

The 12th INDAS International Symposium

December 19–20, 2020

ONLINE (Zoom)

Understanding the Transitional Process from Agrarian to Industrialized Economy in South Asia: With a Focus on Employment and Labor Markets

The South Asian economy entered into a new developmental stage from ‘food problems’ to ‘agricultural adjustment problems’ (Hayami, 1988) in the mid-1990s, although a large difference is apparent among regions in terms of the timing of that shift. In India and Bangladesh, new agricultural technologies exemplified by the ‘Green Revolutions’ diffused throughout almost the entire country in the 1980s, eventually alleviating food-related difficulties and rural poverty to a great degree. Furthermore, it prepared the region for rapid economic growth after the mid-1990s, with the non-agricultural sector as an engine. New industries developed mainly in urban areas. The subsequent emergence of ‘middle classes’ with high purchasing power attracted attention worldwide. In contrast, however, many workers who migrated from rural to urban areas were absorbed into informal sectors, or were employed as casual workers in formal sectors. They have been able to enjoy benefits from the high economic growth only insufficiently. In India, the situation has been criticized as ‘jobless growth.’

‘Agricultural adjustment problems’ represent various difficulties arising from widening income disparity between rural and urban areas, caused fundamentally by the sluggish growth of demand for basic foodstuffs (cereals and pulses and beans, in the context of South Asia) and the accompanying slow growth of agricultural income. Fundamentally, three countermeasures have been adopted to reduce difficulties of widening income disparity. First is the development of the agricultural sector, which produces high value-added products such as livestock products (meat, milk, eggs, etc.), horticultural products (vegetables, fruits, and flowers), organic farm products, and medical herbs and aromatic plants. Second is migration from rural to urban areas to undertake non-agricultural jobs, which provide stable and higher incomes. Unfortunately, this measure has not been so successful in South Asia, especially compared to the more promising results achieved in East and Southeast Asian countries. Nevertheless, several industries grew rapidly and absorbed numerous workers with markedly better conditions than those provided by the informal sector, such as the garment industry in Bangladesh. Third among the countermeasures is international migration to countries in the Middle

East, Southeast Asia (Singapore, Malaysia, etc.), and Western developed countries. Some emigrants have settled down in their destination countries after gaining citizenship, especially in the case of migration to Western countries.

The ‘transitional process’ described in the title of the symposium represents a process achieved after the economy enters the stage of ‘agricultural adjustment problems’ until the stage at which ‘difficulties’ are no longer major ones from the perspective of the national economy. Considering that nearly half a century was necessary for the Japanese economy to pass through the ‘transition,’ although some people might not agree with that the Japanese economy has passed through it sufficiently, it is plausible that it will take quite a long period for South Asian economies to escape from the long process because of the widespread rural poverty.

However, considered as world-wide phenomena, novel patterns are arising that advanced economies such as the Japanese have not experienced: drastic changes in modes of production in the manufacturing sector since the mid-1990s, or more clearly, since the beginning of the 21st century. Namely, a transformation has taken place from ‘integral’ to ‘modular’ production systems along with the emergence and development of global value chains (GVCs). The development model of the 20th century led by Japanese companies has been rapidly outdated. Moreover, it has been replaced by a new model with multiple core spots at which non-Japanese companies, such as those in Silicon Valley (USA) as well as in Shenzhen city (China), lead technological innovation and development of GVCs.

The development of GVCs with multiple core spots has occurred, however, mainly in East and Southeast Asia. Its wave has not yet arrived to South Asia. Fundamentally, South Asian economies remain in a position of performing only labor-intensive operations using abundant and cheap labor. Of course some exceptional and pioneering industries have emerged in South Asia, especially in India, such as ICT, pharmaceutical, and automobile industries. They exemplify the ‘hope’ of the South Asian economy. However, a key employment-related issue in such industries is labor unions. The labor unions, although they have played an important role in protecting workers’ rights, have often protected only a small number of regular workers, resulting in institutionalization of gaps separating regular workers and casual workers, or informal sector workers. The unions also have often played a role in blocking industry development itself. A major factor underlying ‘jobless growth’ is that company managers, irrespective of private and public sector enterprises, have mainly increased the employment of casual workers, rather than that of regular workers, to avoid friction and conflict with labor unions.

The overall objective of the symposium is to lay out and discuss major issues related to employment and labor markets in the process of ‘transition’ from agrarian to industrialized economies in South Asia, based mainly on primary data collected through fieldwork, and to draw lessons for a better future for its economy and workers. The two-day symposium comprises four sessions in addition to the final session, presenting general discussions and a conclusion. Although the symposium includes topics related to the whole area of South Asia, it specifically emphasizes India, Nepal, and Bangladesh.

The first session specifically assesses the garment industry. The industry grew in South Asia by taking a part of its GVC and achieving high labor absorption, especially for young women. A key issue for the labor intensive industry is whether and how the industry can upgrade its position in the GVC by bringing in more value-added production parts. Key issues include skill formation of workers in the midst of competition with other countries such as Vietnam, Cambodia, and Myanmar.

The first presentation (by Kenta Goto and Atusko Mizuno) presents an overview of the GVC of the garment industry on a world scale. Expiration of the Multi-Fiber Arrangement (MFA) in 2005 was an epoch-making event. Development of and changes in the industry in various key producers, including China and Vietnam, was nested in the historical development processes of the associated GVC. The presentation devotes special attention to South Asian countries’ position and changes in the GVC. The case of the Myanmar garment industry is investigated in detail as a case study.

The second presentation (by Khondaker Golam Moazzem) specifically addresses issues in Bangladesh. The garment industry in Bangladesh grew rapidly since the mid-1980s and developed as a major export industry by the beginning of the 21st century. It has overcome the shock derived from expiration of the MFA in 2005 and sustained growth, but in April 2013, the national industry endured the disastrous ‘Rana Plaza’ incident. The objective of the presentation is to argue the issues of post-‘Rana Plaza’ era, particularly addressing how the incident affected the labor conditions of workers, employment volume of the industry, and its competitiveness. Based on the primary data collected from nationally representative enterprises and workers, the study estimated economic, social and gender embedded upgrading of enterprises to appreciate the overall development of the garment sector in the post-Rana Plaza era.

The third presentation (by Yoshimi Une) turns our attention to the garment industry in informal sectors of India. Based on fieldwork conducted in Jamia Nagar in Delhi, the presentation unveils the current status of the garment industry there, and analyzes the effects of industry agglomeration on the development of urban areas in Delhi.

The fourth presentation (by Kaoru Kawanaka) describes the garment industry in Delhi, India, again, but with specific assessment of workers' skill formation. Contrasted against to the usual mode of providing training to workers within respective enterprises, it reports a special training system developed there beyond and outside enterprises, with discussion of some important implications.

The rapidly developing industries of recent years in South Asia are not confined to labor-intensive undertakings. **The second session** sheds light on the development of GVCs in South Asia for 'high-tech' industries' such as automobile and pharmaceutical industries. The session presents investigation of the dynamism of such growing 'high-tech' industries in India, particularly while devoting attention to labor problems and the role of labor unions to resolve the difficulties. The objective of the session lies in elucidating the implications of inclusion of South Asia to world-wide GVCs in 'high-tech' industries and their workers.

The first presentation (by Atusko Kamiike) describes the pharmaceutical industry, which grew rapidly in India. The focus of the description is the human resource development system of Biocon Limited, a large-scale biopharmaceutical company. The company established its own educational institute and cultivated high-level technicians for the staffing of pharmaceutical companies in India and all over the world. The presentation reveals that India is contributing to the supply of high-level professional workers in the GVCs of pharmaceutical industry.

The second presentation (by Takahiro Sato) explains important aspects of the automobile industry in India, which has been led largely by Japanese companies such as Suzuki and Honda. It captures the salient features of labor problems in India, while clarifying the extent to which the 'Japanese-type production and management system' has affected the employment structure and internal training system in the industry.

The third presentation (by Tom Barnes) specifically examines the issue of 'casualization' of employment in the automobile industry in India. The discussion argues the meaning of expansion of informal employment in Indian labor markets from the viewpoint of 'precarity.'

The fourth presentation (by Hitoshi Ota) describes the labor unions and labor movement in India. It presents salient features and dynamism of Indian labor movement, with examination of how labor unions have coped with emergent labor problems in the midst of rapid economic development and globalization.

The third session addresses issues of growing sectors in agriculture, with ‘agri-business’ as a key word. The development of agri-business is a promising countermeasure to combat ‘agricultural adjustment problems.’

The first presentation (by Takuya Goto) specifically examines the broiler industry in India. It analyzes how the broiler industry, a new industry in northern India, including Haryana, has been accepted from the viewpoint of penetration of large-scale poultry companies and the entry of land-owning farm households to the sector.

The second presentation (by Kanako Nakagawa) discusses the meat industry in Nepal. It specifically examines the caste group traditionally engaged in the slaughter and sales of livestock such as buffaloes, goats, and chickens, and analyzes the process by which the caste group has strategically adapted to ‘modernization’ of the industry.

The third presentation (by Naoto Shimokado) specifically describes the dairy industry in India. The presentation provides an assessment of how the dairy cooperative, widely known by the brand name of AMUL, has developed, starting from a small organization based in a small town of Anand in Gujarat to a ‘conglomerate’ with a nationwide network.

The fourth presentation (by Keshav Lal Maharajan) specifically examines vegetable marketing in Nepal. It unveils the whole marketing system, with special reference to the ‘asymmetric’ relations between India and Nepal when vegetables are transported across the border of the two countries.

Accelerated industrialization in the midst of a stagnant rural economy has caused large-scale labor migration from rural to urban areas in South Asia. Furthermore, the special pattern of ‘jobless growth’ has caused many people to migrate to foreign countries.

The fourth session discusses the mechanisms and effects of labor migration, both domestic and international, particularly with reference to those of India.

The first presentation (by Jegadeesan Muniandi and Koichi Fujita) explains labor migration from rural Punjab and Tamil Nadu, India. Migration from Punjab, the core area benefitted by ‘Green Revolutions,’ is special in that people have mainly migrated abroad, either to Gulf countries or Western developed countries, rather than to domestic urban centers. The presentation specifically examines the choice of migration destination, clearly demarcated by caste groups or economic classes. It also argues the consequences of international migration to local agriculture, particularly addressing land tenancy markets developed rapidly in recent years. The case study in Cauveri Delta, Tamil Nadu, by contrast, illustrates factors influencing people to migrate, those affecting their choice

of migration destination, the effects of migration on local agriculture, labor dynamics and livelihood construction and reconstruction.

The second presentation (by Kazuo Tomozawa) addresses the system, facilitated by recruitment agencies, of sending migrants to Gulf countries. It assigns particular attention to the fact that the location of recruitment agencies and migrants differ, far away from each other, and explains the system by which such an obstacle is overcome.

The third presentation (by Yuko Tsujita) is a detailed report describing the change of employment and livelihood of people living in slum areas of Delhi during the last decade. It specifically examines differences between people who have migrated from Uttar Pradesh and Bihar and people who were born in Delhi, in terms of their salient features, including their family structures and characteristics.

References

Hayami, Yujiro. 1988. *Japanese Agriculture under Siege: The Political Economy of Agricultural Policies*, The Macmillan Press.

Program

December 19, 2020

9:30 Opening Remarks

Nobuhiro Kishigami (NIHU Executive Director)

Koichi Fujita (Convener, INDAS)

Takahiro Sato (Kobe University)

Session 1 Garment Industry in South Asia

10:00–13:20 Chair: Shuji Uchikawa (Senshu University)

10:00–10:35 Kenta Goto (Kansai University) and Atsuko Mizuno (Kyushu University)

“The Asian Garment Industry in Global Value Chains: An Overview”

10:35–11:00 Khondaker Golam Moazzem (Center for Policy Dialogue, Bangladesh)

“Can Bangladesh’s RMG Enterprises Sustain Their Social Upgrading Without Economic Upgrading?”

11:00–11:15 Tea Break

11:15–11:40 Yoshimi Une (Kanazawa University)

“Labor Migration, Entrepreneurial Activity, and Industrial Agglomeration: Urban Informal Garment Sector in Delhi”

11:40–12:05 Kaoru Kawanaka (Professional Institute of International Fashion)

“Tailor Network and Local Production Organization in the Apparel Export Industry of Delhi”

12:05–12:20 Tea Break

12:20–13:20 Comments: Hanako Nagata (Ibaraki University)

Tatsufumi Yamagata (Ritsumeikan Asia Pacific University)

Discussion

13:20–14:30 Lunch

Session 2 Growing Industries and Employment in South Asia

14:30–17:30 Chair: Kentaro Kuwatsuka (Ryukoku University)

14:30–14:55 Atsuko Kamiike (Chuo Gakuin University)

“Human Resource Development in Indian Biopharmaceutical Industry: A Case Study of Biocon”

14:55–15:20 Takahiro Sato (Kobe University)

“Labor Allocation of the Indian Automobile Industry: With Special Reference to the Transferability of Japanese Management Practices”

15:20–15:35 Tea Break

15:35–16:00 Tom Barnes (Australian Catholic University, Australia)

“First-Mover Coupling and the Evolution of Low-Road Employment Relations in India’s Auto Manufacturing Industry”

16:00–16:25 Hitoshi Ota (Institute of Developing Economies [IDE-JETRO])

“How the Independent Trade Unions Have Shaped the Labor Movement in India: A Look at Indian Trade Unionism”

16:25–16:40 Tea Break

16:40–17:30 Comments: Aya Okada (Nagoya University)

Discussion

December 20, 2020

Session 3 Agri-business in South Asia

9:30–12:30 Chair: Takashi Shinoda (Daito Bunka University)

9:30–9:55 Takuya Goto (Hiroshima University)

“Location Change and Growth Process of the Production Areas in the Indian Broiler

Industry: Focusing on the Regional Activities of Agribusiness”

9:55–10:20 Kanako Nakagawa (Otemon Gakuin University)

“The Modernization of the Meat Industry and Its Tactical Adaptation by the People of ‘Meat Seller Caste’ in Nepal”

10:20–10:35 Tea Break

10:35–11:00 Naoto Shimokado (Nagoya University of Foreign Studies)

“Sustainable Rural Development and Agribusiness in India: A Case Study of the Food Chain Management of AMUL”

11:00–11:25 Keshav Lall Maharjan (Hiroshima University)

“Marketing and Trade of Agricultural Produce (Vegetables) in India and Nepal”

11:25–11:40 Tea Break

11:40–12:30 Comments: Michitaro Oka (Meiji University)

Discussion

12:30–13:30 Lunch

Session 4 Labor Migration in South Asia

13:30–16:00 Chair: Junko Kiso (Ferris University)

13:30–14:05 Jegadeesan Muniandi (Tamil Nadu Agricultural University, India) and Koichi Fujita (Kyoto University)

“Rural Transformation in India under Agricultural Stagnation and Increased Migration: Case Study in Tamil Nadu and Punjab”

14:05–14:30 Kazuo Tomozawa (Hiroshima University)

“Transfer Mechanism of Indian Emigrant Workers to the Gulf Countries: Focusing on Recruiting Agents in Jamia Nagar, Delhi”

14:30–14:55 Yuko Tsujita (Institute of Developing Economies [IDE-JETRO])

“Migration and Well-being: A Study of Delhi Slum Dwellers”

14:55–15:10 Tea Break

15:10–16:00 Comments: Hisaya Oda (Ritsumeikan University)
Discussion

16:00–16:15 Tea Break

16:15–17:15 **General Discussion**

Chair: Hideki Esho (Professor Emeritus, Hosei University)

Discussants: Etsuro Ishigami (Fukuoka University)

Akio Tanabe (The University of Tokyo)

Closing Remarks

Abstracts of the presentations

Kenta Goto (Kansai University) and Atsuko Mizuno (Kyushu University)
“The Asian Garment Industry in Global Value Chains: An Overview”

This paper provides an overview of the garment industry in Asia. It highlights the prominent characteristics of the evolving garment value chain in the region, in which the growth trajectories of the industries in each of the countries as well as their broader economic structures, continue to be shaped. The proliferation of such global value chains (GVCs) is the result of fragmentation dynamics, which have gained momentum since the late 90s due to the diffusion of information and communication technology (ICT), primarily the Internet, on a global scale. This has enabled the key coordinators of GVCs, or lead firms, to connect fragmented production processes and functions with different factor intensities across borders, and structure them into complex international production and distribution networks spanning Asia, to gain collective efficiency.

The paper will begin by outlining the GVC framework, and then look at how changes in institutional environments, including major pertinent events such as the abolition of the Multi-Fiber Arrangement (MFA) in 2005 and the accession of China into the WTO in 2001, have affected export performance and sectoral development of those garment exporting countries. It will then attempt to position and evaluate some of the key garment-exporting countries in the region from this perspective, specifically those cases of Southeast Asian countries including Thailand, Vietnam, Cambodia, and Myanmar. As a case study, Myanmar's garment industry will be investigated in detail with a focus on export growth in the 2010s.

It will finally engage in discussing emerging issues in relation to the sustainability of the development of the industry.

Khondaker Golam Moazzem (Center for Policy Dialogue, Bangladesh)

“Can Bangladesh’s RMG Enterprises Sustain Their Social Upgrading Without Economic Upgrading?”

The enhanced economic competitiveness of Bangladesh’s readymade garment (RMG) industry has proved to be its strength to address major structural challenges in earlier decades. The Rana Plaza tragedy in 2013 demonstrated weaknesses in ensuring decent employment and sustainable development in the RMG industry, however. Accordingly, a set of global and national accords have been signed to improve social and physical compliances. Taking this into account, the present study examines the capacity of economic, social, and gender-embedded upgrading of RMG enterprises during the post-Rana Plaza period. Creating a ‘data-universe’ of population of RMG enterprises and workers, the study conducted nationally representative enterprise and worker level surveys during 2017-2018.

The study observed “unbalanced” upgrading in the industry where institution-led social upgrading occurred at a higher level compared to that of economic and gender-embedded upgrading. This is particularly occurred in small and medium enterprises (SMEs) which are located in less-developed clusters where access to communication and logistic facilities, availability of skilled professionals and networking with brands/buyers are difficult. Family based corporatization has been further strengthened, though the management structure is still weak. Technological upgrading is not fully labor-displacing. Inability to invest in advanced machinery and limited networking capacity puts enterprises behind in product and functional upgrading. In addition, the rise in demand for skilled workers has led to a compositional change in the workforce, although it is not reflected in the wage structure. Workers’ organizations, particularly participation committees (WPCs), have been gaining shape, but unclear operational modalities and limited implementation capacity are key weaknesses.

The COVID-19 pandemic has slowed down the upgrading process as well. Although the industry has been slowly recovering, all types of upgrading would remain less prioritized in the post-COVID period.

Yoshimi Une (Kanazawa University)

“ Labor Migration, Entrepreneurial Activity, and Industrial Agglomeration: Urban Informal Garment Sector in Delhi”

Various industries, located in large cities in India, have functioned as employment destinations for rural migrant workers. These industries are both formal and informal; however, the latter plays a key role in attracting rural migrants to the inner city. Such industry forms an industrial agglomeration spatially. Clarifying the structure of industrial agglomeration located in the inner city can contribute to the discussion and study of migration, urbanization, and industrial development.

This study clarifies the industrial agglomeration structure of the urban informal garment sector based on economic and geographical approaches, such as workers' migration/path, entrepreneurial activities, and business networks. The author conducted a field survey in Jamia Nagar, located in the South Delhi district, NCT of Delhi in India.

Samples from 77 workshops and over 400 workers were gathered through the survey. The workshops in Jamia Nagar are in close proximity to the wholesalers and exporters in the NCR. Their location makes it possible to receive work style jobs from these customers because the workshops require frequent and face-to-face meetings with customers. The workshops rely on human resources supplied from rural areas, based on local kinship and relatives' connections. The native origins of the workers and entrepreneurs are mainly from rural areas of Uttar Pradesh, Bihar, and West Bengal states. Most of the entrepreneurs were originally migrant workers. They launched their own workshops after acquiring the skills and information. This entrepreneurial environment enables them to sustain the development of agglomeration.

Kaoru Kawanaka (Professional Institute of International Fashion)

“Tailor Network and Local Production Organization in the Apparel Export Industry of Delhi”

This paper examines the relationship between a tailor network and local production organization within the apparel export industry in Delhi, India. According to Mezzadri (2008), tailors and apparel production in Delhi are in an unsettled labor condition and an unorganized multi-layered contract structure, which was accelerated by industrial policies and trade liberalization, leading to the informalization of the labor force in India. Yet little is known about the migrant laborers and local production organizations themselves and their choices with regard to their work. Moreover, export production needs to secure skilled human resources and management systems, especially for the tailoring process, to create value-added apparel products. Here, the question arises: how is it possible for the “unsettled” and “informalized” tailors and organizations to produce export-quality value-added products? My analysis, from daily wage data, reveals four types of migratory flows for workers: short, medium, seasonal, and long term and a mechanism to put them together in local production for export. I argue that there is a migration-embedded process of skill formation and skill sharing among tailors based on interpersonal relationships that enable new entries of unskilled laborers as well as the formation of skilled laborers and situationally adaptive production.

Keywords: Mobility, Local production, Apparel, Delhi

Atsuko Kamiike (Chuo Gakuin University)

“Human Resource Development in Indian Biopharmaceutical Industry: A Case Study of Biocon”

The pharmaceutical industry is highly R&D intensive. Human capital is a critical element that enhances a firm’s competitiveness in the industry. India recognized the importance of biotechnology in the early 1980s. The evolving biopharmaceutical sector is leading to a demand for high-skilled human capital in India. The Government of India has implemented several policies aimed at developing the biotechnology industry and meeting the needs of the industry for skilled manpower.

However, there is a gap between the quality of human capital available and the needs of the biopharmaceutical industry. It is necessary to fill this gap by developing industry-ready human capital for the biopharmaceutical sector. Some Indian pharmaceutical companies have established their own human resource development systems to address this issue.

This study seeks to explore the human resource development systems of the biopharmaceutical sector in India through a case study of Biocon Limited, the largest biopharmaceutical company in India. Biocon established its own educational institute, Biocon Academy, in 2014. The academy aims to develop industry-ready talents for the Indian and global biopharmaceutical industry by leveraging Biocon’s rich industry experience. The academy is supplying industry-ready professionals to leading global pharmaceutical companies.

This study reveals that India’s human resource development drives the upgrading of Indian pharmaceutical companies in the global value chains (GVCs) of the pharmaceutical industry and that India is supplying highly skilled biopharma professionals in those GVCs.

Takahiro Sato (Kobe University)

“Labor Allocation of the Indian Automobile Industry: With Special Reference to the Transferability of Japanese Management Practices”

The Indian automobile industry was the fourth largest producer of four wheelers in 2018. It was the largest manufacturer of two wheelers, with production volume reaching around twenty five million in 2018. It still has robust growth expectations, although activity was severely hit by the current lockdown resulting from the COVID-19 pandemic. Since Suzuki and Honda entered India as joint ventures with Indian partners in the early 1980s, the Indian automobile industry has learned from Japanese management practices such as 5S, just-in-time (JIT), Kaizen, QC circle, on-the-job training (OJT), job rotation, multi-skill tasks, and cooperative labor-management relations. In this sense, Japanese management practices can be regarded as an integral part of the production system in the Indian automobile industry, given the fact that Suzuki is the largest producer for the four-wheeler market and Honda is the second largest for two-wheelers in India.

In this study, I focus on the nature of labor allocation in the Indian automobile industry. As of 2017, there was a labor force of more than 1 million in this industry. In the first part of this study, I investigate the characteristics of these labor forces by employing unit level data from the National Statistics Office’s Periodic Labour Force Survey. I will show (1) the existence of a large volume of informal workers and (2) the caste-sorted labor hierarchy, even in the corporate sector. In the second part of the study, I employ the “application-adaptation hybrid model” (Abo 1994) for understanding what is the current status of international transfer of Japanese human resource management practices to Japanese automobile manufactures in India. Based on the application-adaptation hybrid model, I will evaluate the degree of penetration of Japanese management practices at automobile manufacturers which my research team surveyed in 2015 and 2016. I expect that directly employed regular workers will be relatively included in Japanese human resource management practices (although the analysis is still ongoing). Informal workers, especially contract laborers, are excluded. In the last part of the study, I will discuss the relationship of the caste-sorted labor hierarchy, issues of informal and migrant workers, labor laws, trade unions, and transferability of Japanese human resource management practices in the Indian automobile industry.

Reference: Tetsuo Abo (ed.) *Hybrid Factory: The Japanese Production System in the United States*, New York: Oxford University Press, 1994.

Tom Barnes (Australian Catholic University, Australia)

“First-Mover Coupling and the Evolution of Low-Road Employment Relations in India’s Auto Manufacturing Industry”

In contrast to its historically transformative role in Western Europe, North America, and Japan, the expansion of automotive manufacturing in India has led to ‘low road’ employment relations based upon wage inequality, flexible “contract labor,” and major industrial conflict. Among several reasons for this trajectory, this paper explores its historical roots in the evolution of industrial policy from “restricted openness” in the 1980s to “emergent neoliberalism” in the 1990s. Epitomized by pioneering foreign investments by Suzuki and Honda in India’s National Capital Region, the first period in the 1980s represented a bridgehead between the postcolonial tradition of import substitution and the later era of economic liberalization. This paper emphasizes the temporal dimension of “strategic coupling” between foreign lead firms and regional state institutions – a concept developed in tandem with the Global Production Network (GPN) tradition – by framing these pioneering investments as a type of first mover coupling, enabling Japanese firms to transform and modernize local manufacturing. While these early advantages were eroded under conditions of emergent neoliberalism, they nevertheless enabled Suzuki and Honda to impose much of their preferred models of work organization, labor standards, and employment relations. These early practices became critically important when Indian auto production began its transition towards low-road development in the late 1990s, a process which continues today.

Hitoshi Ota (Institute of Developing Economies [IDE-JETRO])

“How the Independent Trade Unions Have Shaped the Labor Movement in India: A Look at Indian Trade Unionism”

Since the first central trade union federation, the All India Trade Union Congress (AITUC), was organized at the time of British colonial rule in 1920, the major driving force of the labor movement in India has been trade unions that are affiliated with political parties. However, independent trade unions gradually emerged as their alternatives in the postcolonial era. Independent unions have now expanded their presence to the extent that any account of India’s labor movement is not complete without paying them due attention. By juxtaposing the labor movement led by affiliated trade unions and that of independent unions, I delineate the important features and dynamism of the present-day labor movement in India. In this study, I first describe the history of the labor movement in India and show how the independent trade unions emerged, as well as how their movement has been shaped and unshaped at the federal level. I also look at the trade union organization rate and the politics associated with membership verification. I then examine independent trade unionism in three cases: (1) its achievement in the construction industry, (2) a new, emerging movement and its context in the city of Tiruppur in South India, and (3) the status of New Trade Union Initiatives (NTUI), one of the largest and leading independent trade union federations.

Takuya Goto (Hiroshima University)

“Location Change and Growth Process of the Production Areas in the Indian Broiler Industry: Focusing on the Regional Activities of Agribusiness”

This presentation examines the location change and growth process of production areas in the Indian broiler industry from the viewpoint of agribusiness. Chicken consumption in India has increased remarkably because of current economic development and traditional religious backgrounds. In particular, large proportions of the Indian population are Hindu or Muslim, and eating chicken is more acceptable from a religious viewpoint. Hence, broiler production areas have expanded from South India since the 1980s. The geographical impact of this “Pink Revolution” coming after the “Green Revolution” and “White Revolution” has attracted much attention.

The Indian broiler industry has been characterized as the regional demarcation between North and South for a long time. Specifically, many poultry companies and broiler production areas have traditionally developed in South India, whereas a few production areas existed in North India. However, new production areas have grown rapidly in North India, especially in Haryana state because major poultry companies have moved their production facilities northward, one after another, since the end of the 1990s.

Therefore, the author conducted field surveys in the two tahsils (administrative divisions) of Haryana state from 2016 to 2017. The results show that the traditional grain production areas have changed drastically, with many farmers starting to raise broilers and constructing two-story poultry sheds everywhere. The landscape of these tahsils has changed significantly due to the diffusion of broiler production in the last two decades. Details regarding the growth process of these broiler production areas will be reported at the conference.

Kanako Nakagawa (Otemon Gakuin University)

“The Modernization of the Meat Industry and Its Tactical Adaptation by the People of ‘Meat Seller Caste’ in Nepal”

This study examines the process of modernization of the Nepalese buffalo processing industry as a part of the state corporatism policy to enhance public health conditions, and how people of the “meat seller caste” deal with this process.

Buffalo sacrifice played an essential role in the rituals of Newar, an indigenous group in Kathmandu. The distribution system of buffalo meat after sacrificial worship practices had been deeply embedded within their caste society.

In 2016, the government of Nepal announced a ban on buffalo slaughter within Kathmandu Valley since it seems “pre-modern” and “unhygienic.” The meat distributors who slaughter buffaloes in a traditional way within their residential areas are expected to convert to becoming workers in modern slaughterhouses outside of the Kathmandu Valley.

I will focus on how meat distributors can deal with this shift by studying the struggles of the Khadgi caste who have historically engaged in both animal sacrifice and selling meat as their caste-ordained role in Newar society. In 2016, Khadgi people established their own company to distribute “healthy and hygienic meat” under the instruction of the government. In the meat market, Khadgi negotiate beyond their caste and ethnicity, especially with the Muslim community, who play a leading role in the global meat market. On the other hand, Khadgi maintain their caste based traditional role. Thus, I will show how Khadgi tactically adapted to the state-instituted modernization.

Naoto Shimokado (Nagoya University of Foreign Studies)

“Sustainable Rural Development and Agribusiness in India: A Case Study of the Food Chain Management of AMUL”

The urban–rural gap in economic development in India makes rural poverty reduction an urgent task, and the aim of this study is to ascertain the mechanism of a community-based agribusiness in poverty reduction and sustainable rural development.

This study focuses specifically on AMUL, a community-based dairy cooperative society contributing to small-scale producers’ organizations and rural development. As a paradigm of India’s dairy cooperative movement, AMUL was a pioneer in Indian dairy cooperatives. AMUL has built the AMUL model, a business model that efficiently collects milk from numerous small-scale producers and sells dairy products in the national market. It is now the largest dairy cooperative federation and dairy manufacturer and has the highest market share of dairy products in India. Using AMUL as a case study, we derived the following conclusions:

The basic units of AMUL are rural communities, which form a joint association to promote mass production and marketing and increase competitiveness in a dairy market. By building nationwide marketing channels, becoming a channel captain, and managing a dairy food chain, AMUL, as a cooperative society, has established an agribusiness that returns most of the sales profits to producers. In addition, AMUL is a cooperative society rather than a multinational or commercial corporation, thus producers rather than shareholders benefit most.

Keshav Lall Maharjan (Hiroshima University)

“Marketing and Trade of Agricultural Produce (Vegetables) in India and Nepal”

Markets, with their functions in the value chain, mediate demand and supply of goods, optimize quality and price in their transactions, and maintain market equilibrium. Generally, wholesale markets are established for transactions of agricultural produce in India and Nepal. Farmers, at times aligned with petit traders or collectivized by cooperatives, further grouped by bigger traders (middlemen) are the basic suppliers in the marketing channel. The end demanders are consumers to whom the goods are channelized by wholesalers, semi-wholesalers, and retailers (vendors and hawkers). They are commissioned by the agents, who by function regulate the quality, quantity, and price of the product in the market. In the case of India and Nepal, such marketing channels often extend beyond the international border and the marketing functionaries move beyond the border for transactions. Such transactions take the form of international trade: formal, quasi formal, or informal in nature. The various aspects of such marketing channels and the trade between India and Nepal are explored in this paper. In doing so, the marketing channels of vegetables in Delhi, Kathmandu, Lucknow, Kanpur, Siliguri, and some other border towns in both countries are explored. Hat bazars around the open border are also studied to gain insight into the informal trade between the two countries. It unveils that the entire cross-border marketing system is fragile, vulnerable to different hazards, and asymmetric in nature.

Keywords: agricultural produce market, vegetables, market functionaries, cross-border marketing channel, asymmetric relations

Jegadeesan Muniandi (Tamil Nadu Agricultural University, India) and Koichi Fujita (Kyoto University)

“Rural Transformation in India under Agricultural Stagnation and Increased Migration: Case Study in Tamil Nadu and Punjab”

With the accelerated economic growth since the early 1990s, both farmers and landless non-farmers in Indian rural areas have experienced drastic changes in their socio-economic livelihood. As agricultural income growth slowed, more and more people began migrating to urban areas, or even abroad, to seek better employment, especially among the younger generation. Not only labor, but also land started to move, especially through the tenancy market, albeit not in all rural areas. Punjab is a typical case where the land tenancy market has expanded widely, resulting in a drastic transformation in its agrarian structure. Based on recent intensive research in some selected villages from the Cauvery Delta in Tamil Nadu and floodplain area in Punjab, this paper argues for the recent rural transformation happening in different parts of India under different agro-ecological conditions and with different types of historical path dependency. In the Cauvery Delta, the water crisis is an important background aspect that affects people's decision-making in both migration and agricultural practices. Migration is mainly due to domestic urban areas and is determined in a complex socio-cultural context, depending on different caste communities, in addition to factors such as education and access to credit. Development of the land tenancy market is less in that region. In Punjab, by contrast, overseas migration is dominant with varied destinations, between mainly Western countries for the Jat-Sikh (dominant caste) and Gulf countries for SC people. A notable fact is that many Jat-Sikh people lease out land and quit agriculture. The resulting highly developed land tenancy market is a salient feature in Punjab. The future of Punjabi agriculture is discussed by considering the implications of high land rent determined in the tenancy market and the serious indebtedness of owner-cum-tenant Jat-Sikh farmers who invested in tractors.

Kazuo Tomozawa (Hiroshima University)

“Transfer Mechanism of Indian Emigrant Workers to the Gulf Countries: Focusing on Recruiting Agents in Jamia Nagar, Delhi”

More than 500,000 emigrant workers are sent to the Gulf countries from India every year. This paper aims to clarify the emigrant transfer mechanism, focusing on recruiting agents (RAs), one of the main groups of actors involved in the mechanism. As of January 2017, 1,213 RAs were registered in India, and nearly half were located in Mumbai, followed by Delhi. In contrast, more than half of the emigrants originated in the belt spans from Uttar Pradesh to West Bengal, which does not correspond to the location pattern of the registered RAs. Therefore, it is thought that a bridge is needed to overcome the spatial divergence between them. Conscious of this problem, I visited 20 offices engaged in the recruiting business in Jamia Nagar, South Delhi, to obtain information on their business activities and their roles in the emigrant transfer mechanism.

It has become clear that the recruiting business consists of three tiers: the first tier directly sends emigrant workers to foreign employers, the second tier arranges candidates for the first one, and the third tier mediates between job seekers from rural areas of North India and RAs. Aside from registered RAs, some non-registered RAs are situated in the first tier. The other non-registered RAs are in the second tier. The third tier consists of agents scattered across rural North India, which are primarily managed by one individual. Most RAs use many agents, but the most important ones are run by the owners' relatives living in those areas. This hierarchical business network functions as a mechanism to continuously pick up emigrant workers from the pool of laborers and send them to the Gulf countries. Owing to this mechanism, spatial divergence, which was previously mentioned, has been overcome.

Yuko Tsujita (Institute of Developing Economies [IDE-JETRO])

“Migration and Well-being: A Study of Delhi Slum Dwellers”

Population mobility in India has historically been much lower than that of developed countries going through industrialization. Previous observations notwithstanding, migration, particularly out-migration from underdeveloped regions, has begun to increase significantly in recent years. The existing literature on international migration indicates that an overwhelmingly large proportion of migrants were employed in their early years in jobs that required little or no skills; eventually, their job/skill status improved. However, the consequences of internal migration to urban areas in developing countries are still relatively under-researched. Our previous study, based on two primary surveys of the same slum households in Delhi in two different years (2007/08 and 2012), indicates a rise in the income of workers across a sizable percentage of households, although many of them remained below the poverty line notwithstanding this increase. Being a migrant who was not born in Delhi is neither advantageous nor disadvantageous in terms of the labor market outcome, and inadequate education and savings play an important role in improving their income and standards of living. Based on tracing the same slum household in 2018, this study examines whether, and if so, how migrants at the lower economic echelons have benefitted at the place of their destination over a ten-year period. We also discuss intergenerational changes.