

Exploring the Post-1990s Trade-Labour Linkage in India
A Set of Case Studies from West Bengal, Maharashtra and Gujarat

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Abstract

Measuring the welfare impact of trade liberalisation on low-income groups in a country is an interesting and yet challenging area of research. While official statistics on trade offer information on the flow of goods and services across countries, subtle changes at the grass-root level within a country is often not examined. Anecdotal evidences suggest that there have been sweeping changes in many cities and suburban areas, including villages, due to exposure to international trade. This study is based on field surveys from a number of disparate industries and locations in West Bengal, Maharashtra and Gujarat that finds striking and significant evidence on the impact of international trade on production organization and occupational patterns at the industry level. Albeit, the impact is not homogeneous everywhere and in particular with the case of Mumbai where phenomenal expansion in real estate business has pushed even a profitable export sector out of business, the general impact seems favorable to the relatively skilled labor. Small scale industries and their employees have gained not only from greater trade openness, but also from substantial trickling down of information relevant for appropriate expansion and pricing mechanisms within the firms and for suitable strategic decisions by individuals including skill acquisition, inter-sectoral and inter-regional mobility.

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Introduction

Measuring the welfare impact of trade liberalisation on low-income groups in a country is an interesting and yet challenging area of research. While official statistics on trade offer information on the flow of goods and services across countries, subtle changes at the grassroots level within a country is often not examined. Anecdotal evidences suggest that there have been sweeping changes in many cities and suburban areas, including villages, due to exposure to international trade, especially in the developing countries.

However, credible micro-evidences in many cases suffer largely from unavailability of data. Consequently, systematic studies aimed at measuring the impact of trade openness on regional and sub-regional economies are best approached by theoretical conjectures, as have been argued in Marjit and Kar (2008), supplemented by individual and focused case studies from different parts of the country – India in this case.

This paper examines these case studies in sufficient detail and explores the connection between openness to international trade in goods and services and financial flows and conditions of workers engaged in related occupation.

Since the 1990s India has undertaken a series of international trade-related reforms in order to foster economic change. The process of trade liberalisation has initiated an era of faster capital-labour mobility within and across sectors, widening of the scope for competition in international trade and consequent changes in different aspects of living.

As a large section of the labour force in India still lives in villages, these changes are expected to spill over to such areas and affect both demand and supply of goods and factors in many possible ways. Furthermore, the strictly market-centric development, unlike before, was also expected to affect the age-old system of contracts, productive relations and firm-level capacities even within village-level industries.

This study, based on surveys of a number of traditional villages, suburban and urban industries, explores the implications of trade on the labour market. Some of the assumptions discussed above seem to be largely validated from the cross-section data collected from these surveys, albeit more information and detailed analysis is certainly required to provide conclusive evidence on the beneficial effects of trade on unorganised labour in India. It has been shown earlier (Marjit and Kar, 2008) that trade liberalisation can improve the real wage of informal workers in India and explained mainly through accumulation of capital stock in such industries along with a remarkable growth in the value added component of the firms involved – both consequences of capital mobility between the formal and the informal sectors.

The rest of this section includes a summary of observations from the survey. Section 2 provides case studies from different parts of West Bengal, where components are identified within the specific industry type that have undergone significant changes in the post-reform period. Section 3 covers two case studies from Mumbai and Gujarat where the main impact of greater openness take contrasting forms due to several underlying factors. This in a way provides sufficient evidence on how the impact of trade can be felt differently in different locations and in industries depending on the institutional and other factors.

Once again, this is also a reflection of our earlier claim that the issue resolves itself to greater tractability and comprehension if trade reform and its implications for different related markets are explored through intricate general equilibrium models.

It is observed that in order to maintain international standards and compete in the international markets, individual firms initiated changes in the infrastructure through substituting old machines and renovating buildings and the supply chain was suitably adjusted. During this period, credit facilities have improved significantly through the expanding formal credit market. However, it was observed that new banks, mainly private, started functioning as rural and cooperative banks were in no position to meet the ever-increasing demand for services for the export-oriented firms. Thus, the role of informal credit has also become important. Participation in global trade process necessitates some degree of formalisation for getting letters of credit, bank loans and delivery of items through international couriers. However, firms use the informal sector as a buffer, under-invoicing asset and number of employees, thus insuring against possible risk and uncertainties associated with the global market. Such informal activities absorb a significant portion of informal credit.

During this period, additional demand for skilled labour was observed and the market for skilled labour became more competitive. There was a virtual shift from casual to contractual system of payment which benefited both the entrepreneur and labour. Disputes have also reduced considerably. The traditional sector coexists maintaining the old system of payment and working conditions. The system of marketing too has undergone a sea change. Prior to 1990, most exporting firms were unaware of markets outside the country. Instead, they were suppliers to exporting firms who did the marketing.

However, there has been renewed interest among producers to export directly to the foreign markets. This impetus, in some sense, has originated from the initiatives of the government through trade fairs; export zones, and improving communication like telephone and internet connection. Entrepreneurs have started negotiating with foreign firms to compete in the export market and have also increased the number of trading partners. Currently, there are two types of operations involved in the whole process of marketing. Firstly, small firms navigate cautiously in the high-risk export sector.

Secondly, the marketing of goods in the low-risk traditional sector remains uninterrupted. One must not have a wrong notion that these small firms strive to become completely export-oriented. The perceptions of entrepreneurs are quite different and they are keen to continue with the traditional sector producing low grade goods taking low level of risk. The profitability in the traditional sector depends more on the volume of sales, as price per unit is too low. It appears that these firms maintain a portfolio of traditional and modern sector for convenience. There is no anecdotal evidence that the modern sector has brought any reformation in the traditional sector and this sector is considered a dumping ground for plants, machineries and manpower. Instead of opting to modernise, entrepreneurs have chosen to pump more money into the export sector.

Let us look at these changes through the eyes of the employees. After 1990s, growth in employment was observed in the suburban areas both for the skilled and unskilled labour. Among the general workforce, those involved in the export sector seem to enjoy better facilities. As the labour market turned competitive, it has become very important for labour to update their skill. We thus find the existence of two types of labour markets.

First, the export sector, which absorbs high skilled labour and reaps higher return but has higher uncertainty of employing workers as everything depends on the export order. On the other hand, the traditional sector, which contains more unskilled labour with lower wage rate but lower uncertainty of employment. Still, non-payment of wages is prevalent in this sector and employee-employer relation has not changed much.

Rapid changes have taken place in the conditions of living as remittances and higher wages are used for improving housing conditions and other developmental purposes. As will be discussed subsequently, migration leading to higher earnings in the construction sector, supported by the boom due to massive penetration of global and local capital, has led to higher remittances which have assumed a significant role in this context. The health and hygiene conditions have improved marginally and increased initiative to send children to school has also been observed.

However, whether this is the effect of mid-day meal programmes or a result of change in the economic condition, is difficult to ascertain at this stage. Flow of amenities in the rural household is also considered in the study. Large sections of the household now possess television, music system, etc. Simultaneously, loan indebtedness has been reduced. People are increasingly getting away from the clutches of moneylenders and depending more on the employers or rural banks for loans.

In a nutshell, the study shows that liberalisation of trade in India has had far reaching impact at the grassroots level at least in areas under focus here, thereby confirming the positive role of trade in uplifting the economic conditions of the poor. Thus, by and large, reformatory measures have improved the conditions of the people. However, it should be clearly understood that these changes have been restricted to localised pockets where fresh initiatives to revamp trade has taken place. However, this study does not take into consideration how changes in certain pockets have percolating effects on other region. It is possible that fruits of liberalisation do not disseminate rapidly. Yet, one cannot ignore these salient effects.

Case Studies from West Bengal

This study has been undertaken in four specific areas in West Bengal – Durgapur, Calcutta, Santipur, and Sagardighi (near Bahrapur) – to understand the effects of international trade on the conditions of living at the micro level. Given restrictions in time and scope of the study, five firms were chosen from each area in Durgapur, Calcutta and Santipur with the following characteristics:

- the firms are not very large; and
- they are directly or indirectly involved in exporting goods or services.

Data was collected from each of these five firms by trained investigators with the help of pre-designed questionnaires (see Annexure). In the second stage, ten employees were selected randomly from each firm and interviewed. Compared to the above three locations, a slightly modified technique was used in the case of Sagardighi. On the basis of the existing information that workers from Sagardighi live and work in various metropolitan towns in India on a regular basis, fifty households with migrant workers were selected randomly with the aid of information from the local *panchayat* (self-governance institution at the village level) and surveyed for relevant information on their migrant members.

Observations from Santipur and Phulia

Historically, Santipur and Phulia have always been the seats of traditional weavers. The weavers used to sell hand woven saris locally and also in Calcutta which is just 120 km away. With growing number of weavers, the level of competition increased. The traders then ventured out to other cities like Chennai, Bangalore and Delhi. In the late 1990s, with public sectors corporations like National Textile Corporation (NTC), their main buyer, in decline, traders were pressed for new markets. Many weaving firms were forced to close down in the face of fierce competition.

Post-1990s, the survivors had been trying to target the export market for existence. Previously, these firms had no knowledge of the export market. But awareness spread as they started trading with the wholesalers of Calcutta and Chennai. They gathered some insider information and showed keen interest in the promotional export schemes of the government, a direct fall out of the liberalisation policies of the 1990s. Some of these weavers even visited export fairs at *Pragati Maidan* in Delhi and sought new business avenues. And this is how the journey of the traditional weavers of Santipur and Phulia started to catch up with the export market.

The weavers of Santipur are now organised in two groups – cooperatives and private organisations and both competing with each other. While the cooperatives are constrained by the minimum guidelines spelt out by the government, private entrepreneurs bypass most rules and regulations. This is applicable for management of inputs, selling of products, maintenance of infrastructure, etc.

Earlier, the firms followed strictly traditional methods of production. There was no sign of change in terms of infrastructure, input management etc. These firms targeted the local market and operated with a very low volume, without considering the quality issue involved. For example, many inputs were locally supplied and mostly of poor quality. The traders argue that the price of goods was low and their profit margin was derived from the volume of sales. Thus they were keen to produce more in quick succession as they did not have enough infrastructural support to produce large volumes at one point in time. They had no other alternative but to overuse the machines and overwork labour.

Most of the labour was unskilled daily wagers (or on casual terms). Non-payment and underpayment of wages, labour disputes and strikes were prominent features of these firms. The entrepreneurs could not get much support from nationalised or rural banks and the state cooperative bank provided them with limited credit facility often owing to unregistered status of these establishments. Consequently, a thriving informal credit market developed around Santipur, which charged between 3-10 per cent interest per month without any security or guarantee. There were cases when businessmen had to close down due to heavy indebtedness in the informal credit market.

The labour force, mainly from adjoining villages, was traveling daily to their workplace. In a firm, skilled labour were very few in number and even among them there was a high turnover rate. During the sowing or harvesting season, more labour, especially unskilled, were involved in agricultural activity. The traders, therefore, planned their production in such a way that the shortage of labour during the period was adjusted. On the other hand, as job opportunities were less in villages during the lean season, the bargaining power of labour would inevitably get pegged down while contracting with traders.

The system of marketing was also poorly developed. Apart from selling locally, they used to send the output to Calcutta, mainly to the wholesale market in Burrabazar. Usually, they received bulk orders from the traders and the supply was to be assured before *Durga Puja* (generally in the month of October). They used to change the trading partner often due to non-payment or cheating. Agents or intermediaries negotiated for the sale orders and settlements. The consignments used to be transported by train illegally, and the roadways were generally avoided to evade octroi (a kind of road tax). Information system prior to 1990s was poor and newspapers were the single source of some information. Large firms had the advantage of telecommunication while the smaller ones had to depend on them for acquiring information. There were allegations of suppressing information and spreading rumors. For instance, it was rumoured that there was huge inventory with the traders in Burrabazar. Over and above, there was fierce competition to sell, and the profit accrued was through large sales as the prices were very low. Large firms had advantages as they could produce more and afford most sales in credit. There was some risk involved in the trade as the trading partners often made deferred or no payment.

Since 1990s, slow changes have occurred in the market structure. The firms realised they could have earned supernormal profits if they had targeted the export market as well. Most of the traders thought of a unique model that is of not substituting their traditional sector as they realised that over generations they had thrived in the same trade. Instead, they began augmenting the same with new export-oriented initiatives and the major hurdle was quality consideration. They realised that neither the obsolete machines could be used further for exportable goods nor can they continue with the traditional supply chain. This led them to think of importing machines and encouraging the new supply chain to use imported inputs. All these necessitated huge amounts of credit.

On the other hand, import necessitated organising their business in a more transparent manner; documentation, licence became essential and tax payments were regularised. After going through these formalities, they were able to seek loans from nationalised banks on lower interest rates compared to the informal credit market. They behaved as risk takers to compete with the outside world. They, however, continued with old machines and buildings, supply chain, sources of credit, labour and marketing channels to sustain the traditional sector, as if a diversified portfolio was maintained with two types of sectors – one is high risk export sector and another a low risk traditional sector, one of high quality and other of low quality, one is more transparent and other less, one formal and other informal.

It seems this new mode of running business fetched success for the traders of Santipur. Some of them reported that earlier, they were unable to convince the state cooperative banks to give them loans. The recently established AXIS bank has come to their aid. Highly skilled labour, so far engaged in the traditional sector, moved to the export sector and they were employed on contractual basis. Labour disputes were quite rampant in traditional sector as working conditions of the labour was unhealthy whereas the export sector was more labour-friendly, for instance, workers were provided with fans. Some kind of insurance was also provided to the skilled labour for working in the export sector. On the other hand, there was complete insecurity pegged with high exploitation in the traditional sector. The greatest challenge for traders was to tap the export market.

They began venturing out to Calcutta, Chennai, and Bangalore to collect ‘insider information’ for exporting garments. They started attending export fairs in Delhi and other places and in these fairs, they interacted with foreign entrepreneurs. They distributed samples of designs and printed visiting cards for foreign entrepreneurs. The local traders initially sent very low priced quotations via e-mail. They didn’t know how to send a consignment but foreign traders started guiding them in order to secure the output at cheaper costs. Initially, the design and some details about the product to be manufactured were sent to them.

Even foreign traders visited Santipur to get first hand information. They used to combine their trip to Santipur with a visit to the Iskcon temple at Mayapur. It seemed that the foreign traders who were acquainted with big garment merchants of India, were not very serious about the business tie-ups with the small businessmen, as they knew the risks involved. After 2000, growth in trade became a reality. GATI (a logistics company) was the first to receive the consignment from Santipur. There is growing demand for broadband services in Santipur as traders began to use the Internet to contact outside markets. With the guidance of foreign investors, they have even approached the National Institute of Design (NID, Ahmedabad) which often sends their trainees to Santipur for internship. The traders use this opportunity to train their artisans.

The export market has always been perceived as a high-risk market. The traders are aware that they are competing with the world market and there exists uncertainty. However, the gains from trade have been quite attractive to them. So how do the small businessmen survive amidst this uncertainty and competition? This study argues that the trader operates both in traditional and export market where one market acts as insurance for the other. The thriving market for traditional goods has augmented the growth of the export sector. The less risky traditional sector has always helped sustain the business. The successful traders have adjusted and readjusted the size of these two sectors optimally to ensure profitability at the end of the day.

The new initiatives have spurred a sea change – it has forced traders to formalise their operations. Tax collection has become more regularised and there is less black money involved in this sector. Due to insufficient data, we cannot conclude that volume of black money in the traditional sector has changed over time. Anecdotal evidence suggests that the involvement of black money, on a regular basis, might not have changed much. However, fluctuations might have increased due to competition. The story would not be complete unless we comment on the aspect of social welfare. We argue that the export sector has upgraded the quality of life of a section of the poor. On the other hand, the traditional sector has not changed much.

Forty-eight out of fifty employees who were interviewed reported that the wages of skilled employees has risen very fast in the export sector. The terms of employment too are more or less contractual whereas the traditional sector has both casual and contractual system of employment. The benefits provided to the employees in the export sector are higher compared to the traditional sector. Welfare funds are maintained for support on days of need. They are often provided money to buy medicines. There has been a sea change in the work culture as well. Employees are aware of the deadlines of supply and often work for extra hours, with, of course, additional incentives. Employer-employee relations have improved. Forty-five out of fifty employees have reported that their standard of living has improved and food supply too has increased. Improvements in health and hygiene were also observed.

It was also reported that now workers send their children to school instead of forcing them to work as child labour. Most of the labour from nearby rural areas reported that they are no longer in the clutches of village moneylenders. They can rely on the employer or cooperatives for monetary needs.

This study examines the export sector instead of the large traditional sector. Interaction with employees in this sector suggests that their standard of living has improved marginally. Everyone here waits for his turn to join the export sector. The government will soon set up an export zone in the area. This would definitely boost the growth of the export sector.

Table 1: Changes in Employment Conditions

Conditions of Employment	Categories	No. of Respondents
Nature of current employment	Contractual	48
	Casual	02
	Others	-
Change in wage rate	Increased	49
	Decreased	-
	Unchanged	01
Change in other benefits	Increased	45
	Decreased	-
	Unchanged	05
Change in nature of job	Need More Skill	46
	Need less skill	-
	Unchanged	04
Uncertainty	Increased	45
	Decreased	-
	Unchanged	05
Employer employee relation	Better	46
	Worse	-
	Unchanged	04

Table 2: Changes in Standards of Living

Level of Living	Categories	No. of Respondents
Food Consumption	Increased	48
Housing	Decreased	-
	Unchanged	02
	Improved	45
Children's Education	Deteriorated	02
	Unchanged	03
	More Affordable	40
Indebtedness	Less Affordable	-
	Unchanged	10
	Increased	-
	Decreased	45
	Unchanged	05

Observations from Durgapur

Durgapur was a booming industrial town till the late 1980s. However, with the growing industrial decline, a number of industries, including some public sector giants were closed down. This case is significant in the sense that the region hosted one of the largest import-competing factories of the country, Durgapur Steel Plant (DSP), the public sector steel company which traditionally thrived on high import duty and administered pricing.

Since 1990s, this company had to take a few blows as duties came down drastically and competition started growing with the entry of private players. Initially, ancillary industries received a deathblow. But the last decade tells the story of adjustment and mimics to some extent the theoretical path of reallocation of resources in the face of changing demand. It is well-known in trade theory that the gains from trade proposition depend crucially on how fast resources can be reallocated from contracting to booming sectors. Moderate turnaround in Durgapur area has a lot to do with other factors as well, which will be further discussed. While Santipur has been the story of export-oriented prosperity, Durgapur is the story of adjustment in an import competing region.

Since the 1990s, the situation started changing slowly; new markets were opened up, demand for steel in the international and domestic market increased and initiatives for widespread modernisation were observed. Since then, the connectivity of Durgapur has increased many folds. The Durgapur Express Highway had been the newest addition. This rapid change in industrial environment attracted many small and medium investors, though large investment was missing. Sponge iron plant, chemical factories, tools and machinery factories started growing. Simultaneously, innumerable firms for providing services to these industries mushroomed. The investors were mainly from other states or districts of West Bengal, especially Burdwan. With decreasing return on agricultural investments, a section of the rural rich have started diversifying to small industrial and service units. They were interested in partnership business with others who had some exposure to the industrial climate in Durgapur. This new trend has revived the old glory of Durgapur to some extent.

To a large extent, growth of these industries has resulted from the growth of large industries like the DSP. As the growth of these industries were driven by resurging export demand due to the advent of worldwide growing demand for steel, thanks to the Beijing Olympics, one can opine that the growth of small industries in Durgapur were largely due to the liberalisation and structural adjustments of the 1990s. The entrepreneurs had to import new machines and build new infrastructure to suit the quality. A new supply chain was created to conform to quality requirements, as laid down by international certification standards like ISO9000. New branches of private and nationalised banks started functioning and credit was available without much hindrance. There was a rapid change in the labour market as well.

Earlier, regular workers of industries that had closed down were willing to work as contract labour. The unions of those factories or downsized units served as employment agencies for contractual workers working closely with the companies. Another interesting factor for the small manufacturers is that they do not have export licence but supplies the same to someone in Calcutta or Dhanbad who have export licence. These export firms are basically aggregators and export several goods which they never manufacture.

Some of these exporters are assemblers also – that is, they collect several components from different manufacturers and do the final assembling. Manufacturers often mention that the exporters are very high-headed people and they hardly disclose the export destinations. A steel goods manufacturer (including furniture manufacture), a fire protection goods manufacturer, three fabrication and erection-related service firms were covered under the study.

It is evident that the changes in Durgapur have been a boon to employees. Many of them are from erstwhile industries and had left the town as no job opportunities were available in the late 1980s. Since the 1990s, many changes have occurred attracting significant labour force to Durgapur. The wages have improved, work culture has changed, entrepreneurs are known to be more transparent about deals, employer-employee disputes have reduced significantly, mobility of labour has increased and uncertainty of job has reduced as there is great demand for labour in the industries. There is now more demand for skilled workers. Every employee interviewed reported that their standard of living has improved which is shown in the following table. Condition of housing, health and hygiene too has changed for the better. Some of them talked of their nightmarish days during closures of industries and how they became puppets in the hands of money lenders. An elderly woman complained that her daughter left the family with a *thikadar* (contractor) and never returned. It seems that the new initiatives in Durgapur have added vigor and zest in the life of the ordinary workers who were in perilous condition.

Table 3: Employment Conditions in Durgapur

Conditions of Employment	Categories	No. of Respondents
Nature of current employment	Contractual	45
	Casual	05
	Others	-
Change in wage rate	Increased	48
	Decreased	-
	Unchanged	02
Change in other benefits	Increased	40
	Decreased	-
	Unchanged	10
Change in nature of job	Need More Skill	40
	Need less skill	-
	Unchanged	10
Uncertainty	Increased	-
	Decreased	40
	Unchanged	10
Employer employee relation	Better	45
	Worse	-
	Unchanged	05

Table 4: Changes in Standard of Living in Durgapur

Level of Living	Categories	No. of Respondents
Food Consumption	Increased	48
Housing	Decreased	-
	Unchanged	02
	Improved	45
Children's Education	Deteriorated	
	Unchanged	05
	More Affordable	45
Indebtedness	Less Affordable	-
	Unchanged	05
	Increased	-
	Decreased	42
	Unchanged	08

Observations from Trading Houses in Calcutta

All units surveyed in Calcutta are quite large and are direct exporters of different commodities and services. Offices of many of these units are established in Calcutta but the manufacturing units are away from the city, for instance in Basanti, Raichak, Barasat, Domjur. The information was collected from the managers and employees of the offices in Calcutta but no information could be procured from the manufacturing sites of these units due to paucity of resources. The industrial survey included a medicine company and four leather/industrial rubber companies. These companies are quite large, trading directly in Asia, Europe and America and all of them have expanded their business post liberalisation. Since these companies have maintained quality standards right from the beginning, changes in infrastructure, supply chain were not required.

However, with increased demand for exports, these companies have imported more modern machines and technology. More skilled manpower is employed to undertake bulk orders. They could easily avail credit from banks and have stable business ties with companies outside India. It was heard from one of the managers that the company has been spending huge amounts for client services since the 1990s. The companies have complained against imposition of complicated procedure for VAT (value added taxes). Some of them have complained against E-filing of income tax returns. Over and above, the companies have grown in size. Some traders have split their companies into smaller units for evading taxes, though the surveyors were told that the step was taken for better management and control.

It was observed that the employees are employed mainly for accounting, sales and marketing and clerical jobs. There are a few managers to organise activities. Interviews were conducted to understand the changes in the standard of living after the 1990s. Few 'Group D' employees are contractual. Two of them were also interviewed. Interestingly, all the workers mentioned that their service condition have improved after liberalisation of trade. It was reported that the bulk orders from foreign countries during 1995-2000 have generated more activities. The company instead of recruiting number additional hands has favoured increasing the benefits of the existing employees. More overtime allowances are granted to the employees. Often they are required to work on holidays. There is a wage hike for all the employees.

They have mentioned that their method of work has undergone a sea change. They have to prepare the requisite papers within a short time and they have to get clearance from various government authorities in close sequence. The employees have also mentioned that the importers have become stricter about deadline and quality, and there is always a threat of heavy penalty for any fault. Thus, more skilled workers are required for better efficiency. The employees have mentioned repeatedly that there was an agitation for bonus and increase in pay earlier. But now the employer-employee relation has improved.

The standard of living has changed significantly. Even the low paid workers mentioned that they do not have to make daily purchases on credit. Many of the employees commute from the suburbs every day. The survey also noted the increased aspiration of employees some of whom are sending their children to English medium schools, which they could never think of a few years back. Since these employees do not belong to the poorest of the poor, most of them have their own houses. Some have bought apartments in Calcutta availing bank loans, and increased the use of consumer durables. Therefore, the conditions of the employees in Calcutta-based export firms have improved significantly along with the improvement of the companies thereof. The following tables depict the details.

Table 5: Employment Conditions

Conditions of Employment	Categories	No. of Respondents
Nature of current employment	Contractual	02
	Casual	00
	Others	48
Change in wage rate	Increased	50
	Decreased	-
	Unchanged	-
Change in other benefits	Increased	50
	Decreased	-
	Unchanged	-
Change in nature of job	Need More Skill	48
	Need less skill	-
	Unchanged	02
Uncertainty	Increased	10
	Decreased	-
	Unchanged	40
Employer employee relation	Better	42
	Worse	-
	Unchanged	08

Table 6: Changes in Level of Living

Level of Living	Categories	No. of Respondents
Food Consumption	Increased	02
	Decreased	-
	Unchanged	48
Housing	Improved	02
	Deteriorated	-
	Unchanged	48
Children's Education	More Affordable	50
	Less Affordable	-
	Unchanged	-
Indebtedness	Increased	-
	Decreased	05
	Unchanged	45

Observations from Sagardighi

This study has so far examined the changes in traditional seats of trade and industry after the 1990s. But does the impact of trade extend to remote areas as well? To get an answer, Sagardighi, a remote area, some 250 km away from Calcutta was surveyed. There is hardly any export-oriented industry in the area. People here depend heavily on agriculture. Apparently trade liberalisation has not contributed to any change in the life of the people in these areas. However, if one considers minute changes, it can be observe that mobility of labour has increased tremendously in last 10-15 years. Labour from the rural areas venture out to metropolitan cities to earn more. Remittances in turn influence the lives of the people in the villages. The remittances are used for improving the quality of life as well as to cushion the threat against uncertainties in agriculture. In villages, people of societies are still divided on caste lines. In general the SC (Scheduled Caste), ST (Scheduled Tribe) or minority (mainly Muslim) population comprises the labour class.

However, these caste lines don't exist outside the village. Even the son of a Brahmin who is unable to participate in the labour market of the village due old social norms, moves to towns and cities to work as labour for better earnings. Majority of the people in these villages, who are divided on caste lines, go outside for work. For SC, ST and minorities, the contractors organise their movement and negotiate deals with business houses outside. On the other hand, for the upper caste the deals are finalised often through individual effort or some social network. But are such practices prevalent in each village? In the metropolitan areas, the demand for labour exists in certain pockets, which are traditionally known, for instance, the masons of Murshidabad district, the rock cutters of Dumka (Bihar). The movement of upper caste people has been sporadic without any pattern; for instance, some of them work as staff in hotels of Delhi, Maharastra and Rajathan and some work as clerks in transport companies outside West Bengal.

Since trade opened up, several foreign companies have started setting up their offices and assembly lines in India. The state governments, with the help of international financial institutions and central government, have competed among themselves for attracting foreign direct investment in the respective states. Hotels, houses and hospitals are being constructed with private initiatives. Such large-scale operations necessitated growth of the labour market.

Sagardighi is one example in this direction. The regular mobility of labour has eased the land-labour ratio in the area and remittances have improved their standard of living.

It was observed that contractors provide contractual employment to labour for stipulated number of days. The labour has to pay about Rs. 1,000 to the contractor for getting employment outside. Usually the contractors do not provide employment to a new person easily as they have to maintain the quality standards set by the large firms operating in metropolitan areas. The chance of a person being a good mason is greater if his too father was a mason. It is believed that skills are handed over across generations and the right attitude is developed towards a particular work over the years in village societies.

It is worth mentioning that there has been improvement in the condition of the labour, for instance, wages of almost all the workers have increased and other benefits have been provided like better shelter in construction sites. They could visit a doctor in case of any illness. The masons have mentioned that they have to work carefully, as engineers supervise their work more intricately whereas in the past they hardly used to work under supervision. Therefore, the work has become more skilful. Mobility of labour has increased tremendously. Prior to the 1990s they had to go to the nearest town, district headquarter or Calcutta at best. Now they also have to visit Delhi, Chennai, Mumbai, and Jamshedpur.

Typical employer employee relationship is non-existent here. They have an unwritten agreement with a contractor popularly known as *thikadar* (Contractor) who provides employment in towns to workers in the villages. Gradually the relationship with the *thikadar* too has improved. It appeared that the fierce competition among the contractors have forced them to improve relations with labour. Now, a day's advance is available from the *thikadar* in lieu of commitment to work under him.

Interesting features were revealed while considering the standard of living. It was observed that the landless and marginal farmers were keen to work in non-agricultural sector for cash requirement and quick gain. Before the 1990s, they could not support their families as they used to work in the village only. After they have started venturing outside, they could send money to their families in the villages. This has improved the standard of living of the people in villages. Most of them have repaired their houses and built additional rooms to accommodate the increasing number of family members. It was reported that they now consult doctors outside the village instead of visiting the village 'quack'. More people send their children to schools and most houses have consumer durables like television, music system, etc and users of mobile phones are increasing rapidly. Indebtedness is negligible for most of them. Thus the burgeoning growth of the construction sector, at the direct or indirect backing of foreign companies, in the post liberalisation era, has unleashed a new era of growth and prosperity in Sagardighi area.

So far we have witnessed a direct impact of positive effects of trade and capital movement. Now we come to two specific cases outside Bengal. The first, dealing with the great slum and leather workers of Dharavi, we show how growth in construction capital outweighs the return from trade. In the second we show how booming export market of paper products enriches Surat. These are little more detailed studies with reflections on associated social circumstances.

Case Studies from Maharashtra and Gujarat

Leather Industry of Dharavi

In a dingy tenement in Dharavi, Mumbai's largest slum, a 50-year-old silhouette of Joseph Stalin hangs forlorn on a wall. The picture in the offices of *Dharavi Bachao Andolan*, a local non-government organisation, is a mute testament to the days when a thriving Communist movement prospered in this sprawling settlement. Then, poverty, desperation and crime brewed a steady supply of anger, crime and political protest. Today, the Communists have lost the influence that they once had and Dharavi's tiny huts and concrete hovels hum with commercial activity. Ramshackle corrugated tin, plywood, plastic, pukkah bricks, sheets of asbestos, sweat, toil, people and garbage make Dharavi, just like piles of earth, sand, clay and other materials make ant hills.

Dharavi and many other slums like it are nothing but human ant colonies built by legions of our urban poor. They are places which are at the same time sombre, moving, joyful and interesting. Push and pull factors bring people from villages here every day in search for something better. They settle here much to the neglect of apathetic eyes. But under the squalor there is great spirit and ingenuity. Most people refer it as 'Asia's largest slum' but we would prefer to call it the 'Heart of Mumbai'.

The business laws of this land are not applicable in Dharavi. How can they be applicable to a place that for all legal reasons does not exist? Dharavi is beyond our traditional Indian bureaucracy of red tape, licences, duties, municipal permissions, paperwork and taxes. In a sense, it is a 'Free Economic Zone'. The *Economist* in an article suggested that "Dharavi, one of Asia's largest slums, covering 220 hectares (530 acres) near the airport, has some 100,000 people producing goods worth over \$500 million a year." Other figures suggest twice that amount. The real figure is anybody's guess but this just confirms one factor – that Dharavi is less a slum and more an unorganised unregulated industrial estate, a showcase of Indian entrepreneurship. Dharavi houses an army of workers, many of whom work long hours in 10 ft by 12 ft rooms, churning out garments, purses, bags and briefcases for suppliers spread across the globe. The businesses flourishing here are as diverse as the colourful saris fluttering on the washing lines atop of the slum's huts, and they have brought entrepreneurs' dreams to fruition.

Walking in one of the shopping districts of an Italian city one can come across a leather boutique with the most unusual sign outside its door. It read, "Genuine 100% Italian Leather Not Made in India". That was just an anecdotal introduction for the \$2bn Indian leather industry, which employs over two million people. If one asks any knowledgeable shopper in Mumbai, where you get the cheapest and best quality leather products; they are not going to say the Oberoi Arcade but Dharavi. Driving down the Mahim-Sion Link Road one would have noticed the gleaming leather showrooms on either side with names like Quality, Step-In, Ideal leather, etc. In their confines one can buy jackets, wallets, bags, belts and a variety of leather products. These products are mostly export rejects or surplus products, produced by the leather manufacturers of Dharavi. Also it was one of the top places, manufacturing ladies handbags. These bags were made of beautiful soft skin of sheep, Napa, being procured from Tamil Nadu specially Vaniyambadi. There was this beautiful bonding of two geographical locations: Dharavi and Vaniyambadi. They were interdependent on each other. There is, however, a snake in this sweatshop Eden. Dharavi's businesses and entrepreneurs may soon have to exit the slum, thanks to the city's grandiose re-development plan.

Since the Dharavi's re-development plan has no place for unorganised and polluting industrial activities, most leather exporting associations in the area are shifting the Rs. 300 Crore industry to Bhiwandi, on the fringes of the city's suburbs. Even the aging Communists in the slum, who for long carried the flag of the leather workers, sorrowfully agree that the leather manufacturing industry should indeed move out of the area. But the big question is: Is shifting of such a major unorganised industry possible? Are the workers mentally prepared to shift? If we try to find it out in the leather handbags industry, the answer is a big 'No'. In fact this industry has almost vanished as of today.

Why up or down

Buyers from Europe and the US have scant regard for the unorganised work that goes on in Dharavi. The leather units located in the slum are small work centres, as good as sweat shops. Multinational clients want to source products from centres where leather production and manufacturing processes are integrated. They also want small artisans and tanneries to be linked to one single production unit. Dharavi's industries are too disorganised for that, as the slum houses mainly small artisans who run their own businesses.

Another problem lies with sourcing of the animal skin from tanneries and abattoirs. If it is not properly processed, the finished product will not have the right properties. International buyers sometimes reject Dharavi's products as they have a tendency of not being consistent in quality. International leather agents demand to work with only those exporters who can offer quality products on a large scale through mechanised production.

To add to Dharavi's woes is the depleting ranks of *Chamars*, a caste traditionally known to make quality handcrafted leather products. This community used to run tanneries and leather cottage industries. Now, immigrants from the northern parts of the country have joined this trade. "Although the new class of labour is quick in sewing leather goods, they need to be trained, unlike the *Chamars* who are born into the industry," says Chandu Bhoite, owner of Sai Leather Crafts, and one of the last members of the community who have stayed on.

Leather associations believe that Mumbai has lost its prowess in the leather business to cities such as Calcutta, Chennai and Kanpur. One of the major reasons for the shift in prosperity is the proximity of abattoirs and tanneries to production centres. Dharavi entrepreneurs bemoan the lack of foresight on the part of the government. A part of Dharavi could have been developed into a leather park; leather products could have been manufactured in Bhiwandi and sold in this leather park.

But it is not just the re-development plans that are responsible for the problems of Dharavi's leather industry. Another problem is that much of the work has little official status and lacks professionalism. There is no paperwork for the goods that are shipped out of the slum. Production techniques and designs could be stolen right off the shop floor. They feared that these processes could be replicated elsewhere, therefore making it easier for pirated brand names to reach the market. A final factor pushing most entrepreneurs out of Dharavi is the issue of access to credit. The name Dharavi is associated with a slum, and some banks turn down loan applications because of this bias.

But the biggest factor responsible for the death knell of the leather handbag industry is the moving away of the *karigars* (artisans) from Dharavi. This mostly happened after the communal riots of 1993. They belonged to Marathi (Hindu) community and were skilled in their art. The population ratio of Dharavi before the riots included 70 percent Hindus and 30 percent Muslims, but have since reversed.

The re-development plan divides Dharavi into five sectors, out of a total area of 175 acres. Eighty percent of these new tenements will be residential complexes. Currently, 95 percent of the slum's businesses are on municipal land, and most of the tenants have further sublet their space to other businesses. The majority of Dharavi's industries does not have the requisite property deeds and rent agreements. However, since it is right at the heart of Mumbai, most small entrepreneurs are reluctant to move out, especially with rising property rates. The rates are as high as Rs. 7,500-10,000 per sq. ft, and nobody wants to pay such high prices after re-development.

Role of Export Market

Ironically, no one complains about the shortage of international orders. Currently, the factories churning out leather goods for export work 24 hours a day, seven days a week, since the number of international buyers has shot up. But with the re-development, small businesses will no longer be able to afford the high rents.

Mumbai accounts for 17 percent of the leather goods exports, according to the data provided by the Council for Leather Exports. With increasing orders from China and the US, the industry has become highly capital intensive. Entrepreneurs need to invest in expensive machinery, which could easily cost Rs. 50 lakh per unit (US \$120,000).

The Impact on Labour

The labour involved in the manufacturing of leather handbags suffered due to various factors.

- The supply of good leather was not properly organised. It used to be bought from Vaniyambadi in Tamil Nadu. This in turn delayed the shipment of exports. At times it resulted in cancellation of orders during the manufacturing stage itself. The poor exporter had to bear the losses as he purchased leather and it was cut to different sizes for making of the export orders. Now it couldn't be used anywhere, and if he goes ahead and completes the products, he has to pay the full wages and then try to find some other buyer for the finished product. The more the delay in finding the customer, the leather starts getting deteriorating.
- The labour was always working on daily wages, as it was not an organised sector. Most of them turned their homes into workshops. There was no job guarantee.
- The labour involved in this industry had to be jobless for the four months in the monsoon season. During monsoon, leather catches fungus and the industry as a whole is on a standstill. These four months either the labour returned to their native villages and indulged in farming or just waited for the end of the season, taking on odd jobs.

- It is a skill derived from the previous generation, but the new generation is not much interested in joining this uncertain struggle. They are better qualified and hence prefer to work elsewhere. A skilled worker on an average earns between Rs. 100-125 whereas, a literate person can easily make Rs. 5,000 plus on an average (with no breaks for monsoon) by working in some offices etc. The more the experience, the more the earnings. The same skilled labour working elsewhere, say in Delhi, earns around Rs. 10,000 per month on an average. This only indicates that the total focus of leather bag industry has shifted to other places like Delhi, Calcutta, Chennai etc.

Role of Technology and the Future

Asia's largest slum Dharavi is set to leverage its own potential to bring about a sea change in its fortune and in turn enrich its standard of living.

Three leading institutes have joined hands with the Slum Rehabilitation Authority (SRA) of Mumbai to change the face of Dharavi in five years by developing and promoting its own resources – the slum's three thriving cottage industries –leather, garments and pottery. And leading retail chains have already begun showing interest.

The institutes, Ahmedabad-based National Institute for Design, Central Leather Research Institute (CLRI), Chennai and the Footwear Design and Development Institute (FDDI), Delhi, have come up with a three-step proposal to provide sustainable economic development to Dharavi's dwellers.

Beginning with leather, the institutes have an elaborate plan –from studies to mapping skills and analysis to gauge gaps in technology and designs to create an international market for leather products through a “Dharavi Leather Gram”.

“We chose the leather industry as there are as many as 567 leather units in Dharavi and it will be easier to make a beginning by working in a field they are acquainted with. It can be a test case for our work on garment and pottery,” says NID's Executive Director Darlie O'Koshy.

The Impact of Globalisation on Informal Labour/ Traders/ Entrepreneurs

Dharavi is not ‘outside’ Mumbai. It is in the heart of it, just across the Bandra-Karla Complex (BKC-a fast developing commercial centre that has left behind Nariman Point, the current down town of Mumbai) close to the Mumbai domestic and international airports. Dharavi is not a ‘shantytown’; it is a unique, vibrant and thriving cottage industry complex, one of its kind in the world where all the raw materials produced and processes (lining cloth, sewing needles & thread, colors & dyes, pigments, skinning, tanning, cutting & tailoring) of the final product (leather bags, fancy purses) are carried out at the same location and the value added is very high! Families have been engaged in this industry for generations. The very nature of the process of making fine leather goods requires large tracts of open land. This is, in fact, the kind of self-sufficient, self-sustaining ‘village’ community that the father of the nation Mahatma Gandhi dreamt of and wrote about in his books on the development path India should adopt.

Let us look at some numbers. The entire land of 535 acres will be available free to the developer. Normally, in the suburbs of Mumbai, permissible Floor Space Index (FSI) is 1.00. However, this is being treated as a Slum Redevelopment Scheme, the permissible FSI would be 4.50 (Development Control Regulations for Mumbai, 1991). It means that in this land of 535 acres, after deducting statutory open space of 15 percent, total floor area that could be built will be 4.5 times the balance land (approximately 455 acres) – that is, 2047.50 acres. For reallocating 100,000 families in 225 sq ft carpet area (approximately 330 sq ft built up area) apartments, total floor area required would be around 757.50 acres. This would leave a balance of 1290 acres for ‘free sale’ by the developer.

Construction of 100,000 apartments for the existing residents at a carpet area of 225 sq ft each will not cost more than Rs. 250,000 per apartment (US\$5,000, based on the cost of resettlement in the recently completed World Bank aided Mumbai Urban Transport Project II). The total cost of reallocation will, therefore, be Rs. 2,500mn or US\$56.8mn.

Total land (inclusive of roads, open spaces and amenities) required for such 100,000 apartments in 20 floor buildings according to the standards permitted by the Slum Redevelopment Authority (SRA) will be about 126.50 acres leaving the balance of 408.50 acres to be used by the developer for construction of ‘Free Sale’ apartments. At the current price (based on recent sale of land by Mumbai Metropolitan Region Development Authority) of around Rs. 28,000 per sq mt of FSI available for sale on the balance land (1,290 acres) would fetch approximately Rs. 14,448mn or US\$328.36mn. Deducting the cost of 100,000 flats (US\$56.80mn) there would be a clear profit of Rs. 11,948mn or US\$271.56mn, a return of 478 percent on the investment.

What is ‘unique’ about this plan is its machiavellian attempt to deprive 100,000 families of their traditional livelihood and home-cum-work space so that the land so conveniently located across the BKC can ‘host’ commercial urban development that can ride piggy back on the infrastructure already created in BKC at the cost of the public exchequer and benefit the developers.

When, in the name of redevelopment, a businessman is getting ready to ‘raze’ Dharavi where the residents have lived for over 50 years, where are the American ‘brains’ of the Bill Clinton-promoted foundation which recently held a conference in the US to vociferously propagate tenure rights to the slum dwellers of the third world for the land they occupy so that they can register their ownership documents, get access to institutional finance and redevelop their area to increase the wealth of the city?

Would it not be simpler and just to give land tenure to the existing residents of Dharavi so that they themselves can redevelop the area and upgrade its physical environment through self-help efforts by registering ownership to their piece of land and availing institutional finance? Yes, but then how will the developers reap a rich harvest of millions of dollars for their personal benefit?

Paper Products Industry in Surat

India has come a long way in paper industry. During the *Mughal* period, handmade paper was prevalent. And much before that, it was the leaves of plants, which were used for writing, and writing on the sheet plates, made of copper, lead etc, preceded this.

Gradually, wood pulp was used for making paper and now due to environmental reasons, economic problems etc, a substitute was found in 'bagasse'. Bagasse is a residue of sugarcane i.e. after the cane has been crushed and its juice extracted, the remaining vegetation issued to make paper.

India has one of the largest growths of sugarcane and hence abundance of bagasse, which used to be wasted away but now it is used in making mill-made paper, replacing wood pulp and in turn saving thousands of trees from being felled. The paper products have also grown especially with the advent of photocopy machines in the 80s.

Notebook manufacturing was also a cottage industry. Since maximum work is manually done, a lot of labour was involved. The labour was paid cheaply, but most of them were hired on contract basis. The demand for notebooks was seasonal. Schools in India start in June/July, so the units were busy manufacturing from January to June and then the production was down to 10 percent of the full capacity. The labour had to take a break till the next season and so on.

The renaissance in notebook industry took place in the early 1990s. The reasons included:

- Local demand increased, as the literacy rate picked up;
- Export market opened up for Indian-made notebooks and all types of writing books, etc; and
- Tutorials and coaching classes boomed, as the competition increased and pressure of scoring more marks increased on students.

Thousands of private coaching classes opened shop all over India thereby pushing the demand for notebooks even further.

But somehow, the gap between demand and supply increased. The local units were unable to match the increased demand as their units were small and it was a labour-intensive task. Increased demand meant adding more into the labour force. Units were still using the old technology of ruling machines called the *Dhage Wali* machine to print the lines on the notebooks. The production in these machines was slow as these were hand operated and the quality/finish was not up to international standards.

Incidentally, it was during this period that buyers from Europe and the US started to look out for alternatives in China and Indonesia (the biggest suppliers of paper products). They found India an interesting destination with skilled, hardworking manpower and qualified English speaking clerical staff. India was easier to interact compared to China. Trial orders for paper products like notebooks, writing pads, drawing books etc, started coming into India and the buyers soon realised that India can be a good alternate destination with few changes and modifications in the setup. The interaction between exporters and foreign buyers increased as Indian exports started picking up. Although Indian suppliers faltered on timely shipments, the momentum had begun.

The foreign buyers found India to be a good alternative to China for one simple reason. Indian manufacturers accepted small orders, whereas Chinese manufacturers wanted huge orders to feed their big capacities. For example, China required at least four containers of orders for one item to make them economically viable to produce, whereas Indian manufacturer could send ten items in a container. This means that foreign buyers did not need to keep huge stocks in their warehouse resulting in blocking of finance and damage to goods by storing them for longer periods. This was a huge benefit for them. However, Indian products were more expensive than their Chinese counterparts. This was due to the fact that although Indian labour was cheap, the cost of production was higher since the production per day was less than the competitors. They were using atomised machines and India was still using manual labour.

As mentioned earlier, the interactions between the exporter and the buyer increased. Exporters started moving out more, visiting countries in search of orders and updating themselves on the latest. It was at this time, due to the immense pressure being built by the manufacturers that the government relaxed its policies in relation to import of machineries. This turned out to be a very big step in the paper industry. Latest machines started coming in. Units started becoming bigger and bigger. Production capacity increased and the quality of the notebooks improved vastly. The finished products were up to international standards. Indian made notebook finally arrived.

India will also start catering to the upper class segment of the world population. Huge manufacturing units are in the process of being setup with the sole aim of making top quality, expensive notebooks. The paper quality is also top class and the manufacturing process is atomised and raw materials are of top quality.

There is huge scope for Indian paper products, namely notebooks and the sole reason is the advantage India has in the abundance of raw material. This, no other country, especially our biggest competitor, China has.

Why Up or Down

Why was the industry on a decline or just about managing before the 1990s? It was sort of hand to mouth, living for the entrepreneur. The labour was the ‘wandering’ type. They came mainly from the states of Uttar Pradesh, Bihar and West Bengal. The wages were low, job security was absent and the work was seasonal. In the off-season the labour used to go to their native place and perhaps indulge in farming etc.

As the export market opened up, the off-season for the labour and units shrunk from six (July to January) to four months (September to January). The salaries increased and the demand for quality was needed. The industry became more organised and some of the units expanded. Production speed increased and so did the quality of production, due to the latest imported machines.

A major advantage India has is the knowledge of English language. That makes it easier for foreign buyers to interact with the manufacturer/exporter and also specify his requirements. Yet it is a long way ahead. But as far as this industry is concerned, India is on the rise and it can only improve on its performance from here on.

The Impact on Labour

In the early 1960s and '70s, paper production industry was scattered all over the country and it was sort of a small-scale industry. The labour was paid poorly and on a daily basis. No job security was given. The main task involved ruling (on a hand ruling machine), cutting, sorting and binding. The ruling and cutting of paper was on machine whereas the sorting and binding was done manually.

In the 1990s, turmoil and uncertainty were witnessed as new machines started coming in. The new Linomatic Ruling machine's one-day production equalled 10 hand-ruling machines. That means that one Linomatic machine operated by two people displaced 10 hand ruling machine operators. So for a period of time it became tough for these displaced workers but slowly some of them opted for jobs in other industries, some learnt binding and got absorbed in other ancillary industries.

The need for workers increased, as overall production started picking up and now not only the old hands have settled in the industry but also the new recruits. The off-season break of approximately four months still exists in most of the units but it's a momentary phase and the factories will be operational for full twelve months as the world market expands for Indian made paper products. The salaries offered are also as per the government norms of minimum wages and work conditions have improved with huge factories coming in.

Role of Export Market

Exports have played a huge role in the success of the paper industry. Tremendous demands are coming in from all parts of the world for notebooks, writing pads, drawing books, notepads and duplicate books etc.

Export orders not only gave the much-needed foreign exchange but also employment and newer ideas and technologies. It was due to exports that the work environment for workers improved drastically. Today foreign buyers visit the factories very often and hence the manufacturer needs to present a neat and properly organised set-up. No buyer would like to do business with untidy/unorganised set-ups. Some buyers also like to deal only with companies who follow international laws as well as government guidelines. These measures also helped in improvement of the industry as one factory follows the example of the other and so on.

Concluding Remarks

This study was undertaken to have an impressionist view on the effects of international trade on the life of people in developing countries. It has concentrated on a few pockets of West Bengal and two specific areas in Maharashtra and Gujarat. It is difficult to make any generalised comment based on this study. However, it has attempted to throw some light on the changes that have taken place in rural Bengal, post-globalisation and implementation of structural adjustment programmes undertaken by the government in the 1990s. This study is more interesting in the context of West Bengal as the state government has implemented the three-tier form of local government at the grassroot level and advocated rapid land reform measures.

Thus, there was an attempt by the state government to empower people and improve their standard of living. The interaction between the two initiatives of the state and the Central Government are not clearly understood. From the official statistics, it can be said that West Bengal has ended up as a mediocre state in terms of development and human resource upgrade. While globalisation has exposed the economy to greater competition, land reform measures have provided some sort of protection to poor and vulnerable sections of village society. The study could not make much headway due to limited scope. However, it is worth mentioning that globalisation has initiated rapid change in the village societies, which is observable from the changes in demand and supply side of the economy in the areas under study. The mobility of labour and capital has influenced the standard of living of people in villages.

Hopefully, land reform measures alone could not safeguard the interest of the people, especially the poor and landless in these areas. Question may arise whether globalisation has brought positive impact on all sections of the society? An impression is that the globalisation process has affected only selective pockets of West Bengal excluding the majority at large. This has, thus, prompted unequal growth in different areas of the state. Further research is needed to understand this phenomenon more comprehensively.

The case studies of Dharavi and Surat enhance the credibility of the idea and the method of analysis which look very closely at the life of affected communities as they encounter the forces of international trade, deregulation and foreign investment. While the West Bengal case studies have certain explicit statistical outcomes, the other two are more of a reflection. We hope that this methodology will be pursued in future by others interested in serious work on globalisation and life of the poor.

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Annexure (Survey Schedules)

A Survey on Trade, Employment and Social Change in Selected Places of West Bengal

Questionnaire 1: Enterprise Survey

1. Identification

Name of the unit:
Serial number of the unit:
Address:
Name of Respondent:
Position of the Respondent: Owner 1/Employee 2
Details of activity carried by the unit (description):
Type of Unit: Manufacturing 1/Services 2
Main Product/Services:
Exporter/Importer:
Countries to which exported/from which imported:
Age of the enterprise:

2. Details of the Unit

2.1 Infrastructure:	Before 1991	1991-2000	2000-till date
Building/Shed (Good or improved/bad or worsened/same)			
Machines/instruments (Good or improved/bad or worsened/same)			
Others (Good or improved/bad or worsened/same)			
2.2 Inputs (All)	Before 1991	1991-2000	2000-till date
Supply (good or improved/bad or worsened/same)			
Quality (good or improved/bad or worsened/same)			
2.3 Credit	Before 1991	1991-2000	2000-till date
Supply (good or improved/bad or worsened/same)			
Source (good or improved/bad or worsened/same)			
2.4 Labour	Before 1991	1991-2000	2000-till date
Supply (good or improved/bad or worsened/same)			
Skilled labour supply(good or improved/bad or worsened/same)			
Labour disputes (good or improved/bad or worsened/same)			
2.4 Marketing	Before 1991	1991-2000	2000-till date
Destinations (local, regional, national, international)			
Trading partners (increased/decreased/unchanged)			
Infrastructure (good or improved/bad or worsened/same)			
Information (good or improved/bad or worsened/same)			
Competition (more/less/same)			
Risk (more/less)			
Channel to outside Market: Direct/Indirect			

2.5 Others	Before 1991	1991-2000	2000-till date
Licenses (increased/decreased/same)			
Taxation (increased/decreased/same)			
Connectivity (increased/decreased/same)			
Other costs (increased/decreased/same)			

Remarks:

(Signature of the investigator)

Questionnaire 2: Employees Survey

1. Identification

Serial number of the unit:
Name of the unit:
Address:
Name of the Employee:

2. Employment Details

	Before 1991	1991-2000	2000-till date
Type of employment (contract/casual/regular)			
Past employment (contract/casual/regular)			
Wage (increased/decreased/unchanged)			
Other benefits ((increased/decreased/unchanged)			
Changes in nature of job (more skilled/less skilled/unchanged)			
Uncertainty (increased/decreased/unchanged)			
Mobility (increased/decreased/unchanged)			
Employer-employee relationship (better/worse/unchanged)			

3. Level of Living

	Before 1991	1991-2000	2000-till date
Food supply (increased/decreased/unchanged)			
Housing (improved/deteriorated/unchanged)			
Condition of health and hygiene (improved/deteriorated/unchanged)			
Education of children (better/worse/unchanged)			
Other amenities (increased/decreased/unchanged)			
Loan/indebtedness (increased/decreased/unchanged)			

Remarks:

(Signature of the investigator)