this globally)

the shedding of wage work, or attempting never to assume the costs of a wage-labour force in the first place.

The significance of the degrees of coercion, dependence, autonomy and freedom of pcj is debated, as are the legitimate and illegitimate reasons for the process of global informalisation through lay-offs and the extinction of formal employment in advanced capitalist countries, and in the formal sector of developing ones. Modes of exploitation are also seen to become more complex in GVCs. While in agricultural production, for instance, rent, surplus value, interest, exchange have always co-existed, now such 'horizontal' co-existence is complicated by the 'vertical' co-existence of multiple modes of appropriation of surplus. In an era when 'human development' has regained currency as an end as well as a means, the value chains literature at least reasserts a concept of development as a process of industrialisation (though a development model centred on 'human development' remains unelaborated). But the GVC literature reduces development to the successful creation and protection of rents inside GVCs (Kaplinsky and Morris, 2000) or even further to the mere integration of local production into GVCs (Messadri, 2008, p604). In this politically unimaginative 'developmental' process of incorporation, rent protection and non-competitive alliances or monopolies, distributive shares in value chains (the relation of wage shares (or returns to labour) to profit) are being tilted toward profit and away from labour (Auer and Jha, 2008, Chatterjee, 2008, p530; see Huws and Dahlmann, 2007 generally). Although increases in production can take place without great concentrations of capital, in the current era decentralised production fulfils the accumulation objectives of firms controlling strategic GVC links. The collusion between pcpt and wage labour necessary to resist this shift is far easier said than done.¹²

2.1 Small size

In the NSSurvey 61st round for 2004-5, two thirds of jobs in India were found to be self-employment. 'One of the most significant employment trends is the rise in self employment ...(with)... a surge in trade, commerce, private business, outsourcing, sub-contracting, home based working and provision of services' in sectors such as food processing, beverages, textiles, garments, footwear, catering, lace, embroidery, bidi and agarbathi making, street vending, transport and domestic services (Nath 2008 p539). At the same time insecure contract labour has doubled from 12% of employment in 1980 to 25% in 2004, including in hi-tech

¹² In addition 'marginal work' and open unemployment have also increased significantly during the period 1999-2005, putting pressure on those with livelihoods (Auer and Jha, 2008).

science-based industries like pharmaceuticals and chemicals and apparently displacing permanent salaried employment, rather than pcpt (Neethi, 2008, p565). GVCs evidently incorporate both of the main categories of insecure labour in the informal economy: wage work and pcpt.

Two questions may be asked of this dual trend. First, how does pcpt differ from casual wage labour? There is no doubt a conceptual grey area between pcpt and wage labour, since much wage work requires the labourer to own certain equipment (e.g. head-loading baskets and hods in the construction industry, knives in forest work, mamoties/hoes for agricultural labour, etc). There is also some volatility and substitutability between the two forms of work (Papola, 2008). But Singh and Sapra's multi-sited field research on the liberalisation of garments GVCs provides empirical evidence for the following general conclusions about pcpt under globalisation: pcpt reduces but does not shed all supervision or telemediation costs associated with wage labour management; it reduces fixed and variable costs of equipment and working capital; pcpt may avoid the need for in-house vertical integration; it also enables production with non-written-records and verbal contracts and so avoids the costs of scrutiny by state; it reduces employers' needs for infrastructure; it sheds statutory obligations to labour under the factories acts and ignores abuses of child labour (Singh and Sapra, 2007, p 83-84; also confirmed by Kanbur and Jhabvala's gendered analysis, 2004, p304). All these represent actual or potential cost advantages of pcpt on own premises over casual wage labour using the equipment of others.

The second question is why, if pcpt can cost even less than the wage labour it may contribute to subsidising, do wage labour and pcpt co-exist in the informal economy? Studies of the gendering of productivity in sex-sequenced and sex-segregated production suggest that to answer this question we should distinguish three kinds of co-existence in the relations between pcpt and wage labour. They are ignored or confused in the literature on GVCs, clusters and industrial districts. The first is 'process-sequential' in which pcpt and wage are deployed at different *stages* in a GVC; the second is 'process-segregated' in which certain *sectors* of the informal economy are populated by pcpt and others by wage work; the third is 'process-integrated' in which pcpt and factory production using wage labour are *mixed at all stages* of a GVC.

Comparative field economic research on silk weaving and garment-making suggests that conditions favouring *process sequence* include modularised stages of production where self-exploitation is possible

without supervision, where equipment is not lumpy, where high skill/craft apprenticeships are necessary to entry, where risks of opportunism (e.g, adulteration) are low, where production does not require unmediated access to market information, co-ordination costs are low, there is no need for continuous relationships with the next buyer, where reputation policies incentives and where the costs of codification and standardisation argued necessary for decentralised production can be avoided. These conditions certainly characterise sari weaving, embroidery, button-holing and stitching, dyeing, bleaching, label making and gem cutting¹³ - also transport, and services such as cleaning. And while tiers of subcontractors may be controlled by merchants' /commercial capital, large economic spaces also exist for the proliferation of small intermediators, agents and traders.

Process segregation is found in social structures and sectors generating small capitals, where firms are held tightly in exchange relations and/or regulative environments which prevent savings, investment and accumulation, and where occupations are regulated by social status groups and firmly mapped onto rural or urban sites. Process segregation is a common attribute of bespoke production and services. It is also compatible with seasonal non-farm production as income supplements in agrarian society and with short VCs for local demand. A case in point is the remote mountain state of Arunachal Pradesh, where the richly varied local craft production is done for use as well as exchange and in multi-skilled households not specialised in artisan occupation groups. Small-scale businesses are commercialising craft under restricted economic citizenship and a subsistence-remittance economy. (While all non-locals require formal inner line permits to enter, even local tribal people are disadvantaged under customary law outside their own territories.) By contrast, craft production and petty trade has all but vanished from the commercialised and remittance-based hill economy of Uttarakhand due north of New Delhi.

In *process-integrated* GVCs, pcpc and wage labour compete at every stage of the value chain. This is the case in garment manufacturing in Tiruppur in S. India. The quality of the finished product affords no sign of the

¹³ See Roman, 2008 (for saris) Singh and Sapra, 2007 (for garments) Kapadia 1999 (for gems and rural industrialisation generally in S. India). There are, of course, also many explanations for pcpc that do not rely on its superiority to wage labour in task specific sequences: for example both may be used by employers for their flexible response to seasonality of demand in the non-farm economy (Singh and Sapra, op.cit. p82-4).

conditions under which it was produced, no variation in quality due to the organisation of production. Sometimes there is even little difference in technology between the two forms of production. Economies of scale in Taylorist production co-exist with no economies of scale, self exploitation and the development of collective capabilities. Process integration is found under conditions of easy entry, versatile and unspecific assets, low fixed costs, wide variation in the conditions of finance and raw materials supply under which production is possible and variation in demand for specific processes and competences. (Some pcpt is of course spurious, where physical production units are decentralised but are masking a concentration of economic control. In such instances “development” is pre-emptive, to avoid the costs of regulatory enforcement.) In the life cycle of a product / commodity, pcpt can perform a variety of roles in all three types of niched co-existence with wage labour.

With these distinctions in mind, we can summarise case material to trace the impact of globalisation on pcpt.

India’s GVC for garments has never been a regulatory free-for-all, export production being regulated by the Apparel Export Promotion Council. From 1974-2005 the global Multi Fibre Agreement imposed quotas on exports and formalised informal GVCs in many DCs, not least in India. From 1985 restrictions on the organisation of the garment sector were formally removed so as to increase the flexibility of the ‘labour market’ (Singh and Sapra, 2007, p45). However since in practice pre-liberalisation production was structured pre-emptively around the formal exclusion of small scale handloom and power loom production from the provisions of the factories acts, the pressure of global regulative regimes on local liberalisation merely intensified existing tendencies to outsource production to small firms. The Indian segments of these GVCs are ‘layered and complex’ (op.cit.p49). Quite commonly, owners of formal sector factories also own unregistered firms, split off to obtain benefits from small industry policy (op.cit. p83).

In the process-integrated knitwear cluster of Tiruppur, thousands of small workshops co-exist with mechanised factories. Between 25% and 100% of factory production is outsourced. Knitwear and garments in Tiruppur are dominated by intertwined commercial and manufacturing capital which control a cluster of networked, flexibly-specialised pcpt. Labour-displacing mechanisation co-exists with labour-intensive resistance to technical change. Until now, this flexibility has been geared to the global

expansion of markets and to increasing velocity in the peaks and troughs of fashion orders (op.cit.).

By contrast in 2005, the low-end garments clusters in and around Delhi providing about 250,000 livelihoods in a range of firm-sizes is process-sequenced. Over 80% of the firms were unregistered, employing increasing numbers of male migrant wage workers, 'in-contracted' as gangs organised by, and accountable to, a layer of contractors inside the factories who were also subcontracting to pcpt. In Messadri's account, subcontracting is increasingly confined to craft production of embroiderers in rural artisanal clusters at some distance from – but integrated with - the metropolitan industrial cluster. Pcpt has proved unable to increase its productivity through upgrading technology. Globalisation here is having an opposite impact on the organisation of production from its effect in Tiruppur and pressure for cost-cutting with quality improvement in the low-price segment has resulted in a reduction in pcpt and a shift to in-factory gangs of contract labour. (Messadri, 2008; Singh and Sapra, 2007).

Meanwhile in the Moradabad metal work cluster studied by Ruthven, several kinds of value chain for final markets in Europe have developed side by side, with wage work interleaved with (sub-sub-contracted) outsourcing and even in-sourcing (involving workers' own machines re-sited inside factory premises). While most GVCs are process-sequenced, some are process-integrated. Pcpt is valued by employers for its flexibility as a mechanism of cost minimisation when orders are unpredictable and peaked. It is valued by workers for the social independence it provides, the opportunity it gives to express identity through values derived from religion, and the liberty to choose between several manufacturers and merchants rather than relying on a single employer. The struggle between forms of production is seen to be the product of institutions and relationships operating outside the workplace as well as in it. The household is a site of production for exchange as well as reproduction and production for use (Ruthven, 2008).

The case material shows that the impact of globalisation on pcpt is highly differentiated and specific to different GVCs. In GVCs, a given commodity may be produced under process-sequenced and process-integrated combinations of pcpt and wage labour.

2.2 Social regulation

Social structure and relations based in identity which transcend the economy play fundamental regulatory roles in informal market exchange.

Changes to their economic regulatory role may derive from agency or deviance outside the economy as well as inside it.

In Tiruppur for instance, sub-contracting relations are cemented through tight networks of caste. The local dominant agrarian caste has played an controlling role throughout the history of development of this cluster - sufficient to block outsiders from entry. The subordination of women means that even for similar tasks (tailoring and cutting) women earn less than men. Evidently wages are shaped by patriarchal norms rather than by gender differentials in productivity. Then, formal unions (once strong) have atrophied and been replaced by corporatised control over production conditions by business and caste associations (Singh and Sapra, 2007, p 45, p 92-7).

It is certainly possible for outsiders to enter; but successful entrants have had to occupy particular niches - on a larger scale, with imported outside labour forces and vertically integrated production processes. As 'deviants' they have faced hostile opposition from an alliance of trades unions and local exporters and have had to cede to local informal labour contractors and use local casual labour.

The production of Delhi's low-value garments is regulated through groups of migrants recruited on the basis of region, age and domestic status (without families) and gender (men migrating without women). Work conditions are so poor that workshops are used as dormitories: productive and socially reproductive spaces are one and the same (Messadri, 2008, p 612 -13). The workings of these social institutions 'fill the regulatory gaps opened by neo-liberal policies', are incorporated into the cycle of capitalist production, and become necessary to global 'capitalist architecture' (op.cit., p603). In the light of such social regulatory practices the common assumption by labour economists about the substitutability of pcp and wage labour is unlikely to hold.

As well as being stratified by gender (women being secluded) and by Hindu-Muslim religious identities, the Moradabad metalwork cluster is regulated by the voluntary codes of conduct demanded by foreign buyers (and consumers). Imported from abroad, confined to organised manufacturing, and designed to improve working conditions, these codes have developed in India since the turn of this century. Ruthven finds them confined to suburban factories, and only where a third party audit or a company inspectorate is provided. Most suppliers seek to operate outside the new voluntary codes. (Ruthven, 2008, ch 3; see also Singh and Sapra, 2007, p 71).

All four trajectories of institutional change (persistence, creation, destruction and adaptation) have been recorded. Institutional continuity persists in particular for gender relations. Women are incorporated into the labour market on persistently disadvantageous terms. They are often reported to earn less than minimum wages, or their equivalent in returns to pcpt. The lengthening of the working day, the absence of crèches or holidays, the classification of women as trainees on lower pay (a trick not confined to women but very common for them) all attest to a prevalent deterioration in women's working conditions. (Unni, 2008; Chatterjee, 2008). The field material also indicates a range of newly created institutions – in particular in new contractual forms such as in-sourcing, in-contracting and the rapid spread of casualised, piece-rate, contract labour. The operation of GVCs is evidently able to destroy established contractual forms such as permanent, salaried labour and to create conditions which threaten or destroy trades unions – in other words, to put the conventional sequence of 'development' into reverse. But older institutions are also reworked and adapted to suit the purposes of accumulation: caste is formalised into regulative trade associations; region of origin is important in the organisation of both capital and labour. Instituted non-state behaviour also shows a capacity to police itself against deviance: outsiders to Tiruppur for instance had their labour relations policed into local conformity. In the material summarised here, both pcpt and wage labour are regulated through identity. In the informal sector, the economics of identity slows class formation and fragments labour.

These different trajectories of institutional change reflect the reproduction of workers in oppressive conditions in the informal sector. Sustaining this institutional restructuring is the state – operating beyond its direct reach. Its response to globalisation has been described by Ahluwalia (2008) as 'gradualist'.¹⁴ Gradualism arrogates to the state the power of selectivity in its welcome to FDI.¹⁵ The state has created the conditions in which capital is being concentrated and production decentralised in the socially regulated informal economy. In doing so, the state is selectively not intervening as a matter of (undeclared) policy.

3 The west's financial crisis and Indian petty production

At time of writing in early 2009, there are four reasons for this part of the argument to be the most speculative. First, the crisis is brewing in India

¹⁴ In presentation at the conference 'Development, Freedom, Welfare' Cornell University and Institute of Human Development, New Delhi, December 2008, (Henceforth 'Sen-conf').

¹⁵ A process not without opposition at the federal and state levels.

and is expected by the Planning Commission to hit the economy later in 2009-10. Second, mainstream economics failed either to predict the crisis or to understand its prime movers. (An array of views has been tabled ranging from (to name but a few) contagion from sub prime lending, business cycle explanations, misconceived expectations, mismanagement of reserves, Hayekian instability, to moral hazard in the financial sector, incompetence and stupidity among policy-makers.)¹⁶ Third, the science of economics has proved unable to ascertain either the likely extent of the slowdown or its impact on labour, a failure linked to the failure to understand the dynamics of the informal economy.¹⁷ Fourth, since the analyses of economists of labour do not generally distinguish between wage labour and ‘self employment’, pcp, the largest single employment category in the economy and the focus of this essay, goes almost entirely unnoticed.

Given the openly acknowledged failure of economics, we lean on the international political economist Peter Gowan for an explanation of the financial crisis - a necessary precondition to the pursuit of its impact on India’s informal economy. Gowan situates the most destructive speculative bubble – in US housing - in a regular series necessary to the new Wall Street financial system. This is dominated by an oligopoly of banks and their satellites which has been permitted to speculate on future assets and collateralised debts.¹⁸ Only a few Indian banks have a direct exposure to the financial collapse triggered by the new Wall Street system and its satellites. But while the Indian financial system is relatively well capitalised, it is expected to suffer from the seizure in lending, outflows from the stock market and shrunken flows of remittances.

¹⁶ Respectively Bouchard, 2008, Holland, 2009, Soros, 2008, Ackerman, 2008 Edmund Phelps and Joseph Stiglitz (December 2008, presentations at the Sen-conf’).

¹⁷ Montek Ahluwalia, (Sen-conf’).

¹⁸ Gowan argues that the structure and dynamics of the financial system have changed dramatically during the era of globalisation. It is characterised by the consolidation of what he calls the new Wall Street System involving the rise to prominence of money markets and their transformation into funders of speculative arbitrage and centralised, oligopolistic creators of asset-price bubbles (East European stock markets/ dot.com/coffee/cocoa/other newly securitised commodities - food/oil) which can eventually be burst without loss to them and which become the major element in their rents. The system also involved deposit-taking banks scaling up and transforming themselves into speculative proprietary traders in – and lenders for trading in - (future) financial assets and collateralised debt obligations (CDOs), the maximisation of balance sheet expansion and of leverage, and the outgrowth of ‘shadow banking’ entirely unregulated, with London functioning as a Wall Street satellite for regulatory arbitrage. Thus the housing bubble was engineered, like others before it, by the Wall Street banks. It is this integrated structure which collapsed in 2007-8, triggered by the realisation that ‘the suppliers of credit funding...had no way of knowing how much of the CDO mountain was junk’. Lending and debt-fed consumption have now seized up (Gowan, 2009).

The impact will be felt in the real economy where oil and food price instability was already generating inflation and slowing corporate investment. The Planning Commission is rightly concerned with the fact that its predicted 9-11% growth rate will be reduced down to 6% or even 5% - in 2009-10 (Ahluwalia (Sen-conf)) . This will 'hurt labour' but the extent, sectors, sequencing and duration of the damage is unknown. There is no theory of the likely impact on the unprotected informal economy where a reduction in growth rates will mean livelihood losses.

Demand for exports is expected to drop by anywhere from 10 to 40% in 2009 and IT exports, already under pressure in 2008, are expected to be badly hit (CLSA, 2009). The manufacturing growth rate halved from November 2007 to 2008 (GoI, 2009). Lack of export credit is regressively hitting the smallest export firms disproportionately while the depreciation of the Rupee hits imported components. India's exports are relatively labour intensive (Sardar, 2008) – textiles, handloom garments, leather, gems and jewellery, metalware, carpets, agricultural products (spices, basmati rice and sea food) together with IT/BPO services. By December, 2008, 100,000 jobs were known to have been lost in the diamond industry in Surat and 750,000 in power loom weaving (Alagh, 2008). A survey of 11 states in October-December 2008 recorded significant drops in capacity in the automobile, metals and export industries with about 500,000 job losses in the automobile, transport and gem/jewellery sectors. The rate of job losses in the informal sector ('contract work') is found to be 6 times greater than in the formal sector (GoI, 2009). Field research in Chennai already shows that the multiplier of the decline in IT exports reduces demand and finance for construction, demand for auto- and domestic services, street vending, laundry and ready made food supplies (Penny Vera Sanso, Pers. Comm., 2009).

What will be the role of pcpt in this crisis? Small producers are easily disposed of by employers but so too is casual labour. Let us return to the three modes of insertion of pcpt discussed earlier. Since process-segmented sectors of the economy where pcpt is prevalent involve basic wage goods, demand for which is income-inelastic, pcpt will survive. In process-sequenced GVCs, both wage labour and pcpt will be affected by reductions in foreign demand. But in process-mixed/integrated forms of GVCs, will wage labour be laid off first or pcpt? Wage labour is lumpier - though recent changes in contracts aim to make it less lumpy (piece rates and contract labour rather than time/day rates). Wage labour is more easily organised to resist layoffs than scattered pcpt (Huws, 2003). Scale economies evaporate under reduced demand, whereas pcpt does not

depend on them. If, under pcpt, labour works until its marginal product approaches zero, reducing demand will first increase the marginal product of labour before lowering it, while total returns to the household of self-employed workers will drop throughout this process of contraction. Below the point where the marginal product of work is equal under both forms of production, wage work will not be an alternative. So the informal economy might witness some reversion to non-market production logics. Further, since the mode of exploitation of pcpt is not through the wage but through prices, rent and interest, exploitation can be intensified through exchange relations on several markets whereas labour is exploited only on one.

These arguments suggest that pcpt may well be more ‘resilient’ and able to ‘bear shock’ – and to be exploited in oppressive ways - than wage labour.

Earlier research already cited showed that the incorporation of pcpt into GVC has not necessarily produced gains either for pcpt or wage workers. There is also no single, let alone easily modellable way in which GVCs have re-organised in response to previous changes in either the market or the policy environment (Harriss-White and Sinha 2007, p7). So it is to be expected that a similar complexity - and ingenuity by both capital and labour - will characterise responses to the crisis.

Changes in the economy are bound to have far-reaching effects on social and political relations outside it.¹⁹ Reduced returns and incomes will put stresses on household budgets and gendered relations of social reproduction. Women’s work is certain to increase, as labour and production for use is substituted for purchased goods. The extent to which this substitution is possible depends on the availability of common property rights to resources to gather and glean. This may be easier in rural sites than urban ones. The retreat of the state has also triggered the substitution of private expenditure for former public goods and services such as education and health care. The state will struggle to maintain subsistence guarantees, the costs of which will rise. Households will be left with reduced incomes and greater expenditure needs; the impact greatest on the most vulnerable. In such conditions we can expect not just the persistence - even the proliferation - of pcpt and the persistence of decentralisation by large firms (Vijay,2008), but also the vigorous social policing of livelihoods in sectors producing basic wage goods; attempts to eject from such sectors workers who are recent entrants with “deviant”

¹⁹ The activist Aruna Roy predicts an upsurge in violence (Sen-conf).

social identities; and a marked strengthening of identity as a regulator of the economy.

4. Pro-labour responses and their politics

This essay explores globalisation and the persistence of what many consider ‘pre-modern forms’ of labour organisation at the heart of the modern Indian informal economy (and on the edge of Europe’s). The empirical section of the essay was more exclusively about India. The discussion has distinguished self employment/petty commodity production from wage-work on the one hand and petty capitalism on the other – with both of which pcpt may elide. When it comes to the juggernaut of the responses of the state and organised labour however, such distinctions are mostly ignored; and the argument that pcpt is wage labour in disguise, or even ‘disguisedly unemployed’²⁰ becomes an undisguised political reality.

In this final part the actual response to globalisation needs to precede the normative response to the global economic crisis.

4.1. Responses to Globalisation

The return of Congress in 2004 testified to voters’ dissatisfaction with both the politics of Hindu nationalism and the failure of the reforms to improve economic and social conditions in the informal economy. But rather than spread and enforce the enabling laws and existing legal structure protecting labour at work and through basic social security, a specific commitment was made to a common minimum programme for workers. According to the NCEUS (2008) its components have suffered systematic under-funding, procrastination and corruption: the Bharat Nirman project for rural infrastructure, irrigation and telephony suffers ‘significant implementation lags’; rural electrification has ‘major shortfalls’; water and drainage has used only ‘half its budget’, the historic achievement of the National Rural Employment Guarantee (2005: 100 days’ work per year for people below the poverty line) is performing ‘well below entitlement’; and education, health and PDS food are under-funded. The NCEUS (2006) proposed bills for a social security safety net for informal sector workers below the Poverty Line. Estimated at costing 0.5% GDP, they consisted of benefits for sickness, maternity, disability, breadwinner death and old age with a national fund to implement them. Two bills did indeed pass through Parliament, but in a watered down form, a non-compulsory enabling idiom, with ad hoc schemes, no

²⁰ Respectively Banaji, 1977, and Kannan, 2008. p22

national fund and no enforcement powers.²¹ At the same time a surge of activism and PIL has created conditions in which a labourist and petty bourgeois agenda is publicly debated, developed and attacked. Civil society has organised around rights to work and to food, while financial think-tanks mobilise around the right to (micro)finance.

4.2 Responses to Crisis: compounding the problem?

In Europe and North America as well as in India, the crisis has led to risky Keynesian fiscal expansion to stimulate the economy.²² Two kinds of response resonate to the tensions between social democracy and financial markets. The first involves a co-ordinated counter-cyclical expansion in state investment and expenditure to sustain the effective demand of victims of the crisis in the real economy, while the second is a fiscal expansion confined to underwriting finance capital.²³ Globally the drift is towards the latter. In India the contradiction between the demands of the markets and those of democratic politics is reflected in the economic stimulus proposed respectively by the Ministry of Finance (MoF) and the NCEUS. The MoF recommends pumping sufficient liquidity into the banking system to enable bank credit to meet the expanded requirements of the economy (keeping in mind the contraction in credit from non-bank sources), authorising additional plan expenditure, reducing central VAT, facilitating housing loans through bank interest rate management, boosting infrastructure finance through public-private partnerships, and supporting the credit needs of small and medium enterprises through credit etc. Banks are the key medium of implementation (MOF, 2008). But banks are risk-averse and favour securities over commercial lending; and investments have stalled massively. Disbursements to the informal sector have been egregiously neglected. (EPW Research Foundation, 2009). And two recent government reports, Raghuram Rajan Committee's on '*Financial Sector Reforms*', 2008, and the Reserve Bank of India's on the '*Trend and Progress of Banking in India*' 2007 confirm that 41 percent of the adult Indian population live outside the ambit of banks altogether.

²¹ The fault lines of the two bills concerned are agriculture and non agriculture, not pcp and labour. The pension age threshold resists revising downwards for landless labourers and construction workers worn out by their late thirties (Penny Vera Sanso, Pers Comm, 2009).

²² The UN has constituted a task force headed by Joseph Stiglitz and members include Prabhat Patnaik, Miguel d'Escoto Brockmann, Francois Houtart Paez to recommend reforms of global financial system in face of looming recession. Despite internal variations in their analyses all members argue against the anti state regulation ideology practiced by the leading capitalist economies. Most of these: France, Germany, China, US have responded by significant state investments in the economy.

²³ In the absence of such coordination, national protectionism will trigger political conflicts.

By contrast the NCEUS (2008), documenting the mass poverty, low skills and negligible control over productive assets of informal sector workers has clarified that it is those earning below Rs 20 per day who are rationed out of the banking sector, excluded from credit markets and thus untouched by the MoF's measures. The NCEUS/ILO stimulus would strengthen National Rural Employment Programme, expand local control, urbanise it and link it with complementary projects of State governments, introduce universal social protection etc. It has been largely ignored. It is said that there is no 'Plan B',²⁴ but the NCEUS has Plan B. Were it implemented however, it would increase demand for wage goods, the production and prices of which have become unstable (Patnaik, 2007, Ghosh, 2009).

But the supply side needs repair too. The NCEUS has proposed the creation of a national fund for the 'unorganised' sector, credit to small and marginal farmers, a massive infrastructure programme appropriate to the needs of pcpt and wage workers – rural and urban housing, water watershed management, sanitation and waste management together with the under-funded human development trio (food, education and health). Members of the NCEUS have attempted to outline a response specifically for pcpt. This emphasises the need to persevere with the improvement of industrial capabilities (to respond innovatively as sectors are under threat, to resuscitate growth poles (Sengupta et al, 2007)): skills, technology, credit, services and human development, all currently restricted to the formal sector (Kannan, 2008).

The response both at the international level as well in India has been to keep the leading market players afloat at the expense of the vast impoverished majority in the informal sector. Their conditions will deteriorate as growth decelerates in the coming year.²⁵ More than ever before, the ILO's Decent Work needs to be a development objective (Nath, 2008 quoting Rodgers 2001). It needs extension to all sectors of the informal economy. Less than ever before do the international and domestic political conditions suggest it is anything but a remote goal.

²⁴ For instance, by Lord Meghnad Desai (Sen-conf).

²⁵ ILO, 2009

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