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Tom Barnes
Informal Labour in Urban India – Three Cities, Three Journeys

Routledge, London and New York, 2015, pp. 202, hardback edition, \$170.

Reviewed by Sohail Ahmad

The Indian labour market is predominated by informal employment, with more than 90 per cent of informal workforce working as self-employed or casual workers. In the absence of social security benefits for informal labour, this labour category tends to be associated with lower earnings and higher risks and, therefore, prone to increased prevalence of poverty and inequality. Moreover, informality has not been limited to unorganised sector but extends increasingly to the organized, formal sector.

India's labour-related acts and regulations are often said to be excessively pro-worker, leading mainstream analysts to contend that the state has caused labour market rigidity which, in turn, creates the shadow economy with a large share of informal labour workforce. Based on this line of analysis, mainstream analysts contend that there is a need for appropriate flexibility in Indian labour laws to compete industry globally, without compromising the labour welfare. Where such flexibility structures have failed, mainstream thinkers claim that the interventions to create flexible labour market are insufficient and weak. To address these issues there is a need, the orthodoxy claims, for enabling markets and environment for developing a 'formal' labour culture, using incremental approaches, which need a thorough understanding of mainstream labour economics (for a critical review of such mainstream narratives, readers can see Obeng-Odoom's book, *Reconstructing Urban Economics: Towards a Political Economy of the Built Environment*, 2016: chapter 5).

Informal Labour in Urban India, the book under review, however, challenges this mainstream analysis. Written by political economist Tom Barnes, it contributes to conceptual and theoretical development of understanding the expansion of informal wage labour in small and large enterprises, including the organised sector. The book presents excellent empirical analyses of the informal labour market, using changes to employment in three key mega urban regions Mumbai, Bangalore, and Delhi. The book comprises of six chapters, namely: India's informal economy; mapping informal labour in India; Mumbai; Bangalore; New Delhi; informal labour and resistance.

India's economic development differs from the West or even Northeast Asian regions. Unlike western economies, India's industrial development is dominated by informal labour employment. Based on theoretical and empirical evidence, the author presents two reasons: employers' exploitation of India's well-established social structure of accumulation, and usual global process of international competition and exchange. Notably organised sector has systematically exploited the informal labour market by sub-contracting activities or labour contract. While presenting measurement and monitoring of informal labour in three megacities, using datasets from Economic Census (EC) and National Sample Survey Office (NSSO), the book presents three perspectives of the informal economies: analytical categorisation of disadvantage and disempowerment; informal economies as diverse grouping of economic activities, in which state rules and regulations are absent, relaxed, or

eroded; and dynamic historical and spatial processes linked to various types of work and employment.

He succinctly notes Mumbai's shift towards the employment of wage labour in informal enterprises between late 1990s and mid-2000s, and explains through the structure and composition of the region's labour force. For instance, between 1998 and 2005, employment fell by about 54,000 in Own-Account Establishments (OAEs), and by 320,000 in Establishments with Hired Workers (EHWs). This shift was mainly due to the expansion of informal trading and manufacturing enterprises, the closure of factories and large-scale production units, the reduction of factories' workforce by rationalising production or attrition through voluntary retirement schemes, and restructuring of industrial labour into smaller units to enhance control of the production process or to avoid protective labour laws. In a geographical sense, the author provides evidence that manufacturing output, and therefore employment, has been displaced from Greater Mumbai to outer or peri-urban areas. In the second case study, of Bangalore, the author analytically reveals a shift towards employment of wage labour but also significant growth in large-scale organised sector enterprises. For instance, between 1998 and 2005, employment in EHWs grew by 29%, while OAEs fell by 5% in urban Karnataka. In the third case study, of Delhi, the author suggests a combination of 'Mumbai-type' and 'Bangalore-type' informalisation, with decline in the labour of large organised sector firms in expansion of large-scale industrial production, and systematic replacement of 'formal' workers with 'informal' workers employed casually or through networks of contractors. Given relocation of industries, workers have been also relocated in outer metropolitan and peri-urban areas. The vast majority of workers in urban areas relies on wage labour. Non-waged position in OAEs fell relative to wage position in EHWs. Most of increase in wage employment was in small establishments rather than in large factories and offices.

While presenting reliable empirical evidences, the author has judiciously used the best available data sources on employment, like EC and NSSO, as well as critical analysis of secondary source material and field research. This combination of methods has strengthened the overall argument. To show the miserable condition of informal labour, he compares wages between formal and informal labour and points out the existing disparity between them.

While presenting the nexus between urban development and informal workforces, at least in Mumbai and Delhi, the author provides evidence that working population has shifted into new communities in peri-urban areas or much further, often as a result of push factors such as slum relocation, or pull factors such as relocation or creation of employment opportunities, what Benjamin (2008) refers to 'occupancy urbanism'. Such pattern of dwelling relocation has been well documented but this book shows systematically how employment, including informal employment moves to peri-urban areas because of neoliberal policies in collaboration with urban policies and programs.

This book also highlights ongoing resistance in the informal labour market, particularly in the organised sector. The author rightly notes that informalisation marks the recent phase in India's historical development characterized by neoliberal policies and a new mode of exploitation among classes of labour. From labour's points of view, certain successes have been achieved in negotiating social security benefits, but still enormous challenges remain. The future lies in resistance and understanding the processes that produce positive results across classes of labour, which may be replicable elsewhere.

The analysis in this book could be further extended. Although the author has investigated empirical data sets in macro perspective, another set of analysis based on multivariate analysis in micro perspective could be a good complement to understand why individuals or households join informal labour markets. This micro level perspective of informal workforces could shed light on causality, after controlling for socio-economic characteristics. Potentially, micro data with the National Sample Survey Office or Indian Human Development Surveys could be used for such analysis. Besides studying mega urban regions, this book presents a great deal of analysis at district level where these megacities are located. A visual presentation of spatial analysis using GIS could be useful in understanding the location of informal labour in reference to these megacities. These additional analyses could complement and not change the overall argument presented in the book.

Tom Barnes has made an important contribution to understanding the informal labour market in urban India. This book is a must read for those interested in informal labour markets, but also for those interested in the nexus between urban development and the labour market. Researchers, teachers, and students in the fields of urban labour, urban

planning, economic geography, international development and development studies will find this book very useful, as will those generally interested in South Asian studies.

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Edward O'Donnell Henry George and the Crisis of Inequality

Columbia University Press, New York, 2015, pp. 376, paperback edition, \$35.

Reviewed by Franklin Obeng-Odoom

During the Gilded Age of the 19th Century, Henry George was a household name in political economic analysis of growth, inequality, and poverty. However, as Mason Gaffney shows in his famous work, 'neoclassical economics as a stratagem against Henry George', published in *The Corruption of Economics* (1994), the rise of neoclassical economics pushed Georgism into obscurity. Until recently, most political economists thought of Henry George merely as an advocate of land tax, while most development practitioners knew next to nothing about George's penetrating analysis of inequality. However, some resurgence of interest in Georgist political economy may result from the publication of John Pullen's *Nature's Gifts* (2015), a major book on Henry George's lectures in Australia, its review by Frank Stilwell in this journal (Stilwell 2016) and the recent release of P.J. Bryson's major book, *The Economics of Henry George: History's Rehabilitation of America's Greatest Early Economist* (2011), positively reviewed in the *American Journal of Economics and Sociology* by Columbia University professor M.M. Cleveland (2013). The book under review - *Henry George and the Crisis of Inequality* (2015) - is yet another testament of the renewed interest in Georgist political economics in the modern gilded era.