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The Impact of a Global Value Chain in South India on the Rural Areas in its Vicinity

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Abstract

The expansion of garment manufacturing in Tiruppur has transformed the surrounding countryside as well as the town, both as garment manufacturing has spread into the countryside and through the knock-on effects of having a dynamic and relatively labour intensive industrial sector nearby. It has provided a valuable alternative to agriculture as agriculture has been running into problems. Many of the people previously employed in agriculture have moved into garment manufacturing and associated activities as the garment sector has expanded. There have been new opportunities for entrepreneurs as well as for labour, not only directly in garment and other manufacturing but in trade and services, transport, construction, et al. as well.

The paper uses data collected in 2008/9, and in 1981/2 and 1996, in villages 20-30 km north west of Tiruppur to show how the expansion of the garment sector has changed the local rural economy, and how access to the new opportunities in the garment sector has been structured by gender, caste, and age, et al. What emerges from these data is that 'Tiruppur' has provided direct employment to large numbers from less well-placed households, many of whom now commute to work in Tiruppur and elsewhere. It has also pushed wages up in agriculture and other occupations, including those that are not directly related to the expansion of the garment sector. Considerably more than half of the working population is still engaged in agriculture however. Roughly half of the remainder work in the garment sector, and half in non-agricultural occupations other than garments. The paper shows that more women are now 'housewives' staying at home as their husbands are earning more. Labour is strongly supported by welfare measures introduced by the state – programmes such as the PDS (public distribution system) which supplies subsidised food and essential commodities, mid-day meals in school, and now also the NREGS (national rural employment guarantee scheme). All of these state interventions have had a significant effect on the local economy. Educational provision has expanded very considerably too and is now beginning to produce returns for members of the lowest social strata as well as for those that are better off. One of the worrying factors is that women still receive very substantially lower wages than men however. Caste is still also a major source of differentiation.

This is all still very much a 'low road' path of development which may have been appropriate in a period in which soaking up surplus labour was a priority. It is no longer appropriate in the Tiruppur region now. The tightening of the labour market might be expected to lead to some upgrading of skills and productivity. It is difficult to see the shift to higher productivity happening without substantial state support of a kind that does not seem to be on the cards. Tamil Nadu is a state that is championing a private sector-led development path – as elsewhere in India, if not more so – right now.

The Impact of a Global Value Chain in South India on the Rural Areas in its Vicinity

Judith Heyer¹

Introduction

Knitwear produced in Tiruppur, a small town in western Tamil Nadu, South India, feeds a global value chain connecting it with Europe, the US, and elsewhere. The growth of knitwear exports from Tiruppur since the mid-1980s has been phenomenal. Direct exports which were worth \$4m in 1985 had grown to a value of \$2.5bn in 2008/9. Total export values were higher still, taking indirect exports into account as well. Tiruppur knitwear producers serve the domestic as well as the export market. Many firms produce for both. The centre of production is Tiruppur, a town of less than half a million people, but production spills over into smaller towns and rural areas as well. Employment in the industry is difficult to estimate, but in the late 2000s it was thought that 400-500,000 people were employed in the knitwear sector in and around Tiruppur. Many more were employed in activities associated with the knitwear sector. This was a sector that had strong linkages with the surrounding economy.

This paper looks at the impact of the growth of knitwear production for export on rural areas in the vicinity of Tiruppur. It shows that it has had a substantial beneficial impact going well beyond the direct effects of involvement in the industry. The impact has been unequal however. This paper looks specifically at inequalities with respect to caste and gender.

The paper takes its cue from work that shows that those at the lower ends of global value chains tend to gain much less than those higher up (Gereffi et al., 1994). It also takes its cue from work suggesting that while global value chains themselves may be governed by global actors, they are based on systems of labour exploitation that are very localised (Singh and Sapra, 2007; Mezzadri, 2008; 2010). This is significant in a context in which cheap labour forms one of the main bases of competitive advantage.

The paper makes two points: (1) that despite the fact that the share of benefits received by those at the lower levels of the chain is very low it has nevertheless had strong direct and indirect effects that have been beneficial to the rural areas in its vicinity; (2) that the global value chain is embedded in a local economy and society that is very unequal and that the presence of the chain has not changed this very much. The chain has been contributing to raised living standards in the area as a whole, but there are limits to the extent to which it has been doing so. Moreover, it has been changing local structures of inequality but the pace of change has been very slow. Larger

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structures of power behind the inequality are still very strong. It might be argued that one would not expect reduced inequality to show up in rural areas as much as in urban. The rural areas are where a substantial proportion of the population continues to live however. They are getting integrated into the industrial economy now too.

The paper uses data from a longitudinal study of villages 25-30 km. from Tiruppur to explore the effect of having a dynamic centre of growth nearby. These villages were surveyed in 1981/2, before knitwear exports took off; in 1996 when the export industry was well established; and in 2008/9 as the industry continued to grow. The development of production for the global value chain in Tiruppur was experienced by people in the villages primarily as a substantial injection of low level employment for relatively unskilled labour, employment that was on a par with that being provided by agriculture. This employment was taken up by landless labourers and small and marginal farmers. They were getting a very small share of the total value in the industry. This represented a significant improvement, however, on what they were getting before.

The paper looks first at the general impact of the knitwear industry on employment, wages in agriculture, et al., in the villages, paying attention to the context in which state policy and other developments also played a role. The paper then looks at the impact disaggregated by caste and by gender, bringing out the fact that the benefits were highly differentiated along longstanding and deeply entrenched axes of inequality. This was a development embedded in structures that changed only very slowly, in a local economy which the garment sector has come to dominate decisively overall. State policy played an important part in the way in which the development of the knitwear sector affected the local economy too.

Some Background

Before the global value chain was established, in the mid-1980s, Tiruppur was a centre of small scale knitwear production for the domestic market and of cotton trade (Harriss-White, 1996). It had a population of 165K in 1981 (Population Census). It was one of the main cotton markets in the country serving the textile industry as far away as Bombay. Coimbatore, the headquarters of the district in which Tiruppur then was, was much bigger, with a 1981 population of 704K (Population Census). It was the manufacturing centre, dominated by cotton spinning and weaving mills, engineering, and other light industries (Harriss, 1986). At the start of the 1980s knitwear only played a small role in the economy of the region of which both Coimbatore and Tiruppur were a part (Chari, 2004).

Tiruppur grew rapidly after the mid-1980s. Its population more than doubled between 1981 and 2001 and it has grown further since 2001. This understates the importance of the centre which spilled over beyond the boundaries of the town. The growth of knitwear production has been well documented.² Direct exports from Tiruppur grew from Rs.19 crores (\$4m) in 1985, to Rs.1.4K crores (\$544 m) in 1995, and Rs. 11.25K crores (\$2.5bn) in 2008/9 (after a brief setback in 2007/8) since when they have been continuing to grow further still.³ There was also substantial growth in production for

² See for example Chari, 2004; Vijayabaskar, 2005; Singh and Sapra, 2007; Dorairaj, 2010.

³ Direct exports continued at Rs. 11.5K crores (\$2.6bn) in 2009/10 and are expected to grow at a faster rate again in 2010/11. Adding indirect exports would almost double this figure according to a UNIDO

the domestic market. The majority of the estimated 400-500K people employed in Tiruppur's knitwear sector in the late 2000s were long distance migrants from outside the region. The knitwear sector dominated the region in the 2000s, having followed a growth trajectory over the previous two decades that was much more dynamic than that of Coimbatore.

The expansion of knitwear production in Tiruppur had a major impact on the study villages 25-30 km away. At the time of the first survey, in 1981/2, virtually everyone in the villages was employed in agriculture and agriculture-related activities. Their agriculture was highly commercialised, both capital and labour intensive, producing a wide range of crops on land irrigated by wells, and a narrower range of crops on dry land. There was also a substantial livestock economy. This was a small farm economy that employed large numbers of agricultural labourers, many of them landless. By 1996 the villages had been transformed, primarily as a result of the growth of Tiruppur's knitwear industry. The expansion of employment associated with this coincided with the decline of agriculture which suffered from the overexploitation of water resources and a decrease in state spending on R&D and other forms of support (Government of India, 2005; 2007). Transport and communications had improved however, making it possible for people from the villages to commute to Tiruppur and smaller centres of non-agricultural employment. By 2008/9 the impact of developments in Tiruppur had become even more pronounced. Whereas in 1996 there had been some reduction in the area of village land under cultivation, by 2008/9 the reduction was very marked. Real estate had emerged as a major activity. Garment manufacturing units were setting up in the villages as well. The study villages had become important commuter bases for relatively unskilled labour, exporters of agricultural labour, and places where many of the older generation pursued their agricultural activities on a more limited scale than before. The villages were centres of miscellaneous trade and other small businesses as well.

Before proceeding to look at the effects on the villages in more detail, we look briefly at the methodology and the data on which the analysis relies.

The Methodology and the Data

The data for this paper come from interviews with members of a 20% sample of households in 7 hamlets in 2 revenue villages in 1981/2; from members of 1981/2 sample households and their descendants still resident in the villages in 1996; and from a newly drawn 20% sample in the same hamlets and revenue villages in 2008/9. Additional data were collected through interviews with a number of people in sample and other households both in the survey years and in 2003, 2004 and 2010.

The 1981/2 and 2008/9 samples are broadly comparable, both being samples drawn randomly from the total populations in 1981/2 and 2008/9. The 1996 sample is not a random sample of those resident in the villages in 1996. While this does not significantly affect the comparisons on which this paper is based, it needs to be borne in mind.

estimate in 1996. This would mean that Tiruppur knitwear contributed 2-4% of the total value of India's exports in 2001.

Improvements in standards of living: 1981/2 to 1996, and 1996 to 2008/9

This section shows that there has been a generalised increase in wages and earnings and standards of living and that this has been associated among other things with the expansion of the knitwear industry. State policy has also played an important role as is made clear below.

In the early 1980s, the villages were still strongly agricultural. Their links with industrialisation in the region were relatively weak. Seventy five percent of the male workforce was employed in agriculture (Table 1).⁴ Only 5% of the male workforce was employed in manufacturing. Some members of the wealthier households in the villages who had connections with industrial employers in relatively large scale Coimbatore textile and engineering units were able to use these to get their sons employment there. SCs⁵ and other manual labourers had no way of accessing such employment though.

Agriculture was very diversified. Cotton, sugarcane, turmeric, groundnuts, bananas and a whole variety of minor crops were grown on well-irrigated land, and cholam (sorghum) and groundnuts on land that was rain-fed. There was also a very substantial livestock economy which provided the draught power for cultivation, as well as for most of the local transport. The irrigation system was powered by electricity.⁶ Large numbers of agricultural labourers, representing 43% of the male workforce in the villages, were getting year round employment at wages that were very low. This was basically a small farm agriculture, dominated by an oligarchy of larger farmers, the largest of whom had 30 acres of land. These larger farmers employed labourers over whom they maintained tight control. They kept the largest group of SCs in conditions of extreme dependency (Heyer, 2000). Other groups of labourers were less dependent but easily disciplined nevertheless. The system was both relatively successful in generating employment and income, and oppressive. In the words of one of its protagonists, it ensured that “no one goes hungry here – everyone eats at least twice a day”. Men, women and children in labourer households had to work hard to achieve this minimum however. There were few possibilities of outmigration to better positions in the urban and industrial economy as far as agricultural labourers were concerned. This is what enabled agricultural employers to retain such tight control. State welfare programmes, which later helped to reduce the control of employers, were still relatively limited in 1981/2.

There was a general move in the region in the 1980s from large and medium scale industrial production to small scale production, of which knitwear manufacturing was a part. Some of the larger textile mills in Coimbatore closed down. Transport and communications developed very substantially. Agriculture suffered its first serious setbacks due to water problems in the 1980s too.

When the villages were next surveyed, in 1996, it was as if a mini-industrial revolution had taken place. The share of agriculture in male employment had fallen from 75% to 54%, and the share of manufacturing, including knitwear, had risen from 5 to 23% (Table 1). Nearly 90% of women in the workforce were working in

⁴ Systematic data on female employment are not available for 1981/2.

⁵ Members of the Scheduled Castes, formerly Untouchables, also referred to as Dalits.

⁶ The villages were electrified in the 1950s.

agriculture though, and only 5% in manufacturing (Table 2). Relatively large numbers of men residing in the villages were commuting to work in garment and other units in Tiruppur and other centres in the vicinity. There was a sense in which industrial employment was easy to access, in industrial units that were small-scale, decentralised, and spreading into the countryside as well. Knitwear and knitwear associated activities were the driving force. Employment in trade and services had risen too. Transport and communications had developed enormously, making the local economy much more integrated than before. There had been some outmigration from the villages too. According to the Population Census, the village population declined over the 1990s overall.⁷

As striking as the opening up of alternatives to agriculture in 1996 was the fact that the terms of agricultural employment had improved enormously. Agricultural employers facing water problems were irrigating less land, and irrigating what was still irrigated less intensively than before. They were also facing increasing competition for labour. They had responded by changing cropping patterns and husbandry practices to reduce both the amount of water and the amount of labour that they used, and by paying their labourers more. They grew more cotton, and bananas, less sugarcane, less irrigated pulses, and more irrigated fruit and vegetables. There was less rain-fed cultivation than before. There was less livestock too. Mechanisation had replaced draught power to some extent by 1996. Both the numbers of agricultural labourers, and the days and hours that agricultural labourers worked had fallen. Many of those previously employed in agriculture were now working outside agriculture. Those remaining in agriculture were earning more for less work than before. Judging by the CPIAL real daily wages had risen by 175% for men,⁸ and for women by slightly more. There had also been a substantial reduction in child labour, and the labour of young adults, as a result of increased participation in education. Child labour was still significant though. State welfare programmes such as the PDS (Public Distribution System) which supplied rice and other essential commodities at subsidised prices had expanded, and new welfare programmes had been added. These included mid-day meals in schools, pensions, maternity benefits, et al. These were helping to make it possible for households to raise their standards of living while putting in less work. They were contributing to increased bargaining power on the part of labour too.

By 2008/9, there had been a further increase in the quality of non-agricultural employment. More people from the villages were employed in manufacturing, less in low income trade and services (Tables 1 and 2). Substantially more were employed in the knitwear sector and less in other forms of manufacturing too. There had also been more outmigration.

⁷ The estimated decline was 1% in the main revenue village in the sample between 1991 and 2001. The 1996 sample was considerably smaller than the 1981/2 sample, but this does not provide a reliable estimate of village level population decline.

⁸ Daily agricultural wages for men were Rs. 5/-, Rs.6/- and Rs.7/- in 1981/2. In 1996 they were Rs. 40/-, Rs. 45/-, Rs. 50/-. This represents an up to 200% increase using the Coimbatore rural rice price, and up to 175% using the CPIAL. (The India Labour Journal is the source both for the rice price and for the CPIAL.) This overstates the real rise though. There are a number of items of increased expenditure that are not included in the CPIAL. Patterns of expenditure have changed much more dramatically in Tamil Nadu than in other parts of India, many new items being regarded as necessities which they certainly were not before. Women were still paid less than half of what men were paid in 1996, as in 1981/2.

The proportion of village land under cultivation had fallen considerably by 2008/9. Cultivators were economising further on water and labour. Drip irrigation was widespread. There were more bananas, and tree crops of other kinds. The reduction in land under cultivation was not reflected in the occupational distributions however (Tables 1 and 2). Very substantial numbers were still relying on agriculture. The number of cultivators had not fallen, but they were cultivating less land than before. The number of agricultural labourers had not fallen much either. People from the study villages had developed a reputation for agricultural labour, working over a wider geographical area than before. Most male agricultural labourers were only willing to work on contract in 2008/9. Employers complained bitterly about this. It is difficult to judge by how much earnings had increased though it was clear they had increased significantly again since 1996.⁹ There was no doubt agricultural labourers were in a stronger bargaining position in 2008/9 than they had been in 1996, or in 1981/2.

There was a great deal of real estate activity in the villages in 2008/9. Land was being acquired for housing developments as well as for industrial purposes. A number of knitwear and associated manufacturing units had been set up. A more dramatic new development was the establishment of two steel rolling mills the first of which started operations in 2009, and the second of which was due to start in 2010. These bore some similarities to the large spinning mills dotted around in neighbouring villages in that while they did not employ much local labour, they competed for electricity and water supplies, they brought more traffic and roads, and they provided only limited opportunities for new trade and service enterprises. The steel mills, more than the spinning mills, represented significant increased risks of both air and water pollution too. They had far fewer positive linkages and far more negative linkages to the local economy than the knitwear units had.

Participation in education was continuing to expand in 2008/9, and child labour had been virtually eliminated. State welfare spending had increased further. Programmes like the PDS were having noticeable impacts on the labour market as was the NREGS (National Rural Employment Guarantee Scheme) which was introduced in 2008/9. The NREGS is a national programme that has attracted considerable attention for its potentially radical effects on labour and poverty in the rural areas. It is too soon however to see how radical the effects will be. Employers in the villages saw 'Tiruppur' i.e. the knitwear industry as the most significant threat to their labour supplies. State policies came a close second in their view though.

It is undoubtedly the case that the expansion of knitwear production in and around Tiruppur provided a major boost to the local economy, contributing to increasing living standards and better quality employment and earnings at the expense, at least to some extent, of agriculture. It should be stressed however (i) that employment in Tiruppur was no panacea and (ii) that agriculture would have done better had more state support continued to be provided. Employment in the knitwear industry was irregular, and wages were not much better than those in agriculture, for hours that were much longer, including in many cases long commutes too. This was not high quality employment. It represented an improvement only because what was there

⁹ The fact that men were working mostly on contract in 2008/9 means that it was difficult to get a meaningful comparison between 1996 and 2008/9. Women were still working primarily for daily wages and their daily wages had increased in real terms by a little less than 20%.

before was so poor. The question now is for how long it will continue to represent an improvement in the presence of other alternatives. Tiruppur's knitwear sector is beginning to face serious labour shortages despite its increasing use of migrant labour. It is not clear how much scope there is for upgrading the quality of employment by increasing skills and productivity. It is clear from the experience of other countries that knitwear can only be successful until other sectors in the economy can provide enough higher value added activities. There will come a time when Tiruppur's knitwear industry is no longer viable. When and how replacements will emerge remain open questions though.

We turn now to the question of the inequalities with which the expansion of knitwear production has been associated, focusing here on caste and gender.

Caste and Gender Inequalities

(i) Caste

One of the most powerful, deep-seated, and entrenched structures of inequality in the Coimbatore region is caste, primarily the divide between SCs and non-SCs. The continuing depth of this divide is all the more striking given the policies of the Indian state that have been in place for the past 50 years or more. These have ostensibly been working to reduce the force of discrimination, but they have had only limited effect.¹⁰ One of the things that the expansion of the knitwear sector in this region has done is to 'loosen the moorings' of caste in the agrarian economy. This was not an agrarian economy that was semi-feudal. It was an agrarian economy in which capitalism was well advanced before the knitwear export industry emerged. Moreover, this was a capitalist agrarian economy in which caste structures were being used very effectively to discipline and control labour. There is nothing unusual about this as others have shown (see for example Harriss-White, 2002; Prakash, 2010). Caste inequality has nevertheless decreased in this area, partly as the state has been playing a more positive role, partly with the decline of agriculture and the growth of the non-agricultural economy of which knitwear has been a part. Caste structures have played an important part in the evolution of the knitwear sector, particularly the Gounder¹¹ networks that supported their members so effectively in the development of the sector (Chari, 2004). Gounders own a large proportion of the units in the knitwear sector today. Although they do not appear to discriminate directly against SCs employed in the knitwear sector (Carswell and De Neve, forthcoming), they continue to operate very effectively to keep SCs in a subordinate position elsewhere (De Neve and Carswell, 2010, is a good example here), and to prevent SCs from getting a hold in agriculture which has been an important base for advance in the non-agricultural economy.

The degree of subordination of SCs in the study villages was very strong in 1981/2. All male SCs apart from one or two who were employed by the government by virtue of their SC status were agricultural labourers (Table 1). All female SCs in the

¹⁰ There is a vast literature on the relative ineffectiveness of the policies of the Indian state with respect to SCs and STs (Scheduled Tribes). See for example Mendelsohn and Vicziany, 1998; Deshpande, 2006; Shah et al., 2006; and Thorat, 2009.

¹¹ Gounders, sometimes transliterated as Kavundars, are the dominant caste in the study villages and in Coimbatore region as a whole. They have also spearheaded the use of caste to discipline labour in the villages in this area.

workforce were agricultural labourers too. SCs made up 32% of the population in 1981/2 and owned 1% of the land. Less than 1% of the households in the larger SC labourer group, the Chakkiliyars,¹² had any agricultural land at all. A number of the households in the smaller SC labourer group, the Pannadis,¹³ had small holdings of agricultural land, many of them tiny and most of them considerably less than 1 acre each. There were significant numbers of non-SC agricultural labourers in 1981/2 who had substantially more land and livestock than any of the SCs. Thus SCs were at a disadvantage with respect to asset holdings even within the agricultural labourer group. They were also at a disadvantage as far as labour relations were concerned. A large number of Chakkiliyars were pannayals, tied labourers, beck and call labourers, in very dependent employment relationships. A large number of Pannadis were migrant sugar cane crushers, spending months at a time away from home. Non-SC labourers had better terms and conditions of employment than members of either of the SC groups. They worked within the villages for daily wages which were higher than those paid to SCs. In addition to the above, SCs suffered from severe social discrimination in the villages at large. They were subject serious and wide-ranging untouchability practices in 1981/2 (Heyer, 2000; 2010).

With this history, it is not surprising to find SCs benefiting less than non-SCs from the new opportunities available in 1996. Far from being the first to move into the new opportunities to escape the oppression from which they suffered in the villages, SCs were much less heavily involved in non-agricultural occupations than non-SCs in 1996 (Tables 1 and 2). Seventy percent of SC men and 94% of SC women in the sample workforce were still agricultural labourers. This compared with 9% and 19% of non-SCs. Moreover, SCs still owned only 1% of the land held by households in the sample. Agricultural wages and conditions had improved though, as noted in the previous section. There was less pannayal employment, and less child labour. Child labour was something in which substantial numbers of Chakkiliyars had been involved in 1981/2. Pannadis, however, were more involved in migrant sugar cane crushing in 1996 than they had been in 1981/2. Many Chakkiliyar and Pannadi children were in school in 1996 unlike in 1981/2. Moreover, state welfare programmes were reaching SCs in 1996 unlike in 1981/2. These included SC housing programmes that contributed to substantially improved living conditions for SCs in some of the study villages. There had been much less progress with respect to untouchability practices. These were being challenged by SCs in 1996. The results of some of these challenges came through later in the 1990s only (Heyer, 2000; 2010).

In 2008/9, more SCs were employed in better quality non-agricultural occupations, including knitwear (Tables 1 and 2), albeit on less good terms than non-SCs. There were no longer such large numbers of SCs in low income trade and services occupations as there had been in 1996. SCs still held only 1% of the land held by households in the sample however. This prevented them from benefiting from any of the new real estate opportunities that were coming up. The proportion of SC men who were agricultural labourers had barely changed, though the terms and conditions of agricultural labour had continued to improve. There were very few pannayals left in 2008/9 and migrant sugar cane crushing had completely disappeared. Child labour had virtually disappeared too. All under the age of 15 were now in school. Moreover a

¹² Otherwise known as Madaris, or Arunthathiyars.

¹³ Pannadis are Pallars, or Devendras.

number of SCs had recently enrolled in Teacher Training courses. There were real prospects of these leading to government jobs unlike in other parts of India (see Jeffrey et al. 2008, e.g.). Furthermore, state welfare programmes were now playing a very significant role for SCs as well as for others in the lower reaches of the village income distribution. A number of SC men commented to the effect that this meant that they no longer had to put in as many days work to feed their families as before.

Although the majority of SCs still worked as agricultural labourers in the villages in 2008/9, a number of younger SCs were beginning to get employment in the knitwear sector. This included young women as well as young men. Others were employed in other manufacturing activities. Few saw employment in the knitwear sector as substantially better than employment within agriculture though. This may have been partly because none were very well established in the knitwear sector as yet. There were better established SCs in spinning mills, engineering workshops, et al. The most significant gains for SCs were undoubtedly the improvements in terms and conditions of agricultural employment in which the majority were still engaged; increased access to education; and the receipt of state welfare benefits. With all the positive discrimination et al. in which the state purports to be engaging it was very disappointing not to see SCs getting further than this. It is difficult not to share the view of Dalit political groups who feel that a lot of what the state does is a sop to keep them quiet rather than any real attempt to help them to advance their relative position in any meaningful way. Things may be better in rural areas closer to the towns, and in the urban areas, but not dramatically so (Kapadia, 2010; Olsen et al., 2010; De Neve and Carswell, 2010).

(ii) Gender

Another deep-seated axis of inequality is gender, in what is still a strongly patriarchal society.

In other parts of India there has been a feminisation of agricultural labour (see Da Corta and Venkateshwarulu, 1999; and Djurfeldt et al., 2008; for example) as men have taken up non-agricultural employment. Here, large numbers of men have continued as agricultural labourers, and the numbers of women engaging in paid agricultural labour have fallen, leaving more men than women in the agricultural labour force overall. What is unusual in this case is both the number of men continuing to work as agricultural labourers, and the number of women withdrawing from paid work, at least at some stages of their lives.

In 1981/2, despite the fact that systematic data on women's occupations were not collected, it was clear that there were very few women doing any work independent of their husbands. Many women in households with land were contributing to agricultural and livestock production. Some of the women in households headed by agricultural labourers that also had land were not doing paid agricultural labour but were contributing on their households' land too. Many others, including virtually all SC women, were working as agricultural labourers, for wages that were only 40% of those earned by men. Participation in the workforce among SC women and girls was high. Women in trade and service households often worked in the same occupations as their husbands and sons. Women's work was almost universally subordinated to men's in 1981/2. Moreover, non-SC women's participation in education was very much lower than men's and almost no SC women had been to school at all.

Systematic data on women's occupations were collected in 1996. These showed first that workforce participation rates were high. A total of 66% of all SC women and girls, and 54% of non-SC women and girls aged 6 years and over were in the workforce. The combined rate overall was 57%. Nearly 90% of the women in the workforce, and 97% of the SC women in the workforce, were working in agriculture in 1996 (Table 2). This included Pannadi women who were doing migrant sugar cane crushing, with men, unlike in 1981/2. There was no feminisation of the agricultural labourer workforce here though. The numbers of female agricultural labourers were slightly lower than the numbers of male. Small numbers of women in the workforce were employed in knitwear and other manufacturing activities in 1996, and small numbers in government activities as school ayahs, balwadis, and noon-meals scheme helpers and cooks. There had been an increase in participation in education among girls in 1996, though girls' participation was still much lower than boys'. The majority of women were working in very similar capacities to those in which they had been working in 1981/2. There had not been nearly as much change for women by 1996 as there had been for men.

By 2008/9 changes for women were more marked. There was a substantially lower rate of participation in the workforce – more were in education and more were described as 'housewives' or 'staying at home'.¹⁴ Of those in the workforce, just under 80% of all women, and more than 80% of SC women, were still employed in agriculture (Table 2). Moreover, those working as agricultural labourers were still being paid less than half of the wages of men.¹⁵ A significant proportion (12%) of women in the workforce were employed in knitwear units in 2008/9. Nearly all of these were young unmarried women, SCs as much as non-SCs. There had been a significant increase in the proportion of non-SC women employed in trade and services too, mainly in petty shops et al. The numbers of women employed in government activities, and in 'other manufacturing' were still small. The significant changes here were the increasing numbers described as 'housewives', or 'staying at home',¹⁶ the increase in the employment of young unmarried women in the knitwear sector, and the increase in women running small shops et al. There had been a substantial increase in participation in education too. All girls under the age of 15 were in school in 2008/9. At least as many girls as boys were proceeding beyond this too.

What is striking overall is how little women had benefited directly from the increase in non-agricultural employment opportunities compared with men. Apart from unmarried girls, there had been almost no new employment opportunities for women. This was in marked contrast to men who had experienced a very substantial increase in opportunities of all kinds. Women had benefited from increased wages for agricultural labour, but women's wages in agriculture were still far lower than those of men. It is hardly surprising in these circumstances to find more women staying at

¹⁴ By 2008/9 the proportion of women and girls aged 6 years and over who were in the workforce had fallen to 53% for SCs and 39% for non-SCs. The participation rate had fallen with the increasing numbers of girls in education, and the increase in women recorded as 'housewives' or as 'staying at home'.

¹⁵ Considerably less than half bearing in mind that men worked mainly on contract, and women for daily wages still.

¹⁶ The proportions described as 'housewives' or 'staying at home' increased from 19% to 26% for SCs, and from 26% to 42% for non-SCs, between 1996 and 2008/9.

home. This was being made possible in 1996, and even more so in 2008/9, both because men's earnings had increased and because state welfare programmes were providing substantial support. Women's withdrawal from paid work was not driven by men seeking increased status from having wives who did not go out to work. It was driven by women for whom the lack of reasonable employment opportunities made withdrawal a preferred option at some stages of their lives at least. It was an improvement for women that they were no longer having to work on very exploitative terms outside the household as well as within. It was a limited improvement though. What women needed was better quality opportunities outside the household, something on a par with the opportunities available to men. Significant improvements in education are holding out the hope of better opportunities for the next generation of women. The current generation's retreat into the domestic sphere is supporting this too. While the next generation of women is likely to do better however, it is unlikely to do as well as the next generation of men.

Conclusions

The paper has shown that

- 1) The expansion of knitwear production for export has contributed to significant improvements in the rural areas in the vicinity of Tiruppur, both by providing new employment opportunities and by raising the general level of wages including wages in agriculture.
- 2) SCs have benefited much less than non-SCs from the new opportunities outside agriculture, but they have benefited from the rise in the general level of wages in agriculture.
- 3) Women have benefited from the new opportunities much less than men. While many women have benefited from no longer having to do paid work under the exploitative conditions that ruled earlier, the fact that they have retreated into domestic work in the absence of better opportunities must be seen as a loss. The knitwear industry has not benefited women in the surrounding areas nearly as much as it has benefited men.

The effects of the expansion of knitwear exports would not have been as beneficial had it not been for the very substantial expansion in welfare programmes which the Tamil Nadu state has pursued much further and much more effectively than most other states in India. These have contributed to the tightening of the labour market that has been associated with increased wages and better terms of employment in agriculture as well as in other sectors. They have also contributed directly to improved standards of living among the poor. Had the expansion of knitwear exports not been accompanied by such programmes the outcome would not have been as good.

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Table 1: Male Occupational Distributions, 1981/2, 1996, 2008/9

1981/2 (nos.)	SC	Non-SC	Total
Cultivators	0	138	138
Agricultural labourers	141	52	193
Livestock keepers	6	2	8
All Agriculture	147	192	339
Knitwear	0	7	7
Other manufacturing	0	13	13
Trade & services	0	68	68
Salaried employment	3	21	24
Overall total	150	301	451

1996 (nos.)	SC	Non-SC	Total
Cultivators	1	82	83
Agricultural labourers	98	24	122
Livestock keepers	3	8	11
All Agriculture	102	114	216
Knitwear	6	33	39
Other manufacturing	15	36	51
Trade & services	16	64	80
Salaried employment	2	13	15
Overall total	141	260	401

2008/9 (nos.)	SC	Non-SC	Total
Cultivators	1	85	86
Agricultural labourers	95	18	113
Livestock keepers	2	4	6
All Agriculture	98	107	205
Knitwear	24	55	79
Other manufacturing	9	11	20
Trade & services	6	39	45
Salaried employment	1	6	7
Overall total	138	218	356

1981/2 (col. %)	SC	Non-SC	Total
Cultivators	0	46	31
Agricultural labourers	94	17	43
Livestock keepers	4	1	2
All Agriculture	98	64	75
Knitwear	0	2	2
Other manufacturing	0	4	3
Trade & services	0	23	15
Salaried employment	2	7	5
Overall total	100	100	100

1996 (col. %)	SC	Non-SC	Total
Cultivators	1	32	21
Agricultural labourers	70	9	30
Livestock keepers	2	3	3
All Agriculture	72	44	54
Knitwear	4	13	10
Other manufacturing	11	14	13
Trade & services	11	25	20
Salaried employment	1	5	4
Overall total	100	100	100

2008/9 (col. %)	SC	Non-SC	Total
Cultivators	1	39	24
Agricultural labourers	69	8	32
Livestock keepers	1	2	2
All Agriculture	71	49	58
Knitwear	17	25	22
Other manufacturing	7	5	6
Trade & services	4	18	13
Salaried employment	1	3	2
Overall total	100	100	100

Source: Village Surveys, 1981/2, 1996 and 2008/9

Table 2: Female Occupational Distributions, 1996, 2008/9

1996 (nos.)	SC	Non-SC	Total
Cultivators	0	114	114
Agricultural labourers	81	35	116
Livestock keepers	2	12	14
All Agriculture	83	161	244
Knitwear	0	2	2
Other manufacturing	2	8	10
Trade & services	1	11	12
Salaried employment	0	5	5
Overall total	86	187	273

1996 (col. %)	SC	Non-SC	Total
Cultivators	0	61	42
Agricultural labourers	94	19	42
Livestock keepers	2	6	5
All Agriculture	97	86	89
Knitwear	0	1	1
Other manufacturing	2	4	4
Trade & services	1	6	4
Salaried employment	0	3	2
Overall total	100	100	100

2008/9 (nos.)	SC	Non-SC	Total
Cultivators	1	50	51
Agricultural labourers	76	18	94
Livestock keepers	4	10	14
All Agriculture	81	78	159
Knitwear	12	12	24
Other manufacturing	1	2	3
Trade & services	0	15	15
Salaried employment	0	3	3
Overall total	94	110	204

2008/9 (col. %)	SC	Non-SC	Total
Cultivators	1	45	25
Agricultural labourers	81	16	46
Livestock keepers	4	9	7
All Agriculture	86	71	78
Knitwear	13	11	12
Other manufacturing	1	2	1
Trade & services	0	14	7
Salaried employment	0	3	1
Overall total	100	100	100

Source: Village Surveys, 1996, 2008/9