

Research Article

Segmented Labour Market of Seelampur: A Key Site of Exclusion

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If I engage with Muslim manufacturers and we decide a particular date for delivery of the final product, they will deliver the product on time. But after that, they will continuously demand their payment. Since they have large families, their demand is genuine but it becomes hard to work in such an atmosphere. I prefer a comfortable work space and engage with only those with whom I am comfortable in the business. And so, if people of Hindu community are available, I prefer them over Muslims. Manish¹

a trader of lock and key for hardbound suitcase expressed his view on his preference to engage with Muslim manufacturers.

ABSTRACT

This article attempts to comprehend the positioning of Muslims in informal economy of Seelampur, Delhi. It highlights that religious identity mediates in the market transactions and so this market is governed by tacit rules. These rules are unwritten and constructed by the Hindus, who are higher in hierarchy of this labour market. They establish their hegemony over the subordinate group by controlling the rules of economic exchange as well as through constructing a demonic image of Muslims in the minds of the larger society.

Keywords: Identity, Hegemony, Informal labour market, Petty manufacturers, Economic exclusion

¹The name of participant is imaginary and is kept confidential.

INTRODUCTION

Market can be understood as the process that unites the labour with production. It provides a platform where both the worker and employer come in contact with each other and subsequently their conditions of work and wages are negotiated. Liberalisation and globalisation of economy along with technology have transformed labour market process as well as relationship shared by the worker and the employer as it has accentuated the division of labour market into formal and informal sector. Moreover, segmentation is evident within these sectors as workers are differentiated on the basis of age, sex, gender, race, caste, religion, education, experience, training and skills (Abraham, 2012; Papola, 2012). Thus, the imperfection of labour market is apparent. This imperfection of market arising out of segmentation creates a condition where the negotiations between the labour and the employers are skewed in the favour of the latter. Let us understand the market imperfection within the context of Seelampur.

Seelampur, a subdivision of the north-east district falls on the west of Yamuna, particularly known as Trans-Yamuna region, an extension of Delhi. The district is identified as minority concentration district as it has 27.24% Muslims (Ministry of Minority Affairs, 2008). In the two localities of Seelampur, that is, New Seelampur and Chauhan Banger, a significant share of Muslims are engaged in self-employment characterised by low wages, poor working conditions and no social security. Furthermore, most of them are involved in the same small scale economic activities for the three generations. It is also found that some of these participants have not found any suitable job in the labour market despite being educated and so they ended up in self-employment as an alternative to remain unemployed. Thus, this form of self-employment which participants took upon to meet their everyday needs itself constitutes a dimension of economic exclusion.

This article highlights the segmented nature of informal labour market in Seelampur that adversely affects the lives of Muslims, who are primarily engaged as petty manufacturer in the market. The first section dwells at the five different places where the identity of Muslim manufacturer becomes a qualifying criterion in the entire process of production in this market. In the second section, perceptions and opinions of traders are captured in order to comprehend the factors that determine the economic relation between manufacturers and traders.

INFORMAL LABOUR MARKET IN SEELAMPUR

The informal labour market chain in Seelampur comprises of manufacturers, retailers, wholesalers and dealers. In this chain, Muslims are engaged as petty manufacturers involved in making small parts from different metals such as iron and aluminium used in

lock and key parts of suitcases; brass and steel used in manufacturing buckles of shoes, belts and ladies purse. There are people who make iron dies (a mould designed to create several identical parts) used in household appliance and toy parts. Along with this, there are some who have small manufacturing units of ladies sandal, children shoes, denim jeans, leather jackets and cosmetic products such as lipstick, manufacturing of washer, manufacturing of corrugated iron sheet, parts of fancy bulbs and bangles. In addition, few are involved in cutting of fibreglass, embroidery on ladies dress, bead work on ladies suit and bags. On another side, retailers, wholesalers and dealers belong to Hindu community. Thus, in this market of Seelampur both the Hindu and Muslim communities deal with each other.

In this labour market, when the manufacturer is involved in the process of production, his identity is found to become a qualifying criterion at five places; first at the time of procuring order, secondly at the time of purchasing the raw material, thirdly during the process where manufacturer engages in conversion of raw material into finished goods, fourthly? at the time of delivery of finished goods and lastly? during collection of outstanding amount. These five contexts that impact the productivity and profitability of the manufacturers are discussed below:

Procuring Order

In the manufacturing process, procuring order from the market is considered as the first place where identity of manufacturer becomes a qualifying criterion. Participants whose work was already established by their fathers or grandfathers shared that though they have an easy accessibility of network or business contact, procuring new orders and its finalisation is a tough task. One of the participants involved in manufacturing of locks and keys of hardbound suitcases shared that whenever he goes to the retailer in order to procure new order, the retailer always says that he does not need the new stock of locks and keys as the old stock is still lying unsold in his shop. However, after few discussions he says he can give him new order but will pay less as old stock is still unused. As participant also needs the money for sustenance he agrees with the condition of less payment.

Participants who started their own work shared that the initial few years were quite tough for them as they had to go from shop-to-shop to develop networks and for getting orders but nothing concrete happened in those initial years. One of the participants who is involved in manufacturing of denim jeans expressed that initially all the shopkeepers of the market do hesitate in giving order. He shared that as he keeps beard he does not get the orders. At times shopkeepers simply refuse to even have a look at his goods and at times they are not interested in listening to him.

Purchase of Raw Material

In the manufacturing process, purchase of raw material from the market is the second place where the identity of manufacturer becomes a qualifying criterion. The raw material from the market can be purchased either by cash payment or through the line of credit. Along with this, the third way of procuring the raw material is that the retailer gives the raw material and specifications against which the goods have to be made.

- Most of the participants have shared that they purchase the raw material in cash. As they have less cash, they buy small quantity of raw material and at a higher price. Consequently, their manufacturing cost increases and minimises the profit.
- Another way of purchasing raw material in market is through line of credit. In every market, there is a need of guarantor to facilitate credit to the manufacturer. Guarantor takes guarantee of a manufacturer when he buys raw material from a trader. Thus, guarantor mediates in developing a trust between the manufacturer and the trader.

Most of the participants revealed that in labour market traders prefer to engage with manufacturers of same religion. So, Hindu traders provide line of credit to only those manufacturers who belong to Hindu community. As a result, Muslim manufacturers are at disadvantage. They are not able to purchase raw material through line of credit. This shows the polarised nature of market where religion has become a decisive factor in providing credit to a manufacturer instead of the capability and skills of the manufacturer.

- The third way of procuring raw material is that retailer provides the raw material to the manufacturer along with specifications against which the product is made. It was found that amongst the participants there were a few manufacturers whom the retailers provided raw material. While providing the raw material, the retailer gives specifications with regard to dimension, number of pieces of locks and keys and quality of finished goods. Also, he decides the rate of each piece of locks and keys.

Process of Manufacturing

The third place where the identity of manufacturer becomes a qualifying criterion is the process of conversion of raw material into finished products. It is significant to comprehend the problems that a manufacturer encounters while converting the raw material into finished goods. The manufacturer invests his own labour, engages in various methods of cost cutting and despite that he is unable to earn good profit.

Establishing ones small manufacturing unit involves several challenges. Having requisite capital and relevant skills are its pre-requisite. However, a significant share of participants

lacked sufficient capital at the time of establishing their work. Even now most of these participants are short of the capital required to invest in their work. They are, therefore, dependent upon loan either from government institutions, private banks or from their relatives or friends. In the context of government banks and institutions such as National Minorities Development and Finance Corporation (NMDFC), there is no beneficiary amongst the participants of the credit facility launched by the government. These lending schemes require a well-planned business proposal and a guarantor from government office which participants are unable to fulfil as they lack resources and the requisite knowledge. Also, getting access to a government official is difficult for them as Muslims have minimal representation in government offices. Thus, these initiatives that government has planned for the betterment of Muslims have not accommodated the concerns of Muslims. Moreover, lack of assistance from government institutions has increased participants' credit dependency upon their relatives, friends and private banks.

In addition, updated skill is another significant requirement for establishing a small scale manufacturing unit. It is found that the participants have learnt business skills and strategies from their elders as they do not have sufficient money and required educational eligibility to get them registered in formal institutions that impart training on modern business skills. Though, there is Swarna Jayanti Shahari Rozgar Yojana for skill development amongst minorities but a large share of participants is unaware of this scheme.

Most of the participants are working from their small residential premise. They use their family labour and do not have enough money to employ workers. The family members thus work as unpaid labour. However, few of the participants have employed workers whose number is less than five. Also, most of them work with hand press machines. And so, to accomplish the orders placed by the traders, the participants need to work for extended hours. However, despite working for 12–20 hours in a day, the goods produced by the participants lack finishing.

Delivery of Finished Goods

In the manufacturing process, delivery of finished goods is considered as the fourth place where identity of manufacturer becomes a qualifying criterion. Participants shared that the traders have a tendency to keep manufactures under pressure by finding fault with the quality of their products and claiming that the stock supplied earlier is still lying unsold/unused. One of the participants engaged in small scale manufacturing of washers stated that at the time of delivery of goods most of the traders build pressure on manufacturers and force them to replace the products on account of fault related to finishing in their goods. Along with this, the manufacturers are reprimanded by traders

that many products need replacement so that the manufacturer must address those issues before seeking payments. As the payment is made after 10–15 days of delivery of goods, traders prefer to put manufacturers under the pressure at the time of delivery of finished products only.

Also, they shared that at the time of any crisis or disturbance (riots, bomb blast, and terrorist activities) their identity of being a Muslim becomes troublesome as the traders refuse to take their finished goods. These manufacturers are viewed suspiciously and their goods are thoroughly examined by traders during such times. For instance, post Godhra riots issues such as non-acceptance of finished goods and delay in payment were shared as common problems by the Muslim manufacturers working for traders in Azad market, Teli market and NabiGli market of old Delhi. One of the manufacturers expressed that:

At the time of Gujarat riots in 2002, I simply went to deliver my finished product to the shop owner. He refused to accept it. I was astonished as I was unable to understand the reason behind sudden change in his behaviour. As I did not have any option, I came back. The entire market remained closed for 1–2 days. Thereafter, I avoided the market for 15 days for security reasons.

Collection of Outstanding Amount

In this manufacturing process, collection of outstanding amount is the final context within which identity of the manufacturer becomes a qualifying criterion. Most of the participants shared that they do not get the payment against delivered products on time and whenever they receive payment, some amount is deducted on one pretext or the other. Participants expressed that the traders have a tendency to find fault in their products so that the payments can be delayed or negotiation can be done again in lieu of sub-standard products. He expressed that traders consciously and deliberately find faults in their products so that manufactures cannot demand their payments strongly

Another participant shared that for past several years, the shop keeper whom he has been supplying the finished products, deducts approximately Rs 10,000 per year from his payment. Furthermore, on enquiring the reason behind this deduction, the owner replies that he deducts this amount because he sells his products. Thus, the fear of losing their contact or work compels the participants to ignore the deductions made by the trader.

Along with this, some of the participants expressed that they get their payment in instalments and this prevents them from expanding their work. One of the participants who is a manufacturer of shoe soles expressed that he gets payments in piecemeal. As the payment is in several instalments, the money received gets spent on daily requirements. He is therefore, unable to invest money in business.

Thus, it is evident that in the process of manufacturing, participants face shortage of capital, they have low cash flow, they do not get guarantors in the market and so they purchase raw material in small quantity and at a higher cost. Many of them work manually as they do not have money to buy power machines. Most of the time these manufacturers work alone; however at times they get assistance from their family members. Under these circumstances, they are left with the only option of working for longer duration in order to accomplish the orders placed by the traders. However, despite working for long duration, their profit is negligible as their products are not trendy and lack the required finish. Also, they receive their payment in small instalments which further increases their need for capital in order to buy raw material for the next order. It is therefore quite apparent that the flow of cash which begins with the purchase of raw material at a higher cost ends up in providing meagre margin to the manufacturers. Furthermore, this margin is being spent in meeting their everyday needs. As a result, participants are unable to invest more cash in their business and so with each cash flow cycle they are unable to generate more profit. Hence, they end up in simple reproduction where capital used in purchasing and processing of raw material is more or less equivalent to the earned capital. And thus, participants are unable to improve their socio-economic condition.

PERCEPTION AND BEHAVIOURS OF TRADERS

As it is seen, the petty manufacturers face several constraints in the labour market of Seelampur. It is significant to have an interaction with traders with whom these manufacturers are engaged in order to comprehend the factors that determine the economic relation between manufacturers and traders.

In-depth interaction with different traders with whom these manufacturers are engaged revealed that the traders had justifications for the existing condition of manufacturers. They specified that manufacturers are mostly suitable as '*karigar*' (craftsperson) as this is their traditional occupation. They asserted that literacy rate is poor amongst Muslims and so they are poor in calculations. Accordingly, Muslims are not capable of tackling business pressure. Moreover, they are aggressive and inclined towards crime. Hence, the traders justified their desire to not engage with Muslim manufacturers while putting blame upon Muslims. Furthermore, one of the retailers maintained that he did not wish to associate with Muslim manufacturers as he wanted to maintain purity. He expressed that

in 2004, I did not have anything and I was struggling with my business. So I started to have business dealings with Muslims as fulfilment of basic necessities comes first. But now that I have achieved something, I prefer to do clean, pure work and will not work with Muslims.

The admission made by the retailer shows that he worked with Muslims when his economic condition was weak. But the moment he improved his economic condition he decided not to do work with them. This clearly implies that the labour market in Seelampur is governed by certain tacit rules that keep changing. As these rules are unwritten, they are continuously constructed by the trader who is higher in the hierarchy of the labour market. And so, the retailer who was economically weak associated himself with the Muslims but the moment he became affluent he preferred to abide by the norms of his group by not getting associated with Muslims. He also justified his decision to maintain a distance from Muslim manufacturers by reinforcing prejudices against them. He shared that 'Muslims are unfaithful; it is quite tough to have trust on them. They can deceive anyone and this is in their blood'.

Also, the traders feel that they might get isolated from their own community if they extend their support to a Muslim manufacturer. One wholesaler shared that

if people of my community see that I am working with a Muslim; I will lose their support as they are providing me loan as well as other benefits. And, if this happens, I will lose trust of my own people and so I have to maintain distance from Muslims.

So, it is evident that the wholesaler distances himself from the Muslim manufacturers as he has a fear of being rejected by his own group. His behaviour displays conformity with the norms of his group where he is instructed that if he gets associated with Muslims he would be barred from all the benefits (materialistic benefit along with the sense of security) of in-group members. Consequently, it denotes that Muslim manufacturers are considered as an 'out group' by these traders.

Along with this, the dominating group has preserved this notion of 'in-out' group by having bias against the members of out-group, that is, Muslim manufacturers. It was observed that the prejudices against Muslims are so ingrained in the cognitive frame of the dominant group that they justified their perceptions. One retailer expressed that he hesitates to do work with Muslims as they are fundamentalists. Another, wholesaler blamed the belief system of Muslims which makes them aggressive, eager to fight. So this wholesaler admitted that he avoids working with them. Furthermore, he justified his suspicion of Muslims in following terms.

It is true that during riots we are a bit more suspicious of Muslims. I know this is wrong but we cannot help it. I know that Muslim labour is more disciplined compared to Hindus but it is less faithful. So, we cannot assign them any major responsibility.

Also, it is impossible to trust someone who is a fundamentalist.

Moreover, the traders admitted that everyday politics of Hindu-Muslims has an impact on them and it tends to revoke their 'we' feeling against Muslims. One of the traders shared that

Muslims have a tendency to live together with their own community. And, if any Hindu stays in their area, they will influence the Hindu girl and provoke her to accept Muslim religion. So, it is tough for a Hindu family to stay with Muslims.

This everyday politics revives the in-group feeling amongst the members of dominant group by exaggerating the opinion on Muslims. Subsequently, the dominant group becomes hostile towards the Muslim manufacturers and this hostility is so evident that one of the dealers shared that

now a days people hesitate to do business with Muslims as they are orthodox and fundamentalist. They are more inclined towards their religion and have a different way of looking at things. They misinterpret the situation and so riots took place.

The traders use collective bodies such as market associations to maintain their dominance over Muslim manufacturers. A dealer who is also a senior member of a market association shared:

We have representative of Muslims and we listen to them. But we never allow Muslims to dominate us as they have a tendency to get into fights and we restrict it. If they make their separate association, it cannot survive and they know it will have no value. And, even if they make their separate association, we will keep our shops open during Ramzan and Eid. This will lead to huge losses to them.

The incorporation of a Muslim in the market association serves dual purpose. The market association becomes a representative body. However, the Muslim representative is taken on the terms and conditions of the dominant group thus making his presence ineffective. Also, it provides a false hope to Muslims that they have a say in the functioning of market whereas the reality is that market associations become medium through which the dominant group exercises its power to suppress the voices of Muslims.

From the above, it is seen that the labour market in Seelampur is not a neutral space. This space is governed by tacit rules. These rules are unwritten and are constructed by the traders who are higher in hierarchy of this labour market. These traders belong to Hindu groups and they construct the rules of the market in a manner that ensures disadvantage to the subordinate group (Muslims). They maintain their hegemony over the subordinate group by controlling the rules of economic exchange that prevail in the market. Consequently, they prefer to maintain economic relations with the manufacturers of only Hindu community. So, in this market, religious identity governs the rules of economic exchange. As a result, Muslim manufacturers constitute the disadvantageous group. They are isolated in the market and consequently alienated through various discriminatory practices of the labour market. These discriminatory practises result in several problems for the group that is considered subordinate such as non-availability of guarantor, acceptance of finished goods on conditions laid by the traders, delay in

payment, deduction of payment along with demanding more rent or sale of shops at higher rate.

Along with this, the dominant group maintains its hegemony by constructing stereotypes and prejudices against the members of out-group. There are several stereotypes and prejudices against the Muslims who are engaged as small scale manufacturers. The study shows that Muslims are [mis] represented as aggressors, disloyal, fundamentalists and terrorists. Also, they are portrayed as a community which suppresses its women, who keep 3–4 wives, have more children, have higher illiteracy rate, are poor in calculations, they cannot take risk in business, who live together with their own community, befriend Hindu girls for the purpose of conversion. This process of creating demonic images in the minds of the larger society with regard to Muslims through intellect and shared belief system establishes cultural hegemony of the dominant group.

Moreover, the dominant group justified the existing condition of Muslims while emphasising that Muslims are mostly suitable as '*karigars*' (craftsperson) as that is their traditional occupation. This subjective and normative thrust of justifying group position can be understood through Blumer's group position model whereby he asserts:

Sociologically it is not a mere reflection of the objective relations between racial groups. Rather it stands for 'what ought to be' rather than for 'what is'. It is a sense of where the two racial groups belong.... In its own way, the sense of group position is a norm and imperative-indeed a very powerful one. It guides, incites, cows, and coerces. It should be borne in mind that this sense of group position stands for and involves a fundamental kind of group affiliation..... (Blumer 1958: 5)

It is therefore quite apparent that the prejudice against Muslims has resulted in segmentation of this labour market that restricts the financial growth of Muslim manufacturers. As a result, the Muslim manufacturers end up in simple reproduction where capital used in purchasing and processing of raw material is more or less equivalent to the earned capital. Hence, the segmented nature of market reinforces poor economic condition amongst Muslim manufacturers. Thus, segmented labour market divides the workers into different groups with the motive of accumulating capital as well as establishing control over the work force. Thus, this division of work force within the labour market tends to enhance productivity along with profitability of dominant group (Edwards *et al.*, 1973).

CONCLUSION

The labour market of Seelampur is a segmented market where Hindus are engaged as traders while Muslims are engaged as small scale manufacturers. The traders being higher in the hierarchy of labour market dominate the Muslim manufacturers. They

control the rules of economic exchange in this market. Furthermore, the dominant group maintains its hegemony over the subordinate group by reviving and reconstructing stereotypes where Muslims are represented as ‘others (different from the rest of the population), alien (foreigners and aggressors) and Pakistani’ (Shaban, 2012). This process of controlling the culture by dominant group has created demonic image of Muslims in the minds of larger society. The dealers justify the position of Muslim manufacturers in the labour market. They blame the Muslim community for their backwardness and express that Muslims are not capable of doing business as they lack expertise and skills required for doing business. Also, they consider the mental capacity of Muslims being less compared with other social group. It is therefore, quite apparent that this market has prejudices against Muslims. The Muslim manufacturers are not identified through their individual capabilities rather they are perceived through their group identity. Thus, the identity of a manufacturer who also happens to be a Muslim is merely reduced to a Muslim.

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