

## Labour in contemporary South India<sup>1</sup>

Isabelle Guérin (Paris I Sorbonne University/Institute of Research for Development, and French Institute of Pondicherry)

G. Venkatasubramanian (French Institute of Pondicherry)

Sébastien Michiels (Université Bordeaux IV, French Institute of Pondicherry)

### Introduction

This chapter is greatly inspired by Barbara Harriss-White's work on the social regulation of the Indian labour landscape<sup>2</sup>. Harriss-White's renewed approach to political economics and her intensive field research have shown the extent to which social institutions such as caste, class, gender, age, space, religion and the State affect property rights and transfers, production processes and labour. Her micro-studies highlight processes overlooked by large-scale surveys, showing that markets, just like scarcity, are historical and social, institutionalised processes. She examines the reproduction and evolution of power relationships, and how these are shaped by and constitutive of larger socioeconomic and political dynamics. This is by no means a deterministic form of reasoning however: she discusses the distinctive ways in which institutions evolve, interact and mutually reinforce one another according to local circumstances and the historical period. Our goal has been to adopt such an approach to our work. Our work draws on fieldwork from villages in Tamil Nadu from over the past ten years to examine how labour interrelates with social and political structures, and how it interacts with other forms of economic practices, especially credit. We also consider how variable levels of access to a variety of resources can have a wide range of impacts. We evaluate the specific characteristics and the diversity of local effects, considering phenomena that may escape widescale surveys, while taking the micro-level as indicative of broader structural dynamics.

Employment structures in rural India have changed significantly over recent decades. It is well known that agriculture has been steadily declining in terms of both GDP share and employment rates. From 2004 to 2005, just 56.6% of workers worked in agriculture, in contrast to 81.6% in 1983, despite the fact that most of the Indian population still lives in so-called rural areas. Land concentration is now a thing of the past. Nearly two thirds of farmers today are considered 'marginal farmers'. They own less than 4 acres of land, and are unable to survive on agriculture alone. The proportion of agricultural labourers continues to decline, while that of non-farming labour is increasing (Srivastava 2012). Such decline of agricultural labour has not so far been compensated by growing or prosperous industrial employment. Rural workers, whether they are landless or marginal farmers, survive by combining several sources of livelihood. This is a complex, often precarious process, devoid of any form of social protection. The latest NSSO data indicate that employment informalisation affected 92.38% of all workers in 2004-2005, in contrast to 91.17% in 1999-2000 (Srivastava 2012).

Social differentiation is no longer solely determined by land ownership and form of agriculture practiced. Traditional categories such as "poor peasant", "middle peasant" and "rich peasant" have

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<sup>1</sup> Field work was carried out between 2004 and 2013 within the *Labour, finance and social dynamics* research program of the French Institute of Pondicherry. The household survey has been done within the frame of the RUME project, funded by the French National Agency for Research (ANR). Latest field work has been supported by the IOW project (Human Bondage in the Indian Ocean World: Roots, Structure and Transformations) funded by the French National Agency for Research (ANR).

<sup>2</sup> Among many references, see for instance Harriss-White (1981, 1996, 2003, 2010a, 2010b).

become obsolete (Shah and Harriss-White 2011). As Bernstein and Lerche argue, the concept of “classes of labour”, defined as all those “who now depend – directly and indirectly – on the sale of their labour power for their own daily reproduction” (Bernstein 2010: 111) offers a useful framework for analysing the “fluidity of labour relations for workers of rural origin” (Lerche 2010: 66). Contemporary labour in the countryside is highly dynamic: workers regularly switch occupations, employment status and places of work, either over their lifetimes or on a seasonal basis. Circular migration has always been a practice, but is on the rise (Srivastava 2012). There are an estimated 50 million seasonal migrants in India (Breman 2011: 7). Labour is also extremely segmented and fragmented (Harriss-White 2003; Lerche 2010). Scheduled Castes and Scheduled Tribes still face considerable discrimination and remain specialized in the most precarious and degrading jobs. They are twice as likely to carry out casual agricultural labour and to be poor (Harriss-White and Gooptu 2001). They account for the bulk of bonded labourers (Srivastava 2005; Breman *et al.* 2009). Compared to others with the same education levels and occupation, they are paid less and their working conditions are poorer (Thorat and Newman 2010). Gender is also an important source of segregation and discrimination: women are far more likely to carry out agricultural work, to work from home, to have casual contracts and to receive low wages (Harriss-White 2003; Harriss-White & Gooptu 2001; Srivastava 2012). Life cycle position also counts: not only are many Indian children and elderly people forced to work, but employers discriminate against them (Harriss-White 2010a).

Against this general background, this chapter draws on a micro-level analysis of several villages in coastal/central Tamil Nadu to highlight broader trends which we believe are key to the future of Indian labour. The micro-level analysis confirms some general trends while highlighting a variety of situations and processes that do not emerge at the macro level.

The first trend is the increasing importance of non-farm employment in rural areas: it is now a fundamental part of rural household income, while remaining precarious and without any form of social protection. Another trend relates to the segmentation and fragmentation of labour along various lines, such as caste, class, gender and space. Though there is nothing new in this, two features of contemporary labour markets deserve to be noted.

First, we observe a growing differentiation among Dalits, within local areas but also between locations. While some local labour markets are nothing else than new forms of bondage, others allow Dalits to experience some form of upward mobility. The latter is partly related to the increasing importance of small towns. This trend has facilitated new forms of short-distance, individual and autonomous (intermediary-free) labour circulation, and allowed for greater political engagement in villages, which in turn has facilitated access to government programs. At the same time, neo-bondage relationships persist, and remain mostly a Dalit phenomenon. Beyond individual and household specific trajectories, this diversity is closely related to specific village patterns. The micro-level analysis highlights the variety of village economies, which in turn result from diverse and interrelated factors. Agro-ecological conditions, proximity to industrial centers or small towns, financial markets, social and political structures (land concentration, caste interdependence, political mobilization, etc.) give rise to a wide diversity of social, economic and political dynamics and a wide diversity of modes of integration to the global economy.

Second, segmentation along gender lines seems to be on the rise. Non farm employment opportunities are mostly a male preserve, while agricultural labour is increasingly female. We also observe that the wage gap between men and women keeps increasing. While Dalit men manage to get by more or less successfully, it seems that women are systematic losers in the changing labour landscape.

Third, we suggest that our understanding of labour is inseparable from consumption. Labourers switch between multiple forms of employment, positions, places and sectors of work (Picherit 2009). We argue that labourers' movements are influenced by the opportunities available to them, their social relationships - which still affect labour access - and the rising cost of education, social and religious rituals, and consumer goods. Even as caste and class are still constitutive of individual and collective identities, we believe that increasing access to consumption is also a major factor in the ongoing changes.

### **Data and context**

This chapter draws on a collection of cases studies conducted over the last 10 years in North-East Tamil Nadu by a team at the French Institute of Pondicherry. It is well known that human development indicators in Tamil Nadu are better than in most Indian states, although average indicators conceal considerable regional disparities. The increasing importance of non-agricultural income resulting from industrialisation and a variety of social policies has clearly contributed to this (Harriss-White and Colatei 2004; Vijayabaskar *et al.* 2004). Various micro-studies have confirmed these broad trends. Though pockets of poverty remain, and new forms of servitude have emerged (Guérin *et al.* 2009; Guérin & Venkatasubramanian 2009; Roesch *et al.* 2009), various recent micro-studies drawing on longitudinal data have highlighted Dalits' relative upward social mobility (Djurfeldt *et al.* 2008; Harriss *et al.* 2010, 2013; Heyer 2012)<sup>3</sup>. Such micro-studies confirm that social change has been driven by the shift to non-farming labour due to migration, local industrialisation and social policies. Our own observations largely confirm these broad trends, while highlighting significant disparities between and among villages.

The villages studied cover a very small part of Tamil Nadu – around 20 villages located in Villupuram and Cuddalore district (see the map), known as the former south-Arcot region. We started field work in 2003 with a focus on bonded labour – seasonal migrants who migrate for 6 to 8 months per year to brick kilns or sugar cane fields. These labour arrangements can be found in a number of Dalit settlements in both districts. Over time we extended our fieldwork to other villages, with the idea of including different types of local economies to capture more of the diversity of labour and financial markets. In 2010 we undertook a household survey comprising ten villages in a contiguous zone at the border of the two districts, the main purpose of which was to quantify the diversity of labour and financial arrangements at the household level. The studied zone, illustrates very distinct trends. One can find pockets of bonded labour migrants, but also “post-agrarian” villages, where Dalits enjoy relative autonomy and have experienced relative social mobility over the last decades.

In this area, agriculture continues to be a dynamic industry. The Pennaiyar river from which many irrigation canals are derived crosses both districts from west to east. The most common crops in Tamil Nadu are found. Rice and sugarcane are grown in the irrigated area. Cashew nuts are grown in the driest zone. Three towns in this area (Cuddalore, 180 000 inhab.), Neyveli (120 000 inhab) and Panruti (60 000 inhab.) have very strong economies. The area also exemplifies an increasingly common geographical feature of rural India: smaller towns as opposed to megacities are an increasing source of

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<sup>3</sup> Around 2010 Harriss, Jeyaranjan and Nagaraj revisited two villages which Gilbert Slater studied in 1916, followed by different teams on subsequent occasions over the century (Harriss *et al.* 2010; 2012). Djurfeldt and colleagues studied Dalit and non-Dalit social mobility between 1979 and 2004 in six villages in the former Tiruchiparalli district (central Tamil Nadu). Heyer collected precise longitudinal data from 1981 to the present on Dalit working and living conditions in villages in the Tiruppur region (West Tamil Nadu).

urban growth (Denis and Marius-Gnanou (2011). The surveyed area is ten to thirty kilometres from the three towns above, and lies along either side of the road linking Cuddalore and Salem.

The industrial town of Neyveli dates from the 1960s, when a state-run lignite mine and a thermal power station were constructed. Workers in both state enterprises still live on site in purpose-built housing, enjoying considerable privileges. However there are also many small-scale subcontracting industries on the site, which hire local workers and migrants. A few kilometers away, the coastal town of Cuddalore is also highly industrialised. While it has long been specialised in fishing, it now also embraces large scale agribusinesses such as sugar cane and cashew nut processing, and the pharmaceutical and petrochemical industries. Panruti is twenty kilometers away. It is the district's commercial centre and an export market. Panruti is a big player in the cashew and jackfruit export business. The local non-farm labour market is thus highly dynamic, and goes far beyond agriculture.

Vanniyars and Paraiyars are the two major local population groups in the region as a whole. Vanniyars are a farming caste with a low ritual rank, classified as Most Backward Classes, but they are a dominant caste from the perspective of Srinivas (1987). In the villages we studied, as with many places in northeast Tamil Nadu, they control much of the land and are politically dominant (Trouillet 2009). There are also a few Gramanis, Navithars, Nattars, Kulalars and Asarais, who occupy a similar position in the caste hierarchy. Paraiyars are one of the three major Dalit communities in Tamil Nadu. They are particularly well established in the north of the state (Arun 2009). A few Arunthathiyars also rank among the Dalits. As in many other northeast Tamil Nadu villages, conflict often breaks out between Vanniyars and Paraiyars (Arun 2009, Pandian 2013; Trouillet 2009) over a variety of issues including common land usage, temple management, religious ritual organisation, local politics and access to government schemes and resources. The upper castes of the local hierarchy are Mudaliyars, Naidus, Reddiyars and Settus, and account for only a small proportion of the village population. As has been observed in other parts of Tamil Nadu (Djurfeldt *et al.* 2008 ; Harriss *et al.* 2010 ; Heyer 2012), the upper castes have mostly moved away from the villages in recent decades to nearby towns, adopting urban jobs and lifestyles. Their dominance has greatly declined but is by no means a thing of the past. Christians and Muslims are a minority in the area.

### **Non farm labour and precariat**

The first major observation is the importance of non farm – and precarious – labour. Most households combine different occupations in different places. According to our 2010 data, only 12.1 per cent of all households live off agriculture alone. The percentage of households living only from non-farm labour is similar (15.3%) but significantly higher for upper castes (41.8% as opposed to 9.9 and 10.3% for Dalits and middle castes).

Except for upper castes, most labourer households combine both employment statuses (wage/self-employment) and farm and non-farm labour. Here Dalits prevail: one third depends only on casual labour (as opposed to 10.3% and 4.5% for middle and upper castes). With the exception of a few upper caste households who earn a living only from self-employment, juggling employment statuses is the norm.

Diversity of livelihood is associated with great vulnerability of labour. While low labour status used to be agricultural, we are now dealing with a large diversity of low status jobs outside agriculture, mostly in construction, transport, markets, services (mostly security guards) and local industries. Even if

wages – nominal and probably real<sup>4</sup> – have increased significantly over the last decade, non farm labour remains irregular and outside any form of formal regulation.

Formal employment remains an exception. Our survey shows that irrespective of the caste, there is very small percentage of retirement benefits which confirms the virtual absence of a retirement system. A tiny minority of present jobs include bonuses (6.2%), health insurance (1.9%) and pensions (4.4%). Employment remains mostly informal. A significant number of labourers declares themselves as “regular employees” but this is not related to any sort of formal protection. They describe themselves as ‘regular labour’ because there is some continuity in terms of tasks undertaken and employer. Coolie work by contrast is inherently unstable, both in terms of the task carried out and period of employment. The vast majority of regular employees have no written contract. Working time is determined by mutual agreement between the supervisor and the employee, and can be broken off at any time due to an unexpected production decline or conflicts between supervisors and workers.

“Casual labour” as a category incorporates a whole spectrum of situations and levels of financial insecurity, involving a trade-off of sorts (although labourers don’t necessarily have much choice) between wages, how hard the work is, and how secure and regular the employment is. It is interesting to compare coolie labour work and neo-bondage. Coolie labour includes activities such as building work and work as a builder’s assistant, driver, loader / unloader at the market. Wages have risen sharply in recent years, there are decent 6 to 8-hour working days, and acceptable working conditions (although without any social protection, as discussed above). In the area under study, neo-bondage activities include cane cutting and brickmoulding. These labour arrangements are characterized by very long days (12 to 16 hours), extremely low wages (four to six times lower hourly wages than for coolies), restricted freedom, and harassment in exchange for a “guarantee” of 6 to 8 months of employment. Until the debt is repaid, borrowers are forced to work, but are also confident of having a job, and are aware of the possibility of receiving lump sums of cash<sup>5</sup>.

Juggling occupations, recruiters/employers, farm and non farm labour is a matter of risk diversification (and access to other resources, as we shall see later). But it is also a matter of identity, in particular with regards the combination of farm and non farm labour. The rise of non farm labour does not necessarily translate into a willingness to abandon agriculture. This is partly the case for upper castes, as already mentioned above. But for lower castes, cultivating land is a strong challenge in the social competition that engages Vanniyars (‘middle caste’) and Paraiyars (Dalits). For Dalits and middle castes, land and agriculture continue to play a central role, both in terms of occupation – money from non farm labour is partly invested in the land – and in terms of identity. Being a landowner with access to water is still a strong factor of distinction. Most caste conflicts between Dalits and middle castes – which are extremely frequent – concern in large part land issues. It is middle castes who mostly buy upper castes’ land, thereby depriving Dalits of the possibility of leasing and therefore farming. This is a source of permanent conflict, which shows the persistence of attachment to the land (which by contrast has almost disappeared where upper castes are concerned) (Pandian 2013).

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<sup>4</sup> It is difficult to evaluate changes in real wages insofar as official inflation rates do not take certain critical goods into account, such as gold, the price of which has dramatically increased over recent years, and which has a key social role). Increasing levels of subsidized food available per household should also be taken into account. These latter are taken into account in CPIAL e.g.

<sup>5</sup> For more details on the working conditions of neo-bonded labourers, see Guérin (2013).

## **The social fragmentation of labour**

### *Caste and class*

An interesting feature of our survey is that Dalit household incomes are, on average, similar to non-Dalit<sup>6</sup>. This however should be nuanced for three reasons. First of all, there are still considerable disparities in terms of assets. Dalits have only half the total assets of non-Dalits i.e. land, housing, agricultural equipment, vehicles and durable consumer goods. Secondly, Dalits get similar incomes because they work more than others, especially Dalit women. In the area studied, while household size is roughly similar regardless of caste, the number of jobs per household differs significantly. The figure is 3.7 on average for Dalit households, 3.3 for middle caste households, and 2.8 for upper caste households. There is thus almost one more job on average per Dalit household as compared to upper castes. This is entirely due to women's labour: the number of female occupations per household is 1.6 for Dalits, 1.1 for middle castes and 0.9 for upper castes. There is no significant difference in terms of number of male occupations.

Thirdly, the nature of labour also differs. Dalits are more often casual labourers. Dalit households have more migrants, they migrate further, for shorter periods and more often for casual labour. In terms of the type of work carried out, the job market remains highly segmented along caste lines, including for the youth. Although educational disparities are tending to decline, most Dalits and some middle castes spend most of their time carrying out unskilled manual labour. This includes mining in Neyveli, pharmaceutical company packaging work, assembly line work in the automobile industry, loading and unloading in sugar mills, Cuddalore harbour or Panruti markets, as well as hulling and drying cashew nuts in local industries in Cuddalore or Neyveli, Cuddalore harbour or Panruti markets. Non-Dalits, and especially upper castes, work in the same industries but more often as graduates in management and leadership positions.

The fragmentation of labour markets is also reflected in the caste of employers and in recruitment methods: one rarely recruits someone who is higher up in the caste hierarchy. Out of our entire sample, almost three quarters (74.5%) of workers were aware of the caste of their employer or were willing to state it<sup>7</sup>. Almost one third (30%) of employers are from upper castes, despite being a numerical minority in this area. The largest group of employers comes from middle castes (34.7%), while less than 10 per cent of Dalits are employers (8.8%). Looking at who works for whom is also instructive: it is very rare that non-Dalits work for Dalits (2.1% of middle castes and no upper castes). Conversely Dalits work mostly for non-Dalits, except in agriculture where almost one third (30.4%) work for their peers. More than one fifth (21.8%) of upper castes works for middle castes.

Labour fragmentation also contributes to substantial differences in wages earned. Except for manual labour, upper castes have much better paid jobs. A high caste farmer earns 52% more than a Dalit – this relates to the size of the landholdings but also, in all likelihood, to productivity (Harriss-White and Jankaran 2004). The wage/income gap is 26% for the self-employed, and 40% for regular labourers.

In line with evidence all over India (Prakash 2011), starting and running a business remain a preserve of upper castes – in the surveyed area, 31.7 per cent of upper castes run an independent business against 12.2 per cent for middle castes and six per cent for Dalits. Multivariate analysis shows that caste (and gender) are very strong determinants of self-employment, while formal education has no influence (Guérin & D'Espallier 2013).

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<sup>6</sup> Average household annual incomes are around 77000 INR (median 68000 INR). There are no significant differences between castes.

<sup>7</sup> Most non-responsive cases were in public service jobs or government schemes such as NREGA. When it makes sense to do so, most labourers know and can state the caste of their employer.

The relative upward mobility of Dalits, illustrated by the fact that Dalit incomes are not significantly lower than non-Dalit - is associated with increasing internal differentiation: the Gini index for assets and income is greater among Dalits than among the total population. Successful Dalits often work as labour intermediaries (especially in the brick kiln and cane cutting industries), civil servants (teachers, white collar workers, etc.) or as moneylenders, which is often a secondary occupation for the previous two categories.

### ***Gender***

Important differences also emerge on the lines of gender, which in turn varies according to caste. Women's participation rates vary greatly according to caste: 35.2 per cent of Dalit adult women (above 14) do not work, as opposed to 50.2 per cent for middle castes, and 62.9 per cent for upper castes. Caste differentiation also significantly influences the nature of work. Dalit and middle caste women are mostly agricultural coolies. Upper caste women work as agricultural coolies but also as self-employed (28.6% of upper caste working women are self-employed against 4.7% for Dalits and 3.4% for middle caste). Forms of self-employment for women include small businesses (mostly grocery shops, fruits and vegetable stalls, cheap jewellery sales, running telephone booths), tailoring and weaving. Very few women have access to regular employment regardless of caste, including among the younger generation. By contrast they are the main NREGA users (around 90%, in line with what has been observed elsewhere in Tamil Nadu (Kannan & Jain 2013: 53). About one third of households have access to NREGA, with no significant differences between castes. Annual earnings represent only a meager share of family income (around 5% on average), but a higher share of women's income (20% on average).

These findings reflect two wider trends throughout India. Firstly, they reflect the feminisation of casual agricultural labour, which has been observed over the past few decades (da Corta and Venkateshwarlu 1999; Marius-Gnanou 1993). NSSO data from 2004 to 2005 indicates that for India as a whole, 72.5 per cent of all female workers were in agriculture, as opposed to 48.9% of male workers. The growth rate of agricultural labour is in steady decline other than among women rural workers (Srivastava 2012). Compared to men women have benefited very little from the general improvement in employment opportunities as pointed out by Judith Heyer (2012). It is mostly men who engage in non-farm labour and regular labour. At the same time, the gender gap for agriculture wages is increasing. In the surveyed area, in 2004 women were paid around half (35 to 45 INR for one day of harvest against 80 INR for men). In 2012, they were paid only just over one third (120 INR for women against 350 for men). Secondly, our findings indicate that the employment rate of women declines with caste – the higher the caste, the less women work (Harriss-White & Gooptu 2001; Heyer forthcoming). This confirms the low status of women's labour.

Are women less likely to work than before, as has been observed elsewhere in India in recent years (Thomas 2012)? If this is the case, is it a regression, as many observers argue, or is it instead a breakthrough given that women's work is very often very hard and low-status, especially for Dalits (Heyer forthcoming)? Does NREGA substitute for other sources of employment, or is it a supplement? We do not have enough evidence to answer these questions, but they should be the subject of future research.

### **The spatial fragmentation of labour**

The fragmentation of labour is also spatial, in the sense that location can influence workers' opportunities (Harriss-White 2003). Even with a high quality transport infrastructure, and probably

much improved information circulation than ten years ago – most households, and most household members now have mobile phones – location remains a strong barrier.

In our surveyed area three categories of settlements can be distinguished. The first category includes ‘migrant settlements’, which have specialized over time in specific channels of seasonal migration, brick moulding or sugar cane harvesting. We shall take the example of Kamaraj Nagar settlement. Around 90 per cent of the households – men, women and some of the children – go every year to brick kilns located 200 to 300 km away, in Kancheepuram district or in the Red Hills areas, a Chennai suburb. Not only is the village deserted for six to seven months of the year, but it is badly maintained. Rocks, wasteland, and swampy areas give an impression of neglect. The houses are all very rudimentary. Out of forty five houses, three are constructed of brick, and these all belong to labour intermediaries. A makeshift temple has been built recently. There is also a small shop selling basic necessities, but it is often poorly stocked and it is closed throughout the migration period. In another hamlet, most Dalits also circulate for 6 to 8 months per year, but for sugar cane harvesting. The hamlet is located in a wet zone – while most brick kiln migrants come from dry areas – but farmers have shifted to less labour intensive crops such as trees and workers have no other choice than to migrate.

The second category of village is “semi-agrarian settlement”. These are located in wet areas with wide scale agriculture and where there is a high level of caste interdependence. Most big landowners, all of whom are high caste, increasingly combine agricultural and non-agricultural incomes, but still farm the land and live in the village, such that some vestiges of the old attached labour system remain. For instance in Mananthavizntha Puthur village, which lies on the edge of a large reservoir, there are two big landowners who own between 70 and 100 acres, although given the complexity of intra-family transactions and official ceilings on land property it is often difficult to ascertain the exact size of big landowners’ properties. The first landowner lives in the US and a permanent hired manager takes care of the farm. The second landowner is still in the village and has five attached Dalit families, three from the same village, and two from far away who live in the cow shed. There also around twenty medium-sized farmers from upper and middle castes who hire out labour but whose household members, mainly women, may also work on their own fields. Few Dalits have land, as is often the case in irrigated areas, where it is more difficult for Dalits to own land. They lease land, work as agricultural coolies and combine this work with non-farm urban labour, be this on a daily basis or over a few days, weeks or months depending on distance and the available opportunities.

The third category includes “peri-urban settlements” in the sense that most men come and go to and from nearby towns - the port, the industrial town of Neyveli or the small town Panruti described above<sup>8</sup>. Obviously it is in peri-urban villages that the process of ongoing social change is the most visible: the long-standing contrast between the basic housing of the Dalit settlements and the relative luxury of the *ur* is clearly fading away. The relative upward mobility of Dalits is frequently brought up in informal daily discussions in the village: non-Dalits often comment that it is in now the ‘colony’ (Dalit settlement) that the money is to be found. Most dalit settlements in the peri-urban villages studied here have their own temples. These are not confined to a small statue sheltered by a hut, as observed in many Dalits hamlets, but they are cement buildings, some of which are quite comparable to non Dalit temples. In one of these hamlets, a Dalit man has built a marriage hall and rents it out to all castes. He offers special rates to non-Dalits so that they come, including upper castes. The simple fact that they agree to hold their ceremonies in the same places as Dalits is noteworthy.

What is the reason for diversity? Eco-type systems and infrastructure accessibility play a key role in shaping diverse village patterns: migrant villages are mostly in dry areas, or in wet villages that have

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<sup>8</sup> The village structure seems quite similar to the description of Harriss et al. (2012) in south Tamil Nadu.

moved into non-labour intensive crops; peri-urban villages are those that are close to towns or industrial centers, while agrarian villages have access to water. These “physical” determinants are key in shaping identities, social hierarchies and spatial and social mobility circuits. The spatial fragmentation of labour is inseparable from other forms of fragmentation, and from the persistence of interlinked transactions and interlinked markets. There is a wide literature on interlinked transactions, discussing how employers provide not only labour but also credit, land, water, etc. The existing literature usually associates linked transactions with agrarian settings, landlordism and traditional resources such as labour, land, credit and possibly water<sup>9</sup>. The interlinked transactions we observed are much more diverse, both with regards to the profile of gatekeepers and to the nature of resources involved.

Access to credit remains a central – and probably growing – concern. Without exception, all of the households live on debt, and we estimate that outstanding debt on average represents one year of household income (including for Dalits). Households borrow to make ends meet, to cope with shocks – health, death, job loss – to fund social and religious rituals and sometimes to buy consumer durable items. In the three categories of villages discussed above, credit markets clearly differ. In migrant villages, wage advances are the most important source of cash. Migrant workers juggle various sources of cash. Mobile lenders do not deal with migrants, but the migrants turn to pawnbrokers or the middle or upper castes. Migrants are nevertheless highly dependent on job brokers, because wage advances determine access to other loan sources and serve as a form of guarantee. In peri-urban villages by contrast, cash is very easily available. Almost every day, mobile lenders come to offer their services on doorsteps. There are many options in the nearby cities and places of work; in Panruti, for instance, there are around 150 pawnbrokers. There are up to several microcredit organizations in every Dalit settlement, which compete and offer either group or individual loans. These are rarely used for income-generating activities, but allow households to juggle, repay other debts and maintain their creditworthiness. Dalits also frequently lend to each other. In agrarian villages, there are also several options such as loans from farmers, mobile lenders, from pawnbrokers in neighboring cities, and microcredit NGOs.

Credit and labour arrangements are thus strongly interrelated. Employers and recruiters may lend money, but most importantly, local labour and credit markets depend on one another. While some lenders also offer jobs, the vast majority provides complementary services. Our 2010 survey indicated that almost 90 per cent of credit transactions include additional services from lenders, such as “financial support”, whereby lenders refer clients on to other lenders in the event that they are not in a position to make a loan at that time. Additional services also include “access to information”, primarily regarding public programs and administrative procedures, as well as “political support” for facilitating access to public programs, obtaining administrative certificates, and negotiating with the police or courts. This brings us to another form of strategic resource: social policies and government programs.

### **Social policies and local politics**

As various scholars have pointed out (Heyer 2012, Djurfeldt *et al.* 2008, Harriss *et al.* 2010), social policies have greatly contributed to improving the situation of Dalits, and our case study is no exception. The contrast between migrant and peri-urban Dalit settlements is clearly linked to differing access to social policies and government benefits. Bonded labour migrants have very poor access to such services in the field of education, subsidized housing or access to NREGA, compared to

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<sup>9</sup> For a review, see for instance Srivastava (1989).

labourers from peri-urban villages. It is also interesting to consider the ways in which the labouring poor obtain access to government schemes. These processes are both shaped by and constitutive of local social and political structures. It is well-known that the implementation of government programs is undemocratic and carried out through patronage, clientelism and gatekeeping relationships (Harriss-White 2003; Harriss-White & Janakarajan 2004). Decentralization processes and the use of NGOs expected to facilitate direct relationships with citizens, have instead served to create additional intermediaries (Guérin 2011; Pattenden 2011; Picherit 2012). Though gatekeeping seems to be a very common barrier, the profile of gatekeepers and the way they articulate within local power structures may vary significantly. Again our case studies highlight a diversity of patterns.

In the villages studied here, landlordism has declined but not entirely disappeared, especially in wet villages. Even when landowners have given up agriculture and live in cities, they very often maintain ties to their villages through moneylending, which in turn allows them to maintain political control over their native village.

In migrant settlements, the State seems to be invisible: no tar road, the ‘electricity for all’ scheme has never taken off - the few connections are private; a water tank has at last been erected after years of negotiations. Apart from a programme of land distribution in the sixties, the families declare that they never have benefited from anything and one feels a certain fatalism: ‘The politicians are not interested in us, they are afraid that we will not vote since we are migrants’, they tell us. The NGOs are also absent and the reason is probably the same: how to ensure continuity with a migrant population? A few self-help-groups (SHGs) (groups entitled to microcredit) were formed in the early 2000’s, but quickly collapsed. The few available resources are channeled through labour intermediaries. Echoing Picherit’s observations on job brokers in construction in Andhra Pradesh (Picherit 2012), the well-established labour intermediaries are all involved in politics, either through alliances or direct party representatives. They have over time become key figures in village daily life, with respect to job opportunities, conflict settlement and politics. Their role is to help workers to take advantage of the few rights they have in the village.

In peri-urban colonies by contrast, where a significant proportion of non-farm labour takes place locally thanks to the industrialization of the nearby towns of Cuddalore and Neyveli, access to labour does not require any intermediary and access to government schemes seems to be much easier. Regarding employment, workers have their own networks and access to information. Most of them now have mobile phones, which considerably facilitate direct contact with employers. With regard to government schemes, access is also based on local bonds of allegiance but these seem to be more diverse and Dalits themselves act as intermediaries for their caste fellows. A few individuals still play a key role in transmitting information and “helping” but it seems that most of them are Dalits.

Local politics are instrumental here. The peri-urban hamlets studied here are at the heart of the “Vanniyar belt” where the Paattali Makkal Katchi (PMK), a regional party created by and for the Vanniyars has had a decisive influence on politics since the 1990s. Dalits are also very active politically. For each political party, Dalits have their own leader, which is far from being the case elsewhere. The *ur* and the dalit settlement have their own meetings. In Panruti constituency, the MLA is a Dalit and has held office for around 15 years. This political power has probably facilitated access to government programs. Dalits’ relative political power in the study area is inseparable from their relative economic strength, and both factors are probably mutually reinforcing. Non-farm employment outside the village has greatly facilitated Dalits’ independence from dominant groups in the village. The fact that many employment opportunities are close to the villages, and that migration is still

limited in comparison to what we have observed in Dalit settlements in the region, facilitates the anchoring of Dalits in everyday village life and their political strength.

### **Labour and Consumption**

Consumption in rural South India is still under-researched (Cavalcante 2009), despite the fact that, we would argue, it is key to the future of the Indian countryside, both with regard to the agrarian transition and to labour. In the villages studied here, whether for agricultural wages or sharecropping, payments in kind have become very rare. The costs of education and health keep on growing. A culture of consumerism is also emerging, stimulated by mass advertising campaigns (largely through television) (Kapadia 2002), and facilitated by urbanization - not because of the rural exodus but rather through circular migration. The persistence of hierarchy as an organizing principle does not exclude evolutions and aspirations for change, including among the most marginalized. Labour migration and circulation probably play a major role. Working in Chennai, the capital, is highly valued, partly because it is a way of buying "modern" items, such as the latest models of mobile phones that are not found in Cuddalore or Villipuram. An increasing number of households aspire to acquire motorbikes, household appliances, ready made clothing, etc. Social and religious rituals, especially weddings, may demand lump sums of one to several years of household earnings.

Even without longitudinal data, we can reasonably assume that spending on education and ceremonies have increased considerably in recent decades. For Dalits in particular, in the area studied here, investing in education is relatively new. It is also likely that the nature and amount of expenses for ceremonies have changed. Villagers testify that fifteen years ago, ceremonies took place at home. Now most events take place in a marriage hall, with professional photography and video recordings. As Karin Kapadia (1996) observed in another region of Tamil Nadu, the practice of dowry has become widespread and prices are constantly increasing. The basis is gold, the price of which has kept on increasing over the last decade. It is now usual to include a motorbike as part of the dowry as well.

In many villages in the studied area, Dalits want to finance their own temples and festivals to assert their independence from higher castes, and some are able to do so, as we have seen. Young men have an active role in this process, taking most of the regular jobs. Their salaries and aspirations are key to consumer good acquisition. Young Dalits, for instance, all wear western clothes such as blue jeans and shirts. They are often the ones who encourage their parents to invest in housing, arguing that their status as regular workers calls for better housing. Women, despite having a limited income over which they have little control, are not entirely excluded from this process. Further research is needed, but it would seem that NREGA income and microcredit are partly used to meet women-specific consumption needs. Vendors now come to the villages to sell vessels, fake jewels, beauty products and underwear. Women also go to the cities – NGO meetings give them a good excuse to go shopping. Dalit women give these expenses a considerable symbolic value. This is also the argument that some use to assert their reduced inferiority (compared with before) to higher castes ("they are no longer the only ones to wear bras" is something we heard repeatedly).

According to our 2010 survey, access to durable consumer goods has risen sharply in recent years. Landlines are reserved to upper castes, but mobile phones have entirely democratized (almost 95% of households have at least one mobile phone). Other goods such as motorbikes, cooking gas, televisions are unevenly distributed and have spread more rapidly among middle and upper castes, but Dalits are not excluded. Far from it. For instance 45.2 per cent of Dalits households own a motorbike, against 63.7 per cent for middle castes and 64.2 per cent for upper castes. 27.6 per cent of Dalit household use cooking gas, against 45.2 per cent for middle caste and 70.2 per cent for upper castes. Some of these

goods (televisions and cooking gas) come under free distribution programs, but this is not the case for motorbikes.

Consumerist behaviors of course vary greatly in intensity and nature. They show a desire to integrate into global society – for instance through durable goods - while probably helping to strengthen caste identity when they occur through social and religious rituals. ‘Consumerism’ is itself a problematic concept – should we see motorbikes or gold jewels (a fundamental component of marriage costs) as consumption or as productive assets? The consumer market is also highly segmented – the working poor and Dalits do not consume in the same way as landowners, employees and upper castes.

As regards gold jewels for instance, the working poor - including Dalits - buy small amounts in small shops located in neighboring towns, while the upper classes and upper castes go to Pondicherry or Chennai to more luxurious shops with a much wider choice of design. Upper castes often make fun of Dalits, saying that they buy motorbikes but don’t know how to drive. Motorbikes can be found in front of Dalit houses which are hardly used because petrol is too expensive. The same goes for grinders, and televisions due to a lack of electricity.

It is likely that caste and class – the position in labour relations – remain key in building identities. However given the increasing role that consumption will play in the coming years in rural settings, one can also wonder what will be the consequences of these consumption patterns on social identities, with probably the emergence of a combination of various and maybe conflicting senses of belonging. These are all issues for future research.

We suggest that growing access to consumption and the desire to consume – be it consumer durables, ceremonies or education expenses – are both shaped by and constitutive of ongoing changes. This desire to consume is a clear incentive as regards employment strategies. In many cases, people decide to spend, borrow and then deploy various strategies to repay their debts.

## **Conclusion**

Our case study shows that old hierarchies persist in the midst of the changes that India has undergone over the past decades. Non-farm employment is now a fundamental part of rural household income while being a male preserve, agricultural labour being in large part female. On average the situation of Dalits is improving, but high levels of inequality and discrimination persist, albeit with strong regional and local variations. Our data suggest changing regional inequalities and migration patterns: seasonal migration flows characterized by poor working conditions coexist with commuting patterns to nearby middle towns and industrial centers that allow some form of upward mobility for Dalits. Not only do peri-urban villages benefit from increasing employment opportunities, but they also enjoy better credit opportunities and also have much easier access to public schemes. Seasonal migrants by contrast are very often excluded from local development programs and welfare schemes. In other words, some migration flows reflect and reinforce pre-existing inequalities, while others iron out inequalities. The National Commission for the Unorganised Sector’s detailed report on the Indian labour landscape identified migrants as one of the most vulnerable segments within the workforce (NCEUS 2007: 97). It is unfortunate that the suggestions of the Commission – to pay more attention to migrants - have not been addressed. Today in India, there are probably increasing numbers of circular migrants who remain invisible to policy makers and politicians, and who are excluded from mainstream society (Breman 2010: 18-20; Kannan and Breman 2013).

Our analysis also confirms a trend that has been widely observed throughout India: the emergence of a new form of precariat. This goes far beyond daily agricultural labor to a huge range of activities outside agriculture. These new forms of casual labor are temporary and irregular, and where there is

regularity, it often comes at a very high price – bondage. These forms of casual labour often demand moving from one job to another, with no rights, security or any great degree of promotional prospects. Social benefits, where they exist, remain a State prerogative: employers are relieved of any responsibility (Kannan and Breman 2013; Vijaybaskar 2011).

Rural/urban boundaries have moreover become blurred. Far beyond the usual dichotomy between cities and the countryside, there are increasing differences between villages. Harriss et al (2012) used the term “rural urbanism” for an emerging trend in south Tamil Nadu, where agriculture has declined significantly and local industrialization is on the rise. Far beyond this particular case, and Tamil Nadu for that matter, there is growing evidence of the blurring of rural and urban categories: the concept of “rural labor” now has little meaning given the very high mobility of workers (Lerche 2010), some industries are locating to more rural settings (Ghani et al. 2012), many small towns are developing independently from large urban centers (Denis et al. 2013), etc.

All this calls for a reevaluation of space categories (Denis et al. 2013), for a rethink of the issue of agrarian transition, and for a consideration of new forms of accumulation and redistribution stemming from the mobility of labour and capital. The very detailed and innovative work of Barbara Harriss-White on the emergence of new forms of accumulation in rural India in the 80’s and 90’s (Harriss-White 1996) needs to return to the top of the agenda.

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