

The Impact of Migrant Labour on Development in India:

A case study from the new city of Gurgaon.

By Sven Selås Kallevik



A Master's thesis in Economic and Development Geography

Department of Geography

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Abstract

In developing countries it has for long been the trend that only single migrants participate in the extensive rural-urban migration. With single migrants it is here meant migrants moving without bringing their family along. This exact phenomenon will be elaborated and enlightened in this thesis. In India, as well as in other countries, migrants play an integral role in the urban workforce. They offer a cheap, reliable (in the sense that they are many) and easy accessible service. The thesis put emphasis on how low-skilled labourers cope with life in an urban setting. Furthermore, through Research Problem I, it will be elaborated several reasons why these migrants choose to make the move, and why they in most cases do not bring their families along. It will also be discussed, through Research Problem II, how low-skilled migrants contribute to the economic development witnessed in contemporary India. Does the low wage received by urban migrants help poverty alleviation or is it purely an exploitation of the migrants by the employers? The thesis builds on qualitative collected data as in-depth interviews and on site observations, complemented by an extensive survey (n=72) undertaken by the author. The author has interviewed low-skilled labourers on the streets of Gurgaon and sub-urb Delhi. From this it became clear that there is a general agreement that the low-skilled labourers do not earn enough to make a living for a whole family in an urban situation. Then again, they earn more in the city than they do on the countryside, if they earn anything at all. It was many a time pointed to the lack of sufficient work opportunities in the countryside where most families practice within subsistence farming. In respect to the aspect of development the labour migrants was found to offer a significant contribution to the development occurring in contemporary Gurgaon. Mahatma Gandhi National Rural Employment Guarantee (MGNREGA) is a national government scheme put together to help employ villagers in non-agricultural sectors. The effects of this will to some extent also be elaborated in this thesis.

Acknowledgments

When choosing a subject for my master thesis I was contempt on involving development and labour migration. A longer stay in Hong Kong and the South of China had triggered my interest in labour migrant's contribution to development. When the opportunity to something similar in India presented itself I was not hard to convince. It has been a great process and I have learned more than I could even imagine. The chance to get to study a country and a culture for over a year is truly special and I have really enjoyed it.

I would like to express my special appreciation and thanks to my supervisor Professor Tor H. Aase. You have been very helpful throughout the whole process of writing this thesis. I would like to thank you for presenting me to India and Gurgaon as a research field. Your advice on my research has been much appreciated.

A special thanks to my family for continuing support. I would also like to thank all of my friends and co-students who supported me and believed in me even when I did not. I would like to address a special thanks to Tom, Dash and my sister Gro for proof reading and valuable discussions. In the end I would like to extend a warm thanks to my "foster" family in India who made me feel like a part of their family and made my stay in India to something I will treasure and never forget. Last, but not least, I want to thank my friend, "*bhai*" and translator Dilip for helping me understand, not just Hindi but, the Indian society and culture.

Bergen, August 2014

Sven Selås Kallevik

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All pictures are by the author.

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Chapter 1: Introduction

Migration, development and ever growing globalized cities are all terms very much in focus of contemporary academic research. The interconnectedness of all these mentioned phenomena are highly interesting and worth further investigating. This ever ongoing process of globalization has had a great impact on all of them and could be seen as a process further bringing issues concerning these phenomena in focus.

Most of these issues have more or less direct involvement of people on the different scales apparent within globalization; either it is a migrating peasant, multinational capitalist or as street vendors. Their place in the on-going development process inherent in India is unquestionable. Development should be seen as a multi-dimensional process involving major changes in social structures, popular attitudes and national institutions, as well as the speeding up of economic growth, the reduction of inequality and the abolishment of absolute poverty (Kapila, 2013). This stand clearly involves a human aspect and as Arthur Lewis stresses it is all about achieving “freedom of servitude”, *“the advantage of economic growth is not that wealth increases happiness, but that it increases the range of human choice”* (Lewis, 1955, 420) The concept of human freedom, he says, is that it should include all various components of political freedom, freedom of expression, political participation and equality of opportunity. Some of these factors are already a part of the Indian society, but then again many are lacking to a smaller or larger extent (Lewis, 1955). This thesis will elaborate many of these aspects and examine how migrants cope with life in the city as well as their contribution to Indian development. As the migrants are an integral part to Indian development these aspects are more or less intertwined.

1.1 The sub-continent of India

India is the world’s second most populous country, after China, with its 1, 2 billion inhabitants. The religious groupings are divided in 80 percent Hindus, 13 percent Muslims, 2,3 percent Christians and 1,9 percent Sikhs. Even though there is only 13 percent Muslims in India, it is still the second most populous Muslim country in the world, after Indonesia. There have been views

that India has been over-populated all the way back to 1881 (Mitra, 1978), and then there only lived 260 million in an India which also included Pakistan and Bangladesh (Digital South Asia Library, 2013).

The Indian economy has been in transition from an underdeveloped to a developing country since 1951 when India started on a programme of planned economic development. At the time of independence India had most of the signs of an underdeveloped country, but six decades

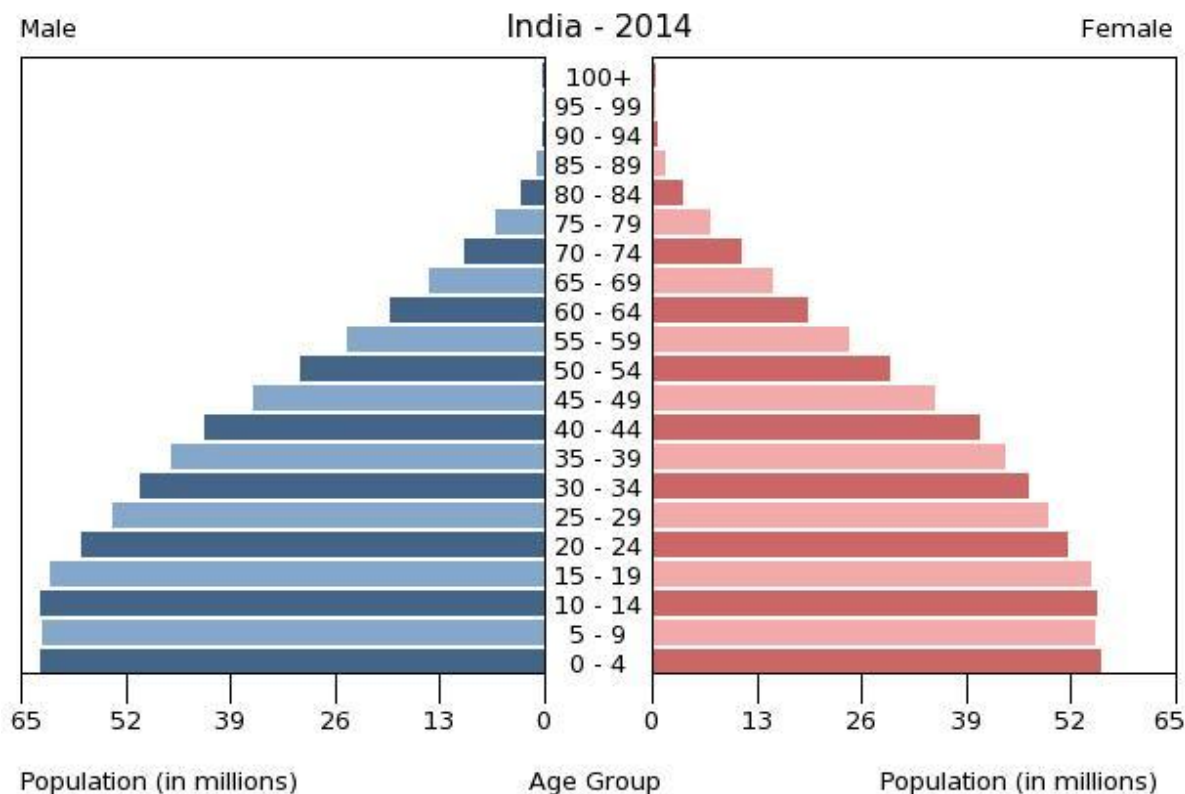


Figure 1 Population pyramid India 2014 (Central Intelligence Agency, 2013)

with planned economy has brought India into a category of developing countries, closing in on the middle-income countries.

India has been named as a success story for globalisation. The last two decades has seen the country move into the top league of high technology and India’s emerging middle-class has become a magnet to many foreign investors. This has again accelerated an already extensive rural-urban migration in the country. These are themes that will occur throughout this thesis.

Though what has emerged as the most worrying factor is that the income growth of India has not sped up the country's poverty alleviation at the rate expected. Extreme poverty is concentrated in rural areas and especially within the northern poverty belt, including Bihar, Madhya Pradesh, Uttar Pradesh and West Bengal (Kapila, 2013). These states are also of the most represented among migrants in Delhi and Gurgaon, which is what this thesis addresses.

As India has the second largest workforce in the world, a prerequisite for growth and poverty alleviation should be present. The demographics also show an ever increasing population in working age (Figure 1), unlike China which experiences an aging of their work stock (Beech, 2013, Das and N'Diaye, 2013), which should be able to continue to fuel growth for many years. Essential for creating growth is a *large core of the working age* aged 20 to 39 (Das and N'Diaye, 2013). In India this core will only grow in the coming years. The problem (with growth and poverty alleviation) pointed to by many could be the country's lacking human capital in terms of education (Varma, 2005, Sinha, 2013, Breman, 2013), but also a very slow improvement in overall employment conditions despite the current economic growth (Ghose, 2010). This will be further elaborated later on in this thesis.

A city that shows the diversity of India in a very clear way is Gurgaon, and that is one of the reasons why this city has been chosen as field area for this thesis.

1.2 The Millennium City

Gurgaon is a border city to Delhi and a part of India's national capital region of New Delhi (NCR). It is located about 20 km south, southwest, of the capital. What makes Gurgaon interesting is that during the last two decades the city has had an almost exponential growth in both inhabitants and economic activities. It is said to be the prime example of the "new" India, and the city is referred to as one of the country's foremost globalized cities.

The city, popularly called "*the Millennium City*", has grown from practically nothing to a "modern" globalized city in just a few decades. It is now divided into what is locally known as old and new Gurgaon, where it is new Gurgaon that has seen most of the recent modern development. Sadly, as with many other places in India, the development has been more despite of the government than because of it. Therefore the city lacks decent and sufficient infrastructure,

sanitation, electricity and a functioning citywide sewer system (Yardley, 2011). The new city government is currently very aware of these problems and has made extensive plans to improve the infrastructure in the coming future (Mehra, 2010).

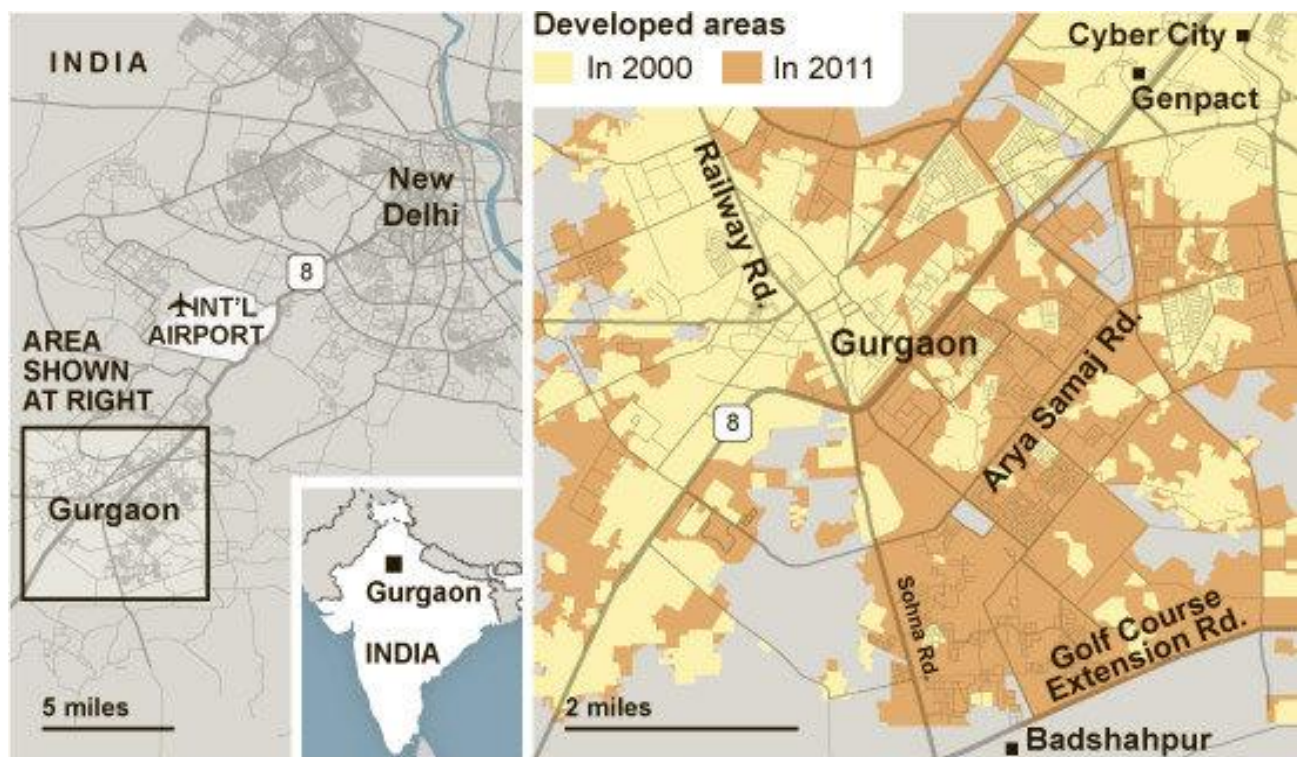
An integral part of this development is *the migrant workers*. The rural – urban migration is extensive as there is need of a large workforce to put up with the heavy transformation. Most of the migrant workers are employed in the construction sector as the development of the new high risen business buildings and large infrastructural projects are taking place. Currently there is a Metro line stretching from central Delhi all the way to downtown Gurgaon, and recently it opened up an intercity line stretching from the centre of new Gurgaon to the Cyber City in Gurgaon.

What is striking about Gurgaon is the very noticeable divide between poor and rich, which is a nationally outspoken problem in India as well. This problem becomes very apparent in the before mentioned Cyber City. Cyber City is an export processing zone (EPZ) with an extremely modern



Picture 1 Cyber city in Gurgaon. Typical hawker stalls in front of multinational corporations occupied in the buildings behind

business sector with almost exclusively white collar jobs. The area is surrounded by a belt of impoverished housing and informal Indian marketplaces, making it a perfect example of the rich-poor dichotomy of India. The heavy transformation makes Gurgaon look like a large construction site. Construction-workers participate every day in the building of new highly modern buildings, either for housing or for other transnational corporations outsourcing their services to Gurgaon. It is said that Gurgaon has an estimated 200 000 migrant workers, which is approximately 13 per cent of the total population. (Yardley, 2011). This makes the city an excellent choice for a study of migrant labour. Yardley (2011) also makes the point that the city



Map 1 Map of Gurgaon at different scales (New York Times, 2011)

is continuously receiving outsourced businesses. In 2010 a leading industrial company in India estimated the workforce employed, directly and indirectly, in outsourced industries to be close to 500 000 people (Yardley, 2011). That is one third of the population in Gurgaon. In addition to low educated migrants, the city receives many of India's best educated. They need to be English speaking and are employed by companies like Nestle, Coca Cola, Motorola, Lufthansa and Ericsson.

1.3 Research problems

The primary target of this thesis will be to figure out how migrants cope with life in an urban setting in relation to personal economy, work relation and the relation to those “back home”. One of the major challenges facing migrants in India today is the very low wages earned by migrant workers in the urban sector. Because of this migrants move mainly as single individuals, and not as whole families. My research problems are related to the urban employers offering only an individual wage instead of a family wage. An individual wage is for support one single person, while a family wage is high enough to support a family. This leads to Research Problem I:

Research Problem I:

Why do not married migrant workers in Gurgaon bring their families to the city?

From the research problem I have derived this Hypothesis:

Migrants do not earn enough to support their families in Gurgaon.

With the use of extensive fieldwork in Gurgaon, statistics from different sources and already published academic articles, I will try to find out at what level a wage has to be in order to support a whole family in the city.

These findings will, for analytical purposes, be interpreted in a framework of development and economic theories, such as Lewis’ theory of unlimited supply of labour, and put in a migration framework. Lewis’ theory examines the dynamics of how the traditional and modern sector of an economy. This leads us to the next research problem;

Research Problem II:

Can Lewis’ model explain development outcome of rural – urban migration in India?

This is interesting as Lewis’ theory uses *classical* theory as foundation for explaining wages in an economy with unlimited supply of labour; instead of *neo-classical* which is the more common theory in contemporary economics. In relation to this it will also be interesting to examine a Research Question:

Is the current wage regime just a stepping stone in a larger development picture, as according to Lewisian development theory?

The research problems and the hypothesis will be referred to throughout the thesis for analytical benefits.

1.4 The thesis' structure

This thesis consists of seven chapters. The first chapter was an introduction to India and the field area in Gurgaon as well as a presentation of the research problems and the hypotheses. This next chapter will present an overview of Indian migration history and an introduction to the economic transformation of India and empirical data related to this. Chapter three is concerned with the methodological approaches used in this thesis. The theoretical foundations are elaborated in the following chapter four, while in chapter five there will be a more extensive presentation of the Indian labour market. Chapter six will use the theoretical foundation elaborated in chapter four for the analysis of the empirical data. Chapter seven will draw some concluding remarks and sum up the analysis.

Chapter 2: Migration, social mobility and economic transformation in India

In this chapter it will be presented topics and empirical data related to migration social mobility and the economic transformation of India. The migration is vital to understand processes of growth occurring in contemporary India, which will be addressed later in this thesis. This chapter will also work as a contextual text. It is necessary to know the context of which the migration and processes of growth is occurring in.

India has approximately 800 million people living on less than two dollars a day (The World Bank, 2013a). Among these 800 million there is a given amount that is redundant labour, which means they are not significant to the rural production. In other words their marginal productivity to labour equals zero, which basically means that if you employ one more rural worker, there will be created no additional output. This again means they are able to migrate to the city without causing any harm to rural productivity, and still contribute to the urban economy. This is clear evidence of the inefficiency of the rural economy with unlimited supply of labour. Then, as before mentioned, diminishing of the rural labour has no, or little, effect on rural marginal product as there is an overly saturated work force employed in the rural sector, usually within the agricultural sector. This again means the rural-urban migration occurring in contemporary India to a certain extent is purely positive, in the sense that the migrants actually are able to participate in a form of economical capital creation in the urban area. This is very much in accordance to W.A. Lewis' theory on economic development with unlimited supply of labour (1954), which takes into account the development of less developed states. This theory will be further elaborated in chapter 4.

2.1 Migration in India

Migrants offer a reliable service as part of an ever-growing workforce operating in India. Most of the interesting recent research within migration has been undertaken within and from developing countries. This situation might be partly explained by the fact that the impact of differences in wage on migration often is neutralized by the developed economies' unemployment programs.

Therefore are the least developed countries, such as India, good locations for studying migration (Stark and Bloom, 1985).

Mitchell (1988) points out that migration is not a monocausal phenomenon, it is important not to ignore the complexity of the whole process. Furthermore it is neither only “pull-factors”, as according to the push-pull theory by Lee (1966), that are responsible for the heavy rural-urban migration currently taking place in contemporary India. A study by Kumar, Singh and Singh (Kumar et al., 1998) shows that the “push-factors” actually go a long way in accounting for the migration out of, in his case, rural Bihar. Bihar, which is the origin state of around 35% of the informants in this thesis’ conducted survey, is a great example of surplus labour migration as a survival strategy more than the attraction, or the glare, of urban areas, often named the “bright lights theory” (Potter, 2008). Furthermore Kumar et al. (1998) stress that they also found the feudal exploitation and acute poverty as driving forces behind the migration.

Movement of people results in changes in spatial distribution of population in response to changes in economic, political, social, cultural and ecological endowment in different regions, countries or areas. Even though it has taken place since the early period of human history, it is only recently the pace has accelerated through the modernisation phase of capitalist transition in the world. Migration of labour ensures both a high rate of exploitation of labour and its subordination to capital and re-organization of capital in terms of changing requirements over time (Gill, 1998).

There is a clear distinction between international migration and intra-national migration. While international migration has been seen to generate most wealth for migrants, Castaldo et al. (2012) make the proposition that intra-national migration is even more important in poverty alleviation as also the poorest segment of society are able to participate. Although this is very exciting, it would need more specific data from international migrants to further examine.

To get a better perspective on Indian migration it will be useful to examine the more recent historical view of labour migration in India.

2.1.1 The historic view of labour migration in India

Migration of labour in India started to grow in numbers during the period of the British raj.¹ Labour was moved from hinterlands to mining sites, plantations and sites for manufacturing factories. Recruitment happened from the rural areas and was conducted in a manner that made the women and children stay behind in the villages while the males migrated to the modern sector. This implied that cheap labour was made available for the modern sector as workers were paid the *individual wage* rates rather than the *family wage rate*.² The former being considerably lower than the latter, it gave huge benefits to the modern sector in terms of cheap labour. The cost of the reproduction of the labour was largely born by the native places as the contribution of remittances was only marginal (Gill, 1998). This is very much in accordance to Burawoy (1976) who suggest that the cost of renewal of migrant labour is born by another economy or state, in this case the rural economy. Gill continues elaborating the migration scenario in India by stating that the system changed considerably in the post-colonial period (post 1947). The capitalist development in India started under the system of planning introduced by the Government of India. There were introductions of programs for industrial development and the agricultural economy began to grow and initiated a transition from pre-capitalist to capitalist relations. As a result of this, a massive migration took place towards urban modern enterprises and the expanding provincial and central government establishments, mostly located within the urban areas. This led in turn to a very uneven pattern of development, with some regions growing fast and others lagging behind. It is not unlikely that this in turn started a process of circular causality, as according to the economic theory on underdeveloped regions by Gunnar Myrdal, ever increasing (accumulating) the disparities between the different regions. The growing regions are fuelling their growth on the less developed regions. Myrdal called this the “backwash-effect” (Myrdal, 1957).

This trend continued. Initially with a slow rate of GDP growth, popularly called the Hindu rate of growth, but with reasonable employment expansion until 1980-81. Thereafter it continued with relatively high growth of GDP and slow expansion in employment. There was a shift from low GDP growth and high employment creation to high GDP growth and low employment

¹ Raj is translated to rule in Hindi. The British raj is here referring to the period the British Empire had colonial rule in India.

² *Individual wage* is a wage high enough to support one person. A *family wage* is a wage high enough to support a family.

creation. During the whole period of the post-colonial transition, growth was at no stage enough to include the impoverished rural workforce into modern employment. After some time the labourers in the modern enterprises managed to get a family wage and were able to bring their families along. At the same time a section of labourers continued to migrate into the urban areas all alone and work at individual wage rates, mainly in the informal segment. As further noted by Gill (1998) the urban employers welcome the migration since the migrant labour is extremely vulnerable and more easily exploited. He claims they are paid wages that are lower than the local labour, have longer working hours and they can be employed at a moment's notice. This is possible due to the fact that the migrant labourers are at the migration destination practically rootless and to a certain extent marginalized. They have very little influence, and are therefore always prepared to work at the lowest possible wage rate. Furthermore they do not have financial stability to afford to go on strike, which makes them even more vulnerable.

The informants I interviewed, and the informants from the conducted survey, fit many of those descriptions mentioned above and clearly there are major issues facing migrant policies in urban areas.

Chapter 3: Methodology

The study took place in Gurgaon, Haryana. Gurgaon is a city which receives numerous migrants every day. A study of migrants from the place of destination could be more purposeful than a study from the place of origin. This is because information about the migration and related issues were collected from the people who have undergone the migration act themselves. It will ensure a broader sampling and wider coverage of place of origin than a chosen field area at a locations of origin (Santhapparaj, 1998). In this chapter methodological approaches, sampling and issues related to positionality, status and validity will be presented.

3.1 Approach

The methodological approaches have been both quantitative and qualitative. This opens up for the use of triangulation as a methodological tool to ensure rigour. The triangulation is possible through both data triangulation and methodological triangulation. Data triangulation use time, space and persons, while the methodological triangulation combines different methods, such as interviews, surveys and observations (Hay, 2010). The main statistics are those from my own survey (n=72) and from various other sources such as the census of India (various years), the UN and the World Bank. The qualitative information has been gathered through structured and semi-structured interviews with informants with special relevance to the research problems. Semi-structured interviews give an opportunity to focus the interviews on matters which might arise during the interview or matters of certain importance in relation to the case. This might in turn lead to more in depth descriptions of the informant's knowledge and insights. Models will also be used in the analysis of this thesis.

3.2 Sampling

It is important to keep in mind that the empirical data gathered for this thesis is mainly from the poorer section of the population. The sampling unit chosen for the survey was Indians employed in low-skilled work. Low-skilled labour will be defined in chapter 5.1 as those without any higher education, though it is still difficult to grasp the whole entirety of the situation. The informants

were selected from a typical Indian street life, but geographically limited to the developing areas of “new” Gurgaon. The range has been limited to low-skilled labour migrants within this area. Figure 3 shows the age of the informants in the concerned survey. The average age of the informants was 33 (n = 72) and for the married migrants 34 (n = 51). Most of the informants stem from states from the poverty belt of northern India. This is particularly Bihar (35 %), Uttar Pradesh (33 %) and West Bengal (10 %). These three states account for 78 % of my surveys total informants in Gurgaon.

The sampling encountered some challenges. Among other reasons some people did not want to be informants due to a belief the information would be presented to one or another government authority, others again willingly shared information about as controversial topics as corruption. There were no indications of the refusing labourers belonging to a similar segment. Therefore the sampling could be regarded as a fair selection of low-skilled migrants in Gurgaon.

In addition, academics with extensive competence on Indian labour have been interviewed. These academics are affiliated with Jawaharlal Nehru University and Delhi

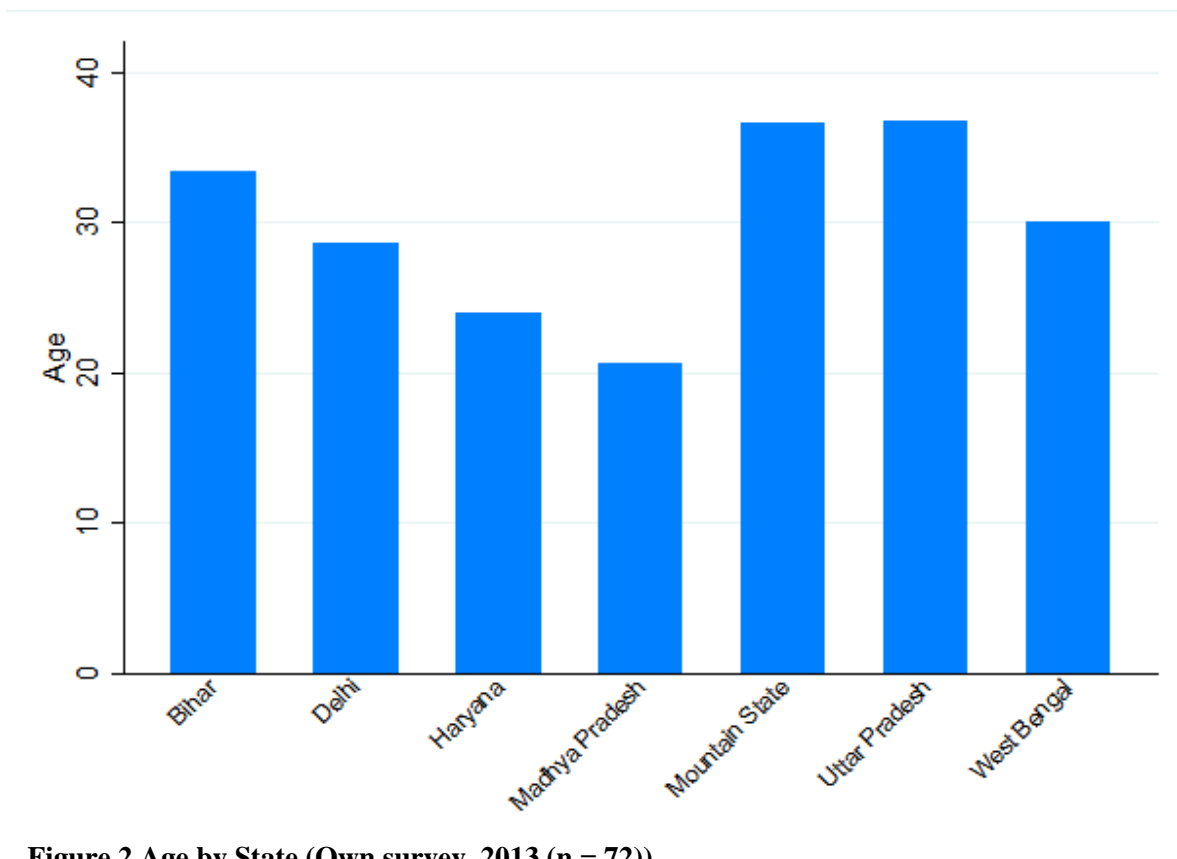


Figure 2 Age by State (Own survey, 2013 (n = 72))

University. Several white collar workers have also been interviewed.

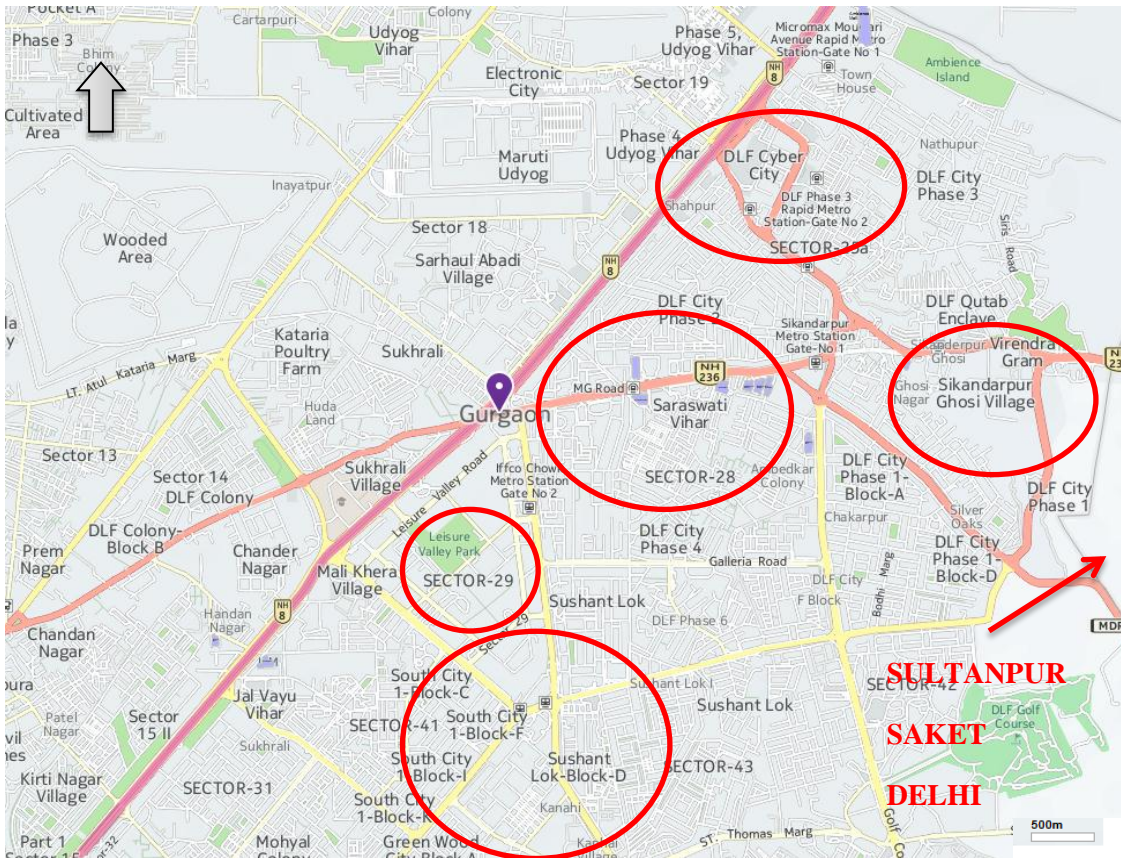
In this thesis I operate with two different sampling sizes from the survey. There is one sampling size, $n=72$, including every informant interviewed in relation to the survey. The other sampling size, $n=51$, are only married migrants with their native belonging outside Gurgaon. It is important to keep in mind that both sampling sizes are still from the same sector of labour. In general sampling size 72 will be referred to as the informants, while sampling size 51 will be referred to as the married migrants. Most times the concerning sample size will be listed in parentheses.

3.3 Survey

I conducted a quantitative survey among the low-skilled informants to complement the findings from other sources. The survey consisted of 20 different questions ranging from e.g. age to their thoughts on corruption (see survey in appendix). Furthermore the survey also gave large amounts of additional information that was brought forth during the questioning. Originally it was planned that several informants would be able to answer the questionnaire simultaneously, but this turned out to be difficult in reality. I ended up interviewing one and one of the informants (as far as that is possible in India). When the survey was conducted in this manner, I quickly realized I had a great opportunity to actually extend the width of the survey questions into more of a semi-structured interview to gather even more information. This worked out very well, and gave me even more insight to the intricate situation the migrant labourers find themselves in.

Map 2 (next page) shows the different areas where the survey was conducted. In Gurgaon the survey was conducted at MG Road, HUDA City centre (Haryana Urban Development Authority) and near Sikandarpur Metro station, as well as Sector 29, DLF City and Sultanpur. These are all kind of neighbourhoods; housing areas, modern business areas and local business areas. As an out-of-sample verification, a quick-survey was done in Saket, east of the original sample field. Saket and Sultanpur are not on the map shown here. The quick-survey results resembled the ones in the main field area to a large extent. Because of this it could be said to be the same “type” of migrants, and then give some justification to the thought that low-skilled migrants are similar within the urban, informal segment.

There have been some challenges to the survey results, and these challenges have been mostly connected to the controversial topics of my survey. Many have met especially the question of corruption with scepticism. This could be due to the confusion of whom I represented, and particularly if they assigned me the status as a government agent.



Map 2 Field Area in Gurgaon derived from Yahoo (2014) with some of my own modifications.

3.4 Insider or outsider?

As a Norwegian student coming to India for research purposes there was bound to be some difficulties and cultural issues. Nevertheless there are great advantages to being an “outsider” as well. As a researcher from another cultural background it is easier to achieve an analytical distance and the researcher has a great opportunity to see the culture from the “outside” and not be distorted by established facts and norms regarding culture and society. Further on, preconception, as would often be the case for a local, is a hindrance to an academic observation of a given case. In many ways it was difficult to really become anything more than an outsider to

the informants. This was because the city is geographically very large and the migrants do not necessarily belong to one single community. They are often situated to one construction site and as I visited more than 30 different construction sites it would be difficult to really get close to the informants as a group. Also the distances in Delhi and Gurgaon are considerable. From my first residence, at the Nordic Centre in India, I could end up using one and a half hour to get to my field area, depending on the traffic. My second residence was closer, using only 20 minutes by metro. During the stay at my second residence I was able to get much closer to the local Indian



Picture 2 Typical sample area for survey, this is HUDA City Centre

customs, as this family embraced me as one of them. I was invited to eat all my meals together with them, and they invited me to come to church Sundays as well as concerts at nights. This quickly sped up my own understanding of Indian culture and habits. My “family” was from the higher Indian middle class. This limited the understanding I got for the lower working classes which is at the focus of my thesis, but the general understanding of Indian culture is not to be underestimated.

3.5 Positionality, status and reflexivity

Positionality is a person's positioning in relation to other positioned individuals. In detail it refers to the necessity of being aware of how a researcher's status might reflect the data collected. A status is a social position to which it is related a set of duties and rights. The status will give some expectations to role and is a condition for all social interaction (Aase and Fossåskaret, 2007).

Reflexivity is also a concern researchers have to consider. It is a critical and conscious self-examination of your own role as a scientist, where the scientist will study their own research with the goal to achieve new insights in the research (Clifford and Valentine, 2005). Doing research in a new culture it is important to remember the shifting power-relations and my own self-representation. In India power-relations are even more significant due to the caste-system explained in chapter 5.3.1. Besides the locked factors of gender, age and race, there is a need to limit the cultural impact. Simplest way of doing this in India is to acknowledge the local dressing habits. As an example it is customary to wear long trousers even in the warmest time of year (temperatures ranging up to 50 degrees Celsius). Only tourists and the Dalit's (formerly known as "untouchables") are "accepted" wearing shorts in public.

During my research I stumbled upon the challenge of status confusion quite often. The informants were often very reluctant to answer my questions as they thought I were collecting information for the government. This is a case where the informants perceived me to be a government informant. The status would presumably be "outsider", foreigner or something similar. During such short encounters, it would be no use to try to alter their status opinion on me. Though it should be possible to clarify what role as an outsider I had. Normally it would work itself out as I explained to them that my background and affiliation was with a Norwegian university. I still had to further explain to some of the informants that the information gathered were for research purposes only, and that in some way maybe could help them in the future. This scepticism showed by several informants might have distorted the information gathered to some degree. Some could have answered incorrectly at questions of wage and income. This could have been done in order to either seem better off to impress me, or the other way around; to submit answers below their actual wage to invoke sympathy at my part in order to expect me to help them out in any way possible. This became clear through some irregularities between income and spending where the numbers did not add up. Some of the informants submitted answers where

they spent more money than they earned. When confronted with this some of the migrants “suddenly” remembered that they also earned significant amounts of overtime. The translator also made me aware of discussion between the informants related to this particular phenomenon. The informants would discuss between each other how much they should tell me they earned.

3.6 Interpretation of the data

The observations and the information gathered need to be interpreted and given a meaning. *Observation + concept = data*. Data becomes data first when the researchers correctly place the information in the categories he feels they belong to. In other words; a datum is a categorized observation (Aase and Fossåskaret, 2007). Cognitive science normally depicts our categories as a function of f where object, biological senses, mental capacity and culture are the variables. Among these variable the three first could be seen as practically constant, while *culture* appear differently from place to place. It makes sense that categories will differentiate among people. Gill (1998) further elaborates it as each country has its own characteristics and historical context, and therefore the migration of labour has to be studied in the specific context of the given country.

3.7 Validity, Reliability, Transferability and Generalization

The validity is dependent on what is measured and if this reflects the characteristics of the research questions. In other words the validity says something about the research problems relevance to the data in question (Hellevik, 2007). According to Kapborg and Berterö (2002) validity will be achieved within qualitative research when “*the researcher is calling what is measured by the right name*”. Internal validity, which has a high priority, is achieved when the researcher can facilitate, or demonstrate, the reality of participants through a consistent line and quotations from their interviews. In other words the validity is achieved through the researcher’s ability to demonstrate that there is evidence for the statements and descriptions made (Kapborg and Berterö, 2002)

The reliability is decided in how the created data has been collected. It is heavily related to the accuracy of the different parts of the collection process. Clear cut definitions for use in the

collection process will help achieve a high reliability (Hellevik, 2007). With only 72 observations in the conducted survey it is bound to be some irregularities. The analysis and numbers from the survey should be regarded as idiographic, more than normative facts.

Generalization is very difficult to achieve through my data basis. It would be tempting to try to achieve some degree of transferability or to make a comparative study of Gurgaon and selected cities in China, but this would be very difficult. The differences in politics, regulations, infrastructure and the workers cultural and social capital are probably too great. All these factors, along with the limited size of my data, would make such a comparison difficult. A comparison with other similar cities (such as NOIDA) within the national capital region (NCR) would perhaps be a better option. Such a comparison will not have the same issues with workers cultural and social capital, politics and regulations. Such a comparison, or study, could give insight to the grander picture of the systems of migrant labour in India, especially in relation to the migration destination in the cities.

3.8 Ethical consideration

All persons mentioned by name in this thesis are given pseudonyms to ensure their anonymity. Their anonymity should not be a concern as Gurgaon is a very large city and the migrants switch jobs quite rapidly.

3.9 Currency

India uses Indian Rupees (INR) as currency. 1 INR equals 0.10 Norwegian kroner (NOK), or more easily: 10 INR equal 1 NOK.

3.10 STATA

Most graphs and bar charts are created in the statistical software called STATA.

3.11 Correlation

A correlation analysis has been conducted with variables including wage, education, remittances. No significant results were found and the correlations are therefore not included in the thesis.

3.12 Translator

Kapborg and Berterö (2002) points to several risks involving translators. The translator might not be well enough trained, have insufficient knowledge about the specific research area or she might have partial relation to the information discussed. Partial relation could be from family ties, work related connection etc. Should some of these problems occur the data produced could be distorted. Furthermore risks could be lessened if the translator and researcher share the same gender, approximately the same age and have an understanding of each other's profession. In India there could also be issues related to caste, religion and politics.

The translator also worked as an informant in a way where he gave me valuable insights into the Indian culture. The fact that he was a migrant, stemming from Madhya Pradesh, and living in one of Delhi's slums made his insights even more valuable to me. He was a bright college student with knowledge of Indian society's structures and norms. We quickly came on speaking terms, which opened up more controversial topics for discussion, such as caste relations, forced marriage and corruption. Many fascinating discussions and excursion were undertaken together with the translator. He was also part of a programme with an organization called Asha who worked with poverty reduction, infrastructural advances and improvement of living standards in the Delhi slums. The Asha organization was the reason why my translator was able to attend college. I was introduced to this programme through a friend of mine from New Zealand.

3.13 Access to additional information sources

Access to Indian databases and library facilities was something I hoped to achieve while in Delhi. Through an interview I had with a professor at Jawaharlal Nehru University I was able to become a visiting scholar at the university. This granted me access to the university's library facilities. At first I only got access to the physical sources which contained extensive amounts of Indian

Journals of different sorts. Later I also got access to the library's web sources. During my weeks at the university I also got in contact with many students and PHD candidates who helped my understanding of- and insight into the Indian culture and social society.

In the next chapter the relevant theoretical foundation will be presented and some of the theories will be elaborated in depth. Lewis' theory of unlimited supply of labour is central to this thesis and this will also be reflected in the coming chapter.

Chapter 4: Theoretical framework

The theoretical foundation for this thesis is chosen for its relevance to the research problems and the contemporary situation in the field area of Gurgaon. It will be most relevant to approach the aspect of the labourer's contribution to economic development. This chapter will use Lewis' analytical framework of development with unlimited supply of labour to help explore and understand the contemporary rural-urban migration and the development of Gurgaon. The concept of migration will play an important role, and will be defined as spatial movement across the boundary of an areal unit (Boyle et al., 1998). I will also use Basu (1997) and Sanyal's (2007) interpretations of Lewis' theory to help explain certain aspects which will come in to play in the analysis. They are also useful as a more modern interpretation of an old theory and also highlight some criticism.

Arthur W. Lewis' theory of Economic Development with Unlimited Supply of Labour (1954) is regarded by many as the first theory specifically trying to help developing countries out of under-development. The theory will be further elaborated along with several authors' modifications of the theory. Burawoy's theory of the reproduction of labour force will be used to examine the reasons behind the insufficient wages offered in Gurgaon.

To achieve more theoretical relevance to my research problems and area of field work it is necessary to look at works related to India. Much work has been done related to the economic development in India. Among these scholars are Basu (1997), Sanyal (2007) Breman (2013). Their works have been both within the formal- and informal economy.³ Both Basu and Sanyal use Lewis' notion of a dual economy as a reference point in their own theoretical basis. A dual economy is here defined as a coexistence of two different sectors divided by different culture, different laws and different technology (Lewis, 1954). In this thesis the dual economy interaction will function as a foundation for the analysis. Migration is illustrated as one of the driving forces of economic development, which is a common thread through all these theories. Lewis himself saw the reallocation of labour as one of the main driving forces. Migration and the rest of this

³ In this thesis it will be distinguished between the formal- and informal *segment* and the traditional – and modern *sector*. Formal- and informal *segment* will refer to the socio economic differences. Traditional- and modern *sector* will refer to the physical and geographical differences.

thesis's theoretical foundation will be inspired and influenced by all these authors in one way or another.

Much of the work within migration studies relies upon over-generalized theories which fail to deal adequately with the heterogeneity of the phenomena and the meaning given by individuals and communities. Other studies focus on very micro-level data on socio economic change which fails to give a good discussion on ideological consequences of migration beyond the questions of ethnicity, class, or gender (Eades, 1987). As Eades points out one of the major problems with studying migration is the different scales it operates on; it can be viewed from both an individual- and/or a structural perspective. Depending on the scale the study migration is concerned with individual causes and effects, or the broader structural paradigms, which pay little attention to such details. How is it possible to reconcile the prosperity and economic growth which migration form a basis for, with the exploitation (both between places and between groups of people) with which it is also associated? As Gardner (1995, 3-4) points out:

Migration brings economic, social and geographical mobility, yet it also heightens social and economic dependence; it binds families together, while it also is pulling them apart; it is a central source of advancement, and a symbol of power, yet also resisted through stress upon local sources of power and religious revivalism

Gardner enlightens the high complexity of migration and the very complex situation migrants live in. In the following sub-chapters it will be elaborated how Lewis' theory incorporates both economic development and the exploitation of the poor.

4.1 W. A. Lewis – Economic Development with Unlimited Supply of Labour

Lewis' theory is a theory of *dualism*. Two sectors of the economy interact as a response to various factors. The dualism is rooted in the fact that the sectors are quite unlike each other. Normally this includes differences in economy, ideology and the degree of development.

The core of the thesis is the interaction between the two sectors, a traditional sector and a modern sector. A backward traditional sector functions as a pool of “unlimited labour”, while a rapidly expanding industrialization in the modern sector is financed by international capital, facilitating its growth by exploiting the traditional sector. The urban sector offer higher wages than the traditional sector. Because of the wage differential workers migrate from the traditional sector to the modern sector. The labour migrant obtain work in the modern sector is part of the mechanisms creating development. The idea is that the process will be self-sustaining, like a snowballing effect, once it has started (Potter, 2008). Migration from the traditional, rural sector will be constant as long as the marginal product of labour (MPL) in the rural sector is below the rate for hired labour. There is also substantial under-employment of labour in the traditional sector as families share the available work at the given wage. Then there will be an unlimited supply of labour at a wage that is slightly above the reservation wage.⁴ Reinvestments in the modern sector will continuously keep the demand for cheap labour present. The theory is modelled in Figure 3.

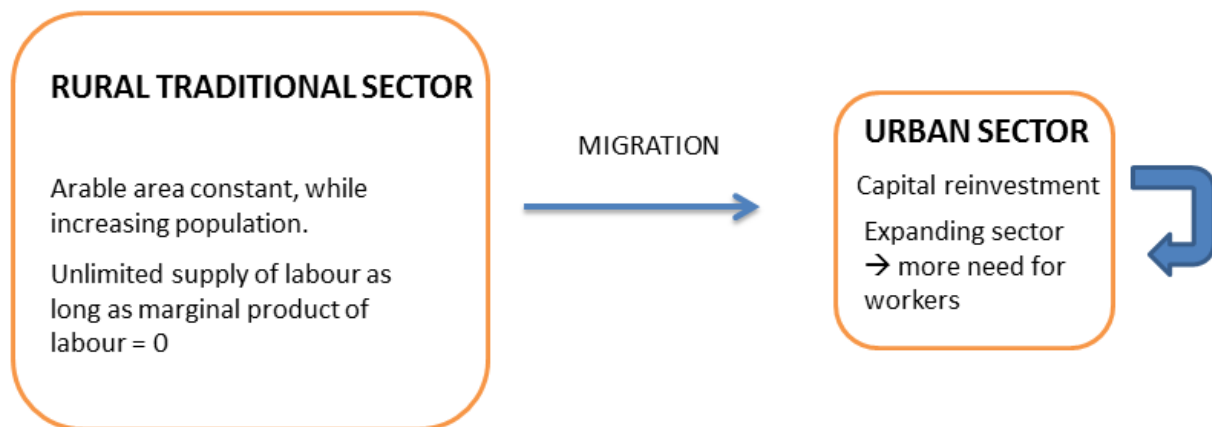


Figure 3 Modelling Lewis' theory of "unlimited supply of labour" (Own model, 2014)

Note 1 When the modern sector wage is above the traditional sector wage, the potential quantity of labour available to the modern sector is *the entire labour force*. Since it is not in the interest of the employers to employ all the workers willing to work at that wage, they (the employers) face an effectively unlimited supply of labour.

⁴ Reservation wage is the lowest wage rate at which worker is willing to accept a specific type of job.

Over time the urban labour market will have grown to an extent where labour is scarce in the traditional sector and the traditional wage will start to grow. At this time growth will occur also in the traditional sector. As a response to this, wages will rise in the urban sector in order to keep attracting labour (Lewis, 1954, Basu, 1997, Campbell and Ahmed, 2012, Mazumdar and Sarkar, 2008). The theory is created to be applicable to developing economies, such as India. Chenery (1975) outlines the structure of such an economy as follows: technology can be divided between capital-using (modern sector) and non-capital-using (traditional sector) and that the capitalists are responsible for the majority of the saving.⁵ The description here given by Chenery is very much the same as Lewis uses in his theoretical framework.

If an economy reaches a point where the surplus of workers starts to deplete, the wages in the capitalist sector will begin to rise. Implications of this are squeezing profits in the sector and a fall in investments. At this point the economy is said to have crossed the Lewis Turning Point (LTP) (Das and N'Diaye, 2013). This usually coincides with a demographic shift from a relatively large core of workers at the age of 20 to 39 as shown in chapter 1.1 to a relatively smaller core of workers in the same age segment. The surplus of labour is situated mainly in the traditional sector. The sectors of the dual economy are outlined in the following sub-chapter.

4.1.1 The sectors of the dual economy

The sectors of the dual economy can be referred to as “capitalist”, “formal”, “modern”, “industrial” or “urban” on the one side, and “subsistence”, “informal”, “traditional”, “agricultural” or “rural” on the other (Fields, 2004). Lewis (1954) describe the difference between the sectors;

⁵ With capitalists it is meant employers and/or investors. Capitalists is a term used by Lewis in his original theory.

What we have is not one island of expanding capitalist employment, surrounded by a vast sea of subsistence workers, but rather a number of such tiny islands... We find a few industries highly capitalized, such as mining or electric power, side by side with the most primitive techniques; a few highly capitalized plantations, surrounded by a sea of peasants. But we find the same contrasts also outside their economic life... There is the same contrast even between people; between the few highly westernized, trousered, natives, educated in western universities, speaking western languages, and glorying Beethoven, Mill, Marx, or Einstein, and the great mass of their countrymen who live in quite other worlds (Lewis, 1954, 5-6).

Figure 4 shows how Campbell and Ahmed (2012) separate the sectors according to different characteristics. It can be used as a simple tool for dividing the sectors, but should not be read in absolutes.

As Lewis' aforementioned quote expresses the differences between the two sectors as a number of tiny islands highly capitalized. These islands are surrounded by a sea of peasants. Lewis uses a metaphor to describe the situation of the dual economy. The highly

The Dual Economy	
The Traditional Economy	The Modern Economy
is relatively more...	
Informal	Formal
Vulnerable in employment status	Likely to have a higher share of wage-earners
Rural	Urban
Likely to be less productive	Likely to be more productive
Deficient in the quality of jobs	Deficient in the quantity of jobs
Likely to have a low capital-to-labour ratio	Likely to have a higher capital to labour ratio
Oriented to domestic, even local markets	Oriented to domestic and international markets

Figure 4 Characteristics of the sectors in a dual economy (Campbell and Ahmed, 2012)

capitalized islands represent modern hubs or global cities, like Gurgaon, Bangalore or Mumbai, while the sea of peasants represents the subsistence workers occupied within farming in rural India. A good example of how a migrant make use of these modern hubs is depicted in Figure 5.

This simplified migration “map” (Figure 5) illustrates the migration destinations for an informant (32) over the last ten years. It pinpoints what Lewis meant by that there is not one island, but many islands surrounded by a vast sea of subsistence workers. The fact that the informant has been to four-five major global cities in the last ten years shows the spatial

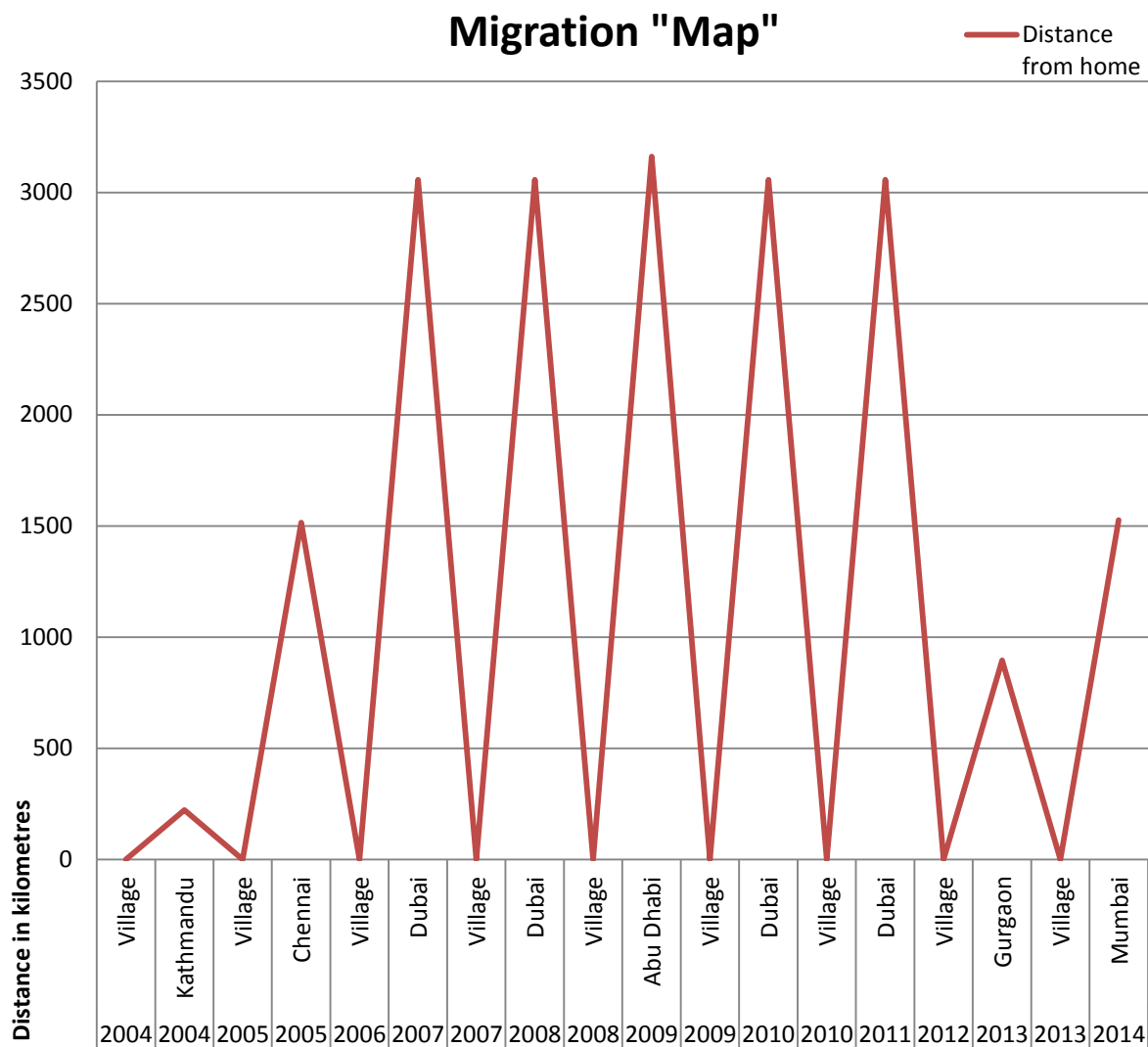


Figure 5 Migration "Map" (Man, 34)

Note 2 The x-axis show time period and geographic location. The y-axis show distance from home (village). The graph shows the migrant’s movement through space and time during the last decade.

spread of capital investments and development.

The migration map is not able to explain the second part of Lewis' quote, as this is most likely not the case anymore. There are not only a few highly westernized, trousered natives, educated in western universities, speaking western languages and glorying Beethoven, Mill, Marx or Einstein. In contemporary India there are many well educated people, speaking many languages and probably glorying Beethoven, Mill and Marx, but also classical Indian folk dance, sitar music and movie star Aamir Khan. This is maybe one of the points where Lewis is most outdated.

The migration "map" (Figure 5) could also be a reference point to explain the high degree of geographical labour mobility this particular migrant, but also others, have experienced. Geographical labour mobility describes a job taker's level of freedom to relocate in order to obtain work. Hindrances to geographical labour mobility could be a lack of relocation funds or difficulties related to caste, religious or national issues. Such hindrances are referred to as obstacles to migration by Lee (1966).

Lewis (1954) was very clear that this theory was only to be used for some economies, and certainly not economies like the United Kingdom or north-west Europe. In such a way Lewis was quite early out rejecting the use of meta-narratives within development studies.

4.2 Basu's modern interpretation of Lewis

Basu (1997) has made a modern interpretation of Lewis' model. It has some strong assumptions, which Basu indicates deviates somewhat from Lewis' original formulation. Basu made a model (Figure 6) depicting the development process inherent in Lewis' theory.

Basu (1997) refers to this as a "snapshot view" of the Lewis economy. It is also a starting point for much of the literature on dual economy analysis. For Lewis the main contribution of dual economy was the dynamics of the system. For this to work he had to assume that the workers do not save because they are too poor. Likewise, the landlords do not save because they prefer the joy of conspicuous consumption. It is only the modern sector capitalists that save and

invest. To simplify even more it suggested they will save their entire profit. In Lewis' model saving is not distinguished from investment. Basu's model shows the dynamics of the Lewis' theoretical framework. The intersectoral labour mobility (line L) is triggered by the wage gap between traditional/rural- and modern/urban sector wage (respectively m and w). The urban marginal product of labour, together with the contemporary wage level (w), estimates the profit created (A_1 to B_1 to w) for further investment.

The model (Figure 6) assumes that there is only one employer in the urban sector and that the employer has to offer competitive wages in order to obtain workers. In order to maximize his profits, the employer employs an amount of workers reflecting the equilibrium at the given

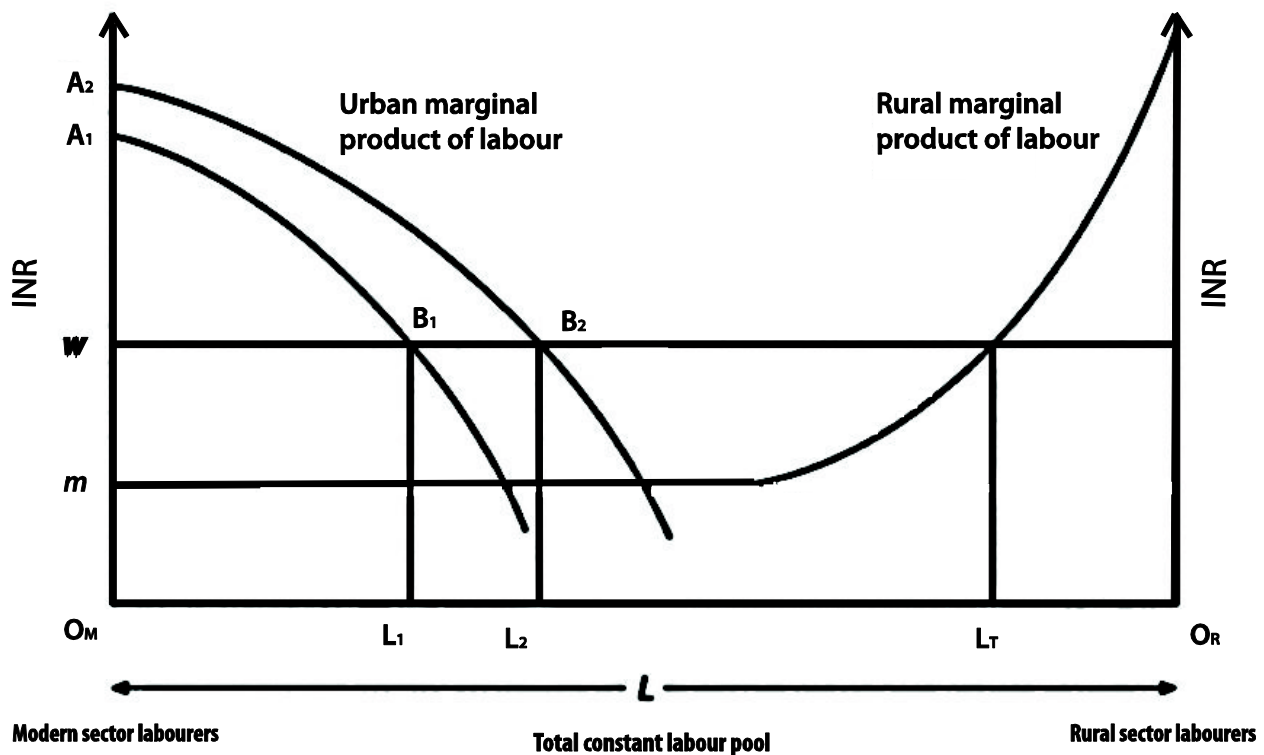


Figure 6 Basu's modern interpretation of the Lewis model with some of my own modifications (Basu, 1997).

Note 3 The figure is also depicted larger in Appendix A with the same explanation. L is the total amount of labour within the economy – putting the question of increasing population aside. O_M is the origin of the modern sector labourers while O_R is the origin of the rural sector labourers. L_1 describes a situation where most of the labour resides within the rural sector, while few reside within the modern sector. L_T describes a situation where most of the labour resides within the modern sector. The wage in the urban sector, w , is a great deal higher than the rural level (m). It is assumed that both sectors produce the same kind of commodity. In the initial period, the marginal product of labour (MPL) in the urban sector is A_1B_1 . The rural MPL will be horizontal over a considerable stretch. In L_T the modern sector has absorbed the rural sector and rural MPL grows above urban wage (w).

marginal product of labour. On Figure 6 he employs O_M to L_1 ($O_M L_1$) units of labour. The remaining labour then (Total labour (L) – Labour employed in modern sector ($O_M L_1$) = Labour employed in rural sector ($L_1 O_R$)) will remain in the rural sector, where the rural workers still earn subsistence wage (m). The development process of Lewis is now outlined below.

Initial period (Period one) the urban employer will employ workers until the urban marginal product of labour (MPL) is at level with the urban wage level. This happens in B_1 . The employer has hired L_1 workers and will gain $A_1 B_1 w$ in profits. The urban employer will increase his capital by the profit earned in the initial period. Profit increased is equal to $A_1 B_1 w$ in the figure, assuming that depreciation equals zero. The employer will invest all his profits in the next period (period two).

Period two: As a consequence of the investment the marginal product curve for period two will lie above $A_1 B_1 w$. The marginal product curve for period two is $A_2 B_2$. As a consequence of a larger investment the urban employer will hire more workers. The urban employment will shift to $O_M L_2$. The rural employment will then be equal to $O_R L_2$. This indicates a shift towards a higher proportion of the total workforce employed in the modern sector. The profit in the modern sector ($A_2 B_2 w$) will yet again be reinvested and causes a further shift in the urban marginal productivity curve. This shift will again lead to a larger investment meaning the employer will hire more workers. He still hires workers from the rural sector. When this process repeats itself many enough times the modern sector will absorb the traditional sector. This happens in L_T .

When $O_M L_T$ labour is employed in the urban sector, the character of the economy changes in an important way. Wages in both sectors will start to rise, with maintained parity. This is again a reference to the “*turning point*”, also known as the Lewis turning point (Das and N'Diaye, 2013). From this moment on, the economy will start to resemble a developed and mature economy. This means the classical assumption of unlimited labour is no more, and the economy is transformed to a *neo-classical* economy.

The model has now been applied to the dual economy within India, but Basu (1997) notes that this model is just as applicable in an international arena. When the process described above is near to finished and the Lewis Turning Point (LTP) reached, it is only natural for employers to look elsewhere for cheap labour. In reality the employers then face two options: either bring in

immigrant labour from other countries or offshore their businesses to poor countries where labour is cheap and unlimited.

4.3 Sanyal's interpretation of Lewis

Sanyal (2007) provides a quite straight forward explanation of the two sectors of dualism that allows for a more modern perspective of the theory. There is the capitalist sector and the subsistence sector. In many cases this is similar to the urban/rural divide, but not always. The theory claims that the capitalist sector is where a labourer produces an additional value, which accrues to the owner as profit. The profit will be used to create new economic capital, which again will lead to expansion of output and employment. In theory he emphasizes that capitalist do not refer to private capitalists (private investors) only, but that it would apply to state capitalist (government investments) equally (Sanyal, 2007). Lewis himself makes the point that state capitalists can accumulate capital even faster than private capitalists. Thus saying they can accumulate capital, not only profits, from the capitalist sector, but also force or tax out of the subsistence sector (Lewis, 1954). On the other hand there is the subsistence sector where Lewis disagrees with the thoughts of Adam Smith. Smith (1776) believes that what he calls the unproductive sector is kept in its primal state because of the feudal system and the given political structure. Lewis on the other hand argues that the unproductive labour reside mainly within peasant households and is not necessarily kept there by the political structures in society.

Sanyal (2007) continues outlining the traditional sector by saying that despite their actual contribution to production being zero; they still get by on an average subsistence income ensured by what he calls “the institution of pre-capitalist extended family” (Sanyal, 2007, 146). All the workers not employed within the formal sectors were supposed to take up employment in the agricultural sector as part of a pre-capitalist extended family – the only form of unemployment assistance was the “charity of relatives” (Fields, 2004, 729). The transfer of these surplus labourers to the capitalist sector does not rely on the outcome of a political shift or radical changes in the structure of power in the given situation. Lewis sees the subsistence sector as a passive reservoir of surplus labourers. He believes the transition from unproductive labourers to productive labourers, or the transition from subsistence- to the capitalist sector, occurs when the capitalists offers a wage which is slightly higher than the subsistence income. Labourers will

respond to the wage increase by moving almost frictionless towards the capitalist sector (Sanyal, 2007).⁶ When the first initial push has been taken, the rest of the developing process will work itself out, as a sort of a self-reinforcing process. As long as there is still unproductive labour and underemployment in the traditional sector, the wages in the modern sector will be kept low. Not until the supply of labour tapers off will the wages start to rise, as we shall see later in Basu's framework.

This process of Lewisian development has been empirically proven several places in the world (Fields, 2004). The empirical evidence related to this will be elaborated in the analysis chapter.

4.4 Is Lewis' theory still applicable?

According to Fields (2004), in a paper written 50 years after Lewis published his theory, many of the core propositions are still intact, though some might be amplified and a small number might yet be revised. As Fields points out; many of the core propositions are still valid. The theory is still discussed in development issues even today.

Another reflected view on Lewis' dual economy model is shared by Basu (1997) and he addresses the criticism to the dualism aspect of the theory. He writes:

It has been pointed out that labour markets are often fragmented into more than two parts and also that dualism is not the distinguishing feature of underdevelopment because there are traits of it even in the developed economies....The assumption of duality is merely for analytical convenience. If fragmentation –irrespective of the number of parts – in itself causes some problems and we wish to examine these, then the simplest assumption to make is that of dualism (Basu, 1997, 151-152).

As seen from the paragraph above there is nothing absolute about the dualism in labour markets. Labour markets might be fragmented into several parts, but for analytic ease and

⁶ Sanyal does not put much emphasis on intervening obstacles to migration. He also makes little of the issues related to the out-migration from the rural areas saying "the ones who remain in the subsistence sector happily puts in more work (as there before was work sharing)", neglecting much of the issues related to brain drain and that the persons with more human capital are the workers who leave.

the examination of labour markets it is most worthwhile only to use the two sector of dualism.

Breman (2013) states that the different segments of the workforce are “*cross-cut by broader social relationships and operate in structures which cannot be reduced to a simple dichotomy*” (Breman, 2013, 18) . He admits the idea of dualism is persuasive, but after outlining the contrasts between the two sectors he starts listing his arguments against it. Most profoundly he finds a definitional problem due to the lack of harmony between the two sectors of the dualism concept. Breman points out that it is simply not true that the informal segment workers produce goods and services for the clients in their own circuits only. Just as many formal sector goods find its way to informal segment customers, like that of cell phones in India. Also, a lot of formal sector activities are outsourced to informal circuits to avoid taxation and regulation put upon them by the government in the formal sector. This will be further elaborated in chapter 5.2.1.

4.5 The theory of reproduction of the labour force implemented in the Indian system of labour

The reproduction of the labour force will be an integral part of my arguments in the analysis. The processes of reproduction are separated in renewal process and maintenance process. In India the renewal process is externalized to the traditional sector leaving the modern sector with less costs related to the reproduction of the labour force. This will have some effect on wages and the ability of married migrants to bring their families to Gurgaon.

For an economy to function, a labour force has to be maintained and renewed. In chapter 2.1.1., the historic view of labour migration in India, the renewal of the labour force was mentioned as a cost that had to be borne by the traditional economy. The separation of the renewal- and the maintenance of the labour force can take place as in-between countries (for example Mexico and the United States) or between different sectors within an economy. In India it becomes evident that the latter is the prevailing separation, where the renewal processes of the modern sector labour force takes place within the traditional sector. Workers have to subsist from day-to-day and vacancies created by departure from, or expansion of, the labour force has to be

filled with new recruits. In other words, renewal of the labour force means that vacancies must be filled. The renewal of labour functions which will normally be provided by the state includes the social security, education, health costs and all the expenses of “producing” a new worker (Burawoy, 1976). These functions must now be covered by the traditional sector. In India maintenance of the labour force means workers receive a minimum day-to-day subsistence wage.⁷ This is possible when the employer is neither responsible politically nor accountable financially to external political and economic systems. The renewal of the labour force is to a large extent externalized to the traditional economy. In a system of dual economy this will lessen the economic cost of labour in the modern economy.

Although these processes are separated, however they are also interdependent. The renewal processes are dependent on income left over from maintenance processes in form of remittances. The productive workers in the modern economy are dependent on the continued support from families engaged in the renewal processes in the traditional economy. Burawoy (1976) pinpoints that also social relations, labour power and systems of migrant labour do not only exist, but have to be produced again and again – that is reproduced. Systems of migrant labour are interesting on another scale than the individual migrant. Migration studies can be conducted at different spatial scales depending on the focus of research. This ranges from micro-scale research (e.g. life-history approach) to meso- and macro-scale research (e.g. systems of migration). The characteristic of a single migrant is too restricted to clarify the functions of a system of migrant labour. This could be in relation to social, political and economic contexts or how the flow or movements of labour is regulated by government and dominating political and economic interests. There are interrelationships between all of the components involved in a migration process. Networks linking migrants and non-migrants across time and space tend to be fairly regular and relatively lasting structures (Burawoy, 1976, Boyle et al., 1998). This reproduction process is also possible to put in relation to the thoughts on individual wage and family wage by Gill (1998).

⁷ Subsistence wage implies a wage level which below, people cannot subsist.

4.6 Implementation of theories

These presented theories will be included and implemented in the analysis in chapter six. Lewis' theory will together with Burawoy's theory on reproduction of the labour force make the main framework for analysis. Gill's notion on family wage and individual wage from chapter 2.1.1 will also be implemented. This thesis, and these theories, all include the labour market at various scales. The Indian labour market is very complex and segmented. For analytical benefits I have already decided to use the *dualism* aspect. There is so much more to the Indian labour market as we now shall see in the following chapter.

Chapter 5: Indian labour market

This chapter will serve as an insight to the Indian labour market. The Indian labour market is vital as context to the analysis of this thesis. The chapter also functions as insight into Indian culture and habits.

India has a labour force of about 520 million, which account for nearly one-sixth of the world's total. In terms of absolute size this is next only to China. Despite this, the country has a rather low proportion of workers to the total population. By the internationally accepted definitions, all persons who are working (have a job) and though not working, are seeking and are available for work, are included in the workforce (Kapila, 2013). What also appears as one of the major problems in India is the large parts of the workforce which is underemployed (Jha and Gaiha, 2012). This will be addressed more thoroughly later in this thesis. As mentioned in chapter 3.2 the sampling unit for the survey in this thesis was low-skilled labour. Most migrants belong to this segment of labour. There are several ways of defining who belong within this segment. The most useful way, in my own opinion, is the definition that determines the segment affiliation by the level of education completed by the worker.

5.1 Defining low-skilled labour

Gurgaon shows a wide range of different kind of labour, ranging from white collar top banking businesses to the lowest brown collar work such as street sweeping. The study undertaken has mainly been concerned with the urban informal economy and therefore the low skill jobs. The city is in many ways a prime example of how a very dramatic division of labour can be present across a very limited geographic area. This is very unlike the former world order, where the division of labour was quite different. The exploitation of resources happened in the least developed countries, manufacturing in the newly industrialized countries and the consumption and headquarters of the transnational corporations (TNC) were located in the industrialized countries. The informal segment consists of mostly low-skilled labour, and the sector itself is to a certain point self-sustained. Breman (2013) argues

for an informal economy partly intertwined with the formal economy. The informal segment does not solely produce for their own segment, but goods more and more change hands between the two sectors. These sectors will be further elaborated in chapter 5.1.2.

Most of the informants belong to the low-skilled segment of labour. Low-skilled labour is defined as those without any college- or secondary education (Adams, 2012). Then according to the definition used by Adams, the years of education can be used to determine the workers place in the Indian labour hierarchy. According to the Right To Education Act of 2009 (RTE), issued by the department of School, Education and Literacy in India (Indian Government, 2009), children in contemporary India are entitled to a free and compulsory education until completion of elementary education in a local neighbourhood school. With compulsory education it is meant: *free elementary education and ensured admission, attendance and completion of elementary education to every child in the six to fourteen age*

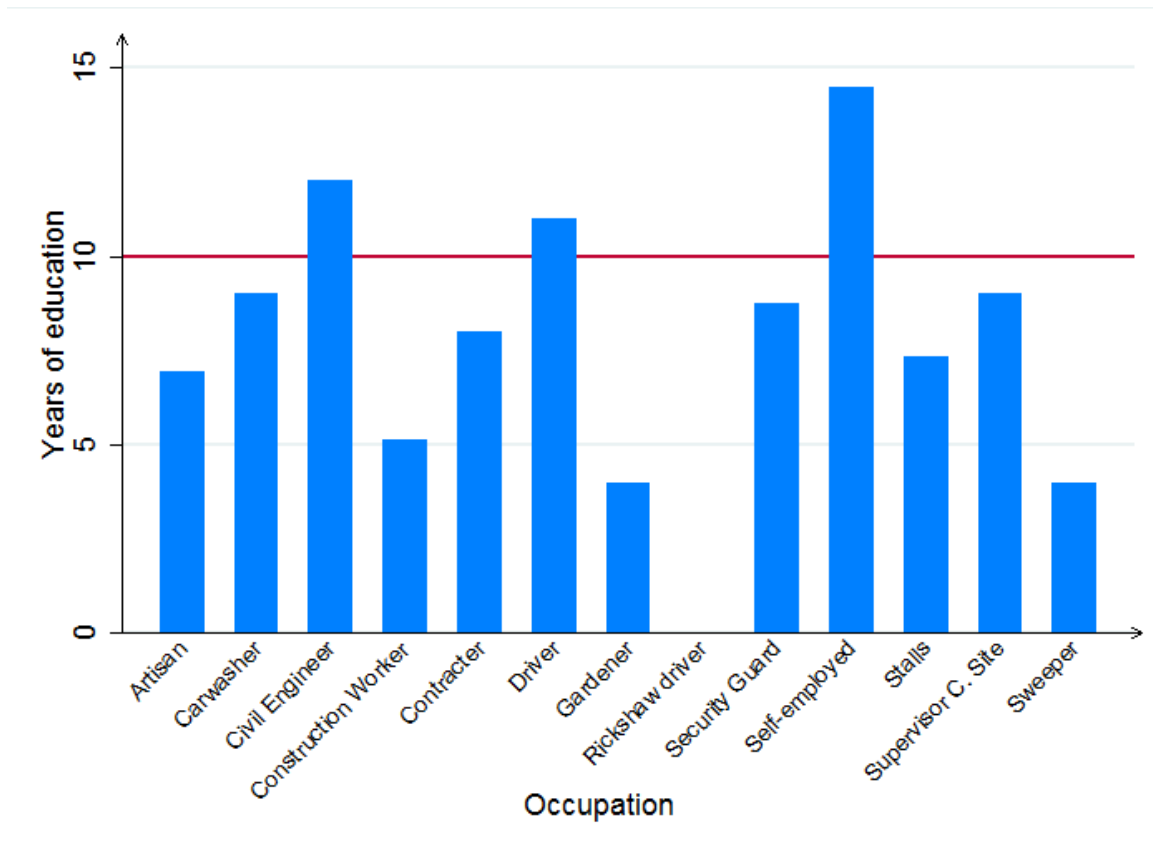


Figure 7 Years of education by Occupation (Own survey, 2013 (n =72))

Note 4 The red reference line indicates the maximum education level for low-skilled workers. Everything below this line will be considered low-skilled labour.

groups (Indian Government, 2009). This means everyone with an elementary education, and not finished secondary education (everything below ten years) is by definition low-skilled workers. Figure 7 show the informants from my thesis and their level of education given by occupation. Education- and skill level are in general very low in India, with the average years of schooling being only about 4 years to the global level of 6,5 years (Kapila, 2013). As a comparison; in Norway 72 % of the population had in 2012 attended some sort of higher education (Askheim and Reisegg, 2014).



Picture 3 A sample of migrant workers/low-skilled workers at a construction site near HUDA City centre in Gurgaon.

5.2 Employment structure

The employment structure in the informal segment of India can be considered very loose. Many informants pointed to the “very loose contracts” as a good thing, as it welcomed them

to terminate a job situation at any given time and travel back to their village. A migrant (Man, 35) explained it as this:

“We are free to leave whenever we want.”

While a post-graduate (Man, 23) doing seasonal work as a supervisor for a metro company said:

“There are very loose employment rules, if an employee wants out, no problem. The workers are usually paid by the month, but they can be paid whenever they want.” He continues: *“There aren’t really any problems, as there are always people who need work. If I can’t find anyone, there is always someone who has a friend who needs some work.”*

This is a good example of social capital being exercised in the form of networks with the intention of creating job opportunities for each other as according to Bourdieu (1986).⁸ Migrants with a more extensive network, greater social capital, will be in a better position for acquiring work. The phrase from the supervisor is also a good indication of India’s pool of unlimited labour, as there are no difficulties for employers to obtain workers.

Seen from another perspective a white collar informant pointed to these loose contracts as part of why India was still lagging behind China in economic development.

“Without the stability given by proper contracts and work regulations, investors are not willing to invest their capital in Indian businesses. This is the complete opposite of China, see how they manage.” (Deepak, 47)

Another striking feature about the employment in India which Kapila (2013) points out is that the majority of Indians are still employed within agriculture (about 53 percent). The global average has gone down to about one-third. This is very much according to Hollis Chenery’s thoughts on development. There has to be a structural change in the employment

⁸ Capital exists, according to Bourdieu (1986), in three main forms; economic capital, cultural capital and social capital. *Economic capital* is directly convertible into money and may be institutionalized as property rights. *Cultural capital*, which is convertible on certain terms into economic capital and may institutionalize in the form of educational qualifications. *Social capital* which consists of social obligations, networks and contacts. What is important is that capital might have several forms and the creation of capital might occur in different ways.

patterns to create development. This normally occurs as a shift from agricultural- to industrial employment.

The Indian government had for long an idea that a formalization of the work force was the ideal way to create development (Breman, 2013). In other words there was a policy trying to shift the labour stock from the informal segment to the formal segment. To understand what this would entail it is necessary with a clear understanding of these two sectors.

5.2.1 Formal- and informal segment

The International Labour Organization (ILO) and the Economic Commission for Latin America and the Caribbean have defined the informal segment as enterprises employing five or fewer workers. In Brazil a labour card entitling workers to some benefits and protection are the difference between formal- and informal segment. In other contexts the segments are separated between the firms registered with the government and pay taxes (the formal segment) and those which do not pay taxes and are not registered with the government (the informal segment) (Fields, 2004). A large part of the informal employment is within the informal segment, but it is also possible to hold an informal job within the formal segment and vice versa (Tonin, 2013).

The divide between the formal- and the informal segment has also been called organized- and unorganized sector. Organized- or formal segment refers to the entire public sector and the private sector enterprises employing ten or more people. In India the formal segment accounted for only 16 per cent in 2009-10, which means that as much as 84 per cent of the work force was stationed within the unorganized- or informal segment (Kapila, 2013). The informal segment is known for its lack of job security and social security. The construction industry, where many of the informants are employed, is regarded as the second largest activity employing unorganized sector workers after the agricultural sector (Unni, 1998).

The informal segment can be described as a free-entry sector. This means the lack of regulation adjust wages so everyone willing to work for the given, mostly low, wage can find

a job (Tonin, 2013). In India the informal segment was supposed to function as a waiting room, where migrants could train, acquire skills and knowledge that would one day help them take the leap into the formal segment of labour (Breman, 2013). But in a reassessment of the progress of India's economic transformation, a new set of ideas was determined. In the early 1990's it was decided that the formalization of economic capital, instead of labour was the right step in order to achieve poverty alleviation and create economic growth. The former idea was to create an economic society where a formal segment of labour would "pave the way" to higher development, while the informal segment of labour would follow in the footsteps. India ended up with a gargantuan public sector and a very slow bureaucracy. This was not ideal as many functions of the public sectors actually were worse off with this many employees and additionally it was very expensive. The new idea of formalizing capital resulted in a downscaling of governmental public sectors and loosening of the broad range of labour rights. The way forward was not taming the capitalism, but instead allowing it to get more embedded within the poor communities. This was done by securing, regulating and protecting their property rights (Breman, 2013, Gill, 1998). In retrospective these new ideas has led to the migration just further helping the informalization of the low-skilled workers. This means that further migration will not ensure any upward mobility of labour according to Gill (1998). The NCEUS (National Commission for Enterprises in the Unorganized Sector) has produced a report where they concluded that the organized, formal segment cannot be expected to generate much employment in the coming years. The government should pursue a strategy of levelling up the quality of employment in the unorganized, informal segment. This is supposed to happen through a set of policies designed to enhance human capabilities, provide basic socio-economic security, facilitate growth of small and micro enterprises and generate employment through chosen special schemes (Ghose, 2010).

As evidence to the informalization of the low-skilled workers; the National Sample Survey Organization's (NSSO) survey of 1999-2000 showed that within the total workforce the formal labour had only grown by about one million since 1991. At the same time the informal segment had seen a growth of as much as fifty-five million workers (Sinha, 2013). Sinha then again points to the necessity of securing rights for these workers, and that this is only possible through reinventing the public systems. This could be a problem since

regulations for long has been seen as a “dirty” word in India as it has been the cause of much corruption and slowing down the processes of growth.

It is important to remember that being in the informal segment is not synonymous with illegality, or that it automatically implies that a person has to be poor when employed in this sector (Tonin, 2013). As Ghose (2010, 3) points out; *it is not that all jobs in self-employment or casual wage are bad jobs, but that most of those employed in bad jobs are either self-employed or casual workers.*

The formal – informal divide is present both in the rural and urban areas and they are in no way synonymous, though they are often used interchangeably. The same goes for the traditional and modern sector. Due to India’s government’s policies and the contemporary labour market situation most of the migrants interviewed during the field work had obtained a job in the informal segment within the modern sector in India, as is the norm for urban labour migrants in India. This is part of the reason why urban, modern and capitalist sector will be used somewhat interchangeably throughout this thesis, the same applies for rural, traditional and subsistence sector. The transition for migrants is often rural to urban areas and from agriculture to non-agriculture and from traditional society to a more modern society. In contemporary India the shift from informal- to formal labour is rare, even though Breman (2013) argues that the segments of informal- and formal labour are not as separated and segregated as formerly believed. Breman is probably right in the sense that the segments are interacting at a regular basis, but the labour transition between them is very low.

5.2.2 Wages in India

The wages within the modern, informal segment are usually on, or below, the fixed minimum wage (Breman, 2013). This coincides very well with the conducted survey. The ILO’s Minimum Wage Fixing Convention (No. 131), the Government of India’s Report of the Committee on Fair Wages and the 15th International Law Commission have stated the elements which are to be considered in the determining of minimum wages in India. A person should be able to acquire minimum food requirements, clothing, housing and some degree of social security. Arranging minimum wages is seen by the ILO as a step towards

formulating a policy designed to abolish poverty and provide, to some extent, social security for labourers (Unni, 1998). Contemporary India has, according to Paycheck.in (2014), minimum daily wages (April 2013) at these levels: Bihar INR 170, Uttar Pradesh INR 200, Haryana INR 213 and Delhi INR 311. All the wage levels are minimum daily wages for the construction sector. The minimum wages are nominal wages, as opposed to real wages, and therefore they quickly become outdated due to inflation and price changes, as of the consumer price index (CPI).⁹

Figure 8 shows how the informants (n=72) educations are related to their wage. There is a slight tendency that the longer education, the higher the wage, although this match is in

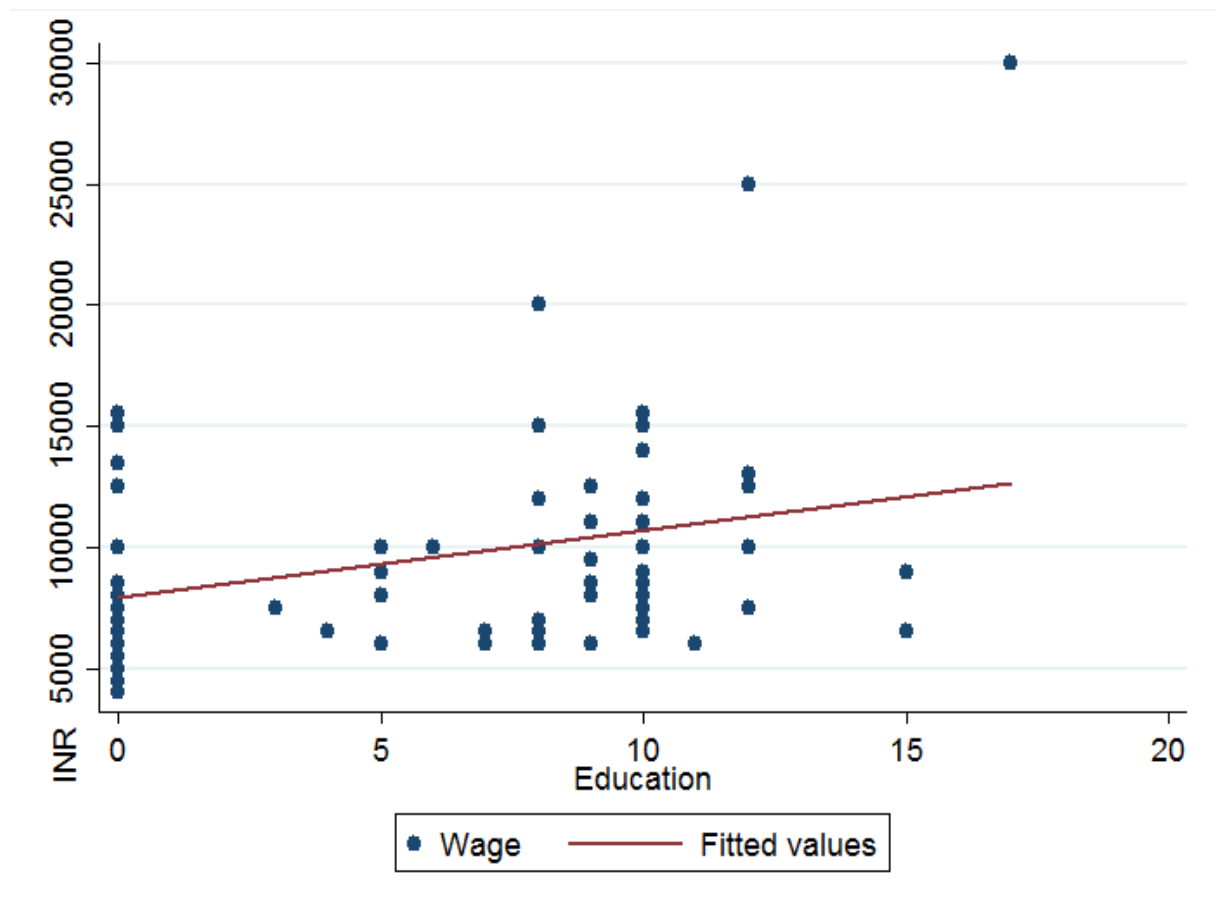


Figure 8 Wage by Education level (Own survey, 2013 (n=72))

Note 5 Showing the effect of education on wage among the informants.

⁹ Real value is adjusted by price level change. Thus, an increase in nominal wages only increases real wages if it is higher than the rate of price level change.

no way perfect and the differences in wage cannot solely be credited education. There are other factors involved as well. Nevertheless, many of the interviewed academics pointed out education as the way to eradicate poverty and create development in India, and Figure 8 show a slight tendency of an impact from education on wages (but not statistically significant).

5.2.3 The informant's wages

According to the conducted survey the average monthly wage among the informants was approximately INR 9700 (n=72). This is when all occupations and all different educational levels are taken into account. This number also includes others than low-skilled workers. The actual hourly wage is difficult to measure, because the work in the informal segment is complex. People more often than not work more than the “normal” eight hours. Although some of them listed their “eight hour wage” as their average income. The extent of this is not known, and therefore it has to be accessed with caution. Daily wages are easier to distinguish and the average daily wage of an informant is INR 325, close to the mentioned minimum wage of Delhi. The selected married migrants (n=51) monthly wages averaged to approximately INR 9300, and average daily wage was approximately INR 310.

An important part of a migrant's expenses is remittances. Their contribution to the renewal of labour force in the rural areas is in most cases vital. In the following sub-chapter the remittances contribution from the informants will be elaborated as well as some insights into remittances in general will be shared.

5.2.4 Remittances as a link between the sectors of the dual economy

Remittances are one of the most significant modes of linkage between the rural and urban sector. It has a positive impact on the economy of rural households and the rural economy in general (Santhapparaj, 1998). The remittances have an integral position in the processes of renewal and reproduction of the labour force. Santhapparaj's study in 1998 concluded that the remittances did not have any measurable effect on rural development since it was mainly

used to meet the rural household consumption needs. According to the informants this is not the case.

Remittances could be considered to include three major components: the decision to remit, the method used to remit and the use that is made of the remittances in the origin community (Russell, 1986). In this sub-chapter and the analysis the decision to remit and the use of the remittances will be taken into consideration. The method used to remit is not as relevant for this thesis.

Migration decisions are often made as an agreement between the migrant and his family. Both costs and returns are in these cases shared as part of an implicit contractual arrangement. Empirical evidence seems to support that remittances could be explained as a part of the returns as outlined in a contractual arrangement between the migrant and the family rather than as the result of purely altruistic considerations (Stark and Bloom, 1985, Breman, 1996). Even though these remittances are not given for altruistic considerations, they do represent a considerable part of the migrant's "expenses". Among the 51 within the sample unit of married migrants the average wage was INR 9300. The average remitted sum was INR 3100. This means the married migrants remit 33 per cent of their income every month. The average remittance for the informants (n=72) were 2600 rupees. Some migrant's families are solely dependent on remittances from the migrant:

"My family just sits in our hut and wait for me to send them money; they do no work (Man. 26)."

This statement can be seen as an argument for the point made by Santhapparaj that the remittances did not really have any measurable effect on development. Regardless of this remittances does increase the amount of economic capital within the traditional sector and serve as an important link between the sectors of the dual economy.

The bar chart (Figure 9) included in this paragraph shows the different amounts of remittances the married migrants (n=51) send home as by state. We still have to keep in mind that these data can be a bit distorted due to the small size of the dataset. However it is still possible to find some trends. It seems as though the states located geographically closer to Gurgaon (Haryana, Uttarakhand, and Bihar) submit more in remittances than those further away (Mountain states and West Bengal).¹⁰ There could be many reasons for this. The contractual arrangement as pointed out by Stark and Bloom is probably not one of those reasons. Since these states are geographically close to the migration destination the initial cost of migration is lower, and it is easier for a migrant to travel the distance. This is very much in accordance to Lee (1966) and his notion of “intervening set of obstacles” in the act of migration. Distance and cost are some of the obstacles. These obstacles end up working as a selection of the migrants capable of overcoming these hindrances. This process works as a

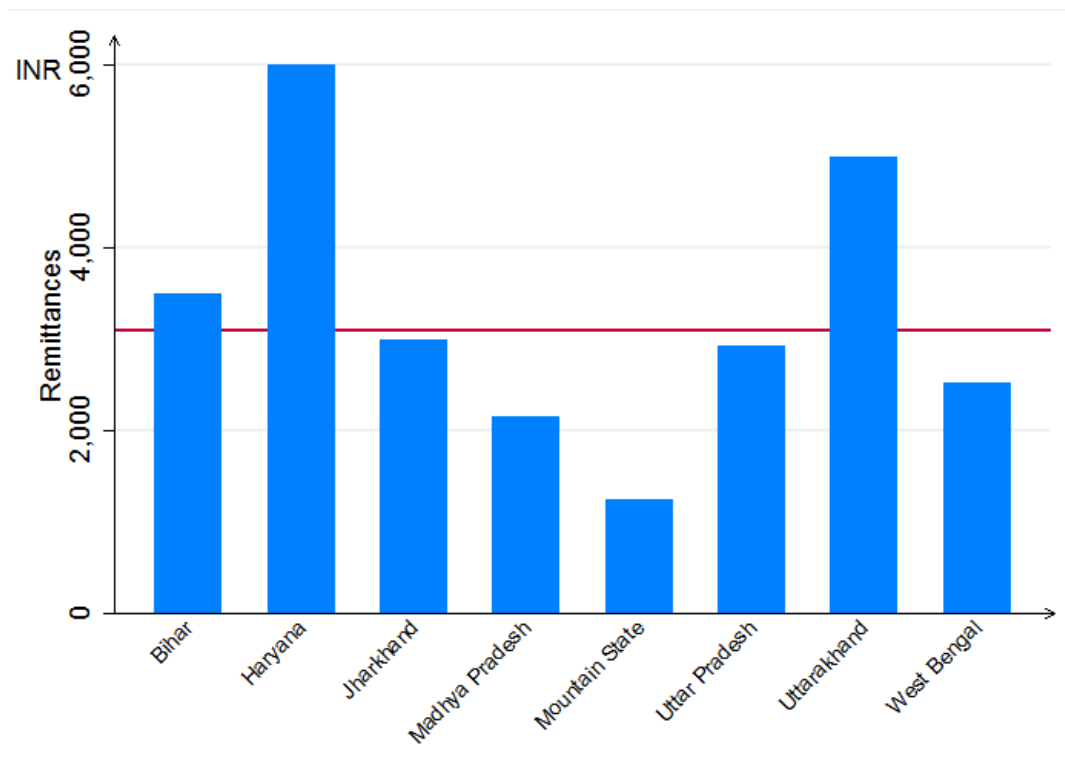


Figure 9 Remittances shown by state (Own survey, 2013 (n = 51))

Note 6 The red reference line indicates the average remittance sent by the married migrants (INR 3100).

¹⁰ Uttarakhand is technically a mountain state, but not included due to its very close geographic proximity to Delhi.

selection process were the most adventurous and those with largest human capital make the move, leaving the less gifted behind. Those contractual agreements are probably more involved in international migration to for example the Middle East or the Far East, but supposedly also involved in intra-national migration. Transitional costs, as a form of obstacles, are also mentioned by Santhapparaj (1998) as a reason to why so many migrants choose to migrate alone, or with a very limited number of family members.

Migration decisions are also influenced by a workers place in the social hierarchy of India. The most significant influence on this hierarchy is by far the caste relations. Caste relations have a very important influence on workers in the Indian labour force. These challenges to the labour force of India will be outlined below and further elaborated in the analysis.

5.3 Challenges to the labour force of India

In India there is a lot of unproductive labour occupied within peasantry. Most often they are not kept there by any political structures. What is perhaps one of the largest hindrances for social and personal aspirations and growth is the caste system.

5.3.1 The caste system

The caste system is a historical cultural embedded system which people are born into. As Pavan K. Varma (2005, p: 21) puts it:

“The caste system began several thousand years ago as a functional categorization, but over the years it degenerated to become one of the most inflexible and institutionalized tyrannies of any society.”

The social hierarchy is very important in India, and a person’s place within it is very much determined by the caste a person belong to (Varma, 2005). It is not possible to change a caste affiliation, but it is possible to have some upward mobility in the social hierarchy through e.g. work, wealth, education or fame. An example is K.R. Naryanan, who was from one of the lower castes, but rose to be India’s president from 1997 to 2002 (Falkenberg, 2012).

Indian law has prohibited discrimination on the basis of caste, though this still persists. According to the academics I have interviewed and the informants from the survey, discrimination is still very much a problem in India.

“The different castes are still an issue, maybe not so much in the city though very much so in the village. If someone of a lower caste were to walk past my house without taking their shoes off, he would be beaten. If someone were to shake a Dalit’s hand, like you just did, you would have to at least wash yourself really good and since you are European and guest you would probably not be beaten.” Man (23).

Stories like this say much about the complicated society migrant labourers operate within. Caste is not the only challenge to the work force of India, so is the female labour participation rate.

5.3.2 Female labour participation

The sex ratio of India’s labour force is only around 28 per cent women as compared to the world’s total of 40 per cent (Kapila, 2013). During the research in Gurgaon only a few women were found working low-skilled labour. This probably has more to do with India’s serious challenge of gender inequality than anything else. It should be noted that most of the occupations held by the informants are regarded as typical male dominated jobs in Norway, and could well be the same in India. The informants shared these views:

“We don’t want our wives to be working, as it isn’t her place. No women should do Construction Work” (Man 40).

“This is not good work for ladies” (Man, 27)

There was a general understanding that the man/men of the family were to provide for the rest, no matter if they were poor or not. There were only at two of the construction sites visited (out of 20-25) where women played an active part of the workforce. Other places, if there were women present at all, they would be in their living quarters taking care of the children and keeping the home. The few places where women were observed participating in the workforce, they would mainly help carrying items such as brick and sand. Usually tasks

regarded as the most common of tasks on the construction site. Construction sites were the only place I encountered women working in low-skilled labour in Gurgaon.

There are also big troubles with sexual harassment in Delhi and Gurgaon. In Gurgaon the problem is so severe that transnational corporations need to assign own cars for female employees to get safe home. Kareena (50) elaborates:

“Delhi is the worst sexual harassment city in India. It is because of the extensive migration from e.g. Punjab and Bengal which are very sexist states. They form sort of teenage gangs here in the city. In Kolkata they would lynch them at sight (for conducting sexual harassment), and Mumbai is all controlled by the mafia and mobs, and they won’t accept it.” She continues: *“And on the top of all, small female children are still set aside (delivered to orphanages if lucky, or set out into the woods) in the villages on the countryside. It is disgraceful.”*

She stated a well-known physician as her source to this information.

The topic of female participation in the workforce will not get all too much attention as it is not at the core of the thesis. It should be mentioned that it is not all bleak for women’s labour participation. There have been created acts and schemes to help improve the participation rates. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was not created in that particular purpose but has nonetheless helped women into employment in the rural areas of India.

5.4 Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

The MGNREGA scheme is created in the spirit of “right to employment” and is supposed to guarantee 100 days of employment at a fixed minimum wage. The labourer will receive unemployment wages if there hasn’t been possible to locate work within the first 15 days (Ministry of Rural Development, 2013). The scheme has as its purpose to alleviate poverty and create employment opportunities for people in rural India. It is the world most comprehensive labour market initiative (Falkenberg, 2012). Programs like these are expected

to create durable assets for the community and thus, further enhance economic activities. It is today an important part of the income for many rural poor.

The MGNREGA was launched in February 2006 as a part of an employment centred development strategy aimed to level up the informal economy. In addition to the direct benefits the rural poor get from schemes like this, there is also a positive macro-economic impact due to the increase in effective demand from the previously poor and those more vulnerable of the population (Kapila, 2013). The MGNREGA has been introduced in most parts of India, with several different levels of government authorities involved, from central and state authorities all the way down to the local panchayats. Panchayats, or gram panchayats, are local elected bodies responsible for the local governing (Sinha, 2013). As the MGNREGA offers work in a rural environment it is interesting in relation to the migrant workers arriving from exactly these rural areas. The program had as one of its main intentions to mitigate the rural – urban migration by offering better standards of living rurally. An interesting question which then occurs is if higher wage rural will mitigate the urbanisation. For many workers it will be enough to obtain full-time employment in the traditional sector. Lewisian theory dictates that both the rural and urban wages will be contained at approximately normal level until the rural sector catches up and/or reaches the Lewis Turning Point.

Many informants had strong opinions on the matter, both positive and negative. To assess the importance and ramifications of this act on the informants and the socio-economic group in focus it is necessary to elaborate some of the specifics of the scheme.

5.4.1 Characteristics of the MGNREGA

The core of the scheme is the hundred days of guaranteed wage employment for every households adult members volunteering to do low-skilled manual work once within the financial year (Kapila, 2013). Further on the wages are determined by the concerned workers state's minimum wages. The Minimum Wages Act of 1948 gave some guidelines to how much the unorganized sector were to earn, and since then there has been implemented several different policy initiatives to ensure security and safety to the unorganized workers (Unni,

1998). There are also central government regulations making sure there are differences between rural wages and urban wages, because of the great differences in living costs between rural- and urban sector.

5.4.2 Informants view of the MGNREGA

The data gathered from the informants regarding the MGNREGA are broad-based. Most common was the notion about the insufficient wages. They appreciated being offered a job, but the wages were not high enough to support a family beyond the 100 days they were able to work. That mentioned, the wages were sufficient during these 100 days, but not sufficient to subsist the rest of the year. This leads to next apparent dissatisfaction, the MGNREGA is only able to supply labour for unorganized workers for ¼ of a financial year, and therefore many are forced to become seasonal migrants the remainder of the year (or at least parts of it).¹¹ Several migrants also pointed to the difficulties of getting hired for MGNREGA work. This, they meant, were to the dishonesty among the leaders of the MGNREGA rurally (usually the local panchayats). The local MGNREGA councils are prone to only supply work for their “own” people, that being friends, family and others. Sinha (2013) also mentions a problematic situation of securing workers the entitled 100 days of work. Even though the intention is good, the fact is that sadly the guarantee has not been well implemented in many states.

The MGNREGA is conducted through certain projects taking place locally. These projects are limited to certain budgets decided by the different governmental authorities. This will again limit the work force available to each project. More problems arise when, according to some of the informants, the local authorities hire the same workers for periods exceeding the original 100 days. This is not according to the given legislations of the MGNREGA, and then again exclude workers from the scheme altogether. Another major dissatisfaction among the informants is the ever apparent corruption in the system. This was noted by both unorganized labour met on the streets and construction sites, and also by the different academics interviewed. They had to acknowledge that the corruption within the

¹¹ Seasonal migrants are understood as migrants with a circulatory existence, semi-permanently or temporarily.

MGNREGA scheme is sadly not a single incident, but also very much apparent in the rest of society as well. According to the Economist 96 percent of all Indians said in a recent poll that corruption were holding their country back and 92 percent said they felt it had gotten worse the last five years (Parkins, 2014). The MGNREGA scheme has also acknowledged that corruption and the misuse of the act is a problem, and has therefore taken some initiative to at least limit it as well as to increase the transparency. The Ministry of Rural Development (2013) has in its report *MGNREGA – Report to the People* introduced something called financial inclusion which aspires to ensure transparency in wage payments and prevent misappropriations. Basically wage payments are now supposed to be made through bank, or post office, accounts opened in the workers name. As a result of this, nearly 86 million accounts have been opened and around 80 percent of payments are now made through this system. The report claims this has brought the poor into the organized sector and in some cases provided them with better access to credit, by them claimed as an *unprecedented* financial inclusion initiative. It is important to not let this be misled by a confusion of ideas. The ministry of rural development claims the scheme has brought the poor into the organized sector simply by having the rural workers open bank accounts. What definition the ministry uses is a bit vague, but most important is it to clarify that these rural poor are not included in the organized sector/formal sector. It would be more correct to see this as a part of the commodification and capitalization of the rural coinciding with the criticism from (Breman, 2013) about the dualism aspect. According to him there is no clear cut separation of the two sectors; they are partly intertwined. The rural is not any more entirely subsistence, but is monetized and to a certain extent introduced to capitalism.

5.4.3 How can MGNREGA affect rural-urban migration?

This program could have an effect to mitigate the contemporary rural-urban migration in India. This could in turn change the dynamics of Lewis' model of growth and in turn slow down the development process inherent within it. As the rural-urban migration dynamics is vital to the model, a mitigation of the urbanization will necessarily have an effect on the process. The purpose of the scheme is to create employment opportunities for rural workers, and simultaneously increase the standard of living for the rural poor. Increased full-time

employment, which MGNREGA is for 100 days, has an effect beyond the concerned worker. The traditional sector has serious trouble with underemployment. When, and if, workers get hired for full-time employment, it will free up work for those left in underemployment. This will enable them to attain more work, and in a sense become “less” underemployed. This can be seen as the extended effect of the implementation of the MGNREGA scheme. Hirway (2010) discovered a significant upturn in “secondary” jobs in relation to MGNREGA projects. In time these effects could help mitigate the urbanization trend of contemporary India. This is reflected in some migrant’s statements below:

“If offered job in the MGNREGA, I would have stayed put in my village” (Man, 24).

And:

“I would have stayed in the village if I was able to get a job. Not possible for me to get job through the MGNREGA” (Man, 52)”

It seems as for many it is not the limited wage which is the problem. The problem is being underemployed and not able to earn a full wage. This is of course a complex situation, but it all boils down to earning a living wage. A living wage can be the amount required to raise a family on a single wage-earners income.

5.5 India, migration, development theories and the way forward

The analysis in next will make use of Basu’s model after Lewis’ theory and include the notion of family wage and individual wage as according to Gill (1998) and the notion of reproduction of the labour force as according to Burawoy (1976). The various data will be analysed with the use of the mentioned theories. Basu’s model will be presented again with some additions such as a fictitious urban family wage level based on the responses from the informants.

Chapter 6: Migrant wages and the contribution of labour migration to the development of India

This analysis will make use of the empirical material and analyse with the help of the selected theories and secondary empirical data. The analysis will be conducted with the research problems at the centre. Concluding remarks are presented after this analysis chapter. My first research problem (Research Problem I) raises the question *why married migrants do not bring their families to Gurgaon*. This is a complex question, but insufficient wages seem to be the most frequent occurring factor among most the labour migrants. The migrants do not seem to earn enough to support their families in Gurgaon. The informants remarked other factors as well, but the economic factor was the most frequent and given most weight to. The other factors will be elaborated at some extent later in this chapter.

Figure 10 can be referred to for analytical benefits.

6.1 Migrant wages in Gurgaon

Most of the informants need to earn family wages, as they are financially responsible for more than themselves, often a whole family residing at the migration origin. Problems are related to the urban employers who only offer individual wages, as mentioned by Gill (1998). The employers do so because they have the opportunity, due to India's still unlimited supply of labour, as by Lewis (1954). The modern sector employers only have to offer a wage slightly higher than the rural family wage to attract labour from the traditional sector. This is where the reproduction of the workforce comes into the discussion and this is the main argument for why married migrants do not bring

Stats from the Gurgaon survey on low-skilled married migrants (n = 51)	
Average distance from migration origin:	842 km – from centre of State
Average age:	33
Average wage:	INR 9300
Average housing costs:	INR 1650
Average food costs:	INR 2900
Average remittances sent:	INR 3100
Average education completed:	5.6 years
Average children:	2.1
Average urban family wage needed:	Approx. INR 14000
Average Wage Gap:	Approx. – INR 4300
Construction workers:	41%
Farming occupation rural:	82%
Migrants sending remittances:	96%
Remittance spent on education:	39%
Remittance spent on everyday expenditure:	49%
Migrants employed by oral agreement:	75%
Migrants living at construction site:	16 %

Figure 10 Stats from the Gurgaon survey on low-skilled married migrants (n=51)

their families to Gurgaon. First let us examine whether a migrant can supply for his family earning only minimum wage.

Minimum monthly wage in Gurgaon is now, from 1st of January 2014, 8,100 rupees (The Times of India, 2013). In Delhi the minimum wage is around 9300 rupees, as mentioned in chapter 5.2.2. Furthermore as noted in Chapter 5, a minimum wage should ensure a person his minimum food requirement, clothing, housing and some degree of social security. To some extent the minimum wages do manage to meet these criteria as most of the informants (85 percent total (n=72) and 96 percent of the married migrants (n=51)) manage to send remittances to their rural family. Many migrants live very meagre lives, a sort of *self-invoked subsistence wage*, in order to remit as much as possible of their income back to their families (Burawoy, 1976). A migrant (Man, 38) informed he earned INR 12500 and remitted INR 8000. That is as much as 64 per cent of his income and leaving him well below the minimum wage at only INR 4500 to live for a month. The remittances sent from the married migrants will be as a support for the family, but in the traditional sector. The reason behind why the wages do not seem to be sufficient to support a family in the modern sector is strongly related to Burawoy (1976) and his theory of reproduction of the labour force. In Chapter 4.5 the theory of reproduction of the labour force was presented. Analysing conditions for reproduction entails an inquiry into how different scales or regions of the social structure interconnect to ensure the ever-repeating process of production of the labour power and the system of migrant labour (Burawoy, 1976). This reproduction of the labour force is very much at the centre of *the rural – urban interconnectedness* of contemporary India and plays an important part as to why the wages are as low as they are in the modern sector. This will be elaborated in the following subchapter.

6.1.1 Reproduction of the Indian workforce

For a capitalist economy, such as India, to function, the economy's labour force must be maintained. This implies that the workers within the economy must receive a determined minimal day-to-day subsistence. The economy must also be renewed; meaning vacancies in the labour force must be filled as mentioned in Chapter 4.5. What is significant about the system of migrant labour in India is that these processes of renewal and maintenance are physically separated

between the traditional sector and the modern sector (Burawoy, 1976). These processes are known as the reproduction of the labour force within the Indian system of migrant labour.

As mentioned by several authors earlier, the Indian economy can be seen as a dual economy (Lewis, 1954, Basu, 1997, Fields, 2004, Ranis, 2004). Through the separation of the reproduction process several implications occur, most importantly the externalization of the renewal process to the subsistence economy. In a system of dual economy this externalization will shift much of the cost of the renewal process to the subsistence sector. This is very interesting because this again will lessen a proportion of the cost for the modern sector giving them the incentive to reduce wages paid. In order to know if the married migrants from Gurgaon fit into this system of externalization it will be helpful to make a Hypothesis II:

“The migrants from my field work fit the perceived picture of the separated reproduction processes”

The characteristics of a migrant in a system of migration where the reproduction processes are separated and the renewal processes has been externalized to the rural sector will comprise age, education and place of birth. Education is a significant cost to the renewal of the labour force. 75% of the married migrants (n=51) had received some form of education, and among those migrants only one was indigenous to Haryana. This means the cost of education has to be covered by another state which does not get the benefits from the employment of the workers. The mean age of the married migrants is 34 years and the lowest age is 18 years. It is unlikely to believe many of these are enrolled in education in Gurgaon. Another indication that this Hypothesis II is not false is the health costs and retirement costs. These costs will also, to a large degree, be externalized to the traditional sector. As many as 78% of the married migrants have planned to migrate back to their origin state implying that the health and retirement costs related to old age all will have to be covered by the migrants origin state. From this it is reasonable to assume the married migrants from my thesis participate in a system of migration where the renewal of the workforce to a large extent is externalized to the traditional sector.

The married migrants are part of this system of externalization. The externalization implies that the employer to a certain degree neither becomes responsible politically nor accountable financially to the external political and economic systems. This is an integral part of

why the urban wages can be held at such low levels, and the married migrants struggle to support their families in Gurgaon.

Even though these processes are separated, they are still interdependent. Renewal processes, occurring in the traditional sector, are dependent on income left over (in form of remittances) from the maintenance processes occurring in the modern sector. The productive workers in the modern sector are at the same time often dependent on continued support from their families engaged in the renewal processes in the traditional sector.

The rural, traditional economy where the renewal of the labour force mainly takes place is a separate physical region to the urban, modern economy. In the traditional sector the renewal of both social- and cultural capital might take place. Migrants interviewed said all their education (cultural capital) took place in their native village, before they migrated to obtain work in the city. This is a good example of how the renewal and maintenance processes of the reproduction have been separated from each other. Another example is the recruitment process as was explained in chapter 5.2. The migrants, and also the recruitment managers, used their social capital and networks from their rural village to help seek labour. Others informants' statements also strengthen this argument:

"I had a friend in this city, so I got a job through him" (Man, 29).

"Delhi has the most work, and I knew people here. They got me this job" (Man, 35).

This further underlines that renewal of social capital happens in the traditional sector and give further acknowledgement to the low wages among labour migrants in the city. Furthermore the migrants also pay for parts of the renewal process themselves. This happens through the remittances which are sent to the rural economy. Earlier it was established that as many as 96% of the married migrants sent remittances to help out with the renewal process in the rural sector, even though many of them by this invoked their own subsistence living in the city.

All these reasons support a decision for not bringing the family from the migration origin to a city like Gurgaon. However there are also some indications that it should be possible for the migration of whole families to Gurgaon.

6.1.2 Migrant families in the city

“Chindia” is a term more and more heard throughout the globalized world. Even though most of the academics at Jawaharlal University claimed there was not really any particular reasons to draw comparisons between the two countries, many Indians do. What is a major difference between the two countries is the education location, which has a direct effect on the renewal process as we have seen. Unlike China, India does not have place-bound education. This means that the children do not necessarily have to attend school or

education in their native state, or county, to ensure free admission. They are free to follow their parents to the migration destination without any extra costs to education. This is a huge advantage, and presumably lowers the initial inertia, and the intervening obstacles, preceding any



Figure 11 China's Urban Population (The Economist, 2014)

Note 7 Light blue: actual urban citizens
Dark blue: local urban citizens

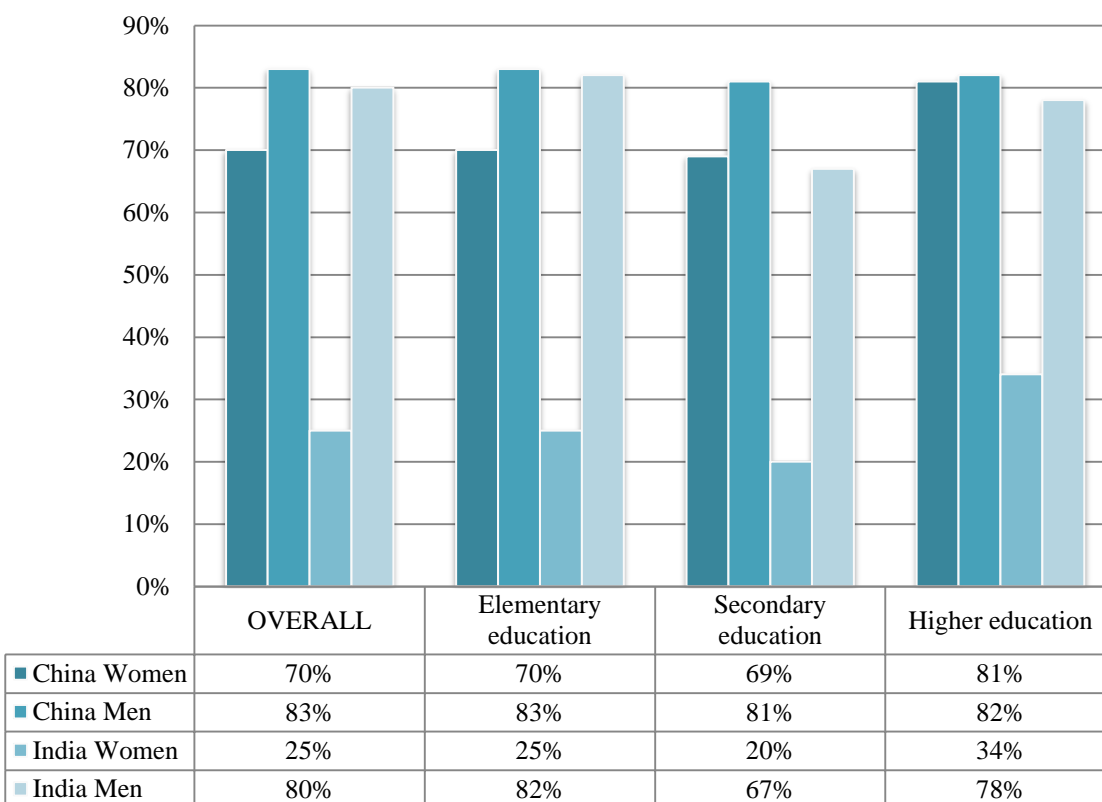


Figure 12 Labour Force Participation Rates in China and India, Own model. (Crabtree and Pugliese, 2012)

migration decision. China has this place-bound education and health system called *hukou*, which place constraints on migrants. If they were to bring their children along, they would have to pay school fees. For locals, school and health related fees are practically free. The custom in China is to leave their children in the care of their elders and only see their children once, or twice, a year (see Figure 11) (The Economist, 2014, Das and N'Diaye, 2013). In India this is not the case. Therefore it would, presumably, take a smaller minimum family wage to be able to support the family in the city. There is also a considerable difference in labour culture between India and China. The Chinese society to a larger extent includes female workers in the labour processes (Figure 12). This is very apparent, especially in the big migrant cities of coastal China. It also means that more Chinese families have the opportunity to live on two adult salaries, instead of the Indian standard of one (Das and N'Diaye, 2013).

To reproduce the rural workforce, or rural family wage, is to include the labour done by everyone within the family economy. This includes tasks related to the renewal process as of chapter 4.7. As we have seen, the female participation rate in the labour force in India is very low. The overall participation rate is only at 25 percent. I will not speculate too much about the reason for this, but it might reflect the attitudes of the Indian society. An informant replied this to the question of female labour participation:

“Women are not supposed to work, they are supposed to sit at home and let us provide for them”
(Male, 38).

This view was shared among many of the informants, and could be regarded as a trend among low-skilled workers in Gurgaon. Whether this is common for all parts of the Indian society is not possible to say with reference only to the conducted survey. The work these women conduct could not necessarily be deemed to have any direct effect on wealth creation, but nonetheless it is work and an integral part of a family economy. Burawoy (1976) pinpoints the crucial part females play in the renewal process of the labour force. Increasing education levels, cultural capital, among females put even more emphasis on how important the renewal processes conducted by females are. It is very common within the Indian villages to separate the work into two spheres; male and female. Males tend to do the “outside” work while females usually take care of the domestic work. Within their own homes they take care of all the task, including cooking, cleaning, childcare, and building maintenance; they are also involved in processing

agricultural produce, caring for homestead vegetable plots and fruit trees, and animal husbandry. The rigidity of the division of labour do not only divide the men and women, but also contributes in some way to their interdependence (Gardner, 1995).

Either way, the trend is today that mainly single males undertake the migration. In order to be able to comprehend the issue of Research Problem I it is necessary to present the figures of the concerned wages. The concerned wages are the urban individual wage and the urban family wage.

6.1.3 Contemporary wage level and the urban family wage

If there was to be offered an urban family wage it would have to be significantly higher than what is offered today. Employers do not have to offer more than an individual wage to obtain labourers. This is closely related to the theory of Lewis regarding development with unlimited supply of labour as well as the reproduction of the workforce framework.

This put aside, how much would a labourer have to earn in order to support his family in an urban setting? In order to explore this, this was one of the questions of the conducted survey:

“If married - How much do you think you would have to earn each month (minimum) to house your closest family in the city? (Food, housing, school, day-to-day expenditures)?”

These answers gave great insight to the analysis of both Research Problem I and II, and also as a reference to the whole analysis process. It is important to note that these data were only collected from the married migrants still with their families rural (n=51).

With an average wage of 9110 rupees per month the married migrants (n=51) are approximately at the same level as the minimum wage of Delhi, and actually above the current minimum wage of Gurgaon. As we shall see later, in chapter 6.2, the wage is quite even among all the migrants. It is important also to keep in mind that many of these labourers work day shifts at least twelve hours long. It is further important to remember that when the average wage is approximately at the current minimum wage, as the case is here, there are many informants who earn significantly less than the set minimum wage. In this case, as much as 35 percent earn 7000 rupees or less a month. This is a good example of how migrant labour is marginalized at the

migration destination as they are practically rootless and have very little influence. Gill (1998) also claimed that because of the vulnerability and exploitation of the migrant labourers they earn less than the local labourers. My survey showed that the migrant labour (n=51) averaged INR 9300, while the local labour, (all informants – married migrants equals n=21) earned as much as INR 10 600. This is according to Gill (1998) and what he noted about the differences in the local- and migrant labour wage levels. The informants fit most of the characteristics mentioned and there truly are many issues facing migrants in the Gurgaon. Though what became clear during the interviews and the survey is that the majority of the concerned feel they are better off urban anyways, even though they have to face all the difficulties pointed out. It has now been established that the married migrants on average earn close to the minimum wage. Furthermore it has been proven that the migrants to an extent are marginalized and exploited as labour. Now let us take the figures from the survey into consideration and try to visualize the differences and locate some of the challenges of the Indian society.

Figure 13 (on the next page) explains the wage gap between what each married migrant in the survey earns (*actual wage*) and what he subjectively feels he would need to earn in order to support his family in an urban area (*perceived family wage*). The tendency, as shown on the graph, is that the majority of the married migrants feel they would need to earn significantly more as most of the needed wage line (red) is above the actual wage line (blue). The perceived average wage is *approximately INR 14.000* while the average actual wage is *approximately INR 9000*. This means there is a *wage gap of INR 5000* each month and an average migrant would need a monthly wage-increase of around 56 per cent to be able to support his family in the city. Furthermore close to 60 per cent of the married migrants (n=51) specifically replied that it was “*too expensive*” to support a family in the city. Reflections to this were expressed in example as this:

“We would not have any place to live and bringing our family along to the city will not generate us any more income. Therefore it is not worth doing so” (Man, 26).

The irregularities in the graph can to a large extent be explained by the fact that married migrants are staying temporarily on Haryana Urban Development Authority-land (HUDA-land). 71% of the irregularities (Perceived Family Wage lower than Actual Wage) lived on HUDA-land or the employer let them live at the construction site. It is likely they believe that they also will be able to stay there with their whole family, still paying minimum housing fees. This is not the case. Most sources (both informants (contractors and construction workers) and academics) say the migrants will not be allowed to stay there as a whole family. As a result of this, these irregularities should, according to these statements, be smaller or perhaps reversed. From Table 1 (page 54 at the start of chapter 6) it is shown that 16 per cent of the married migrants live on HUDA-land or at the construction site. It should be noted that during the field work families were



Figure 13 Actual Wage (average INR 9110) and Perceived Family Wage (average INR 14.000) for each migrant ranging from lowest monthly wage to highest. (Own survey, 2013 (n=51))

Note 8 The x axis is the different individual informants ranged from lowest earning migrant to highest earning migrant. The y axis shows value in Indian rupees. The sample range in this graph is the informants who have migrated to the city (both long time and seasonal), are married and have a family back home (n=51). The reference lines indicate a higher needed wage for higher contemporary wage.

observed living on some of the larger construction sites. This contradicts what most of the informants were saying, but the housing situation still should be regarded as a plausible explanation for the irregularities of the graphs. Figure 13 also show a clear tendency that *the higher wage the married migrants had, the larger wage they felt they needed*. This is shown by the reference lines in the figure. This could be an indication of many things. The wealthier migrants could have attained more expensive habits, expensive housing or simply have larger families. Either way it is an interesting finding. The notion of family size could be the reason for the general differences among the migrants as well.

Figure 14 depicts very much the same story, but it is visualized somewhat different. The graph shows the gap between actual- and perceived wage. A reference line is indicating zero level, where actual wage equals perceived wage. As shown on the graph most of the married

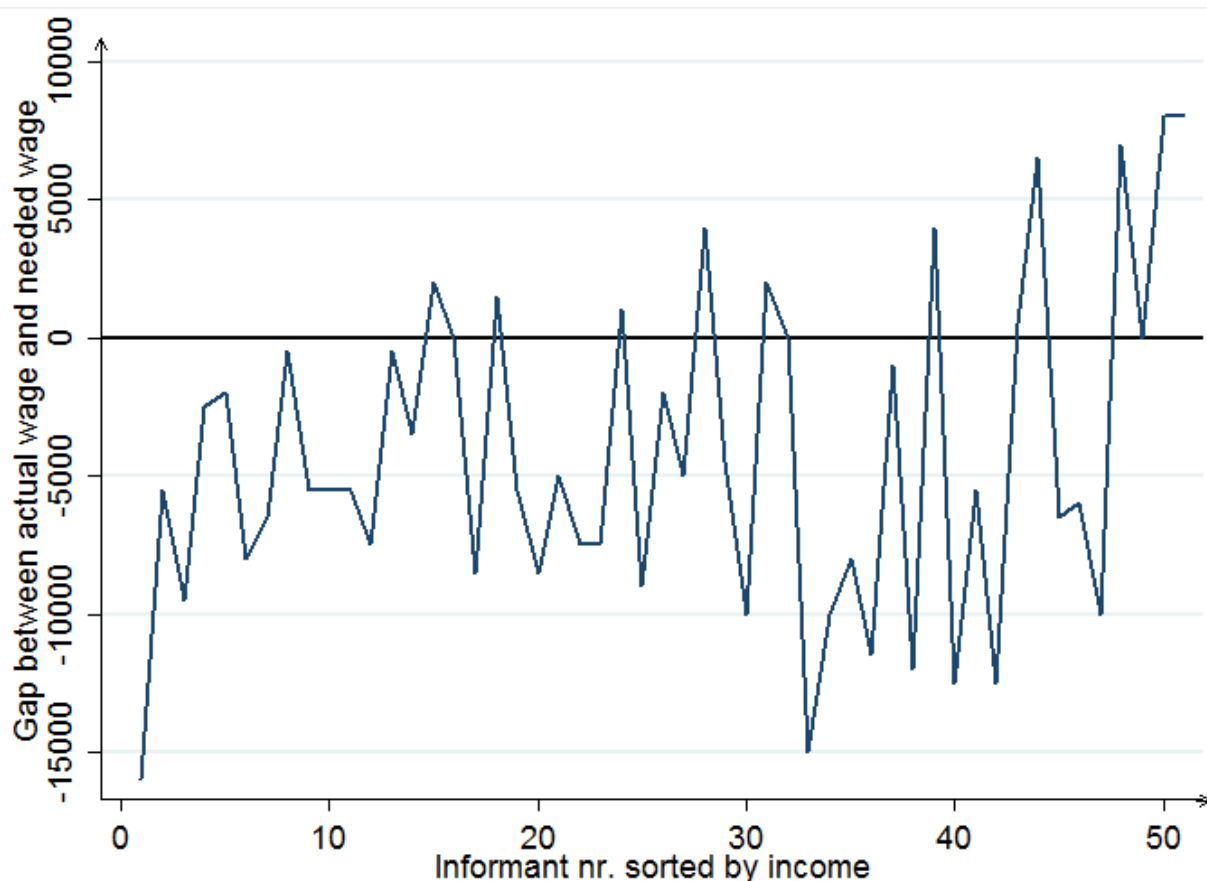


Figure 14 Showing the gap in rupees between each married migrant’s actual wage and needed wage ranging from lowest monthly wage to highest. (Own survey, 2013 (n=51))

Note 9 The figure show how the difference between actual wage and wage needed to support their whole family in the city. The reference line indicates zero level, where income matches what is needed to support their rural family urban.

migrants are situated below the zero reference line indicating once again the lacking funds to support their families in an urban area.

What has been shown in the latest sub-chapters is the divide between the actual contemporary wage level and the perceived wage level needed to support a family in the city. Arguments for and against Research Problem I has been discussed and empirical data has been presented with figures of the concerned wage levels. It has been more or less established that the migrant workers in Gurgaon are not able bring their families from the traditional sector. They earn insufficient wages and therefore not able relocate their families. This is an example of how low wages among the labour migrants ensures employers cheap labour which in turn will make it possible for these employers to achieve higher profits. This is one of the core questions in the debate of development of India. Is it alright to prefer overall economic growth, although this includes the exploitation of migrant labour? The wage levels discussed in this sub-chapter are only in relation to the urban areas. Just as interesting are the intersectoral differences in wage and how the dynamics between the traditional and the modern sector can create development in India. In the next sub-chapters Research Problem II will be discussed in relation to this.

6.2 The dynamics between traditional sector and modern sector put into models

Research Problem II questions the development outcome of the contemporary rural – urban migration in India and whether the current wage regime can be seen as just a stepping stone in a larger developmental process, as according to the Lewis' theory of development. This will now be elaborated further. The wage differential between the rural and urban workers is the driving force of the rural-urban migration in India and then also a central part of the development process inherent in Lewis' theory. The dynamics will be tested with reference to Lewis' *classical* model as well as a *neo-classical* model to show differences, as well as similarities.

To answer these questions and further investigate the research problems it will be useful to apply my findings to the model presented by Basu (1997) (Figure 16). But let us first establish that there is a common wage level for migrants in Gurgaon and then look into Research Problem II and the different wage levels explained by Basu's model and statistics from the The World Bank (2013b).

Figure 15 (n=51) shows the different wage levels of the migrants based on how long they have stayed in the city. There are only small differences in wage between the different time periods, which mean there are not any strong indications of the longer migrants stay in the city, the more they earn. This means the labourers are more or less on the same level of income, independent of how long they have stayed in the city. On the basis of this it can be said that there is a common wage level for low-skilled migrants, with families occupied rural, currently living in Gurgaon. The slight irregularity in the “between 6 months and 1 year” column is probably due to the relatively small sampling size and should be regarded only as a small deviation. According to the Times of India, the minimum wage in Haryana was raised to INR 8,100 a month from January 1st (The Times of India, 2013). The wage level set by the government in Haryana (red reference line in Figure 15) coincides quite well with the data shown in the bar graph. This would also mean that most of the labourers are already earning around the minimum wage. Raising the minimum

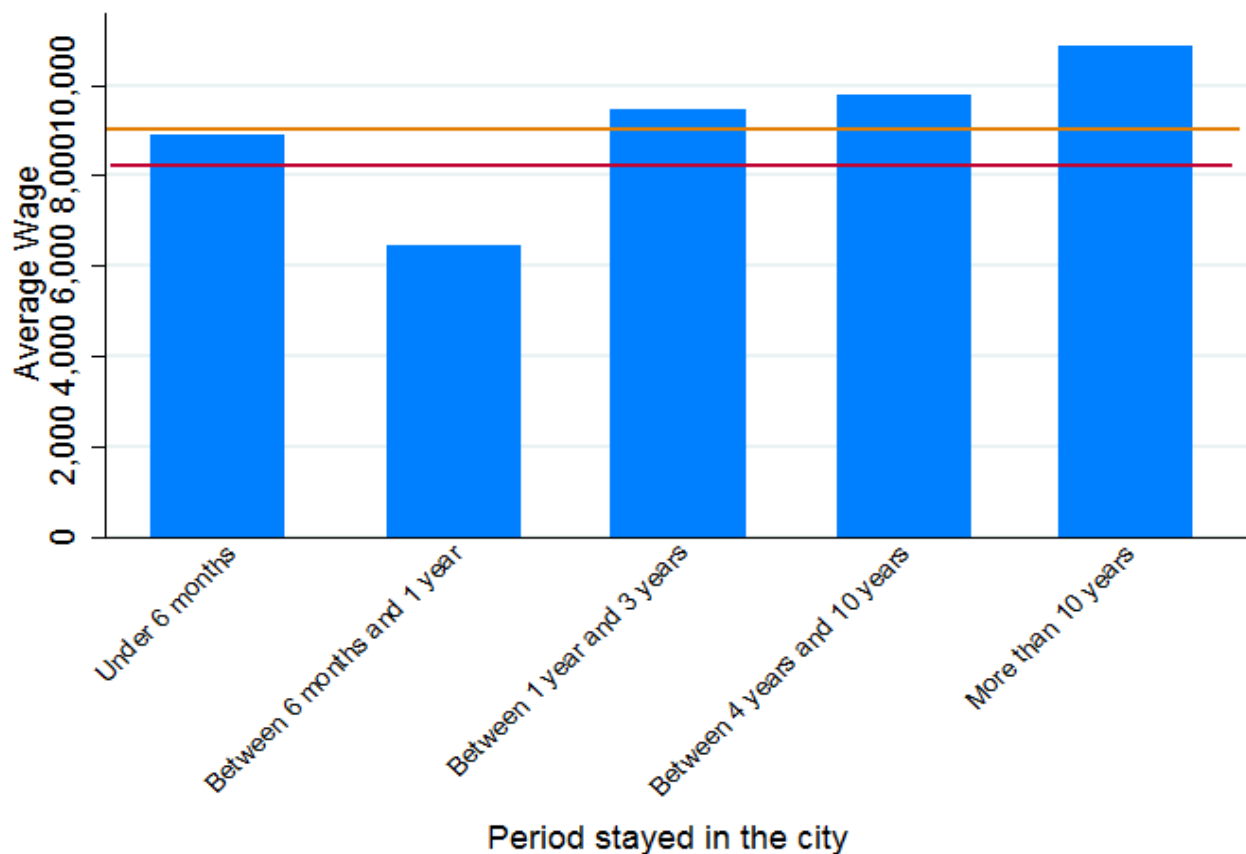


Figure 15 Monthly wage among informants by period stayed in the city (Own Survey 2013 (n = 51))

Note 10 Red reference line indicates minimum wage in Gurgaon, Haryana as of January 1st 2013. Orange reference line indicates the average wage of the migrants.

wage could in order to follow regulations. Though, more often than not the migrants belong to the informal labour market in the modern sector. Within the informal segment of labour it is not always regulations and policies are followed, and minimum wage requirements is not always followed. After establishing a common wage level let us move on to the Lewisian theory in relation to Research Problem II.

Research problem II raises the question of how Lewisian theory is able to explain the development outcome of rural – urban migration in India. The driving force of the rural-urban migration is the wage gap between the traditional- and the modern sector. Then let us now first establish this wage gap also is present in contemporary India.

As seen in Figure 16 (next page) the rural wage level (m) lies below the urban wage level (w). An urban family wage would, according to the responses from the informants have to be significant higher than the current urban wage (as seen approximately 56 % higher). The rural marginal product of labour (MPL) is at rural wage level which reflect what we have seen about the rural MPL being close to zero, or at least very low. Migration from the traditional sector will be constant as long as the marginal product of labour in the sector is below the rate for hired labour. This indicates an unlimited supply of labour. To clarify; an unlimited supply of labour is in effect when the *entire labour force* of the traditional sector is available to the modern sector. Since the employers are not interested in employing all the workers at the reservation wage they face an effectively unlimited supply of labour. The urban MPL is larger than the urban wage; therefore the urban employers are hiring workers, increasing the urban employment. Increasing urban employment means work for unemployed and/or underemployed, traditional sector workers. The development is real because the hired labour adds to the productivity in the modern sector, while it at the same time does not lower productivity in the traditional sector.

It actually allows for workers to take a small step out of underemployment and increase their own productivity. The traditional sector workers share the work available at the given wage rate. When a worker migrates they will still share the available work, but at a higher share per person.

The wage gap is present because of the rural marginal product of labour being zero, and the traditional sector offer only subsistence wages. As a consequence of this the modern sector need only to offer a wage slightly higher than subsistence wage to attract labour, as seen in Figure 16. This is part of the argumentation for Lewis' theory being a *classical* economic theory and not a *neo-classical* economic theory. Lewis' theory does not determine the wages in the traditional sector as given by MPL as is customary within *neo-classical* theories. The wage in the traditional sector is determined simply by the total product of labour divided by the total amount of labour. The product of labour in the traditional sector in India will be lower than the total amount of labour and therefore there is underemployment. The underemployment is often due to family work, where large families share the available work with low per capita productivity. Lewis rejected the assumption of full-employment where labour is scarce and meant that this was surely not the case in developing economies (Ranis, 2004). That labour is not scarce in India can be justified through many of the informants' answers how easy it is to employ extra workers. The

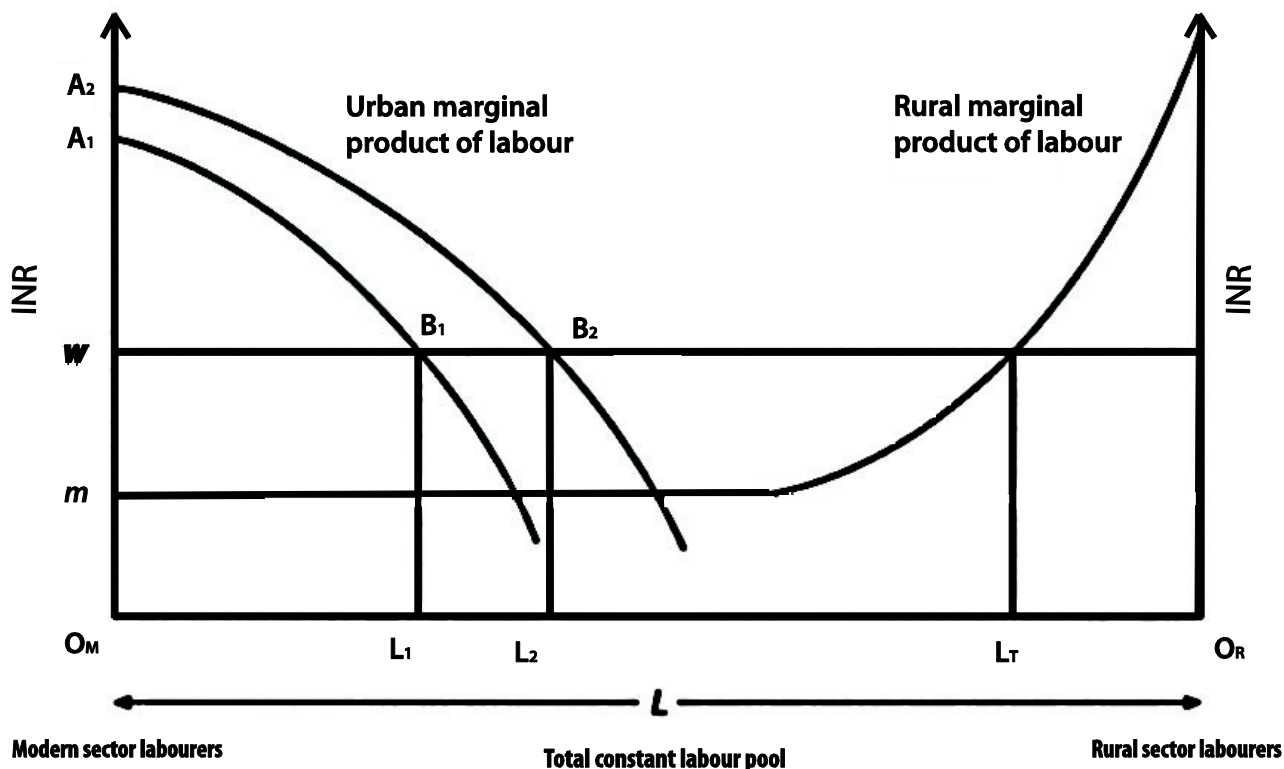


Figure 16 Basu's modern interpretation of the Lewis model with some of my own modifications (Basu, 1997).

Note 11 Model here for reference only. The model is elaborated in depth in chapter 4.5.

best example is probably the supervisor for a construction site who had no problem letting workers leave whenever they wanted as there were no problems getting new workers for hire. Usually it would just take them a phone call and the worker would be there the next day. The modern sector wage is neither determined by the modern sector MPL, but instead determined as the traditional sector subsistence wage plus an extra incentive to stimulate intersectoral labour mobility. Workers need the wage gap in order to overcome both the natural inertia and any “intervening obstacles” between the traditional and modern sector. The wage gap could be proven with inference, as most experience and empirical evidence points in that direction. Inference is necessary as it is difficult to measure the wage level in an economy where many workers live from hand to mouth, much of the work is never monetized and the sector is not fully capitalized. Nonetheless the *reasons behind* the slightly higher wage, as Lewis saw it, can be elaborated as follows:

The wage gap is central to the dynamic inherent in Lewis’ model and is pinpointed as part “illusory” due to the higher cost of living in the modern sector. Wages are higher partly to reflect the difference in purchasing power between the traditional sector and the urban sector. This might materialize in different housing prices or in food prices as it did for this migrant:

“1 kg of “dirty” rice costs 30 INR in the city! I am originally a non-vegetarian, but because of the high prices I have to become a vegetarian” (Man, 23).

But, Lewis argues it still remains a real wage gap due to:

- a) There is a psychological cost of transferring from the casual way of life in the rural sector to the more strict and urbanized environment of the modern sector
- b) There will be a cost to experiences in the modern sector – migrants encounter situations and issues not present in contemporary rural India.
- c) Workers in the capitalist sector could acquire customs and a social prestige which conventionally are to be recognized by higher real wages – former rural workers might attain habits more expensive than their income reflects.

Risk aversion could also be seen as one of the reasons behind the real wage gap between the two sectors. The gap has to be a given amount for the migrants to make the move from a secure income to a higher, but more insecure, income. Risk aversion is taken more into account in

the works of Harris and Todaro (1970) about how the risk of unemployment affects a decision to migrate. The wage has to be the given amount higher because the migrants are not certain to be hired as workers. The employers face an unlimited supply of labour and the rural workers face a risk of modern sector unemployment. The risk of unemployment is not as high as it once was. With globalization Indians also got access to mobile telephony which has increased the information spread manifold. Most migrants travel to the city after they have secured a job. This happens through the use of their extensive networks, and often with the help of fellow villagers. This severely reduces the risk of unemployment. This is part of the dynamics inherent in Lewis' model of development.

The dynamics between traditional- and modern sector in Lewis' model enables the shift of more and more labour into the modern sector of the dual economy. The rural-urban migration is *constant* as long as the marginal product of labour is below the rate for hired labour in the rural sector. The higher wages will ensure a steady flow of labour migrants who serve as a foundation for further growth and development in the modern sector. Through Basu's model and Lewis' theoretical framework it becomes clear that modern sector employment is increasing through the extensive rural-urban migration in contemporary India. The outcome of this is higher wages for a larger proportion of the labour force and larger profits made for employers. On the other side it also means the splitting up of families and exploitation of the very same workers. Furthermore it is a question whether this Lewisian process of development is really exploiting the labour, as the labour migrants still migrate because they feel they are better off in the modern sector anyways. What we will elaborate later is that the growth and development is occurring through the use of mostly informal labour.

To examine research problem II it is necessary to take the research question into account as well. The research question questions whether India could be said to in the process of Lewisian growth and development. The dynamics of Lewis' model was outlined in chapter four, and the model is repeated in Figure 17. The most important specifications of an economy with two sectors, a dual economy, are given in Figure 17. The specifications for the traditional sector are: constant arable area while increasing population keeping the marginal product of labour below the rate for hired labour. Linking the two sectors is the continuous rural-urban migration to the modern sector. Modern/urban sector is ever expanding due to capital reinvestments. If India were

to show these traits it would be reasonable to assume they were an economy with unlimited supply of labour and within the development phase of the Lewis model.

To elaborate this it will be useful to set Lewis' characteristics of a dual economy up against the newest statistics from the The World Bank (2013b). Figure 18 (next page) show Indian statistics for the most important characteristics of Lewisian dual economy.

- *Constant arable land, while increasing population.* The top left graph (in Figure 18) shows how the Indian percentage of arable land to all land has developed since 1961. The top right graph shows how the population of India has developed in the same time span. It is clear that the arable land is approximate constant, while the population has increased near threefold in the same time period.

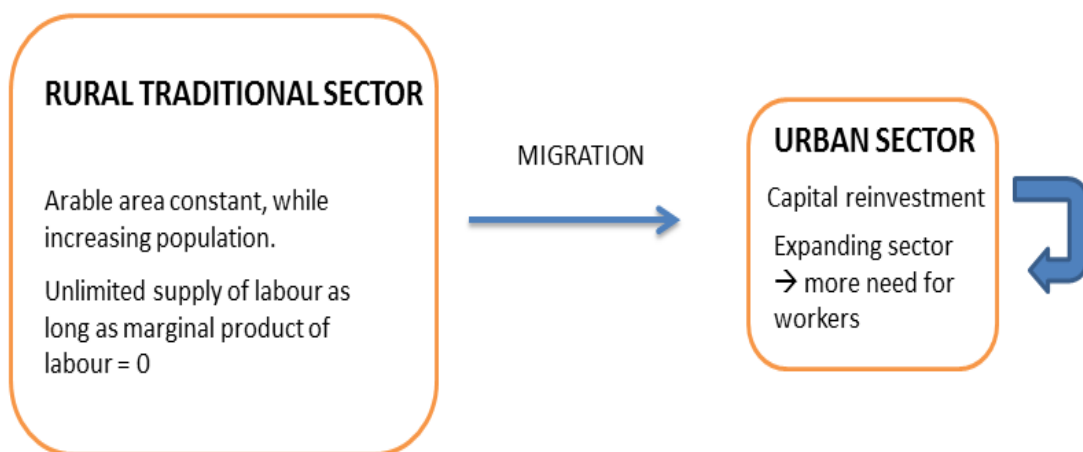


Figure 17 Lewis' theory of "unlimited supply of labour" (Own model) Repeated for reference.

- *Intersectoral migration* can be seen at the bottom right graph where the population of India contributes to a shift in population distribution. Over the last 50 years the proportion of urban population has shifted from 18 % to 32 %, while the rural population proportion has sunk from 82 % to 68 %. A shift in population distribution such as this would be reasonable to explain by at least partly migration. From the bottom left graph it is also evident that the urban population grows faster than the rural population. From 1995 to 2013 the percentage occupied within agriculture of total employment had decreased from 60 % to 47 % while at the same time industrial

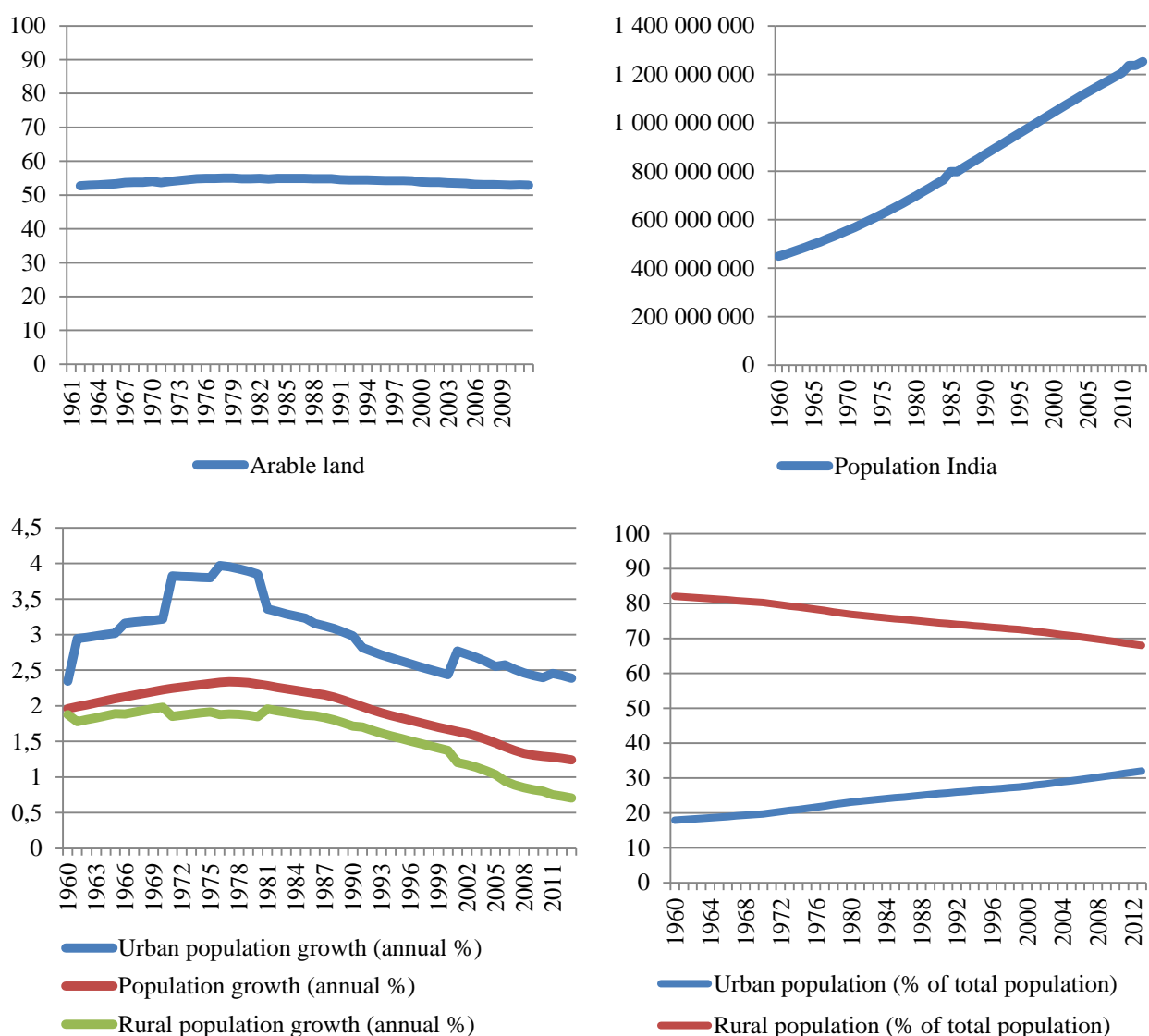


Figure 18 Statistics India (The World Bank, 2013b)

employment had risen from 15 % to 24 %. Services experienced a growth from 23 % of total employment to 28 %. Both industry and services are typical in modern/urban sector and can therefore also indicate the continuous migration from rural to urban. This shift of employment pattern explained here is also the exact thought of Chenery (1975) structuralist approach to development as mentioned earlier.

- From the bottom left graph it is evident that the urban sector is expanding. It has been expanding at around a pace of 3% annual growth the last 50 years. This population expansion together with the stats about employment distribution mentioned in the previous bullet point strengthens an argument of a modern/urban expanding sector.

From these graphs it is reasonable to assume that the Indian dual economy is in a Lewisian development phase. The population, and employment, shift from rural/traditional sector to urban/modern sector as according to Lewis' theory. The arable land has been approximate constant for the last 50 years, while the population has grown three fold. The modern/urban sector population is growing faster than the traditional/rural sector indicating an expanding modern sector. As of these evidences it is reasonable to also assume that India will continue the development process inherent in Lewis' theory and in time reach the Lewis turning point.

Harris and Todaro and Lewis' theories are structuralist theories, meaning they are theories addressing the structure of a developing economy and the characteristics of it. However the individual aspect of a migration should not be forgotten. In the end it often boils down to a question of motivation.

What is the motivation behind a migration decision, is it only the higher wages? Motivation is a very complex study. As an example here is what Sanjit (31) told about motivation: "*first comes the economy. I need to get funds to pay for my own home in Sikkim in the Himalayas*". Secondly it was the distance. Since he was one of the few travelling with wife (the kids were back rural) he opted to migrate to the closest major city, Calcutta. "*Calcutta was fine, but I couldn't get any work. The locals in Calcutta really do not welcome outside labour, at least not us from the lower castes.*" For him as a native Nepali, he was refused work in every part of Calcutta. At the end he saw no other way than to move on, his choice was Delhi. Delhi has a reputation of welcoming every religion, every caste and every nationality. This has been mentioned as both a positive and a negative characteristic of the Indian capital. "*In Delhi I was*

able to get a decent job and I have now worked here for several years". He and his wife send home remittances every month to finance the building of their new house in their own local village. *"We will return to Sikkim as soon as our house is finished"*.

This story highlights the complexity of labour migration. Every migrant have their own story and their own personal motivation. What cannot be evaded; is that central in that complexity is the economic motivation. The higher wages give motivation for the migration, but the modern sector wage also limits the number of family members able to participate in the transition.

It is also possible to use other models and cases to strengthen the analysis and the choice of Lewis' theory as a reference and analysis model. The model in the next sub-chapter are concerned with differences in marginal product of labour in relation to labour distribution which has some interesting similarities to the dynamics of Lewis' model of development.

6.2.1 Labour distribution and relative wages

Olson (1996) presents Figure 19 as a model for determining the labour distribution's relationship to marginal productivity after *neo-classical* thoughts. It is included to see how a *neo-classical* model would explain dynamics and development prospects for India. The differences between classical and neo-classical have been mentioned, but the most important is that within neo-classical *labour is considered scarce* and has to be bid away from other uses. After *neo-classical* thoughts the marginal product of labour in competitive markets equals the real wage - as opposed to in *classical theory*. The model in Figure 19 (next page) is originally used for global purposes dividing the world into North and South as of the Brandt commission's guidelines. It will here be used as a model of a dual economy with a traditional sector and a modern sector.

The model helps underline Research Problem II, Figure 16, Figure 17 and Figure 18. The South represents India's traditional, rural economy as the poor, underdeveloped sector, while the developed North represents the rich modern, urban economy. The model shows differences in marginal product of labour (MPL) between the two sectors in relation to the given labour distribution. Basically it says that the wages given by the MPL in the traditional sector will rise according to an increased proportion of workers in modern sector employment. In this perspective Olson's model resembles Lewis' as the migration of labour out of the traditional sector and a shift of labour proportion towards the modern sector is the driving force of development. *S* in the model shows a thought situation where the economy is in disequilibrium. This is shown in differences in MPL (*a to b*) between the sectors. Due to market failures the economy has not reached equilibrium. This could be where contemporary India is situated in the development and perhaps moving towards becoming a mature economy. Using this model on a dual economy and not between nations as Olson does, you avoid many of the market failures as; currency differences, tariffs and quota regulations. There are some tariffs within India as well. Crossing of state borders with commodities is one of them, but they are not as substantial as issues of the world market.

Equilibrium in this model resembles the Lewis Turning Point, where an economy has

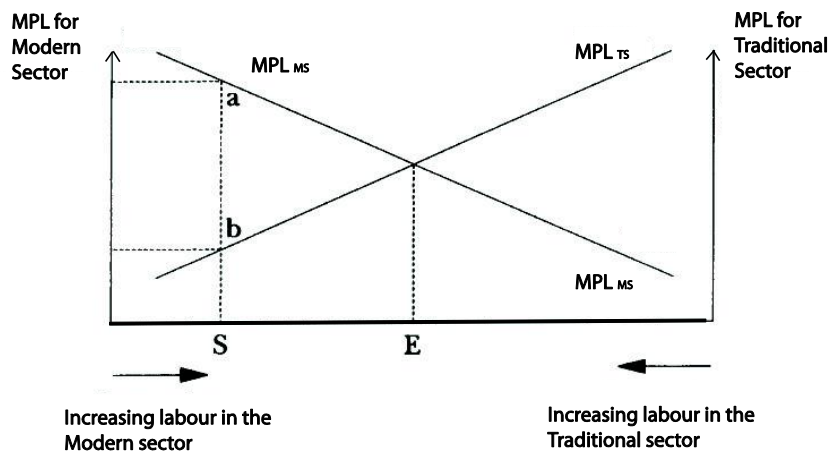


Figure 19 Labour distribution and relative marginal product of labour between modern and traditional sectors. With my own modifications (Olson, 1996)

Note 12 X-axis shows the whole labour force. From left to right indicates the proportion employed in the modern sector and from right to left indicate the proportion employed in the traditional sector. The lines are representative for each sector's marginal product of labour and its level according to the labour distribution.

matured. Using this model on the Indian dual economy avoids the common problems of market failures, such as tariffs, trade barriers, and unhealthy investment areas. If India does not have these major market failures, it will be able to experience a slow maturing of the economy towards equilibrium. In that sense this model tells the same tale as Lewisian theory, though it does not take into account that there in India is an unlimited pool of labour, due to the significant underemployment in the traditional sector. This unlimited pool of labour is what makes it possible to create development faster as there is not a need to increase wages to bid labour away from other uses. As we have seen this will enable employers to achieve higher profits and in theory also faster economic growth and development. While Lewis' model has many characteristics of a *classical* model, Olson's model is a *neoclassical* model where labour is scarce and has to be bid away from other uses and the marginal product of labour to large degree decides the wage current wage level.

Taiwan is one of the best examples of how Lewisian development might occur. During the 1960's and 70's Taiwan struggled with high unemployment rates. Over the years the unemployment rates slowly decreased while the urban, modern sector wage stayed put. Not until the unemployment rates were down to 2-3 per cent did the modern sector wage start to increase. The higher wages did not occur until the unemployment reached a point where the labour became scarce. As long as there was an unlimited supply of labour the wages in modern sector stayed put even though the labour distribution was altered.¹² This is the exact thoughts of Lewis' development phase.

Let us take Research Problem I back into consideration and examine the implications on development and the labour market if an urban family wage (wage high enough to support a family) were introduced. To examine this it could be useful to execute a comparative statistic.¹³ This sub-chapter will also further elaborate Research Problem II and the development through Lewisian theory. To be clear; this will be presented in relation to a model inspired by Lewis' thoughts with *classical* determined wages.

¹² I have tried to look for the same pattern in India. This turned out difficult as the unemployment records and wage records are at best irregular and at worst not existent for long time periods. Underemployment is of course also very difficult to measure and use in such a setting.

¹³ Comparative statics is the comparison of two different economic results, before and after a changed variable, in this case; wages.

6.3 Implications on development if introducing a fictitious urban wage level

Let us present ufw (*urban family wage*) as a variable reflecting the data created from the married migrants responses to the survey. The objective of this will be to examine the implications of a higher modern sector wage on labour distribution and development. This new wage level will lie above contemporary urban wage level (w) indicating a higher wage level. Lewis' model is a *classical* model. Urban wage is therefore very closely related to the rural wage, which is not given by the rural marginal product of labour. This procedure is therefore somewhat difficult. Raising the urban wage will give insights into a plausible scenario of an alternative development outcome. Introducing wage level ufw might have several direct implications, but let us first see the implications in the model (Figure 20 next page).

The original model by Basu was outlined in chapter four. Figure 20 is a slightly modified model. Given the same level of modern sector marginal product of labour the total labour hired will shift from L_1 to L_0 given the new wage level ufw . This indicates a smaller proportion of traditional sector workers employed in the modern sector. It will also have implications for the profit earned by the employers in the modern sector (A_1, C_1, ufw). As given by Lewis; the employers still invest all their profit in the next period, but as seen on Figure 20 the new amount of labour hired will now reach L_1 first in period two (as opposed to in the first period at wage level w). The profit earned in period two at wage level ufw will also be significantly smaller than the profit made with wage level w .

A higher wage level will affect the processes of growth and development. It will reduce the profit received by the employers. When the wages are higher the labour stock employed within the modern sector will also be lower. Higher wage, and less workers hired by the modern sector will according to Basu's model imply less profit created. This put in relation to Lewis' thoughts about the capitalists reinvesting their profits to increase the proportion of modern labour clearly shows that the growth of modern sector employment will necessarily be slower with a higher wage level. Less profit to be reinvested means a smaller expansion of businesses in every period.

To summarize the effects of the changed variable:

Higher wages for the urban, modern sector workers might have some of the following implications: First workers employed in the modern sector are earning more. This could lead to a more resourceful segment of workers in the modern sector, but according to the model in Figure 20 it will also limit the amount of workers employed within this sector. Secondly wage level ufw will reduce the profit made by the capitalist/employers and as a result of this limit the reinvestment as we have seen is at the core of the Lewisian theory. Limited reinvestment will again reduce the amount of workers employed to the modern sector in each period.

What does this tell us? Fewer workers are hired to the modern sector, but at a higher wage. Presumably this would at the same time lead to a downfall in the urbanization currently undergoing in India. Although it is difficult to imagine a higher wage level would discourage migrants and reduce the “pull” factor of the modern sector. This raises the question of probability of obtaining an urban formal sector job after the intersectoral labour migration occurs. This is

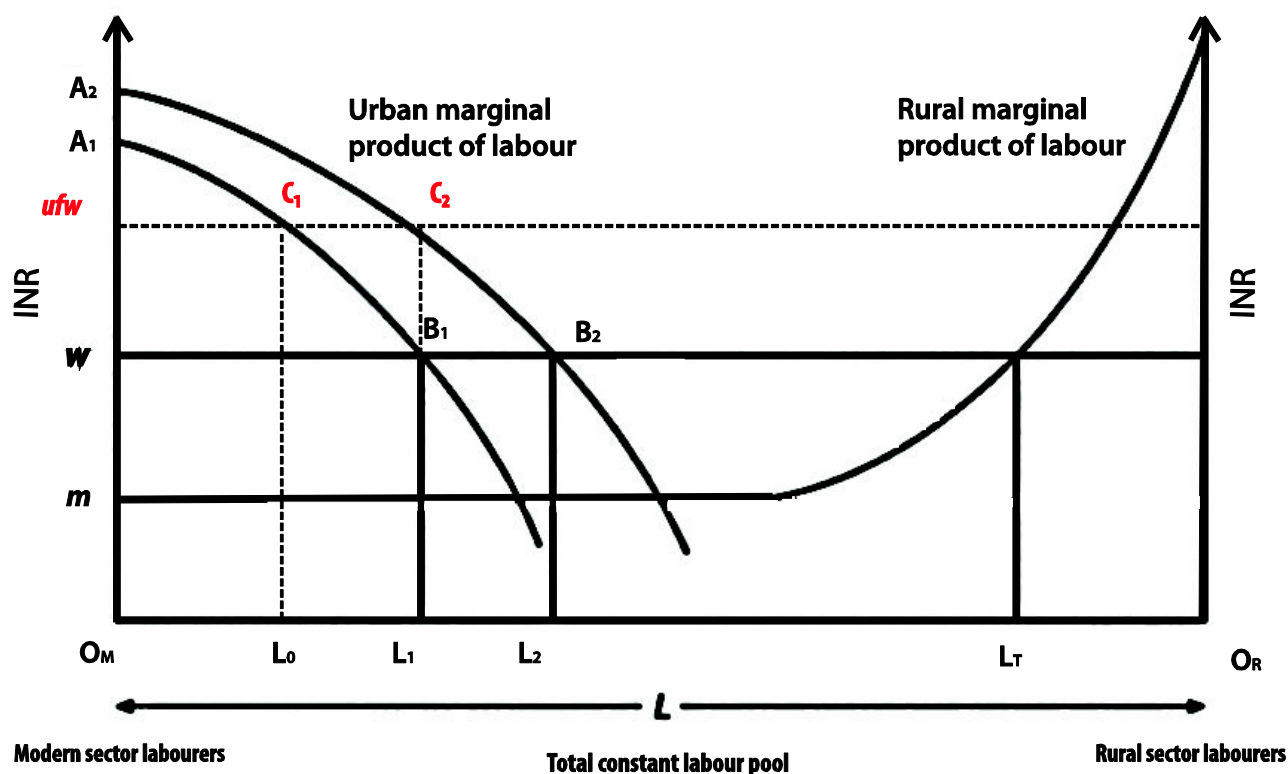


Figure 20 Basu’s interpretation of Lewis with my own modifications. (Basu, 1997)

Note 13 This is a modified model of Figure 5 which is outlined in chapter 4.5. In this model a new urban family wage level (ufw) is introduced.

central in the migration theory of Harris and Todaro (1970), but it will not be in focus here.

What is relevant is the Indian government's focus on formalizing the economic capital, and not the labourer. The government has done this in the belief it could speed up the introduction of capitalism to the poor traditional sector. Formalization of capital has led to a point where squeezing labour has become the driving force of India's relatively high growth rate. Problems arise when the profits do not trickle down, but instead trickle up through India's chain of economic activity (Breman, 2013). This is an example of how when new economic opportunities are introduced to highly hierarchical society, like India, increased polarization is often the outcome. This is highly interesting, but the growing inequality in contemporary India is not in focus in this thesis.

As long as this is the policy held by the Indian government, the major wage increase will still be far into the future for the average urban migrant. Some things are happening still. The minimum wage was just recently raised in urban areas of Haryana. The wage minimum level is still way below the figures the married migrants have informed as needed, but it shows that there is some progress. Public opinion in Gurgaon claim that the government is raising the wages way too late, and now only as an election gimmick and nothing more (The Times of India, 2013). Somehow the focus on the minimum wage feels somewhat misaligned. People do not seem to be seeking a "minimum wage"; they seem to be seeking a living wage.

The minimum wage of Gurgaon is close to equal to the wage earned by the married migrants. Still the wage is not sufficient to support a family in the city according to the concerned migrants. This might indicate the minimum wage regulations are followed by the urban informal segment, or that the minimum wages have been so low over the last years that it has not followed the national consumer price index (CPI). Reasons for this could be bureaucratic inertia or simply the consumer price rising too fast. During the last three and a half years the Indian CPI has risen by 37 %. The focus on minimum wage was somewhat misaligned, as it does not really say anything about real wage in a society which is experiencing a heavy inflation (Reuters, 2013). This argument with the rapid rising consumer price is very interesting, but it would need more research to be fully elaborated.

These are all implications that might occur if the married migrants were to earn the wages they feel they need to support their whole families in the city of Gurgaon. This takes us to the concluding remarks where the main arguments of this thesis and analysis will be presented. The research problems and hypotheses will be revisited and the main arguments are listed.

Chapter 7: Concluding remarks

The focus of this thesis has been to examine labour migrants and their contribution to development. The main objective was to elaborate the function of the labour migrants in the process of growth and development in Gurgaon. Furthermore the research problems, hypotheses and research questions have been discussed in relation to this primary objective. Results from my survey and the informants' statements clearly indicate that the married migrants, currently working within the modern sector in Gurgaon, feel they need to earn more in order to support their family in the modern sector. This is in accordance with Research Problem I and Hypothesis I which propose exactly this. These wage levels also highly influence the development of India, and put in relation to the Lewis' theory it is very relevant for Research Problem II as well.

There is a strong indication that my Hypothesis I; "*Migrant do not earn enough to support their families in Gurgaon*" is not false.

In monetary terms these insufficient earnings amount to around INR 5000 in deficit every month. This means an increase of as much as 55 percent on their average monthly wage of INR 9000 is needed to reach the perceived average needed monthly wage of approximately 14000 rupees. Reasons for these insufficient wages have been reflected over in the analysis and the main arguments are as follows:

- The renewal of both social and cultural capital in the reproduction of the labour force has been externalized to the traditional sector, which reduces the economic cost for employers in the modern sector. This leads to lower costs for the employer. The migrant still has to be economically responsible for the renewal of labour force through remittances sent from the modern sector wage.
- The employers in the modern sector are not responsible politically nor accountable financially for the external political and economic systems. Because of this they are able to set the wages at the current level.
- Minimum wage is supposed to set a wage high enough for workers to get by, but this is not the case. The minimum wage is very much in accordance with what the married migrants earn at the time, but, as seen, this is not sufficient for supporting a whole

family in a city like Gurgaon. Some migrants earn considerably less than the minimum wage. This is possible because of the very loose regulations of the informal segment. Close to 60 per cent explicitly remarked they felt it was “*too expensive to live in the city*”.

- Migrants pay for the renewal of the labour force through remittances (96% of the married migrants remit) and the average amount of wage remitted is as high as 33 %. This leaves many migrants in, what I would call, *self-invoked subsistence living*. This self-invoked living is very much in accordance with Lewis’ theory that entailed exploitation of the poor. This even if it is self-invoked.

It has to be noted that some informant did not want their families in Gurgaon at all. This was due to various reasons such as family feuds and a general desire to prefer living rurally. These opinions were sporadic.

Research problem II has similar traits as Research Problem I and Hypothesis I, and was outlined as follows;

Can Lewis’ model explain the development outcome of the rural – urban migration in India?

In the analysis, statistics was used to show how India can fit into the picture of the development process inherent in Lewis’ development model. This also implies that the Research question; “*Is the current wage regime just a stepping stone in a larger development picture, as according to Lewisian development theory?*” is very much plausible. As shown; the development of India has followed the characteristics of Lewisian development for many years, and there is to my knowledge no severe indication for it to stop.

The development outcome has been elaborated through Basu’s model both with *contemporary wage level* and with the perceived *family wage level*. The future development challenges to India are great. The outcome of-, challenges to- and the most prominent arguments for continuous development will now be presented along with possibilities for further enhancement of migrant lives and development.

7.1 Development of India

Research question II questioned whether India can be reckoned to be in the middle of a Lewis development phase. Most of the prerequisites for Lewisian development are in place in contemporary India, including unlimited supply of labour and several hubs of expanding modern sectors. It is possible to place India in such a development phase (Lewis, 1954). It is of course difficult to become a perfect fit, but as shown in the analysis; India fit most of the characteristics. As for India the challenge is not help to overcome the Lewis turning point (as is the case more and more for countries, like China). The challenge is to reach a phase of development where this scenario is actually a worry. As we have seen from India's demographics they have a growing labour force at the core age (20-39 years of age), which can, if governed right, be fuel for a future extensive growth of the Indian society and economy. That phase is still a long way into the future. A great challenge in India today is that the fruits of economic development need to be shared with the largest sections of the population (Gill, 1998). This is a very serious issue in contemporary India. By deciding the policy of formalizing capital instead of the labour the government has sort of made a statement of development without much consideration to the "well-being" of the workers. A pattern of growth in non-agricultural jobs/modern sector, in which most labourers are moving out of the subsistence sector is absorbed in to the low wage informal segment will not lead to a very rapid growth of per capita income for the large segment of the labour force (as we have seen from the analysis) (Ghose, 2010). India has opted to speed up the transition to a capitalist economy and society on the basis of cheap labour producing as much as two-thirds of the GDP growth. This is the exact growth pattern of the Lewis theory of growth with unlimited supply of labour. Development occurs when low-skilled labour has the geographical labour mobility to migrate to a few modernized hubs because of the slightly higher wages. The exploitation of the workers, as in the low wages, ensures higher profits for the employers. This profit will again be invested to ensure further economic growth. According to Ranis (2004) this pattern of growth will not be sustainable for a long period since the expansion of the demand for non-agricultural good, particularly of manufactured consumer goods, would not expand at a high enough rate to support the continued growth of the non-agricultural sector at the desired rate. Possibilities for solving such a challenge might be in enhanced *governance* and increased exports. Another challenge as Mazumdar and Sarkar (2008) points out that India's wealth creation happens through tertiary and quaternary businesses and not so much through the

more labour intensive industrial businesses. Exporting services might not be as easy as exporting commodities, but Gurgaon is also a site with a lot of service exports. Another problem arising in relation to this is the incredible gap in *human capital* between the low-skilled migrants and those in the tertiary and quaternary businesses.

Does development have to come in defiance with migrant labour rights? Does development have to keep exploiting migrant labour to ensure continuing economic growth? The clue to improve conditions for labour migrants may lie in *governance*. Santhapparaj (1998) claims that due to the dynamics and location specificity of migration processes it is not feasible to create a universal or normative policy to control and regulate migration. Gill (1998) has on the other side outlined some steps which could improve the conditions for migrant labour.

- There is a need to integrate local and migrant labour as a measure to avoid segmentation, which is needed to avoid a decrease in wages of the local labour. The difference between local and migrant labour indicate that there still is some integration issues. Local labour earns, according to my survey, in general 14 per cent more than migrant labour. This view is also shared by Ghose (2010).
- Necessary to establish reasonable minimum wages to migrant labour. The minimum wages currently set for unskilled and low-skilled labour is insufficient for most migrants in Gurgaon. The minimum wage requirement is in general coherent with the experienced migrant wage. The nominal minimum wage might lag behind compared to the consumer price index, and thus artificially low in relation to a living wage. There are also problems regarding the implementation of the minimum wage as most migrants belong to the informal labour market where regulations not always are followed as prescribed.
- Prevent discrimination between local and migrant labour. Discrimination between local and migrant labour, besides wage and caste differences, is not something my informants put emphasis on. Caste differences are a real problem, which also is reflected in the informants' statements. If this is a particular problem between local and migrant labour is in Gurgaon not to my knowledge known, but there has been problems regarding this in cities like Mumbai and Kolkata according to migrant's statements. The caste system, and relations to it, is very complex and would have

needed more thorough research if it was to be implemented in this thesis. In general it was also an off topic

One of my informants (Man, 47) summed up the situation in India excellently with a statement where he quoted Amarjeet Sinha (2013): *“You know what? I’ll tell you, I want to quote Sinha: “What is good for a human being, is also good for economic growth”. This is what the policymakers in India don’t understand.”*

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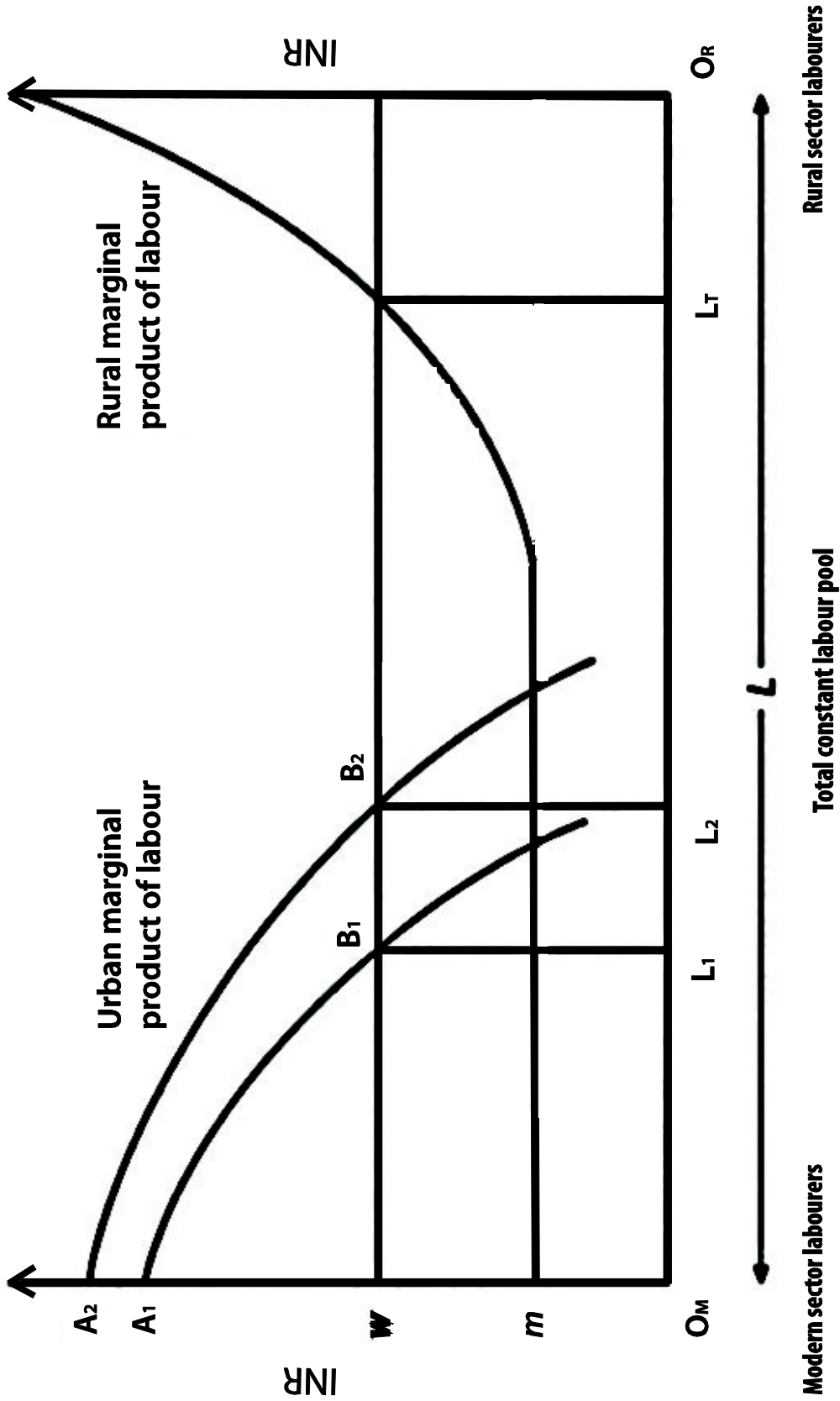
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Appendix A: Basu's interpretation of Lewis model



Note 14 L is the total amount of labour within the economy – putting the question of increasing population aside. O_M is the origin of the modern sector labourers while O_R is the origin of the rural sector labourers. L_1 describes a situation where most of the labour resides within the rural sector, while few reside within the modern sector. L_T describes a situation where most of the labour resides within the modern sector. The wage in the urban sector, w , is a great deal higher than the rural level (m). It is assumed that both sectors produce the same kind of commodity. In the initial period, the marginal product of labour (MPL) in the urban sector is A_1B_1 . The rural MPL will be horizontal over a considerable stretch. In L_T the modern sector has absorbed the rural sector and rural MPL grows above urban wage (w).

Appendix B: Abbreviations

CPI – Consumer Price Index

DLF – Delhi Land and Finance

GDP – Gross Domestic Product

HUDA – Haryana Urban Development Authority

ILO – International Labour Organization

INR – Indian Rupees

LTP – Lewis Turning Point

MGNREGA – Mahatma Gandhi National Rural Employment Guarantee Act

MPL – Marginal Product of Labour

NCEUS – National Commission for Enterprises in the Unorganized Sector

NCR – National Capital Region

NSSO – National Sample Survey Organization

RP – Research Problem

RQ – Research Question

RTE – Right to Education Act

TNC – Transnational Corporations

UFW – Urban Family Wage

UN – The United Nations

WFU – Whole Family Urban

Appendix C: Questionnaire

QUESTIONNAIRE DELHI/GURGAON SEPTEMBER 2013

1. Age _____
2. What is your native home city and state

3. What is your marital status and do you have children?
 Married
 Unmarried
 Children, if yes; how many? _____
4. Do you have an education, in which case what?

5. What is your current occupation?

6. Salary, how much do you earn each week/month?
 Week _____
 Month _____
7. How is the work relation conducted?
 Oral agreement Written Contract Day-to-day work
8. How do you live?
 Flat
 Shared flat
 Dormitory
 Shelter
 At the workplace
 Shanty
 House
 Other, please specify _____
9. How much do you spend on housing each
 Month? _____
 Week? _____
10. How much is spent on food each
 Month _____

11.If married - How much do you think you would have to pay (minimum) to house your closest family in the city each month? (Food, housing, school, day-to-day expenditures)

12.What do your family do for work “back home”?

13. Do you send money to your relatives? If yes, approx. how much each month?

YES NO _____

14.For what are the money sent used?

Education for children

Buy more land

Build a new house

Medication or other health purposes

Dowry

Debt repayment

Other. Please specify _____

15.For how long have you worked in the city?

Under 6 months

Between 6 months and 1 year

Between 1 year and 3 years

Between than 3 and 10 years

More than 10 years

16.Are there any laws or regulations that affect your life in a positive or negative way? If yes, what kind of laws or regulations?

YES NO _____

17.If possible, would you like to relocate your whole family to the city? If no, why not?

YES NO _____

18.Did your parents also take part in any form of migration?

YES NO

19.Do you plan to move back to your native home place?

YES NO

20.Seasonal migrant?

YES NO

Additional information:

Appendix E: Spreadsheet from World Development Indicators – India (The World Bank, 2013b)

Year	Arable land	Population	Urban population	Population growth	Rural population growth	Urban population	Rural population	Urban population	Employment in industr	Employment in service	Employer
1960		449595489	2,343913899	1,961573781	1,878271338	82,076	17,924	17,924			
1961	52.7	458626687	2,944968164	1,988829589	1,778803397	81,9038	18,0962	18,0962			
1962	52.9	467962144	2,962165321	2,01508427	1,804616493	81,7316	18,2684	18,2684			
1963	53	477615992	2,98016141	2,041964185	1,831052119	81,5594	18,4406	18,4406			
1964	53.2	48707406	2,999829387	2,070354057	1,858996556	81,3872	18,6128	18,6128			
1965	53.3	497952332	3,020293789	2,09937674	1,887571234	81,215	18,785	18,785			
1966	53.7	508656247	3,159519795	2,126808513	1,886416403	81,02	18,98	18,98			
1967	53.8	519722246	3,174364194	2,152208787	1,91123737	80,825	19,175	19,175			
1968	53.8	531160986	3,188875085	2,177062387	1,935508971	80,63	19,37	19,37			
1969	54	542983934	3,203136266	2,201458158	1,959919704	80,435	19,565	19,565			
1970	53.7	555199768	3,216569159	2,224825931	1,982099919	80,24	19,76	19,76			
1971	54	567805061	3,823584515	2,245016602	1,852422434	79,9256	20,0744	20,0744			
1972	54.3	580798773	3,816655208	2,262619356	1,86847782	79,6112	20,3888	20,3888			
1973	54.6	594192969	3,810233046	2,279977934	1,884276659	79,2968	20,7032	20,7032			
1974	54.8	60802572	3,804688762	2,297498198	1,90022497	78,9824	21,0176	21,0176			
1975	54.9	622232355	3,798257953	2,313447186	1,914589521	78,668	21,332	21,332			
1976	54.9	636883717	3,969521564	2,327350695	1,877364298	78,3148	21,6852	21,6852			
1977	55	651935141	3,951437286	2,335798896	1,883778562	77,9616	22,0384	22,0384			
1978	55	667339022	3,925261561	2,335311566	1,881238729	77,6084	22,3916	22,3916			
1979	54.8	683032539	3,889496685	2,324430408	1,868286175	77,2552	22,7448	22,7448			
1980	54.8	698965575	3,846848079	2,305899237	1,847664814	76,902	23,098	23,098			
1981	54.9	715105168	3,359342078	2,282812179	1,957194175	76,652	23,348	23,348			
1982	54.7	731443752	3,324133888	2,259070346	1,932387966	76,402	23,598	23,598			
1983	54.9	747986284	3,290270877	2,236431746	1,90867873	76,152	23,848	23,848			
1984	54.9	764749394	3,259204306	2,216354971	1,88752412	75,902	24,098	24,098			
1985	54.9	798941802	3,229040272	2,196953918	1,867038132	75,652	24,348	24,348			
1986	54.9	798941802	3,157104451	2,177037477	1,859556446	75,4122	24,5878	24,5878			
1987	54.8	816328792	3,123465443	2,152910062	1,83441769	75,1724	24,8276	24,8276			
1988	54.8	833833510	3,082880799	2,121654895	1,802144966	74,9326	25,0674	25,0674			
1989	54.6	868890700	3,033927211	2,081858188	1,761324028	74,6928	25,3072	25,3072			
1990	54.6	886890700	2,979595589	2,036500458	1,714935693	74,453	25,547	25,547			
1991	54.5	886348712	2,815730218	1,989311271	1,704161649	74,241	25,759	25,759			
1992	54.5	903749634	2,763838663	1,94419174	1,658267888	74,029	25,971	25,971			
1993	54.5	921107531	2,715423231	1,90244166	1,615656516	73,817	26,183	26,183			
1994	54.4	938452550	2,671976128	1,865550803	1,57940879	73,605	26,395	26,395			
1995	54.3	955804355	2,632068728	1,832094718	1,543655244	73,393	26,607	26,607	15,69999981	23,70000076	60,5
1996	54.3	973147577	2,5918753	1,798250031	1,508976144	73,181	26,819	26,819			
1997	54.3	990460131	2,550763381	1,763387111	1,473274057	72,969	27,031	27,031			
1998	54.2	1007746556	2,51146215	1,730237054	1,43927988	72,757	27,243	27,243			
1999	53.9	1025014711	2,474195379	1,699025919	1,407219633	72,545	27,455	27,455			
2000	53.8	1042261758	2,437822201	1,66861544	1,375955157	72,333	27,667	27,667			
2001	53.8	1059500888	2,767586041	1,640481778	1,205988954	72,0194	27,9806	27,9806	16	24	59,900002
2002	53.6	1076705723	2,725361267	1,610818628	1,174429503	71,7058	28,2942	28,2942			
2003	53.5	1093786762	2,676221521	1,573964596	1,13566295	71,3922	28,6078	28,6078			
2004	53.4	1110626108	2,618054641	1,527814847	1,087583563	71,0786	28,9214	28,9214			
2005	53.2	1127143548	2,554749711	1,476268117	1,034090245	70,765	29,235	29,235			
2006	53.1	1143289350	2,575187867	1,422290365	0,942088877	70,426	29,574	29,574	19	25,20000076	55,799999
2007	53.1	1159095250	2,512781379	1,373024152	0,890505554	70,087	29,913	29,913			
2008	53	1174662334	2,461011615	1,334098708	0,849240623	69,748	30,252	30,252			
2009	52.9	1190138069	2,423214549	1,308859379	0,821638871	69,409	30,591	30,591			
2010	53	1205624648	2,394922674	1,292848795	0,803242888	69,07	30,93	30,93			
2011	52.9	1236686732	2,453215221	1,280039961	0,750189378	68,705	31,295	31,295	22,39999962	26,60000038	51,099998
2012		1236686732	2,423331409	1,263760083	0,731087112	68,34	31,66	31,66			
2013		1252139596	2,388074689	1,241795171	0,706269468	67,975	32,025	32,025	24,70000076	28,10000038	47,200001