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Neoliberalism as unexceptional: Economic zones and the everyday precariousness of working life in South India

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Abstract

The economic enclaves that are being built across South India would appear to exemplify what Aihwa Ong has called 'neoliberalism as exception'. Drawing on fieldwork in and around one 'special economic zone' in the state of Andhra Pradesh, this article critiques the language of exceptionality by exploring the structural continuities and dynamic interconnections between the zone and what continues to be called the 'informal economy'. Rather than valorize India's economic zones as manifestations of a juridical-discursive 'exception' in which the state experiments with alternative forms of market-oriented rule or as carceral spaces in which working populations are subjected to innovations in bio-political government this article shows how these zones formalize conditions of precariousness and political subjectivity that already characterize working life in much of South India, incorporating social networks and livelihoods that extend beyond their walls.

Keywords

citizenship, economic zones, India, informal economy, neoliberalism, precariousness

Exceptionality and the economic zone

One of India's oldest free trade zones lies on the outskirts of Vizag (Visakhapatnam), a thriving cargo port and industrial city in the South Indian state of Andhra Pradesh. In 2007 the road to the zone was marked with a large billboard that signposted the aspirations of its planners as well as the trans-national

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connectivity of this space. 'Vizag Special Economic Zone is VSEZ: Four Letters. Five continents!'

The zone itself is built across 350 acres of rough scrubland and enclosed by a high perimeter wall topped with broken glass. Building work began in 1991, a year in which India's economic liberalization reached a tipping point. In a powerful statement of the zone's territorial and juridical distinctiveness as an offshore enclave this perimeter wall was the very first stage in its construction. India's central government refused to formally recognize the space as a zone or admit any applications from potential investors unless there was a clearly marked border around it. 'Unless and until the compound wall is completed in all respects, I am afraid we would not be willing to issue a ratification declaring this area as a bonded area,' wrote the central government in Delhi to the state government in Hyderabad.¹

A decade later visitors to the zone would pass a colour coordinated map of the space that was prominently displayed at its outer entrance. Operational units were painted red. Buildings that were still under-construction were painted yellow. Vacant land was painted beige. Everything beyond the perimeter wall zone was left blank. This image – of the zone as an isolated territory, lifted out of its surroundings, unmoored and cast adrift from the larger regulatory environment – was precisely how it had been conceived in legal terms and exactly how it appeared to local urban planners. 'It's like an island,' some of them said, 'cut off from the mainland.'

Executive authority for VSEZ lay with the 'development commissioner' whose office exhibited all the paraphernalia of market-oriented government. A map of the world showed transportation routes and flight paths. A bank of telephones carried direct lines to both state and central government. A large white-board detailed the changing monthly value of the zone's exports. Along one wall stood an architect's scale model of the zone, complete with cardboard hills, plastic trees and miniature figures. Behind the commissioner's desk hung a framed message, which enshrined in personal conduct economic values that are central to the organization of capitalist production: 'God made man to work, work is man's best duty,' it proclaimed.

Economic zones or enclaves in Latin America, Africa and Asia have been persistent 'problem spaces' for anthropology. Zones were once key locations for enquiries into the cultural and gender politics in global production networks (Mills, 2003; Nash and Fernandez-Kelly, 1983; Ong, 1983; Pun, 2005; Salzinger, 2003; Wright, 2006). Today they have gained conceptual currency as unique territorial spaces in which a particular configuration of techno-scientific expertise and economic rationality oriented to the global market heralds the fragmentation of national sovereignty (Collier, 2006; Ong, 2006, 2007; Ong and Collier, 2005; Palan, 2003). A zone like VSEZ can be read in precisely this way. The snapshots presented above all show a space that is de-contextualized and segregated from the nation beyond its perimeter wall, governed by a political regime that is entirely inward-looking and whose proclamations of hard work as a 'moral, personal and social good' (Rose, 1999 [1989]: 103) serve the interests of transnational capitalists.

This reading has come to prominence in the recent work of Aihwa Ong (2006, 2007). In Ong's work the economic zone 'materialises' the 'neoliberal exception'. By this she means a strategic deviation by a sovereign power from a broader landscape of rule in ways calculated to create new economic possibilities, spaces and technologies for governing the population oriented by the global market (Ong, 2006: 7). In Ong's account the economic zone is a unique space, 'a country within a country', that has been carved out from the territory of the nation, 'encoded' for economic freedom and entrepreneurial activity (2006: 19). People working inside this space are governed solely in relation to their potential for growth and productivity. Waged blue-collar workers are subject to overt forms of capitalist work discipline and repressive laws, frequently abused, denied minimum wages and the most basic social protections, and stripped of their inalienable legal rights (2006: 79). Shown in this light Ong's economic zone shares an affinity with other spaces – like Caldeira's (2000) gated communities and Taussig's island states – in which architects: 'hold the world in their hands, play with it, observe it from different angles, provide it with different fates' and 'fulfil their fantasies of control' (2004: 294).

The array of maps, models and messages in VSEZ all mark this as a unique territorial, juridical and disciplinary space. In this article I argue, however, that the language of neoliberal exceptionality is inadequate for understanding how economic zones actually operate in contemporary India, where they are rapidly proliferating. Drawing on ethnographic research carried out in and around VSEZ between 2004 and 2009 I develop a critique of Aihwa Ong's reading of these spaces. My argument is concerned less with zones in their conception and design than in their everyday operation. If much of India's economy is marked by the absence of the state, if most people work without protection and security, and a majority of Indians do not experience citizenship as their inalienable entitlement to recognition, rights and protection, then what exactly would economic zones represent an exception from?

Between the early 1970s and the late 1990s India's central government sanctioned nine 'export processing zones' (EPZs) in mega-cities or major ports including Mumbai, Chennai and Vizag. These early zones were centrally planned, public undertakings and they offered investors purpose-built factory units, office and administration facilities, upgraded transportation links, subsidised electricity, water and telecommunications as well as long-term exemptions from taxes on imports, exports and profits. In 2000 a coalition government led by the right wing Bharatiya Janata Party announced a new policy for the creation of 'special economic zones' (SEZs). The zones were to act, in the words of former Prime Minister Atal Bihari Vajpayee, as 'policy laboratories' that could pioneer the freedoms from government controls and labour laws that neo-liberal economists and business lobbyists considered the final structural impediments to growth in India's manufacturing economy. Between 2005 and the time of writing, the Government of India had approved some 700 new zones to be built under public private partnership agreements or by private real-estate houses. This phenomenon is nowhere more apparent than in Andhra Pradesh, which has more planned and operational zones than any other Indian state.

Since 2004 I have conducted research in and around the economic zones being built in coastal Andhra Pradesh. My research has included a one-year apprenticeship at a diamond processing facility inside VSEZ as well as ethnographic fieldwork in highway townships, peri-urban villages, and zone resettlement colonies. While these zones might look like unique territorial, legal and discursive spaces from what Ong calls her 'low-flying analytical angle' (2006: 13), I suggest that they look like business as usual from what anthropologists of the Indian economy have called a 'worm's eye view' (Parry, 2000). From the bottom up, India's zones are better theorized as unexceptional spaces that make legible, legitimate and visible the conditions of informality and precariousness under which most economic activity already takes place in South Asia. The zones may well be the product of 'neoliberal imaginaries' (Stivens, 2007) but these visions are never 'wholly realized' in execution (Castree, 2007) and the precarious political and economic regimes they create are neither 'particularly new nor novel' for the majority of people they employ (Kingfisher and Maskovsky, 2008).

My argument is structured in three parts. In the first part I draw on scholarly work concerned with the 'informality' (Bremner, 1994; de Neve, 2005; Harriss-White, 2003) – or what I suggest is better called the 'precarity' (Hardt and Negri, 2004; Neilson and Rossiter, 2005) – of labour in India to show how these spaces reproduce what are already *de facto* conditions of work for a majority of people.

In the second part, I consider the permeability of the zone's formal boundary. Thinking about this as a fixed or solid wall reproduces a problematic distinction between waged work in the formal or factory economy and casual, unwaged work and economic activities outside it. Instead I emphasize the overlap between different kinds of work and show how India's zones demand to be understood in terms of their structural continuities and dynamic interrelations with what has been variously called the 'informal', 'need' or 'non-accumulative' economy (Chatterjee, 2008; Elyachar, 2005; Hart, 1992; Mollona, 2009; Sanyal, 2007).

In the third part I address questions of citizenship, which have been central to critiques of these zones within social science and beyond. Drawing on the work of Partha Chatterjee (2004, 2008) I ask precisely how citizenship is transformed as waged labourers move between the industrial hinterland of a South Indian city and an offshore economic zone. How might the economic zone 'fragment' or 'reconfigure' citizenship if citizenship is not a taken-for-granted condition? And what might be the political status of working subjects inside an economic zone if their status as citizens is not secure or guaranteed outside it?

Precariousness as normal

The 3 km tarmac road to VSEZ takes the visitor through the highway township of Kurmannapalem. Along one side of the highway is a row of ramshackle sheds that offer on-the-spot mechanical repairs and services, spare parts and adulterated fuel to truck drivers. Down the township's side alleys there is a network of wood and scrap metal workshops that produce plywood furniture, wrought iron doors,

window frames and gates. Dotted along the main street can be found half-finished residential complexes and commercial buildings that stand as a testament to the health of the local construction industry. Along the roadsides are clusters of rickety wooden cabins that are rented out by self-employed washer-men and male tailors, who use them to collect, clean and fold, mend and sew clothes.

At each of these sites can be found Telugu-speaking men and women from heterogeneous caste communities, who were born and brought up in the coastal districts of Andhra Pradesh. Like people employed at similar sites across India, they are employed on a casual, irregular and informal basis, enjoying little stability or security, few guarantees of a regular wage, welfare or social protection from either their employer or the state, no inalienable rights or entitlements, and are compelled to combine different sources of income in order to meet their social and material needs (De Neve, 2005: 8–9). An estimated 90 percent of livelihoods in India take place under similar conditions, in what economists, sociologists and anthropologists continue to call the ‘informal economy’ (Breman, 1994; Harriss-White, 2003). Informality here is not a marginal, ‘residual’ or ‘transitional’ phenomenon but a ‘fundamental political-economic processes’ (Portes et al., 1989: 13) that has been and continues to be integral to India’s capitalist development (Harriss-White and Gooptu, 2001).

When the road reaches VSEZ there is no sudden break or shift in the landscape of labour. Work inside the zone is entirely contiguous with casual, insecure and unstable work outside it. On either side of the zone’s boundary wall live migrant communities of casual workers who are employed to construct or mend the zone’s physical infrastructure; and, every day, a diverse range of self-employed builders, electricians, decorators and handymen, accompanied by their paid assistants, enter and leave the zone to service its buildings. While critical social scientists and labour activists continue to focus on the experiences of global factory labourers in this offshore economy, the very existence and everyday operation of the zone as an economic space also depends upon those who are employed to construct and maintain it. This workforce is not subjected to any of the novel kinds of capitalist work discipline or market-oriented modes of bio-political government that Aihwa Ong associates with the zone. Instead, the relationships of caste, kinship and gender around which labourers in the zone’s construction and service industries are organized, and their informal conditions of work, only serve to emphasize the transactional and structural continuities of economic life inside the zone with life outside.

Visiting dignitaries to VSEZ are invariably given a guided tour around the ‘standard design factory’. This is a sun-bleached, four-storey, 8000 square foot complex that houses the zone’s high-profile export-manufacturing companies. Away from this complex, however, most visitors would be hard pressed to recognize the planned and orderly world represented in maps and models of the zone, and VSEZ appears to be in a state of permanent reconstruction. Cracked roads scattered with loose debris and rusty containers lead to vacant structures or building sites.

In 2005 work was under way on a second factory complex, twice the size of the first. Like all building projects inside the zone this one had been put out to tender and subcontracted to whichever private developer submitted the best bid or offered the most lucrative backhanders. In turn, the private developer subcontracted the recruitment of labour to a local contractor. Projects like this are a key source of work for the seasonal labour migrants 'hunting and gathering' (Bremen, 2004) wages in the peri-urban economy. Every year an estimated 30,000 people move between the poorer administrative districts of north-coastal Andhra Pradesh and the city's industrial hinterland, leaving their villages during slack agricultural months and returning home to labour in the fields during harvests (Amis and Kumar, 2000).

The construction workers on this site inside the zone included an itinerant band of men and women from an ex-untouchable or scheduled caste community of Madigas, who had travelled to the city from the adjacent coastal district of Srikakulam, four hours' north of Vizag by train. They lived inside the zone in a temporary encampment of tarpaulin shelters that was propped up against the perimeter wall. Of course, settlements like these go unmarked on any map of the zone. Like most labourers in South India's construction industry the Madiga labourers in VZEZ had been hired on a casual basis, paid at the local market rate for day labour in the construction industry (100 rupees a day in mid 2005), and offered no guarantees of security or protection beyond the immediate patronage of their contractor, with whom they were in a weak position to bargain.

When the zone's units had been constructed, their functioning and maintenance was arranged through a similar set of arrangements. In mid 2009 a small community of ten Uppara caste families, 27 adults plus children, were living on scrubland just outside the zone's entrance. Their plastic-sheeted homes were pitched 15 yards from a major railway track and underneath the flyover that carries heavy vehicles into the zone. For the past five weeks they had been digging trenches inside the zone to lay broadband cables for a telecommunications company. This was one of 15 'batches' or 'clans' of Uppara men and women from the same village in Vizag's rural hinterland roaming coastal Andhra Pradesh in search of work. For a couple of months before I met them they had been working 80 km away, digging the foundations for a shopping mall. In the previous year they had spent six months working inside another SEZ, digging up grass, laying concrete and fixing rivets for a Sri Lankan company that was building a massive offshore apparel park. Local rates for this kind of 'earth work' are paid by the cubic metre, not by the day. This allowed them to be flexible about their work timings and to down tools for several hours at noon to escape the heat of the midday sun.

For these Uppara labourers, SEZ projects were sourced, paid and overseen in the same way as any other. While other labour gangs in coastal Andhra might be composed of people from different castes, this Uppara community strove to maintain the social integrity of the work group, and each 'batch' was composed only of people from the same sub-caste. 'We'll only work with people we know, people who are our relatives, our people.' One of the adult men acts as the group's *maistry* and

he takes responsibility for finding work. He chases up local leads and is in regular contact by mobile telephone with the village's other batches, which together act as an employment information service, sharing tips on new contracts across the region. It is the *maistry* who negotiates with subcontractors on behalf of his batch and, in an off-season when work dries up, he will keep people afloat with small cash advances.

For all intents and purposes – and certainly from the perspective of these casual labourers who move in and out of VSEZ to construct and maintain its physical infrastructure – the terms and conditions of work inside the zone do not fundamentally differ from the conditions of work outside it. The zone exists in a seamless landscape of unstable, insecure or precarious work. The boundary wall represents little more than seven feet of bricks and mortar that must be circumnavigated; and the material world to be found on either side is very much unchanged.

The expansion of India's informal economy through processes of retrenchment and restructuring in the public sector (Bremner, 2004; Joshi, 2003; Parry et al., 1999), as well as through the decentralization of production in global commodity chains, has been well documented by anthropologists in India (Chari, 2004; De Neve, 2005). India's economic zones expand this informal economy still further, by making casual labour with few guarantees of protection or security, and few inalienable rights, a central or integral part of planned industrialization. Indeed, we might say that zoning technologies in India are premised upon the existing precariousness of labour.

Over the last decade the notion of 'precarious' labour has become an organizing frame for the analysis of post-industrial capitalist societies (Metropoulos, 2006; Neilson and Rossiter, 2005, 2008; Ross, 2008). Precariousness has become an economic category that refers to forms of insecure, contingent, flexible, temporary, casual, intermittent, fractional or freelance work, occupations and labour relations; and it has also become a collective platform for social and political activists who take precarious work and life as the basis for new political subjectivities and struggles (Hardt and Negri, 2004). Many of the underlying assumptions around this debate are geographically and temporally located.² But, looked at in a wider historical and geographical scope, for most of the world precariousness is the standard experience or constant condition of work under capitalism (Neilson and Rossiter, 2005, 2008).

The most important spatial boundaries in a city like Vizag, for example, are not those that mark off specific arenas of precarious work, like those around an economic zone. Instead they are those that mark off shrinking arenas of permanent, secure and stable employment, like the public sector steel, iron ore and shipbuilding industries that catalysed the city's late 20th-century growth.³ The debates around 'precariousness' require us to see that it is these sites – marked by the state-provision of welfare, state systems of social protection and state-sanctioned contracts between labour and capital – that constitute the exceptional phenomena (Neilson and Rossiter, 2008, p54). In Aihwa Ong's account public sector workplaces that remain protected from privatization or retrenchment represent 'exceptions from

neoliberalism'. On the outskirts of a city like Vizag, however, these are the exceptions that matter; precariousness is normal.

Zones as permeable

VSEZ's largest employer was Worldwide Diamonds, a European owned company that offered low cost cutting and polishing services to Belgian, British and South African diamond traders. The factory's workforce of 1200 people included around 1100 contract workers, some 95 white-collar Indian managers and a handful of European expatriates. In 2005 Worldwide Diamonds' general manager, a white male European, granted me permission to conduct a participatory ethnographic research project inside this factory and over a twelve-month period I was trained as an unpaid apprentice to corner and bruit diamonds in its preparation department. The general manager had little interest in the written products of my research. He made no demands on my data and made no requests that I conceal the factory's identity. Like the early pioneers of industrial ethnography he imagined that the presence of an interested outsider might have some kind of positive effect on the social and political dynamics of the workspace. The name of the company has not been changed in this text but all individual names used below are pseudonyms.

Many new recruits entered Worldwide Diamonds imagining this multinational company as an entry point to secure and respectable formal factory employment. Instead, Worldwide Diamonds proved to be a classic global subcontractor. Work here was low-waged, insecure and labour intensive. At their lowest, factory wages were akin to the monthly income of a day-labourer in the construction industry; at their highest they were still less than the earnings of a successful, self-employed auto-rickshaw driver. New recruits were hired on a trainee basis for a two-year period, and given an annual contract that the company could renew or revoke as they saw fit. As a result, production workers here were vulnerable to the mobility of capital; to fluctuations in the international market for cut diamonds; to the will of expatriate and non-local managers who were accountable to shareholders rather than worker communities; and to hyper-efficient forms of industrial organization. In its drive to remain globally competitive, Worldwide Diamonds was locked into a perpetual search for efficiencies in production. Each successive innovation in targets, wage schemes, layouts or work organization was a further rationalization of time and space designed to increase the intensity and efficiency of labour power, and extract ever-greater surplus from the labour process.

If these modern technologies of management on the factory floor represented a break from local forms of work discipline in other respects the conditions of work here were indistinguishable from any other site of casual, insecure and informal labour. In every one of Worldwide Diamonds' sorting, sawing, cutting and polishing work sections could be found people who supplemented their factory wage with an alternative source of income. The range of unregulated, informal economic activities in which workers were engaged included entrepreneurial forms of self-employment (from home-based tailoring and stitching, to auto-rickshaw driving, to

petty trading and money-lending); casual labour for a third party (loading and unloading for labour contractors in the trucking industry, casual welding or electrical work for scrap metal merchants and mechanics, door-to-door sales for regional mobile phone companies and insurance brokers, hired muscle in low-level protection rackets for a small-time local *goonda* or *dada*); and financially unpaid labour in household businesses (family-run general stores, telephone kiosks) or in the household's production of fruits, vegetables, cereal and dairy products for market.

All of the factories' production workers were Telugu-speakers, native to coastal Andhra Pradesh. The majority had been born and brought up in local non-elite caste and class communities in the highway townships and villages across Vizag district. Less than 4 percent were first-generation migrants to Vizag city from the adjoining districts of Srikakulam, East and West Godavari. A declining number of employees, less than 25 percent, were women; and the average age of employee was 24. The zone offered no residential facilities for workers, so every day the factory's managerial, administrative and working population left the zone for rented rooms or family homes in the industrial highway townships and semi-rural villages across Vizag's hinterland. The economic activities with which workers subsidized and supplemented their factory wage did not just take place outside the zone but permeated the zone's perimeter wall. In Worldwide Diamonds the small-scale entrepreneurial activities of women seamstresses and male money-lenders entered the controlled spaces of capitalist production, finding on the factory floor new customers for their stitching skills and lending services.

Economic anthropologists have rarely accepted the conceptual separation of formal, factory-based production from activities in the informal, unorganized, unregulated or 'non-compliant' economy. Since the 1970s anthropological work has stressed the complex dynamics that link activities taking place above and below the gaze of the state; activities that are waged as well as activities that are casual; work in the realm of the factory as well as work in the realm of the home or the neighbourhood (Hart, 1992; Mollona, 2005a, 2009). In India economic dualisms like formal/informal, rural/urban, agricultural/industrial have long been considered empirically untenable. Anthropologists have blurred the conceptual boundaries between these sectors of the economy by showing how public and private industries simultaneously incorporate diverse forms of labour into the production processes (Breman, 1994; De Neve, 2005: 28); by showing how village agricultural economies provide the security for industrial labour migrants (Chandavarkar, 1994); and how global manufacturing industries rely on decentralized production systems (Chari, 2004; De Neve, 2005). The lines between the worlds of rural-agricultural-informal labour and urban-industrial-formal labour are 'optical illusions' (Holmstrom, 1999: 169) and, as people seek to secure livelihoods and status, they may segue from one to another, over the course of a lifetime, a season, or even a working day.

The market for credit on the floor of Worldwide Diamonds offers a good indication of how illusory the perimeter wall enclosing the economic zone really was.

Money-lending and other monetary exchanges are legally outlawed on the floor of an industrial unit like Worldwide Diamonds. According to India's Employment Act of 1946 – which was once pinned up on a green felt notice board in the Preparation Department as a scare tactic by managers – money-lending in the workplace is sufficient ground for dismissal. But in a good indication of how inconsequential India's industrial regulations are for what actually takes place inside the modern workplace and how much of what actually takes place is unseen by managers, a lucrative banking market flourished across the factory floor. Sums of money ranging from between 1500 and 10,000 rupees were lent and borrowed between workers on a daily basis, with young men like Ramu and Prakash in the Preparation Department's Cornering Section, who offered small loans at rates of 3–4 percent interest, establishing a modest reputation for themselves among the workforce as money-lenders.

Returning to the dusty hand-blocking section after a lunch break, I once watched Naga Geetha ignore the calls to begin work from the section monitor while she finished counting out a wad of rupees beneath the surface of the workbench. Naga Geetha had borrowed 10,000 rupees from a 'boy' employed downstairs in the Finishing Department. Word of the money-lender's favorable interest rate of 3 percent had circulated around the factory and Naga Geetha had arranged the terms of the loan over successive lunchtime meetings, beside the factory's cycle sheds. For borrowers like Naga Geetha, waged factory labour inside the economic zone improved access to credit. Not because VSEZ offered any greater security of employment or because Worldwide Diamonds offered to guarantee her loans, but simply because a marketplace for the exchange of goods and services flourished inside the zone. In a banal sense, the economic zone created a market, as workers encountered people who they might otherwise not meet in the villages and highway townships outside. As Naga Geetha explained, after she had carefully checked and double-checked the wad of notes, her family's status as recent unestablished migrants to the city's hinterland had made it difficult for her father to borrow money in the highway township of Kurmannapalem, where they lived. 'We're new residents not old residents. People think we're not settled here because we don't own a house but are just renting. They think we might just disappear. So, they won't lend us money.' Inside the zone, however, Naga Geetha's factory wage was enough guarantee for the money-lender, whose questions about her family background and socio-economic status were enough for him to calculate that her family's needs tied her to the workplace, and that her factory wage ensured the loan's eventual repayment.

On the factory's mixed-sex A-shift, male money-lenders sat alongside women like Ratnam and her second cousin Janaki, who topped up their factory wages by moonlighting as seamstresses. Seated at their allocated workbenches in the blocking and bruiting sections, on visits to the checking cabin, the water filter or the toilet, during lunch breaks or waiting for the factory bus after the shift ended, they advertised their skills by showing off pieces of hem-work on saris or *churidars* underneath their heavy uniforms, took orders for stitching, sewing or tailoring

jobs, negotiated over costs and times, collected fabrics or looked at samples of cotton or polyester, and exchanged finished items for cash.

As we sat around the same work table in the blocking section, using hand-held clamps to push rough diamonds backwards and forwards across a rotating scribe to polish the flat *table* facet – 29-year-old Ratnam put down her tools and lifted the edge of her sari over the edge of the workbench to show me her handiwork. ‘I do embroidery, hems, anything.’ She charged 15 rupees for stitching a ladies top; the same fixed rate that the company paid all workers per hour of overtime. She conducted much of her business in the 15 minutes before the shift began, sitting on the concrete steps beside the lockers as people waited for the Preparation Department doors to be opened. Janaki, aged 23, meanwhile, took orders for woman’s blouses and *churidars* during the week and spent her free Sundays making them up on a sewing machine at home. The cost of a *churidar* started at 60 rupees, equivalent to a day’s factory wages for a new trainee.

Ratnam’s 6000-rupee sewing machine and Janaki’s 3000-rupee machine represented substantial investments in home work. As a classic source of supplementary home-based income there was an obvious demand for sewing machines in the households of factory workers. Such that I once found a bullish young man in the gents toilets at 5:55 a.m. passing around a handwritten list with the prices of second-hand sewing machines.

Entrepreneurial opportunities existed at different levels of management. The lucrative procurement contract for the company’s heavy uniforms – blue for production workers, maroon for monitors and supervisors, and green for housekeeping and maintenance workers – was won by Hari, a supervisor in the Production Department who had worked his way up from an apprenticeship on the factory floor. In turn, Hari outsourced the work to Kodi, a male co-worker on the factory floor who had spent a couple of years after leaving school at age 16 as a tailor in a small family business. Kodi subsequently recruited his uncle and his uncle’s employee and together they stitched 400 of the 1200 blue production uniforms circulating around the factory.

There has been a resurgence of interest among anthropologists in the relationships between informality, the market and the state (Elyachar, 2003, 2005; Mollona, 2005a, 2005b, 2009). Drawing on traditions in classical and critical political economy, and building upon David Harvey’s (2005) work, Elyachar argues that neoliberalism is marked by the ‘appropriation and co-optation’ of ‘indigenous forms of production, markets, and sociability’ into structures of power and the reproduction of capital. In Elyachar’s analysis, the forms of cooperation, social networks and cultural practices that allow people on low incomes to survive without the state have been subsumed by abstract concepts of the ‘informal economy’, ‘microenterprise’ and ‘social capital’, and incorporated into a broader project of market development in which the state, international development organizations and NGOs are all key actors.

In his ethnography of Endcliffe – an old steel-producing neighbourhood in the east-end of Sheffield – Mollona shows how social networks and exchange

relationships between workers and their communities insulate families from the volatility of the market in a context marked by the decline of the welfare state. In Morris – a small, seasonally solvent, subcontracting unit that makes wood-boring steel tools for larger firms – artisanal workers complement their low wages with an array of state benefits, casual labour, illicit activities and informal revenues from the drug and sex trade, as well as free services exchanged in the neighbourhood; with the result that workers find themselves providing for their own pensions, insurance and basic income. Precariousness ‘dissolves’, as Mollona (2009) puts it, the walls separating production processes in a global factory from the economic exchanges, non-factory livelihoods, forms of relatedness and social networks that are associated with the family, and the domestic or household economy.

The porosity of boundaries around sites of global manufacturing in India’s new economic zones reflects both these processes of ‘dispossession’ and ‘dissolution’. Unregulated and invisible economic practices – which continue to be imagined as characteristic of the informal economy – are incorporated into capitalist production processes inside the economic zone as an invisible subsidy. The forms of social cooperation and economic practices that enable families on the outskirts of Vizag to survive in the absence of protection and provisions by the state are appropriated by Worldwide Diamonds and incorporated into the reproduction of capital. As a consequence, the walls surrounding India’s economic zone – which mark a juridical-discursive boundary between the offshore and onshore economy – are an optical illusion. If India’s economic zones prove to be ‘fertile’ spaces for industrial capital it is because they are ‘irrigated’ by a wide array of non-factory livelihoods, family and household exchanges. The successful organization of a global subcontracting unit inside the zone permeates beyond its physical boundary, externalizing the costs of social reproduction onto the workforce while harnessing and incorporating their social and cultural resources into capitalist production processes.

Citizenship as always unassured

In her formulation of zones as archetypes of the neoliberal exception, Aihwa Ong echoes the concerns of human rights organizations, social-political activists and trade unions in India. Zones are significant, she argues, because inside them the state invokes the neoliberal exception to de-link or ‘disentangle’ citizenship rights and entitlements from its territory. The market, as she puts it, ‘mutates’ citizenship. Market-oriented calculations, she argues, ‘fragment citizenship for people who are all citizens of the same country’ (Ong, 2006: 84), attaching different values to different categories of person. But what are we to make of these explanations if citizenship is not a given? What happens to citizenship inside the SEZ if citizenship is not guaranteed or assured outside it?

In this section I draw on Partha Chatterjee’s (2004, 2008) argument that most Indians are not citizens; or do not enjoy the inalienable rights and entitlements and

status associated with formal ideals of citizenship. While the norms of liberal political philosophy and the idea that all humans are bearers of rights are enshrined in the formal, legal and political facts of citizenship in India, Chatterjee argues, this is not how things actually work in practice. 'Most of the inhabitants of India are only tenuously, and even then ambiguously and contextually, rights bearing citizens in the sense imagined in the constitution' (Chatterjee, 2004: 38). While the majority of Indians may have the formal status of citizens capable of exercising electoral franchise this is not, Chatterjee suggests, how they are treated by governmental agencies. Instead they are first and foremost political subjects, who must struggle to achieve recognition as citizens by making claims on government.

As a consequence, Chatterjee argues, what we think of as civil society in India is better conceived of as 'political society'. People are governed 'not within the framework of constitutionally defined rights and laws but rather through temporary, contextual and unstable arrangements arrived at through direct political negotiations' (Chatterjee, 2008: 57), the results of which are 'never secure or permanent' and their 'entitlements, even when granted, never quite become rights' (2009: 58). India's economic zones, I would suggest, are characterized by precisely these same kinds of contingent, contextual struggles for citizenship.

Payday in Worldwide Diamonds was a public event. Two personnel managers carried a folding wooden table, metal box and receipt book around the factory, setting up their stall in one department at a time. In preparation A's blocking section, blue-uniformed polishers like Reddy and Chinni would wait for a vague nod from Patnaik, their section monitor, before leaving their machine table to stand in line for white envelopes containing notes, coins and a printed wage slip. Back in their work sections, production slowed down as people milled around the work section to compare earnings. Wage envelopes were opened, rupees were removed, held up as if they were prizes for people at adjacent tables to see, and then the pay slips were passed around as people inspected the list of deductions from their gross monthly wage.

Former workers remember payday as a particularly depressing event: 'I might have forgotten how much I was earning during the month, when I was enjoying working with friends, but on the day we got paid I used to feel like crying at how little they gave us.' Just as payday made earnings visible to workers, it made workers visible to the state. Every factory worker in Worldwide Diamonds contributed a nominal 1.7 percent of their gross income to a state health insurance scheme for registered employees (ESI). In addition, from the day they entered the registered workforce every employee was eligible to join a savings or 'provident-fund' scheme to which the company was obliged to make a contribution. Furthermore, every contracted worker above the level of trainee paid a token 'professional tax' of 0.08 percent per month on his or her earnings. To be a taxpayer is to be made visible to the state as an economically productive subject.

When young men and women leave sources of irregular, unwaged or casual work in semi-rural villages and highway townships across Vizag's hinterland to enter the industrial labour force as full-time shift-workers in an offshore diamond

factory a subtle and nuanced process takes place, in which they trade their labour power not only for money but also for visibility and recognition vis-a-vis the Indian state. The economic zone is not a site where the citizenship of workers is suspended but, counter-intuitively, a site in which citizenship is constituted. Just as the sale of body parts and organs in South India brings with it a degree of political recognition through which people can negotiate and claim citizenship (Cohen, 2005), so too the sale of the body as labour power and submission to capitalist work discipline inside India's SEZs offers an entry point to citizenship. Factory labour inside the zone is tied to forms of visibility and recognition that constitute the individual as an economically productive working subject and which become the basis for particular kinds of political claims for rights and entitlements.

On 9 January 2002 the managing director of Worldwide Diamonds collected an award for 'exporter of the year' from the government of Andhra Pradesh. In seven years of operations the unit had become the single biggest outsourcing facility for the global diamond industry in India, one of the highest-value exporters in the state of Andhra Pradesh, and the largest private sector employers in Vizag. That same day 350 Telugu-speaking workers, employed to sort and polish diamonds in a part of the factory operated by the company's largest client, went on strike.

On 10 January police charged the group of striking workers as they rallied outside the zone's administrative building to demand that managers adhere to basic labour laws, and made several arrests. In the strike's aftermath, two diamond polishers were sacked, seven were suspended, and fines of between 100 and 700 rupees were imposed on 22 others. This strike was one of the largest yet to have taken place inside India's special economic zones and briefly made Worldwide Diamonds a *cause célèbre* for India's leftist labour movement. The Centre for Indian Trade Unions (CITU) – a nation-wide labour federation aligned with the Communist Party of India – used the incident as an important focus for their opposition to policies of liberalization that drew critical attention to the labour regimes emerging in India's offshore economy. Labour activists from the CITU presented evidence for the brutality of the company's managers and the suppression of organized labour in pamphlets, news magazines and reports to international labour solidarity networks, and, in a test case, they submitted a complaint about the infringement of trade union rights in the zone to the UN International Labour Organization (ILO) in Geneva. This complaint set in motion a legalistic process of investigation, as the ILO's resident experts and external academics attempted to establish whether the legal facts of this case contravened the rights to 'freedom of association' and 'collective bargaining' that it identifies as universal.

The significance of the zone as an entry point to citizenship – rather than simply a space in which people are subjected to a regime that suspends their rights and entitlements for a wage – is nowhere more apparent than in the aftermath of this strike. In the cutting and polishing sections of the preparation department, where I worked, for example, the rationale for collective action or labour strikes was concerned solely with eliciting the intervention of the state government. Demands by

workers for protection, security and welfare called upon the state government to declare their case an exception from the norm, by asserting themselves as visible, 'economically productive subjects' who were eligible for special treatment. Their mobilization was always concerned with a very narrowly defined group: those people whose labour power had been ascribed a specific specialized role in the process of commodity production and whose lack of knowledge and control over this production process placed them in a structural relationship to transnational industrial capital. This narrow definition failed to account for, ignored or excluded the diverse categories of labourer found around the zone, including those people involved in construction or maintenance.

Rather than see SEZs as spaces in which the rights and entitlements of economic citizens are being withdrawn or citizenship is mutating, Chatterjee's argument compels us to see the zone as a space in which claims to citizenship are actually being made. In VSEZ, for example, the sale of labour power to Worldwide Diamonds made the individual visible to the state, bringing them a degree of recognition as a political subject and creating an opening for particular kinds of political claims-making. These claims enlisted a range of actors, including national and transnational organizations, and drew upon the register of international labour rights. As Chatterjee writes, in political society there is no 'equal or uniform exercise of citizenship'; people are born subjects and must become citizens. The success of their claims for rights and entitlements 'depends on the ability of particular population groups to mobilize support to influence government policy in their favour', in alliance with other groups or powerful and influential actors, political parties and celebrities.

If a refusal of these demands and an unwillingness to respond to appeals from zone workers for benefits and protections delineates the contours of the neoliberal state, there is nothing particularly 'exceptional' taking place. Instead, as Chatterjee shows us, this is how citizenship is always constituted in India's political society: through contextualized struggles and claims that are never assured or guaranteed.

Conclusion: neoliberalism as unexceptional

The economic zones being built across India continue to be imagined and conceptualised as unique territorial, juridical and disciplinary spaces by planners, politicians, activists and social scientists. But, in their everyday operation, the continuities and interconnections of these spaces with the wider economy make them decidedly unexceptional.

India's economic zones may indeed be the product of a calculated 'political exception' from formal practices of government or citizenship in ways that re-orient territories and populations towards the global market, as Aihwa Ong has shown. As I have argued in this article, however, the language of exceptionality ignores the significance of 'informality' or 'precarity' as a basis for industrialization in emerging global economies; it ignores how these spaces are structurally

embedded in the wider economy; and it essentializes the political status of working subjects inside the zone.

India's new economic zones are not closed or bounded systems. On the contrary the precariousness of work, the porosity of its boundary and the politics of citizenship inside the zone re-creates the character of working life outside. First, because the successful operation of a zone like VSEZ hinges on an array of casual, insecure and unprotected labour relationships; that includes people involved in construction and maintenance as well as manufacturing. Second, because global manufacturing units like Worldwide Diamonds depend on the structural continuities, ties and connections to alternative sites of labour and sources of income that permeate the factory walls. And thirdly, because the political status of working subjects in India is never that of inalienable rights and entitlements, and their contextualized struggles for economic citizenship take a similar form, whether inside or outside an economic zone.

The most significant achievement of India's new economic zones, then, is to render visible and to legitimize the conditions under which most economic activity in India already takes place. What is the absence of regulation by state institutions in India's informal economy (e.g. Harriss-White and Sinha, 2007) is sanctioned as de-regulation or re-regulation in the economic zone. What is the lack of social protections for workers in the informal economy is institutionalized as 'flexibility' (Kabeer, 2000) inside the zone. And, what is the common condition of 'insecurity and precariousness' for a majority of Indians working in the informal economy becomes legitimized in the offshore economy as a mode of capitalist production and labour control (Bourdieu, 1998).

Indeed, we might well say that in India the *de jure* neoliberal exception is the *de facto* political and economic norm. The application of market-oriented modes of government to discrete spaces and populations may constitute a 'neoliberal exception' in juridical and discursive terms, but it is the reproduction of 'precariousness' in these spaces and in the lives of zone workers that makes the net result of actually existing neoliberalism so resolutely unexceptional.

Notes

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1. Letter (1990) archived in the Viskahapatnam District Planning Office.
2. They are fixed in the Western European and North American experience of post-Fordist industrial transformation (Neilson and Rossiter, 2005) and they are rooted in trajectories

- of progressive alienation and futurist predictions of a postmodern transition to immaterial forms of production and working subject (Mollona, 2009).
3. Like elsewhere in India, the restructuring of Vizag's public sector industries has seen number of people in secure permanent employment steadily shrink (Harriss-White and Sinha, 2007; Kaur et al., 2007; OECD, 2008).

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