Trade-led Growth in Times of Crisis Asia-Pacific Trade Economists' Conference 2-3 November 2009, Bangkok

Session 13

India Case Study

Indira Hirway



Asia-Pacific Research and Training Network on Trade

Trade-led Growth in Times of Crisis Lessons Emerging from India

Indira Hirway CFDA, Ahmedabad

Asia-Pacific Trade Economists' Conference 2-3 November 2009 Bangkok



This Presentation

- Discusses the major findings of a study on impact of the global financial crisis on informal workers and small producers in India and
- Draws inferences and policy implications emerging from the study.



Channels of the Impact

- Financial sector: capital outflows and decline in FDI, ODA, remittance, Export revenue – financial crunch for the govt and pvt sector
- Export markets collapsed
- Exchange rate: pressures on the Indian rupee leading to decline in its value: increase in cost of raw materials and intermediate goods raising the cost of production of export goods in some cases
- Decline in tradable services: tourism, IT services, etc
- Overall impact on investment, growth rate, employment, incomes etc, followed by negative impacts in the second and subsequent rounds



Sectors Impacted

- A wide range of sectors: from Gems & Jewelry to waste picking
- Selected Sectors in 5 major states (April-June2009)

Chikan craft - textile

Gems & jewelry

Engineering

Auto-parts

Home-based Garments

Agriculture

Organizations involved: CFDA, GIDR, EDII and SEWA - CFDA coordinated the study



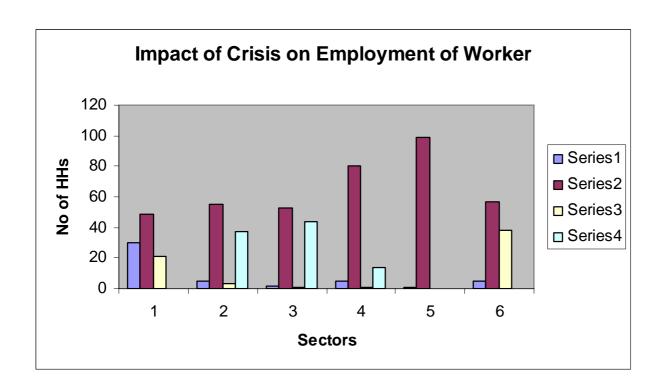
Approach & Methodology

Quick Survey: April – June 2009

- Sector profile
- Centre(s) profile
- FGDs
- Purposive sampling and survey
- Case studies



Chart 1 Impact of Crisis on Employment of Worker



Sectors: 1= gems and Jewelry, 2=Auto parts, 3=Engineering, 4=Garment, 5=Agriculture, 6=Chikan craft. **Series** 1=Unemployed at present, Series 2= undertook similar work with lower incomes, Series 3= Shifted to another sector/ work, Series 4= No change



to Unskilled Work and Deterioration in Employment

