The permanence of temporary workers

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Cities bring with them a sense of permanence. Many of them have been around for hundreds of years. Some of their more memorable institutions too tend to have long histories. It is no surprise, then, that most of urban policy takes aspects of a city to be given. While migration into the city necessarily brings new elements into that urban space, it is typically assumed to be a unidirectional phenomenon with the migrants being expected, by and large, to become permanent residents of that city. Major Indian cities, though, don’t always fit neatly into this pattern. They often provide a critical place for workers who are not permanent residents of that city.

This phenomenon is prompted primarily by the nature of Indian urbanisation. As usually happens with economic development, the share of agriculture in GDP income has been declining rapidly, with it hovering around the 15 per cent mark today. Economists would expect this decline to prompt large-scale migration of labour into the city in search of work. This expectation underlies many of the projections of rapid urbanisation in India.

Slow growth

In reality, the actual rate of urbanisation has been much slower. India’s electoral democracy has ensured that the effects of a declining share for farmers in national income have been at least partially compensated through welfare measures. Several States provide basic foodgrain at prices even poor farmers can afford. The Mahatma Gandhi National Rural Employment Guarantee schemes also ensure that when pushed to a wall there is a basic minimum amount of physical work available for at least a part of the year. In an economy with very little protection for unorganised labour, their rural base provides a safety net.

Drawing workers away from the relative safety of the village into the urban economy thus requires working in the city to be more attractive. In terms of wages this is largely so. But for workers to make a permanent shift from the village to the city they need far greater security of employment that the Indian urban economy currently provides. In addition, the cost of living in a city is a huge deterrent. Even a basic requirement like owning a home is far beyond the capacity of workers migrating from villages.

Rural workers then face the choice between a safety net in their villages and higher earnings in the city. And they typically respond by trying to have both by seeking the higher wage employment of the city even as they retain their base in the village. The urban economy then becomes their workplace from which they send remittances home. They are willing to work and live in abysmal conditions in the city for months at a stretch as long as they can keep saving and building their assets at home. Often, a part of the family works in the city for a part of the year while the rest of the family remains at home. The commute to work is no longer within the city but could be across the country, with States such as Bihar throwing up a large number of such mobile workers. The place of these workers in the city then becomes permanently temporary.

Permanent demands

The existence of this permanently temporary workforce alters the demands on the city in a way that policymakers don’t always recognise. It creates a demand from the poor for rented accommodation rather than owned houses. As most urban housing schemes focus on owned houses, and do not cater to these temporary residents of cities, there is virtually no policy to house the poorest workers in the city.

The existence of large numbers of permanently temporary workers alters the demand for other infrastructure as well. They are dependent on inexpensive mobility across the country, a facility provided only by the railways. They also rely very heavily on low cost mobile telephony as it helps them retain contact with their family at home.

These demands challenge some of the current conventional wisdom in Indian policymaking. There is a belief that
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The spectrum for mobile telephony should be given to the highest bidder. This faith has not been shaken even when there are signs that this will hurt the cost or quality of mobile telephony, if not both. Apart from making it more difficult for workers to stay away from their families for long periods of time, it will hurt the ability of contractors to contact workers in distant States. Similarly, higher rail fares will raise the costs of tapping distant workforces. If we keep ignoring the requirements of permanently temporary urban workers it will, sooner rather than later, hurt the economies of our cities, and in turn our urban growth story.

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