

# Bypassing the Squalor: New Towns, Immaterial Labour and Exclusion in Post-colonial Urbanisation

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India's "bypass" approach to urbanisation seeks to decongest its post-colonial metropolises by building new towns for a new economy of knowledge-based activities and businesses driven by global capital on their fringes. The globalised economy, hegemonised by immaterial labour, creates conditions for these new towns to culturally secede from their national or regional location and align themselves with the global cities. However, the condition of post-coloniality, characterised by capital and its wasteland, manifests itself in the new towns as the slow but inevitable encroachment of the excluded population on these new zones of exclusivity.

According to the *India: Urban Poverty Report*, the urban population in India is growing at a rate faster than the total population, and by 2030, 41% of the country's people will live in cities and towns (GOI 2009). This will create immense pressure on India's urban economies with their already massive deficits in infrastructure and civic amenities. Moreover, the big cities in India are growing faster than small and medium towns. The government has responded to this coming crisis by promoting new townships close to Indian metropolises in an attempt to decongest them (Wang, Kundu and Chen 2010). However, the development of new towns functions less as a means to decongest the older metropolitan centres than as a means to bypass them. This is the new face of urbanisation in India; it relies on the "bypass" approach to urbanisation instead of the urban regeneration approach one finds in western cities.

In the urban regeneration approach, comprehensive action is taken to overhaul the physical, social, economic and environmental character of an urban space that has degenerated over time. More often than not, the idea is to reclaim a position in the global economy as a reinvigorated centre for business, professional assemblage and tourism. To this end, cities are transformed into "entertainment machines", where high value-producing workers "make 'quality of life' demands, and in their consumption practices can experience their own urban location *as if tourists*, emphasising aesthetic concerns" (Lloyd and Clark 2001: 357). The new face of western cities is largely explained by the decline of the industrial economy in the cities and the rise, in its place, of a new economy that revolves around finance, producer services, entertainment, information technology, media, and so on, which is referred to as the "informational economy" (Castells 1989), post-industrial economy (Sassen 2001) or even postmodern economy (Hardt 1999). In contrast to an industrial proletariat, the workers in this new economy, who assert their quality of life demands on the city, are producers of symbols, simulations and information. Their quality of life demands have triumphed over the logic of social reproduction that constituted the urban space in the Fordist era, leading to the gentrification of cities and the exclusion of disadvantaged urban populations and the traditional working class (McGregor and McConnachie 1995; Smith 2002).

In Indian cities, a "new" class of workers, which has been the result of the cities inserting themselves into the hegemonic sectors of the global economy, has increasingly asserted its demands for an aestheticised urban space. The urban elite in many Indian cities, in their aspiration to be located on the map of global economy, are pushing through urban transformations as preconditions for

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entry to the hegemonic sectors of global economy. However, the strategy of gentrification has not worked smoothly within the older metropolises because of the presence of a large informal economy and the democratic processes within which they have often succeeded in securing conditions for their social reproduction against the demands of the elite urban middle class. The trench warfare between hawkers and the urban aspirational middle class in Indian metropolises is a case in point.

In Chatterjee's influential analysis (2004, 2008), this large urban informal workforce negotiates with a governmentalised state to secure conditions of their social reproduction, often outside the bounds of legality. Chatterjee calls this space of negotiation "political society", which is distinct from "civil society", where demands of the aspirational middle class are articulated. Urban governmentality often limits the ability of the planners to engage in western-type gentrification of metropolises in India. The development of new towns or integrated townships close to existing metropolises in India is partly due to a vibrant political society that resists large-scale gentrification of the existing cities. However, proximity to the older metropolises is also partly due to the concentration of human capital and the entertainment industry in the big cities. The cultural divide between parochial rural India and cosmopolitan urban India makes metropolitan fringes ideal locations for new towns. More than 200 such townships, ranging in size from 100 acres to thousands of acres, especially around the four metros, are being constructed or awaiting approval (Joshi 2009).

In the bypass approach to urbanisation, older metropolitan centres are ceded to the existing mix of wealth and squalor, while new towns are developed as the location of a new economy and a new class of producers and consumers, who carve out an economic space different from both the traditional activities of the population displaced to make way for the new towns and the mosaic of economic activities that characterise the older metropolitan centres. In Gujarat, which adopted a policy on integrated townships in 2007, integrated townships are classified by use as technology parks, education-based townships, medical/healthcare townships, tourism-related infrastructure, logistics parks and residential townships. The policy is explicit in its recognition that knowledge-based activities and businesses are "driven by global capital and therefore locational decisions are taken by comparing the advantages of cities across the world" (Government of Gujarat 2007: 5). These new towns are aligned with the global economy rather than the national economy and in this sense are very different from those set up during the planning regime, either as new administrative capitals (Chandigarh, Gandhinagar, Bhubaneswar) or industrial towns (Durgapur, Rourkela, Bhilai).

In this essay, we argue that this new economy is hegemonised by what Hardt and Negri (2004) refer to as "immaterial labour" and the new towns are developed in the image of what Sassen (2001) calls "global cities" (that is, command centres of a globally dispersed world economy). We argue that while in the urban regeneration approach, devalourised material labour is banished from the metropolises, in the bypass approach, hegemonic immaterial labour is lured away from the metropolises. In both approaches, however, some economic space must give way to the

new economy – the burden falling mostly on petty producers in the unorganised urban economy in the case of urban regeneration, and peasants and rural manufacturers surrounding the city in the case of new towns. Thus, at the heart of urbanisation lies what Karl Marx called primitive accumulation of capital – the transformation of non-capitalist means of production into capitalist ones. However, the non-capitalist producers who are so displaced have no – or an extremely precarious – place in the new economy hegemonised by immaterial labour. So the very production of the new economy creates its own wasteland – the social space of a dispossessed labour force. If immaterial labour and global cities are novel forms of means of production, appropriation and distribution of capitalist wealth, primitive accumulation and exclusion remain operative at the heart of these transformations. Together, this set of processes is reshaping and restructuring urban space in post-colonial societies.

The essay is organised as follows. In Section 1, we discuss the concepts of immaterial labour (Hardt and Negri 2004) and global cities (Sassen 2001) and explore the connection between them to understand their hegemonic sway over post-colonial urban imaginaries. In Sections 2 and 3, we discuss the political economy of urban India in terms of the subsistence/accumulation duality. In Section 2, we argue that the bypass approach to urbanisation, which valorises accumulation over subsistence, accentuates the crisis of subsistence-oriented economic activities and the subsistence/accumulation contradiction plays out as an endless game of eviction and encroachment. In Section 3, we further explore the differences between an accumulation economy (a capitalist economy) and a need economy (we take self-employment as the most prevalent form of the need economy) and deploy a nuanced concept of primitive accumulation to make sense of the ongoing struggles against land acquisition for new towns. In the concluding section, we offer brief comments on the politics of the informal labour – often articulated as moral "rights to the city" – against which the bypass approach appears more a political than a planning strategy of global capital.

## 1 Immaterial Labour and Global Cities

Contemporary capitalism is radically restructuring urban space in ways that call for reconceptualisation of the urban political economy. In our attempts to do so, we have found Hardt and Negri's contributions on immaterial labour and Sassen's concept of a global city to be particularly useful. We note at the very beginning that the urban political economy is dominated, discursively more so than materially, by the following two phenomena. First, cities have been transformed from sites for production of surplus to sites for management of surplus, dominated by finance, banking, retail and insurance.<sup>1</sup> Second, where production in the city is involved, immaterial labour replaces material labour as the hegemonic form.

The great metropolises in both developed and developing countries have seen a decline in manufacturing employment and a rise of service-sector employment. There has been, in particular, a rise in employment in producer services (finance, legal services, design and innovation, insurance, information, and the like) that support a globally dispersed production network. The flip side of the global dispersal of production is spatial concentration of

management and services; that is, cities emerge as command centres of a globalised production system (Sassen 2001). This new role of global cities must be contrasted with their earlier role as centres of national production. The deterritorialisation of production requires a spatial fixation and a concentration of command and control functions. Hence the importance of producer services in the metropolitan economies. Moreover, industrial production itself has undergone a paradigmatic shift – a post-Fordist transformation in which production has become more sensitive to consumer preferences than in the mass production systems of the Fordist era. Instant communication between producers and consumers is central to the Toyotist model.

As Hardt (1999: 90) argues, in contemporary capitalism, “providing services and manipulating information are at the heart of economic production”, a transformation he refers to as “informatisation” of the economy. Information and communication are central to such industrial paradigms and the “division between manufacturing and services is becoming blurred” (Hardt 1999: 92).<sup>2</sup> All these transformations have provided grounds for the hegemony of immaterial labour. Hardt and Negri (2004) define immaterial labour as “labour that creates immaterial products, such as, knowledge, information, communication, a relationship or an emotional response”. For example, labour in academia, research and development (R&D) laboratories, advertising, fashion, media, information technology, entertainment, the hospitality industry, finance, banking and insurance. They identify two forms of immaterial labour – intellectual or linguistic labour and affective labour. The first form of immaterial labour is involved in “problem solving, symbolic and analytical tasks, and linguistic expressions” and “produces ideas, symbols, codes, texts, linguistic figures, images and other such products” (Hardt and Negri 2004: 108).

The second form of immaterial labour is related to the individual’s state of being produced, enhanced or tempered through services specific to particular social activities.

Affective labour is, then, labour that produces or manipulates affects such as feeling of ease, well-being, satisfaction, excitement, or passion. One can recognise affective labour, for example, in the work of legal assistants, flight attendants and fast food workers (service with a smile) (Hardt and Negri 2004: 109).

Immaterial labour is not divorced from the production of material products. A large part of immaterial labour – in finance, banking, insurance, retailing and information technology – is involved in the management of surplus value (in Marxian terms, appropriation and realisation of surplus value and the distribution of the appropriated and realised surplus value) generated in production of material products. They are wealth-managing rather than wealth-generating labour. But a part of immaterial labour is also capitalist wealth generating, that is, capitalist surplus value-generating labour, which creates immaterial products such as care work, tourism, travel, tax and legal consultancy, education, and so on. Intellectual and affective labour are hegemonic<sup>3</sup> not only in advanced countries, but also, and increasingly so, in developing countries.<sup>4</sup>

Cities that privilege immaterial labour are rebuilding themselves in the image of what Sassen calls “global cities” – cities that are command centres or control towers of globally dispersed material production. Such global dispersion of material production

involves relocating dirty manufacturing industries to developing economies, and within developing economies, outside the urban space where immaterial labour is hegemonic. However, global cities are those which concentrate key functions of coordination, command and management. According to Sassen (2001), the true global cities are a select few – she mentions London, New York and Tokyo. However, other cities, including some in the poorer countries, have “global city functions”, even if they are not first-tier global cities (Robinson 2002). There are still other cities, currently “off the map”, as Robinson (2002) puts it, but who aspire to establish themselves on the network of global cities. When we discuss post-colonial urbanisation, we understand the hegemony of the “true global cities” to extend over both those on the map and those aspirational cities “off the map” of the global economy.

In *The World is Flat*, Friedman describes the Infosys headquarters in Bengaluru. After sitting for an interview, Nilekani gave our TV crew a tour of Infosys’ global conferencing centre – ground zero of the Indian outsourcing industry. It was a cavernous wood-panelled room that looked like a tiered classroom from an Ivy League law school. On one end was a massive wall-size screen and overhead there were cameras in the ceiling for teleconferencing. “So this is our conference room, probably the largest screen in Asia – this is 40 digital screens [put together]”, Nilekani explained proudly, pointing to the biggest flat-screen TV I had ever seen. Infosys, he said, can hold a virtual meeting of the key players from its entire global supply chain for any project at any time on that supersize screen. So their American designers could be on the screen speaking with their Indian software writers and their Asian manufacturers all at once. “We could be sitting here, somebody from New York, London, Boston, San Francisco, all live. And maybe the implementation is in Singapore, so the Singapore person could also be live here ... That’s globalisation,” said Nilekani. Above the screen there were eight clocks that pretty well summed up the Infosys workday: 24/7/365. The clocks were labelled US West, US East, GMT, India, Singapore, Hong Kong, Japan, Australia (Friedman 2007: 6).

What is arresting in this description is the global connectedness of Bengaluru, its claim to fame resting more on it than its national location. Of course, Bengaluru or Hyderabad acts as back offices for corporations based in London, New York, Tokyo and Hong Kong. However, India has also come to be known in the richer countries as a country that can boast of Bengaluru, Chennai and Hyderabad and, of course, Mumbai as cities that epitomise its global connectedness. These cities are not compared to other Indian cities when it comes to urban lifestyles or governance, but to Shanghai, Hong Kong, Seoul and Singapore – cities that have already located themselves higher in the hierarchy of global cities. The dominant idea is that if India has to remain relevant to the world economy, it must enable these metropolises to transform themselves in the image of global cities. It thus becomes imperative that immaterial labour have hegemonic sway over these post-colonial cities and its quality of life demands triumph over demands for the social reproduction of other classes.

A striking feature of a deterritorialised production system is that its command and control functions, concentrated in the hierarchical global cities network, are delinked from national economies.

Cities have typically been deeply embedded in the economies of their region, indeed often reflecting the characteristics of the latter; and they still do. But cities that are strategic sites in the global economy tend, in part, to disconnect from their region (Sassen 2002: 21).

In post-colonial cities, this unhinging of the cities from their regional or national economies manifests in the dissociation of the new class of workers engaged in immaterial production from regional lifestyles and prevalent social modes of reproduction. The contemporary overlapping discourses on immaterial labour and global cities have provided powerful analytical tools to map a new economic geography of urbanisation. The transformations in the global industrial economy, in its geographical aspect and its paradigmatic form, have enabled the hegemonisation of immaterial labour. Moreover, in a global economy, cities across the world must strive to link up to the global cities, even if in a hierarchical relation, to stay connected to the global economy, and must thus reproduce the hegemony across the chain of linked cities.

The flip side of the hegemony of immaterial labour is the devalorisation of material labour. Material production becomes a dirty activity, which is to be relocated outside the city limits, just as city waste is dumped on the outskirts of the city. The traditional proletariat and informal labour force appear as producers of “dirt” to those who are detached from material production. Immaterial labour – symbolic, communicative and affective – is clean labour. It is often cost-effective to create a new urban space on the fringes of the old metropolis, which can then attract its clean labour from the old city. Therefore, the hegemony of immaterial labour has to be established in the new towns, which would require keeping traditional industries as well as informal production of goods and services outside their limits. But Sassen reminds us that the dominant narrative of globalisation is exclusively preoccupied with the upper circuit of global capital, and not with the demand for numerous low-paid unskilled jobs that the corporate firms and the corporate lifestyle of its employees generate – janitors, nannies, housemaids, cooks, drivers, security guards, handymen, and so on. This part of the labour force belongs to what Sassen calls the “survival circuit” of the global city. In the western world, the survival circuit is populated by immigrants, particularly women. In post-colonial cities, the vast surplus population provides ready recruits for these jobs.

However, Sassen does not push the story far enough. The labourers in the survival circuit cannot survive on the incomes derived from the upper circuits of the global city unless there is a non-capitalist economy that supplies them with subsistence goods. Thus, material production of goods and low-end services, predominantly in the urban informal economy, become central to the reproduction of the survival circuit of the global city. If new towns are constructed to keep material production at bay, the presence of a survival circuit within its space brings back the squalor and dirt of material production.

In the global cities literature, it has been pointed out that these global cities are marked by extreme inequality, the survival circuits in these cities being the location of victimised labour. We would, however, argue that such accounts of victimisation and marginalisation tend to emphasise only one side of a dialectical process, where, on the other side, survival circuits impose limits to urban transformation according to the quality of life demands of the hegemonic workforce engaged in immaterial labour. These survival circuits often succeed politically to assert their own demands for conditions of social reproduction, which undermine

many of the conditions of the circuit of the global economy. The spectacular defeats of the survival circuits often overshadow the continuous and incremental gains made by them. This is true even for new towns that try to bypass not only the older metropolises, but also the contradiction between the two circuits itself. To inscribe this dialectics at the heart of contemporary post-colonial urbanisation, one must deploy categories of classical political economy to further problematise the account of an urban economy in terms of global cities and immaterial labour.

## 2 Bypass, Encroachment and Eviction

In our earlier work (Sanyal 2007; Sanyal and Bhattacharya 2009), we had argued that the concepts of a need economy and an accumulation economy were useful in characterising a post-colonial economy. We conceived these two sub-economies as organised around two different economic objectives – whereas the need economy is organised around the provision of subsistence to the producers, the accumulation economy is organised in just the opposite manner, around accumulation of surplus. We had noted that, in India, the majority of the labour force was still trapped as disguised unemployed in agriculture, employment hardly increased in response to the spectacular growth rate in output of the formal sector and consequently the expanding informal sector created most of the additional workforce each year. These led us to characterise capitalist development in India as exclusionary. At the heart of exclusionary capitalist accumulation are the processes of primitive accumulation. The accumulation economy expands by usurping the resources that lie outside it – from its non-capitalist outside. But unlike Marx’s narrative of enclosures in 18th century England (1906), the dispossessed do not find employment within the accumulation economy today. They become a part of the surplus population; that is, an excluded labour force that survives on a residual resource base. We distinguished the surplus labour force from the notion of a reserve army of labour in the Marxian literature. Unlike the concept of a reserve army of labour, we did not consider this surplus population as functional to capitalist accumulation. In our view, this surplus population was redundant as far as capitalist accumulation was concerned.

It is this surplus population, excluded from the capitalist economy and redundant to the economic reproduction of capital, that populates the need economy. Extending Sassen’s arguments, we try to argue that in the political economy of the new towns, the need economy and the accumulation economy are bound together by economic logic. If new towns are built by displacing peasants, rural and peri-urban petty producers as well as old industries whose workers lose jobs and lack the skills for immaterial production in the global circuit, the presence of a survival circuit in the new towns implies that a need economy (a production economy that supplies subsistence material goods as well as low-end services) must emerge for the social reproduction of labourers in the survival circuit. Those displaced by the new towns must return as producers and providers of subsistence to the labourers in the survival circuit.

The case of Navi Mumbai is a good example. The original plan for Navi Mumbai, the largest planned new town in India, envisaged decongesting the city of Mumbai by shifting white-collar

jobs to it. It was to be developed as a centre of tertiary sector employment, with the tacit understanding that government offices from Mumbai would be relocated there. However, the government did not, later on, show any interest in relocation. Navi Mumbai was never planned as an industrial centre and 700 industrial units even closed down in the Thane-Belapur industrial belt (Shaban 2004: 5094). The economy of Navi Mumbai, spurred by private investment, specialised in knowledge-based activities and excluded those who had lost their industrial jobs as well as those who had been displaced without adequate compensation for the development of the new town. Over time, a local economy has persisted and grown in Navi Mumbai alongside the global economy (Shaw 2003). Even in Navi Mumbai, a planned city, “unauthorised settlements” accounted for 39% of the population in 2000 (Shaw 2003: 6). The three components of the local economy of Navi Mumbai, mentioned by Shaw are (i) a floating migrant labour force in the construction industry who erect temporary shelters during their stay; (ii) a permanent workforce (engaged in low-paid jobs in industry and service establishments, in domestic work in middle and upper-middle class homes, and as self-employed) who live in shanties and slums; and (iii) villagers, who lost their agricultural land for the development of Navi Mumbai, and who now serve as the core of a non-agricultural local economy. Moreover, the author claims that both “patron-client relations as well as activism are used as strategies to garner security of livelihood and shelter in the new city” (2003: 4).

Thus, an encroachment of informal producers on new towns follows the eviction of peasants. This will require further eviction in the future to establish a clean space of immaterial labour. Bypass, encroachment and eviction follow each other in an endless loop. The accumulation economy tries to bypass the dirty subsistence economy by building dedicated and exclusive corridors of transport, enclaves of business and gated communities. Each new enclave eventually faces the informal labour force as it inevitably crawls towards and encroaches on the newly carved out space, forcing the accumulation economy to construct new zones of exclusivity. In this game, it is often difficult to ascertain who chases whom, who retreats and who advances, who succumbs and who wins. What is obvious is that the urban geography in post-colonial cities is shaped by this shifting encounter between need and accumulation.

### 3 Subsistence, Accumulation and Land Acquisition

It is unfortunate that in debates on globalisation, accumulation and subsistence have been equated with wealth and poverty respectively. Such a conflation depoliticises the economic space and discursively constitutes the ground for governmentalised welfare interventions by the state. This wealth/poverty discourse blinds us to other creative deployments of the notions of subsistence and accumulation, particularly those that build on a possible contradiction between the two. If we extricate the notions of subsistence and accumulation from poverty discourses, we could deploy them in a novel way to make sense of much of the violence that accompanies the birth of a new town. What is at stake is not just a political narrative of the making of a new town, but also a

narrative that is grounded in the economics of the new town, rather than on ethical or juridical notions of justice.

In classical political economy, accumulation and subsistence were analytical categories that helped determine the dynamics of a distinct economy – capitalism. Accumulation was not about any wealth, but wealth in the abstract; that is, self-expansion of value created by abstract labour, capitalist accumulation is a process in which surplus value feeds on itself to grow and in which the accumulation of surplus is an end in itself. Subsistence, on the other hand, is tied to the notion of consumption required to reproduce life (and labour power) within a concrete historical context. In Marx, for example, the value of labour power (value of subsistence goods of the worker) is determined by the social context, including “a historical and moral element”. Marx makes it clear that workers participate in the capitalist class process to secure their concrete subsistence, while capitalists are forced to engage in the accumulation of surplus by the forces of competition. Thus, two distinct objectives – subsistence and accumulation – interact to produce the economic space ordered by capital. The workers cannot secure their subsistence unless they produce surplus and the capitalists must accumulate surplus to survive as capitalists. Thus in a capitalist economy, subsistence is dependent on accumulation (Marx 1906).

In contrast, consider the quintessential form of livelihood in the informal economy – self-employment. Marx (2000) offers an analysis of self-employment, employing the categories of capital. He considers a self-employed producer to be split into two persons – as owner of the means of production, the individual is a capitalist, as a labourer, the individual is his or her own wage worker. The self-employed producer occupies the class position of both the capitalist and the wage worker and is thus split between the economic objectives of subsistence and accumulation. The self-employed person’s surplus may be consumed or saved/invested and may lead to an increase in his or her wealth and consumption under favourable circumstances. The self-employed may even accumulate productively, that is, become more productive in his or her enterprise and the enterprise may grow. However, and this is the crucial point, the self-employed person remains a self-employed person even without accumulation. Without accumulation, one half of the self-employed – the capitalist half – dies; the other half – the wage labourer – can reproduce himself or herself. That is why in self-employment subsistence stands independent of accumulation. This explains the resilience of self-employment as a source of livelihood in a poor country. While a capitalist economy rewards accumulation often at the cost of subsistence,<sup>5</sup> the self-employed can survive without accumulation, albeit often in stagnant small businesses, involving heightened self-exploitation and a low level of subsistence. However, the crucial point is that self-employed and petty producers may be the predominant form of the need economy in the face of predatory and exclusionary capitalist accumulation.

In the raging controversy over land acquisition for development of new towns, the contradiction between subsistence and accumulation assumes critical proportions. This is especially true when it comes to land acquisition for the development of new towns. Controversies and political struggles over land acquisition

have often revolved around land prices offered to those from whom land is acquired. Since land prices are determined by ground rent (Marx 1909) and ground rent is limited by the size of the surplus produced on that land,<sup>6</sup> it appears that land in the need economy will be priced lower than land in the accumulation economy. Moreover, due to expansion of surplus through accumulation, land prices in the accumulation economy would continually rise relative to land prices in the stagnant low-surplus need economy. As a result, capitalist accumulation will proceed by bidding away land from the non-capitalist economy rather than from the slow-growing sectors within the accumulation economy. Land markets “reward” accumulation and “punish” subsistence. In contrast to acquisition by force, primitive accumulation (separation of non-capitalist producers from land) can occur through non-coercive market forces.

Take the case of the Rajarhat New Town Project in West Bengal. It is a township in a far eastern suburb of Kolkata that is being constructed by the Housing and Infrastructure Development Corporation (HIDCO), an autonomous body formed by the government of West Bengal (Mitra 2002). A huge area of land, which was traditionally devoted to agriculture and fishery, has been acquired by the HIDCO and leased out to corporate organisations and realtors for constructing modern apartment complexes, ritzy shopping malls, swanky financial and IT hubs and five-star hotels. It is a green urban space without any smoke-stack industry, a site of immaterial production in which affective labour is engaged in the production of knowledge, communication, entertainment,

hospitality and financial services. Its proximity to the domestic and international airports and connectivity through a six-lane high-speed bypass allow it to be built in the image of global cities. A fierce debate is going on over the issue of land acquisition in Rajarhat under the previous Left Front government. The then opposition party, Trinamool Congress, and some civil society organisations alleged that the owners had been coerced into selling their land to the HIDCO. The former chairman of the HIDCO (also housing minister of West Bengal in the previous government) had emphatically denied any use of coercion in the acquisition process and claimed that the owners voluntarily sold their land as the price offered by HIDCO was several times the market price at the time of acquisition. The entire controversy revolves around the question whether the coercive power of the state was used or not, and if the claim of the HIDCO chairman turns out to be true, the transfer of land would be seen as a just economic transaction involving no extra-economic coercion, and therefore would not count as an instance of primitive accumulation.

However, as we have argued above, the notion of a just price becomes problematic in this context. Morris and Pandey (2007) argue that the price should be “income protecting” for the displaced rather than what the market principle yields. That is, the price of land should be the capitalised value of the value-added – rather than rental – yield, because those who are separated from the land will not find alternative employment opportunities in conditions of surplus labour and scarce land. Our point is that a piece of land used in non-capitalist, need-based

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<p>The need for Real Sector Reforms in Agriculture has been well recognized in the development policy perspective and is one of the issues to be explored in the context of the urgency of agriculture development and poverty alleviation. To unravel the areas for further policy options, BIRD is organizing a 'Two Days' National Seminar on 29 and 30 September 2011 in BIRD, Lucknow. Practitioners, economists, bankers, industrialists, policy makers and other stakeholders in the Govt. and private sector are expected to participate and deliberate in the seminar.</p>		
<p>Papers are invited from subject experts, researchers and practitioners on the following broad themes:</p>		
<ul style="list-style-type: none"> <li>☞ Land and Institutional Reforms in Agriculture.</li> <li>☞ Reforms in Agriculture Input Management (Water, Seeds, Fertilizers, Farm Machineries, Pesticides / Insecticides, etc.)</li> <li>☞ Reforms in Agriculture Marketing, Trade and Supply Chain Management.</li> <li>☞ Reforms in Extension and Transfer of Technology.</li> <li>☞ Pricing and Subsidy Issues in Agriculture.</li> <li>☞ Forest and Agriculture - Clash of Interests or Protection of Domain?</li> </ul>		
<p>Papers, not exceeding 5000 words, may be mailed latest by 30th August 2011 to Shri Sunil Kumar, Faculty Member (sunil.bird@gmail.com) or Shri S K Dora, Faculty Member (dora.sanjaykumar@gmail.com), coordinators for the seminar. The authors of selected papers would be invited for presentation and return economy airfare / II AC rail fare would be reimbursed to one of the authors. The author/s may also submit a declaration that the paper including the illustrations does not contain copyright material of any other author/s or publication.</p>		
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<p>Lucknow, U.P. 22 July 2011</p>	<p><b>S.K. Chatterjee</b> Director</p>	

production is likely to generate a low level of income and surplus owing to low technology, credit and training constraints, and lack of productivity-enhancing public investment. Impersonal market forces impute a low price to this land. The owner may voluntarily part with the land if the compensation is significantly higher than the market valuation. As the land ends up in the dynamic accumulation economy, its market value increases manifold. In what appears to be a non-coercive process, at the end of the day what happens is that the land that was under the command of producers in a non-corporate, need economy is alienated and corporatised within the accumulation economy. The outcome is none other than that of primitive accumulation although it involves no coercive state power or goons and guns.

To resist such acts of predatory primitive accumulation, masked as impersonal market forces, the losers of land resort to political agitation and even violence. Thus each new town is born out of a violent, blood-stained conflict between the compulsions of accumulation and the imperatives of subsistence. Once again, the recent agitations by farmers in Uttar Pradesh against acquisition of land for the Yamuna Expressway (Ramakrishnan 2011) have called into question the very efficacy of the notion of a market-determined just price. In this and the previous section, we have tried to argue that the global cities network, which functions as the command channel for global accumulation of capital, comes up against resistance by a local subsistence-oriented economic space. We have seen how primitive accumulation is an integral component of accumulation by global capital and how planned urbanisation in post-colonial economies always comes up against resistance by land-losers as well as subsequent encroachments on the urban space of the new towns by the dispossessed populations, who are excluded from the hegemonic circuits of the global economy. In the concluding section, we focus on the politics of informal labourers to understand the paradigmatic strategy by which subsistence invades the space of accumulation in a process that constitutes a counter-strategy to the primitive accumulation of capital.

#### 4 Conclusions

The dialectical relation between need and accumulation and between material and affective labour that underlies current post-colonial urbanisation spawns a politics of its own – the politics of the informal. It is rooted in the complex interaction between the two economies grounded in need and accumulation, and is very different in form and content from the traditional anti-capitalist oppositional politics. As the accumulation economy of capital, for its own expansion, tries to banish the need economy of material labour from the urban space either by eviction or by undermining its conditions of existence, the latter resists eviction and tries to renew those conditions. As we have emphasised earlier, the prevalent form of labour in the need economy is self-employment, and the factory as a site of mobilisation is absent in this case. And there is no employer as an exploiter against whom the fight can be directed. The need economy must be mobilised to assert its demands before the government and the administration, and to negotiate in a political society over habitat, access to public space and public goods and services that are crucial to its conditions of existence. The politics of the urban informal resists

being addressed in terms of traditional worker-centric trade unionism. The demands must no doubt be asserted before the government, but the moral claims behind the demands must also be taken to the broader society with an appeal for justice and the assertion of moral “rights to the city”.

Bayat (1997) has eloquently characterised the politics of urban informal producers as a “quiet encroachment”, by which he means “the silent, protracted but pervasive advancement of the ordinary people on the propertied and powerful in order to survive and improve their lives” (545). The space where this drama plays out is urban streets, which, as the public space par excellence, becomes the target of this quiet encroachment. Streets are the new commons created by urban informal workers under the gaze of private property. The streets act as their homestead – the place of production and residence. Moreover, when under attack, the streets also act as a site of resistance – a resistance that tries to politically profit from the public visibility of primitive accumulation and the assertion of inviolability of life over the logic of capital.

In the bypass approach, the accumulation economy of capital makes an attempt to bypass this “street politics” (Bayat 1997) by moving to a newly carved out area on the fringe. The typical planning strategy – in our understanding, a political strategy of capital – is to create dedicated and often elevated corridors of transport to the new towns, to confine “street politics” to the existing metropolises. In the new towns, municipal laws are strictly enforced to check the growth of the informal economy on public property. Environmental concerns are often cited to mobilise popular support for “green” urban policies to keep dirty material production outside the limits of the new towns. Since new towns are often developed with major private-sector investment, the rule of private property is much more extensive. All these factors undermine the conditions of existence of “street politics” in the new towns.

On the other hand, as the Navi Mumbai example shows, the inescapable attraction of capital to cheap labour means that a survival circuit springs up within the new towns, informal settlements emerge over time and encroachment surfaces as a survival strategy of the urban poor. Cracks in the regime of private property appear. There appears a class of urban poor, looking outlandish against the backdrop of a glitzy cityscape. Slowly, a need economy consolidates around this lower stratum of the urban labour force, composed of migrant workers from distant areas as well as surplus labourers from neighbouring villages. Material labour and crude subsistence raise their ugly face. The population of this need economy recreates its commons on the streets of new towns, forcing capital to move to newer zones of exclusivity.

In the first decades of capitalist development in post-colonial India, cities lured migrant labourers from rural areas. This inflow of labourers fuelled a spectacular growth of the urban informal economy, as the migrant labourers were excluded from the formal sector. The privileged and the excluded populations co-habited the urban space in a way that came to define the post-colonial metropolis. In the bypass approach to urbanisation, the objective is to unanchor the new towns from their post-colonial moorings. The globalised economy, hegemonised by immaterial labour, creates conditions for these new towns to culturally secede

from their national or regional location and align themselves with the global cities. However, the condition of post-coloniality – characterised by capital and its wasteland – manifests itself in the new towns as the slow but inevitable encroachment of the excluded population on these new zones of exclusivity. The

contradictions of post-colonial capitalism lock the excluded and the exclusive in a dialectical relation. From this perspective, the making of new towns reflects a running away of capital from its own shadow – the shadow of capital in which the excluded populations survive.

NOTES

- 1 Here Resnick and Wolff's (1987) distinction between fundamental and subsumed classes is quite useful. Resnick and Wolff offer a distinct Marxian notion of class as a set of economic processes related to the performance, appropriation, distribution and receipt of surplus labour. The amount of abstract labour socially necessary to produce goods and services to sustain the labourer is called necessary labour. Labour performed over and beyond necessary labour is surplus labour. The "fundamental class process" refers to the processes of production and appropriation of surplus labour. The workers in a capitalist enterprise are the producers of surplus labour. The board of directors appropriate the surplus labour and distribute it to various agents who provide crucial "conditions of existence" of the fundamental class process (for example, banks, merchants, government, managers, lawyers, insurance companies, advertising agencies and media). The "subsumed class process" (SCP) refers to the processes of distribution and receipt of surplus labour. Using these distinctions, we argue that cities, increasingly dominated by finance, information technology, media, and insurance, have become spaces dominated by subsumed classes. These subsumed classes have replaced fundamental classes such as industrial workers in the urban imaginary.

- 2 It must be clearly stated that banking, retail, insurance, and so on were important sources of employment in the Fordist era too. However, what is significant in the current transformation is that all these sectors have become more information-intensive as national production is replaced by globally dispersed production. Second, the hegemony of the industrial proletariat in the Fordist era implied that workers in the service sector were understood in class terms as an extension of the proletariat. The disappearance of the urban proletariat has enabled the rise of these service-sector jobs as valorised forms of labour. In India, for example, a business process outsourcing (BPO) employee with a much lower salary and a more insecure job contract than a worker in the organised sector enjoys greater social prestige.

- 3 Hardt and Negri (2004) make it clear that hegemony is understood not in the sense of quantitative dominance, but in terms of qualitative impact. They write:

When we claim that immaterial labour is tending towards the hegemonic position we are not saying that most of the workers in the world today are producing primarily immaterial goods. On the contrary, agricultural labour remains, as it has for centuries, dominant in quantitative terms, and industrial labour has not declined in terms of numbers globally. Immaterial labour constitutes a minority of global labour, and it is concentrated in some of the dominant regions of the globe. Our claim, rather, is that immaterial labour has become hegemonic in qualitative terms and has imposed a tendency on other forms of labour and society itself. Immaterial labour, in other words, is today in the same position that industrial labour was 150 years ago, when it accounted for only a small fraction of global production and was concentrated in a small part of the world but nonetheless exerted hegemony over all forms of production (109).

- 4 A typical case is the public image of the IT industry in India. The IT revolution has clearly transformed the image of the urban worker in the last decade. States vie with each other for securing investment in the IT sector more than in any other sector. Political parties try to ensure that the IT sector is not affected by routine bandhs and general strikes in the city. NASSCOM has been persuading state governments to "give essential services status to the IT-BPO companies so that they are protected from the backlash of violent attacks, curfews, bandhs, among other incidents that stall work" (Suneja 2010).
- 5 For example, the organised manufacturing sector in India had exhibited jobless growth for almost the last three decades (see Kannan and Raveendran 2009).
- 6 Land as a scarce means of production yields ground rent to its owner, the landlord. Ground rent is a payment out of the produced and appropriated surplus value to the landlord for access to a monopolised means of production – land. The size of ground rent is determined by competition among appropriators of surplus value and between them and the landlords. But since ground rent is a payment out of the surplus value, its size is constrained by the mass of surplus value. As surplus value increases, so does rent as a component of it. See Bhattacharya (2010). Marx makes this point in the context of capitalist production:

To the same extent that the production of commodities develops as a capitalist production, and as a production of value, does the production of surplus value and surplus products proceed. But to the same extent that this continues does property in land acquire the faculty of capturing an ever-increasing portion of this surplus value by means of its land monopoly. Thereby it raises its rent and the price of the land itself (1909: 747-48).

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