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Deciphering the Anti-Labour Nature of Neocon Globalism

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Abstract: How do we understand the systematic world-wide anti-labour nature of the politics and economics of the global elites known as neocon globalists who have been dominating the world over the last thirty years? In this paper, the authors argue that it can be grasped only by situating it in the politico-economic compulsions behind and the processes through which the neoliberal-imperial globalization model of development had got itself strongly entrenched almost all over the world. In doing so, some changing political and economic processes of the Indian context, in terms of the imminent anti-labour labour law reforms, are also elaborated.

Keywords: Neocon Globalists, Politics, Economics, Capital, Labour, Balance of Power, WTO, Labour Laws Reform in India

I. Balance of Power Between Capital and Labour

The war between capital and labour has been continuing since the emergence of capitalism, and the balance of power between them is reflected in the changing behaviour/character of the state in time and space, sometimes reflecting a neutral character, sometimes more pro-

people and sometimes openly taking the position of capital. It is also reflected in varying degrees of state's active control over national wealth and resources and its regulatory authority differentiated by time and space.

In light of this, the current phase of globalization, known as neoliberal-imperial globalization, is the most aggressive phase of capitalist expansion. The global elites spearheading this capitalist expansion are known as neocon globalists due to their objective of achieving world domination through military and economic means. Neoconservatism and neoliberalism or neocon economics capture their ambitions of militaristic and economic domination through financialisation and international capital mobility alongside primitive accumulation (Ulrich 2012; Campbell 2010; CUPE 2008; Pratap 2014) even as in the academic classrooms these brutal forces of unequal power relations cannibalizing ordinary people (Livergood n.d.) are covered up in the name of modern economics as a value-free science (Chang 2014) about mutually beneficial exchange relations between individuals.

The minority of these elites and their intellectuals have been accumulating wealth for themselves (Monbiot 2007) by means of aggressively commoditizing virtually everything from nature to emotions, privatizing whatever is still left in the public space, transferring the ownership and control of everything into corporate hands and transforming the state into virtually a corporate agent. It is to be noted, however, that the propaganda launched by these elites and intellectuals for market replacing the state is illusionary, for the state continues to be a regulatory authority but with a difference. Instead of remaining neutral, and regulating to balance the interests of capital and labour, it is now regulating in favour of capital and against labour. Market replacing state regulation (i.e. deregulation) in practice means nothing but the state regulating to ensure free play for capital and strictly controlling and restricting the free play for labour. For example, if deregulation is the mantra, then why is there a need for strict regulation and lengthy procedure for strike actions? Why is there strict regulation and administrative control on registration of trade unions? Why is there a need for strict regulation and control on industrial

disputes? Why not let both capital and labour sort out their relations by way of bilateral bargaining?

It may be noted that the neoliberal-imperial globalization, right from the late 1980s, took shape only after the balance of power between labour and capital at the global level shifted in favour of capital – particularly after the downfall of global socialist movements and national democratic movements.

It is generally accepted that capitalism entered a systemic crisis since the 1970s. Thereafter the recoveries in the boom-bust cycles were never to the extent of bringing the situation back to the previous levels of growth. Generally, a growth rate below three percent is considered problematic leading to a serious crisis. In the 1970s, economic growth in the developed countries dipped below three percent and a compulsion of searching for new profitable global investment opportunities emerged in order to maintain a three percent growth rate (Harvey 2010). This crisis was also reflected in declining rate of increase in international productive capacity and declining rate of profits (Damen 2009). In such a situation, with lack of profitable investment opportunities in production and services, more and more capital started moving to speculative activities and financialization of capital accumulation emerged as the main aspect of global economic growth since the 1970s. In the global economy, the proportion of speculative capital rose from 15 percent between 1950 and 1980 to 25 percent between 1980 and 2003 (Damen 2009).

There were two ways to resolve or delay this crisis: (a) adopt pro-people strategy – greatly expanding state public spending, facilitating distribution and redistribution of income and wealth, reducing working hours and raising working and living standards of the workforce thereby increasing overall purchasing power of the society, and on the other hand, putting strict limits on financialization and helping the poorer states of the world by providing subsidized financial and technological assistance; or (b) adopt pro-capital strategy – force opening the global economy for free trade and free flow of capital across the globe and creating a new international division of labour targeted to tap immense profitable investment opportunities in capital-starved and labour surplus

developing countries. The natural choice for capital was the second option.

But was the global power balance favourable for moving towards the second option, i.e., for force opening the global economy for free trade and free flow of capital across the globe and creating a new international division of labour? In this context four factors could be identified as potential determinants of the balance of power: (a) the cold war was more or less over and global capital was more united than ever; (b) the world economy was increasingly dominated by a small number of monopolistic multinational corporations headquartered in the developed countries; (c) newly independent nations organized in G-77 were pushing the United Nations (UN) for a more democratic New International Economic Order; and (d) under the pressure of G-77 and global labour movements, the UN was moving ahead to bring out a binding international code of conduct for transnational corporations.

In this milieu, in order to pursue its expansionary agenda, global capital had to first confront and defeat the G-77 and the UN. The power of G-77 in the 1970s can be observed in the fact that many nations enacted legislation for controlling TNC activities and nationalization of foreign corporations. On the other hand, the 1974 declaration of UN General Assembly proposed for establishment of a New International Economic Order (NIEO) to address the demands of G-77. Binding international code of conduct for TNCs was a central component of this programme. In 1974, the UN Economic and Social Council (ECOSOC) set up the UN Commission on Transnational Corporations, with the UN Centre on Transnational Corporations (UNCTC) as its special research and administrative body, entrusted with three basic tasks: (1) to monitor and provide reports on the activities of TNCs; (2) to strengthen the capacity of developing countries in dealing with TNCs; and (3) to draft proposals for normative frameworks for the activities of TNCs (Rowe 2005). Naturally, the global labour movement also supported this agenda.

It was in the background of this threat that global capital transformed itself from the ‘class in itself’ to ‘class for itself’ and started in a big way to politically organize itself to face this challenge. It

was in this period that the World Economic Forum (WEF) (established by Klaus Schwab in 1971) and Trilateral Commission (TLC) (established by David Rockefeller in 1973) emerged. Organization for Economic Cooperation and Development (OECD) also took its present shape in the same period (as an expansion of the Organization for European Economic Cooperation—OEEC—which developed strategies for restructuring Europe after World War II). The membership and support base of International Chamber of Commerce increased dramatically in this period. Thereafter, global capital aggressively moved to defeat the agenda of G-77. OPEC-orchestrated oil crisis of 1973 virtually crushed the bones of G-77 and whatever resistance was left was further crushed in the global recession of 1980–82, which was the result of record-high interest rates in the United States and Europe, thereby causing resource prices to collapse and throwing developing countries into a debt trap. Thereafter, the G-77's agenda for New International Economic Order and for binding UN code of conduct for TNCs was thrown in the dustbin and the IMF-World Bank sisters, equipped with their structural adjustment programmes, were able to effectively 'discipline' the developing countries. It is interesting to note that UNCTC actually prepared a report which might have laid the ground for a set of international standards on TNCs and on the issue of sustainable development, but the secretariat rejected the report, and by the time the Earth Summit began (in June 1992), the UNCTC was virtually disbanded. The Earth Summit's official recommendations were finally provided by the Business Council for Sustainable Development (now the World Business Council for Sustainable Development, or WBCSD), which was made up of CEOs of some of the world's most powerful corporations. So, in the final analysis, the outcome of the summit was a focus on self regulation and voluntary codes of conduct rather than a binding UN code (Rowe 2005).

After the failure of the WTO ministerial meet in Seattle in 1999, the organized global capital directed its efforts to break the global protest movements by co-opting its major sections, and coming out with more effective looking voluntary codes and gathering broader support for this by inviting influential NGOs for high-stake reviews of the Guidelines. It was in this background that the Global Compact between the UN and the business was declared in the historic speech of the UN Secretary

General in the WEF at Davos in 1999. The whole relevance of Global Compact was built into this speech on the grounds that “There is No Alternative” (TINA) to neoliberal globalization and that “Globalization is a fact of life” and that the imbalances that are created by this can be cured only by the voluntary initiatives of the corporates. By thus winning this battle, the transnational capitalist class was successful in using the acceptability of UN as neutral agency to get a popular legitimacy for TNCs at a time when it was facing a serious challenge. The Global Compact was officially launched in July 2000 with great fanfare and the CEOs of the corporations (including Nike), not long back exposed and defamed for their misdeeds, were among the respected participants.

Meanwhile, consent was systematically built or forced on developing countries on new international division of labour amounting to a shift from economic policies based on import substitution and varying degrees of self reliance to export led growth based on FDI. It was interesting to see how in a very short period this consent was built or forced among all parliamentary parties in India, from the right to the left, largely on the pretext that ‘there is no alternative.’ It virtually led to a political-ideological vacuum for pro-people, pro-labour politics, and therefore it also led to the transformation of the state into virtually a corporate agent. On the other hand, the social and labour movements in India were already facing a crisis created by downfall and politico-ideological fragmentation in the global socialist movements. During this period, as the major sections of the workers’ organizations were affiliated to the dominant parliamentary political parties, the consent on policies of globalization and liberalization built or forced among the parliamentary parties further weakened the labour movement.

It was in this backdrop that the World Trade Organization (WTO) emerged as the supranational state with powers to internationally legislate and enforce regulations on various nation states as well as to punish those attempting to violate its jurisdiction. And under its hegemony, large scale restructuring of industries and industrial relations took place that forced the labour movement to go on the defensive. So, to this we turn now.

II. New Global Political Economy Under WTO, and Decline and Fall of Labour

The WTO works in close coordination with other supranational institutions like International Monetary Fund (IMF), the World Bank, OECD, and the regional economic groupings like ASEAN, SAARC, etc, and business forums like the World Economic Forum (WEF), the Trilateral Commission (TLC), and the International Chamber of Commerce (ICC), etc. Apparently, the structure of any supranational institution appears to possess some degree of democracy and autonomy, but in practice there is least autonomy and transparency, if any, and very limited accountability, if any. Behind the curtain the supranational institutions actually work on the dictates of their creators – the transnational capital.

It is in these circumstances that democracy in the WTO regime has been by and large transformed into mere formal democracy so much so that people can elect any government but the politico-economic regime remains the same. The governments have limited powers to regulate and legislate, and they are compelled to follow the dictates of WTO and work within the boundaries of WTO regime. Any challenge that apparently emerges from the opposing parliamentary parties remains only formal and not actual; and whenever the opposition parties win the elections and form the government they also work in the same framework. Other social forces are also managed in a way so that they do not create any major challenge. NGOs are directed and virtually forced by the funding agencies and the government to stay away from politics so that they may cry a lot but never dare to sabotage this system. Most of the central trade unions formally representing the huge majority of organized workforce in India are affiliated to the major political parties that are already part of the WTO regime. Some of them that are not formally affiliated to any political party generally claim to be apolitical and knowingly or unknowingly support the status quo. Therefore, these trade unions at times may talk radical, but in practice cannot go beyond certain limits. The other social and political forces that oppose the WTO regime are scattered ideologically and organizationally and largely marginalized. Therefore, they are unable to contest the WTO regime. The collective bargaining power of labour and

people at large is reduced to the minimum by virtue of shifting the regulating authority to a power (supranational institutions) sitting far away from the reach of people and largely immune from its actions. It is also in this background that the state is increasingly becoming autocratic and repressive. The emergence of certain tendencies of radicalism/extremism in certain arenas of social movements can also be fully understood in this background in that they are largely a reflection of shrinking democratic space.

Moreover, the supranational institutions like WTO have specific agenda for international regulations and deregulations. Binding international regulations are restricted largely to those areas in which capital has a direct interest, especially the regulations facilitating international mobility of capital and goods. On the other hand, labour rights and social rights are regarded as imposing excessive and unjustified costs on capital, and therefore the nation states are compelled for deregulations amounting to an end of any protection to labour, large scale informalization of jobs, and slashing/reduction of all subsidies (subsidized inputs to self employed and subsistence subsidies to working poor).

It is obvious that in the WTO regime, labour and even environment are the worst sufferers. Neo-liberalism accepts labour and environmental abuses as externalities of globalization, and in order to take care of them the neo-liberalists offer their medicine of corporate social responsibility (CSR) – non-binding voluntary code of conducts in the form of ILO's MNE declaration, OECD guidelines, EU's green paper and UN Global Compact. All these are projected as substitutes for binding international and national regulations for labour rights, human rights, social rights and environmental rights of the people.

Another aspect of WTO is that it institutionalizes the international capital mobility. This is stimulated by the revolutionary developments in aviation and information technology which have transformed the whole globe into a single integrated economy for all practical purposes. However, it may be noted that only capital enjoys unrestricted international mobility and labour mobility is highly restricted and fully regulated. It is in this background that a historically exceptional

situation emerges wherein the labour market for capital takes the shape of a global labour market, but labour market for labour remains restricted within national boundaries. It is in this context that for capital, the global labour force is virtually transformed into a massive global reserve army of labour. By virtue of international capital mobility, capital can fly away from a place where it faces problems in maximizing and realizing the profits and land anywhere it finds more promising opportunities. This system promises capital a sustainability of higher rates of profits but a very unsustainable kind of economic growth to the nations concerned, particularly developing countries. The crisis is inbuilt in this system itself and there is always a risk of flight of capital leading to economic disasters and mass unemployment. Therefore, this is a very contentious issue both for global capital and the nation states. Capital also has a fear that nation states may at some point of time restrict or block capital mobility and create serious losses to transnational corporations. The nation states particularly in developing countries, on their part, have been afraid of the dangerous consequences of flights of capital. However, the issue is largely resolved in favour of capital and international capital mobility is institutionalized and strict provisions are put in place against any attempts to regulate capital mobility. The WTO's General Agreement on Trade in Services (GATS) already contains some restrictions on capital controls, but this applies only to those countries that have committed to liberalize their certain financial services. If these countries restrict capital flows, they potentially face arbitration at an international dispute panel. This is not all. Bilateral and multilateral trade and investment treaties (BITs), free trade agreements (FTAs) and regional economic integrations (ASEAN, SAARC, NAFTA, OECD, etc.) and most importantly the IMF went beyond the WTO in institutionalizing capital mobility for almost all countries. With capital mobility thus institutionalized/constitutionalized, the nation states, particularly in developing countries, are increasingly disempowered to legislate and regulate nationally. Even if the people are able to change the regime and bring in a pro-people regime, it is not easy to change the above situations and discard the international agreements signed by previous governments. Such attempts invite various punishments from the IMF and WTO and economic sanctions from the developed countries.

In order to materialize the opportunities of profit maximization offered by international capital mobility two crucial deregulations were required in the developing countries – the deregulation of economies and the deregulation of labour. These are two most important aspects of the WTO regime.

Before the advent of liberalization, the private corporate sector had a limited role in developing economies. In India 18 most important industries were reserved for the public sector including iron and steel, heavy plant and machinery, telecommunications and telecom equipment, minerals, oil, mining, railways, air transport services and electricity generation and distribution, etc. Public services were completely controlled by the government. Moreover, 807 products were exclusively reserved for the small scale and tiny sector and social inclusion policies were also implemented in this sector by way of reservations to socially excluded sections with regard to provision of financial assistance and subsidies. Therefore, a huge part of the economy was closed to the private corporate sector and foreign capital. Moreover, the government had full control over approval of any proposal on capacity, location, expansion and manufacture of new products etc; approval of foreign exchange expenditure on the import of plant and machinery; and approval for the terms of foreign collaboration. Foreign firms were not allowed more than 40 percent of equity. Only in certain industries in the area of sophisticated technology 51 percent foreign capital was allowed. Therefore, without deregulation of the economy and opening it to private and foreign capital, global capital was unable to materialize the opportunities of profit maximization offered by international capital mobility. This task was largely completed by the WTO agreements, except the most contentious issue of deregulating the financial and other public services on which conflict still continues.

The deregulation of the economies on the above lines had disastrous impact on labour and people at large and actually it reversed the dynamics of social justice that was inbuilt into the earlier system. Most employment was in public sector, where labour rights were better implemented, and social inclusion was better insured by way of reservation policies for dalits, tribals and women, and also prices of the

products and services were reasonable (many times subsidized as well) and accessible to the larger population. Since the public sector represented the major economy, its impacts to a large extent controlled the dynamics in private sector as well. Privatisation of public sector, opening all sectors (including those reserved for public sector and those for small scale sector) to private and foreign capital reversed all aspects of social inclusion because those social policies were not part of private sector.

The labour regime was also highly regulated before liberalization. In larger industries, particularly those engaging 100 or more workers, labour was legally better protected and labour rights were better insured. These situations also insured better collective bargaining power to labour. Because the public sector dominated the economy, strong unions emerged in public sector and the strategy of industry-wide bargaining directly or indirectly impacted positively even on the private sector workers and unions. Moreover, the political affiliation of unions played a positive role in terms of increasing their bargaining power disproportionately by virtue of political power and by virtue of ability to get support from other organized sections of the society. Therefore, the deregulation of labour was one of the most important agendas of WTO and global capital. This was a most contentious issue, though, as the labour movement forcefully opposed the pro-capital labour reforms. But eventually, even if the trade unions were able to prohibit any major amendments in labour laws, their defeat in the fight against deregulation of economy in terms of large scale privatization, downsizing and retrenchments, weakened and marginalized them. They were also defeated in their fight against large scale informalization of labour, and against the first major amendment in the trade union act in 2002, whereby requirement for registering a trade union was increased from minimum 7 members to minimum 10 percent or 100 members. This situation further weakened the trade unions. With informal workers gradually forming the majority of the workforce in almost all formal sector industrial units, the trade unions were virtually removed from the shop-floors in terms of any effective collective bargaining. With weakening of the trade unions, the labour laws actually lost their meaning and large scale violation of labour rights became the rule of the game across industries. Moreover, being not able to amend the

major labour laws in favour of capital, the governments tried to achieve the same objectives by providing relaxations in labour laws to various industries including large number of special economic zones and other export oriented industries, declaring more and more industries to come under public utility services wherein strike is almost impossible, increasingly imposing Essential Services and Maintenance Act to prohibit strikes, and granting provisions for self-certification under labour laws to various industries and discouraging inspections to insure implementation of labour laws by labour departments. Moreover, even when labour laws were the same, in judicial pronouncements they were given new meaning and labour was rarely able to get relief from the court.

It is important to note that the opportunities of profit maximization offered by the international mobility of capital can be materialized only when labour is completely informalized and vulnerable. Degree of protection of labour reduces the degree of mobility of capital and increases the cost of capital movements. Moreover, degree of protection of labour also increases the cost of production and thereby puts a limit on maximizing profits. Therefore, in order to maximize profits, capital needs three kinds of informalization of workforce: (a) informalization of workforce in formal sectors; (b) shifting of a significant proportion of production processes to informal sectors, i.e. small scale or home base units; and (c) assimilating the self employed producers in informal sectors into global value chains (Pratap 2014).

It is in this light that we can understand, why and how the whole discourse on informal sectors changed after liberalization. Before liberalization, the focus was largely on transforming the informal sector or its absorption (disappearance) into formal sector. After liberalization, the focus shifted increasingly towards maintaining the informal sectors and informal workers at bare minimum levels of subsistence. We can see that all these tendencies are dominant in India and most other developing countries. Labour in formal sectors is increasingly informalised and large proportion of production processes are transferred to small and home based units. Many sectors of self employed producers have increasingly been assimilated into global value chains and thereby have emerged as major sources of profits (e.g.

contract farming). Even the gatherers of forest produce are also increasingly assimilated into global value chains. In the sectors where the economies of scale offer better profits to capital, we observe the tendency of corporatization and absorption of informal sectors into formal sectors – for example, in retail trade, scrap collection-disposal, in fisheries and to some extent also in agriculture (corporate farming, agriculture special economic zones, etc). In the rest of the sectors informal sector exists as home of reserve army of labour, and this is also important to capital for putting sustained downward pressure on wages.

The new international division of labour has been established in such a way that the high value adding R&D intensive operations are fully controlled by transnational corporations and mostly based in the developed countries, while low value adding labour intensive operations are shifted to developing countries. The control on value chain is also exercised by monopoly of brands/ TNCs on the market (Pratap 2014). By virtue of this dynamics the multinationals are able to lock the developing country industries at low value adding positions of the global value chains, and capture the major share of profits produced in the industries. They are also able to put consistent pressure on the units in the supply chain to reduce the costs and also transfer all the non-value adding costs to these units. Developing country subcontractors generally work for several TNCs simultaneously, but this does not enhance their bargaining power because in this regard the TNCs collude rather than compete with one another. Therefore, this international division of labour on the whole facilitates the wealth transfer from the developing to developed countries. For example, in India, the gross value added in manufacturing still constitutes only about 20 per cent of the value of output in the organized manufacturing sector, and in electronics industry, it is as low as 5-10 percent (Pratap 2013). This dynamics is also inflating the import bills--for example, the electronic sector's imports are second only to oil imports.

The new international division of labour has been taking shape via global value chains in various industries. The process can be observed across the economy from electronics industry to agriculture; however, the pace is faster in some industries than in others. It is expected that

integration of South Asian economies in SAARC and the imminent hire and fire labour reforms will accelerate the process of integration of Indian industries in global value chains in a big way.

The development dynamics which has shifted the development strategies from import substitution and self reliance to export oriented growth based on FDI has created a situation wherein all developing countries are thrown into cutthroat competition with one another to win and sustain greater shares of FDI and exports. This competition takes the form of offering cheaper natural resources and ensuring supply of cheap and vulnerable labour to ensure super profits to the national and international capital. The industrial units in developing countries are also thrown in competition with one another to win work orders from transnational corporations and in general this takes the form of offering lower costs of production that ultimately means lower labour costs. Therefore to offer higher profits to TNCs and at the same time ensure higher profits for themselves, they ultimately increase the intensity of exploitation and repression of labour.

This is not all. The international division of labour by way of global value chains has resulted in scattering and division of the working class in a big way, thereby drastically reducing the collective bargaining capacity of workers at plant levels. With large scale informalization of labour it has increasingly become difficult to exercise the right to organize and collectively bargain and in the current new situation effective collective bargaining is only possible when labour is able to organize the whole supply chain. The earlier economies, earlier industrial structures and earlier production models were based on Fordist strategies where major part of value chains were located under one roof or at least in the vicinity, and production was largely for the home markets. There was better scope for exercising the right to organize and do collective bargaining. But in the new economies and new industrial structures where the value chains are scattered and the production is largely for export the above advantages are lost and also the old strategies of organizing and collective bargaining based on shop floor unionism are largely made ineffective. The value chains are shaped in such a way that the transnational corporations/brands are increasingly becoming immune to labour unrest and crisis of

productions at specific plants and specific geographical locations and they are increasingly able to manage their production by easily shifting it to other plants and other geographical locations.

III.State Against Labour In India

In such a milieu as above, what is in store for Indian labour in terms of state policies? The period of 14th Lok Sabha after the UPA coalition government was formed in India in 2004 under the leadership of the Congress Party supported by the left parties, was largely a period of transition when we witness the dynamics of continuity as well as change. Largely under the pressure of the Left the subsector centered approach for transforming the unprotected labour and small economies to some extent continued, but there were also decisive moves towards institutionalizing the duality of labour as well as anti-worker labour reforms. This was reflected in the common minimum programme of the UPA government in 2004. The National Rural Employment Guarantee Act was enacted in 2005, and this was probably the only great achievement of the Left as part of a coalition government. This act ensures 100 days of employment to one member of a rural family. In a situation when employment in agriculture has become only seasonal, and large majority of land holdings are at below subsistence level, this law is meant to ensure survival of agricultural workers. The other achievement was the establishment, in 2004, of National Commission on Enterprises in Unorganized Sector (NCEUS) which for the first time produced extensive and valuable reports exploring the problems of various sections of unprotected labour and proposed policy initiatives in their favour. However, during the same UPA government, the New (or national) Pension Scheme (NPS) 2004 was legislated and initiatives were taken for legislating a separate national level social security legislation for unorganized sector workers.

The new pension scheme was formulated in 2003 by the Bharatiya Janata Party led NDA government and implemented by the UPA government in 2004, despite strong protest from trade unions and the state governments of mainly West Bengal, Kerala and Tripura. It was initially implemented in the central government and railways, and later it was extended to all sectors including the informal sector workers. The

earlier pension scheme was based on providing defined benefits and it was replaced by this new pension scheme based on defined contributions but no defined benefits. In the new pension scheme the contributions of employees and employers are transferred to a trustee bank that invests them in share and bond markets, and therefore the benefits for the workers depend on the ups and downs of share markets. In the earlier pension scheme there was a provision of guaranteed pension amount, including a family pension, gratuity, and disability pension. But in the new scheme all these benefits are lost, and there is even no guarantee of recouping the principal amount invested by the workers. Informal workers are also covered under this scheme and they are required to contribute a minimum of Rs 1,000 per year. Their money will also be similarly invested in the share markets and they will get the benefits and pension in the same manner as discussed above. The pension fund is effectively privatized and 26 percent foreign partner holdings are allowed. Pension scheme is regulated by a government agency named PERDA (Pension Fund Regulatory and Development Authority) and insurers are given option to choose insurance agencies to manage their pension fund, including ICICI prudential fund, IDFC pension fund, Kotak Mahindra pension fund, Reliance capital pension fund, SBI pension fund, UTI retirement solution and Annuity service provider. Therefore, the new pension scheme provides no guaranteed amount of pension to workers even as the huge pension fund is handed over to private national and foreign companies to generate profits. It is clear that the new pension scheme is nothing but a decisive step to promote privatization and financialization of accumulation, offering a huge opportunity to national and international capital for generating profit out of public money.

The Unorganized Workers Social Security Act was enacted in 2008. This act came as a total disappointment for workers because it practically added almost no social security benefits and provided only for applicability of already existing 10 central welfare schemes (providing nominal monetary benefits) in certain sectors to all the unorganized workers.

Moreover, the Act also states that it may be applicable to only those workers earning below certain limits (ceiling of monthly salary/earning or size of landholding) to be decided by the state governments and therefore it may not be applicable to all unorganized workers. Most importantly, the Act does not mention the source of funding for its implementation. It is interesting to note that the employers are kept out from any financial liabilities, but they are ensured representation in the board. Implementation of the Act is left to the state governments. The only scheme under the Act for which the implementation process is said to have started is the Rashtriya Swasthya Bima Yojana (RSBY) – a national health insurance scheme. For example, the labour department of Delhi government has specifically asked urban local bodies to provide the list of rickshaw pullers, auto-taxi drivers, porters, street vendors, domestic workers and waste collectors for enlisting them under this scheme. However, the urban local bodies are hesitant to list most of these workers, because if they are listed in this scheme, then they may also legally become the residents of Delhi and therefore may also claim for other benefits like BPL (below poverty line) cards and benefits and housing facilities, etc. Under this scheme, the workers are required to pay a premium of Rs 30 per year to a private insurance company. The company will issue them a card and they will be able to get free treatment of up to Rs 30000 for themselves and other 4 family members in any hospital listed by the company. However, this scheme is unable to attract the workers because, as in the case of all such medical insurances, there are so many ‘ifs and buts’ for availing the medical facilities – for example, an insured person can avail this benefit only when he/she is admitted to a hospital. Moreover, the listed hospitals are interested only in eating the insured amount. Recently, the Modi-led BJP government declared to club three schemes – Rashtriya Swastha Bima Yojana (RSBY), Aam Aadmi Bima Yojan (AABY) and Indira Gandhi National Old Age Pension Scheme (IGNOAPS) and suggested to issue one single smart card to workers for implementation of these schemes on pilot basis in 20 districts. However, ambiguity on its financing and coverage still continues. Furthermore, if we read the meaning of these initiatives with the National Health Policy 2002 and the recent 12th Five Year Plan document then a completely new dimension is exposed. National Health Policy 2002 clearly advocates

privatization of health care, and the new plan document provides a clear cut system and plan to implement it. The Planning Commission in this 12th Plan document proposes only to keep non-profit health care works like immunization, ante-natal care and health education in the public sector and all other health care that provides prospects for profit making may be handed over to the private sector. The overemphasis of the government on health insurance schemes is a decisive move towards privatization of health care. In all such schemes the private health care providers may play a prominent role and they would be reimbursed by the government. This is a highly retrogressive step in a country with a large (although still insufficient and inefficient) network of public health system that has played a major role in insuring health services to urban poor and rural population in general. Now, rather than improving and developing a better public health system with enhanced health budget, the state is handing over the whole health care system to private institutions. Rashtriya Swasthya Bhima Yojana is actually being used as a medium to hand over public funds to the private sector through an insurance route. It is also interesting to note that the Maharashtra government in 2012 floated proposals to privatize radiology services in 14 government medical college hospitals and all district hospitals across Maharashtra. The state has also been planning to hand over huge sums of public money to insurance companies and large private hospitals through a Private-Public Partnership (PPP). This involves large scale public finances being given to corporate hospitals without any standardization or regulation of the services, and no protection of patients' rights (Malik 2012). There are also attempts to privatize the Employees State Insurance that is the life line of industrial workers (Zee News, 2010). The Minister of State for Labour and Haj in Karnataka clearly declared in 2005 that the state government was seriously considering a proposal to privatize 128 dispensaries and nine hospitals on the ground that a task force had found the medical centers run under the Employees' State Insurance (ESI) scheme to be inadequately equipped (The Hindu 2005). All these policy initiatives are targeted to promote privatization and financialization of accumulation at the cost of public health.

The Unorganized Workers Social Security Act 2008 and the National Pension Scheme 2004 are two major anti-worker labour

reforms done without naming them as labour reforms. They have decisively institutionalized the duality of labour, and provided a justification for informalisation of labour in organized sectors because they are made applicable to informal workers in organized sectors as well. Most importantly, these policy initiatives have decisively established the dominance of profit over people through promoting privatization of social security and financialization of accumulation by handing over huge social security funds to private corporations.

It must be noted, however, that on the whole, capital in India could not get political consensus on pro-capital labour reforms agenda by the end of 15th Lok Sabha (Parliament). The major expectations of the corporates from the BJP government of the 16th Lok Sabha include amendments in labour laws in accordance with capital's agenda of labour reforms and implementation of national manufacturing policy, along with wholesale privatization of public services (including health, water, sanitation, and transport including the railways) and complete deregulation of financial sector.

The implementation of new manufacturing policy requires the following tasks:

- (a) offering better prospects for investors,
- (b) infrastructure development,
- (c) a policy that facilitates large scale land acquisitions,
- (d) establishment of manufacturing zones and parks, and
- (e) accelerating the process of regional integration in South Asia that facilitates emergence of regional value chain networks similar to that in the East and South East Asia.

Capital wants its above expectations to be fulfilled urgently in view of the emerging prospects of developing India into a new global manufacturing hub. The Chinese economy increasingly appears saturated and the only two other economies in Asia which have the capacity to absorb the major part of future foreign investments are India and Indonesia. Modi's apparently great success in getting promises for

huge investments from various countries including China, Japan and South Korea reflects this dynamics.

The Modi-led BJP government is, therefore, moving very fast to accomplish the above tasks, and probably has a well thought out strategy in doing so. It is interesting to see that the amendments in labour laws were first initiated by a state government – the Rajasthan government ruled by BJP, and after testing the level of resistance, similar amendments were initiated by the central government at national level (learning from China). On the issue of land acquisition also the initiative was taken by the state government of Rajasthan. Probably in order to avoid large scale discontentment at national level, the Modi government is following a state centered strategy. The national government may encourage and facilitate the legislations at state level, initially in the states ruled by BJP and then a competition among various states for winning the investments may ultimately ensure similar policies in non-BJP ruled states as well. It is worth mentioning that the land acquisition amendment bill proposed by the state government of Rajasthan is a step backward from that enacted by the central government after the upsurge of country wide peasant unrest against land acquisitions. There were still serious problems in the said central legislation but it was clearly a move to replace the colonial land acquisition act. The Rajasthan land acquisition bill in many regards is bringing back the colonial land acquisition act (Forest Rights Act n.d.).

The labour law amendments proposed by the Rajasthan government and the central government can be summarized as follows (Pratap n.d.):

1. Amendment in Contract Labour (Regulation and Abolition) Act, 1970 by state government of Rajasthan: The amendment proposes to restrict its applicability to establishments and contractors employing 50 or more workers. Earlier it was applied to establishments and contractors employing 20 or more workers. It is also worth mentioning that various state governments have already amended or are in the process of amending this act. For example, the state governments of Andhra Pradesh and Maharashtra have amended this act to allow employment of contract labour in certain core activities.

2. Amendment in Industrial Disputes Act, 1948 proposed by state government of Rajasthan: The amendment proposes to introduce a three-year bar against raising any dispute against the establishment relating to lay off, retrenchment and closure. This simply means giving complete freedom to establishments for layoff, retrenchment and closures for three years. It is also proposed to restrict the applicability of section 25 K-chapter V-B that requires permission from government for layoff, retrenchment and closures of units to only those establishments employing 300 or more workers. Currently it applies to the establishments employing 100 or more workers. If this amendment is done the law itself will lose its meaning because there are very few establishments that engage 300 or more workers and such units collectively engage only a very small percentage of industrial workers. Moreover, the amendment also proposes to increase the membership requirement for recognition of a union from 15 percent to 30 percent. It has also provided for a new and very wide definition of go-slow, that will equip employers to easily level the charges on workers for go slow and punish them, even if they are not really engaged in go-slow.
3. Amendment in Factories Act, 1948 proposed by state government of Rajasthan: The amendment proposes the applicability of the act to factories employing 20 workers with power and 40 workers without power in place of earlier applicability in factories employing 10 workers with power and 20 without power. This is an attempt to gradually increase the threshold limit for applicability. It is to be kept in mind that on the one hand, in the new international division of labour the industrial growth is more at the lower ends of the value chain that engage lesser number of workers per unit, and on the other hand, in many high-tech industries, there are companies with huge turnover but they engage only small number of workers.
4. Amendment in Factories Act, 1948 by central government: With increasing problems of occupational health and safety due to increasing number of hazardous industries and hazardous substances/chemicals used in industries, there was a demand for revising the list of hazardous industries and hazardous substances in the first schedules of the factories act. The amendment proposed in the factories act apparently appears to be addressing this demand by

deleting the first schedule and providing definitions of the hazardous industries and hazardous substances so that new hazardous industries and substances may also be covered under the act. However, deleting the schedule will complicate the problems further rather than resolving it. It will open a space for long debates and disputes on whether a substance is hazardous and whether an industry can be said to be hazardous, whenever claims are made by the workers. This will ultimately increase the sufferings of affected claimant workers. Another amendment proposes enabling the factories located in the same area to observe different days as their weekly holiday. In a situation when we are facing large scale violation of labour laws, and in many industries excessive overtime and denying weekly offs have emerged as a serious problem, the proposed amendments may further aggravate these problems because violations may become more invisible and it may become more difficult to expose them. The amendment proposes to increase the period of spread-over of work for an adult worker up to 12 hours in place of existing limit of 10.5 hours; and also proposes to increase the total number of permissible overtime hours in a quarter to 100 and not going beyond 115 in any quarter, in place of existing limit of 50 hours and 75 hours respectively. This is clearly an attempt to legalize the practice of excessive working hours. The amendment also proposes to change the existing provision for protecting women workers that does not allow engaging women workers except between the hours of 6 am and 7 pm. The amendment proposes to allow engaging women workers between 7 pm and 6 am provided adequate safeguards exist in a factory. This amendment will certainly provide a justification for compelling the women workers to work till late hours and also in night shifts. The amendment proposes for provisioning of canteen to establishments with 200 or more workers replacing the earlier limit of 250 workers and provision for adequate and suitable shelters or rest rooms and a suitable lunch room with provision for drinking water, where workers can eat meals in establishments with 70 or more workers in place of earlier limit of 150 or more workers. There is no justified logic for providing number limits for these facilities and not providing these facilities to all workers in all establishments.

5. Amendments in Apprentice Act proposed by the central government: Amendment proposes to allow engaging apprenticeship workers from states other than the home state and also for removing the restrictions on number of apprenticeships in a unit and requirement of survey of establishments (to see the infrastructure facilities available for training) by the relevant authorities for fixing the number of apprenticeship workers that may be engaged in a particular unit. The amendment also proposes to provide flexibility to establishments taking into account the seasonality of operation and changing demand for labour. The stipend for apprenticeship is proposed at 70-90 percent of minimum wages with no applicability of Employees State Insurance Act (ESI). It is also proposed that the government should bear half of the cost of stipend for one year in case of micro, small and medium enterprise with a turnover of less than 100 crores. In practice this may include most of the enterprises engaging up to 300 workers. We may also keep in mind that amendment proposed in ID act also provides freedom for lay off, retrenchment and closure in enterprises engaging less than 300 workers. The cumulative impact of all these amendments may provide an opportunity to huge majority of enterprises in India to engage a huge proportion of workers as apprentices, with a greater proportion as migrant workers. Enterprises may also enjoy flexibility of hiring and firing them. Therefore, in a situation when the labour movement is forcefully demanding for abolishing the contract labour system and equal wages for equal work and has been able to build a unity between contract and regular workers, engaging large number of apprentices can be seen as an alternative strategy of exploiting cheap and flexible labour. Some industries have already adopted this strategy and apprentices in their workforce constitute more than 50-70 percent of the workforce. On top of this, if the government bears half the cost of the stipend one can imagine the rate of super profits that the enterprises may be enjoying by using this strategy.
6. Amendment in Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act proposed by the central government: This act was meant to reduce the burden of small and very small enterprises engaging 10-19 workers for

filing returns under various labour laws. The amendment proposes to extend the applicability of these exemptions to establishments engaging 10-40 workers. Moreover, the amendment also proposes to include 16 labour laws for allowing exemptions under the act; earlier only 9 labour laws were included. Therefore, the cumulative impact of proposed amendments may be in terms of exempting majority of enterprises in India from filing returns on labour laws and therefore they practically need not bother much about labour laws. It may be noted that to avoid applicability of section 25FFA of ID act (requirement of permission from government for closure), majority of enterprises remain legally within the limits of engaging less than 50 workers. Even if employers operate at large scale, they register a number of enterprises to divide the workforce and keep the numbers within the limit in each enterprise.

7. Amendment in Minimum Wages Act proposed by the central government: The labour movement has been demanding removal of the system of scheduled employments and the applicability of minimum wages act to all work and all occupations. This amendment proposes that the minimum wages in scheduled employment fixed by various state governments should not be less than the national floor wage, and in those occupations that are not covered in the list of scheduled employments the minimum wages may be equal to the lowest wages of unskilled workers in scheduled employments in home state or the national floor wage whichever is higher. This provision amounts to discrimination with the workers that are currently not included in scheduled employments. There is no justified logic why these workers (who may be skilled or semiskilled) should get the lowest rate of wages fixed for the unskilled workers in scheduled employments. It is also to be kept in mind that the national floor wage is fixed so low that it has no significance in terms of creating a factor that ensures minimum living standards for workers across the country; rather, it is providing a justification for low rate of minimum wages in various states. The amendment also proposes to keep the revision period of minimum wages to 5 years in states and UTs where it has a component of variable DA, but in cases where minimum wage has no component of variable DA the revision may be done in two

years. This amendment is opening the doors for avoiding the component of variable dearness allowance and thereby avoiding revision of wages every six months to adjust it for inflation. Moreover, the amendment adds a provision for wage card as an alternative to wage slip. The reason provided for this is “to provide additional facility for authentication of payment to employees.” But why is there a need for this additional facility and for whom? This is not explained. This provision may provide an option to employers not to provide formal wage slips in any case and rather opt for wage cards that may be manipulated easily. Claim period in case of non payment of minimum wages is increased from 6 months to 12 months and the compensation amount to workers is increased from Rs 10 to Rs 100. The penalty for employers is also increased but it is still very low. It is self explanatory that theft or nonpayment still remains profitable.

From the study above, it is clear that the Modi-led BJP government is blindly moving to implement the capital’s agenda of hire and fire labour system so that India very soon falls in line with the world-wide trend of instituting libertarian labour laws reform offering garbage labour contracts with labour rights deficits (Bose 2012). It is also clear from the labour law amendments proposed that the new regime is decisively heading to transform India into a new global factory with ‘better sweatshop’ conditions than in China or Indonesia.

IV. CONCLUSION

This paper has revealed the anti-labour nature and character of neoliberal-imperial globalization in general and as it applies to recent Indian political economy in particular. This is quite distressing in that this kind of economics and politics goes against the spirit of the saying that “The wealth of the country is its working people”, as stated by the Hungarian journalist Theodor Herzl long time ago, which implies that development should be judged by worker well-being.

Can this harsh socio-economic reality be changed for the better? Theoretically, yes, there is economic solution if we can replace the neoliberal-imperial globalization model by internal market led development model as propounded, for example, by Palley (2002). But

how will the required changes in policy configuration come about through what kind of political intervention (Hickey, Sen & Bukenya 2014)? This is a difficult question to answer.

By way of a plausible answer to that complicated question, it is useful to underline what Chang (2014) writes thus:

Indeed, the difficulty of changing the status quo, even when most people agree that it is only serving a tiny minority, is manifested nowhere as clearly as in the limited reform that has been made to our current neo-liberal economic policies (and the economic theories that are behind them) even after the 2008 financial crisis has clearly shown their limitations....Sometimes the difficulty is due to the active attempts by those who benefit from the current arrangements to defend their positions through lobbying, media propaganda, bribing or even violence. However, the status quo often gets defended even without some people actively being evil. The one-dollar-one-vote rule of the market drastically constrains the ability of those with less money to refuse undesirable options given to them by the underlying distribution of income and wealth...Moreover, we can be susceptible to beliefs that go against our own interests...This tendency makes many losers from the current system defend it...Acknowledging the difficulties involved in changing the economic status quo should not cause us to give up the fight to create an economy that is more dynamic, more stable, more equitable and more environmentally sustainable than what we have had for the last three decades. Yes, changes are difficult, but, in the long run, when enough people fight for them, many impossible things happen. Just remember: 200 years ago, many Americans thought it was totally unrealistic to argue for the abolition of slavery; 100 years ago, the British government put women in prison for asking for votes; fifty years ago, most of the founding fathers of today's developing

nations were being hunted down by the British and the French as terrorists....As the Italian Marxist Antonio Gramsci said, we need to have pessimism of the intellect and optimism of the will.

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