Three sectors of Punjab economy: An appraisal

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Abstract
Supporters of the economic reforms consisting of liberalization policy upheld its importance in bringing growth based on rapid growth in secondary and tertiary sectors that would ultimately lead to employment opportunities for the labour force. This paper attempts to analyse the impact of liberalization policy on three sectors of Punjab’s economy after comparing it to the trends experienced in the pre liberalized period.

Keywords: Sector, Punjab Economy, liberalization policy, jobless growth.

1. Introduction
1.1 Background
Justice-social, political and economic is the cherished ideal mentioned in the Indian constitution that is to be realized by the nation through various govt. policies. In a democratic nation, economic justice relates to the individual’s right to equal opportunity in the development of a nation. Employment becomes a central part of every development policy which act a source of support in times of need, especially for the laboring class that do not posses any other source of income or livelihood except to sell their labour power in the labour market to the capital owners. The employment scenario is related to the economic structure of a nation.

In the pre-liberalized period, govt. led the growth of employment opportunities as the public sector undertakings used to employ a large number of employees. There was no competition from the foreign goods in the domestic market, which was supposed to be beneficial for the private sector. However, private sector in this era made hue & cry due to the alleged rigidities imposed on them by the govt. through various labour laws. Soon, voices started rising against the govt. economic policies which were considered as failed to raise the economic growth rate which could have benefitted the people at grass root levels.

In 1990, at the time of India reaching to the gate of bankruptcy, it took refuge under the International Monetary Organizations. However, the loan provided by these organizations had certain strings attached to it in the form of structural adjustment programmes. These programmes were not specifically as per the socio-economic and political situation of a country. These programmes were adopted by the then Indian government with the name of economic reforms in 1991. Indian economy achieved much higher growth rate than what prevailed in pre-liberalized era which was stagnated at 3%. However, this growth is termed as ‘jobless growth’ as the growing economy failed to generate employment to the growing number of labour in the labour market. The reason for this ‘jobless growth’ is the adoption of lean policy in PSUs. Another reason associated with it is the opening of Indian market for the foreign goods. Indian manufacturing sector faced stiff competition and in order to survive in the competition and to maintain their share of profit, they adopted the practice of low cost production. This led to the practice of reducing the existing number of employees similar to what has been adopted in the PSUs and also hiring temporary workers in place of permanent workers.

Economic reforms opened gates of Indian economy for investment purposes to the international and domestic private players which started the race to lure investments in India. This race is further pushed into the states of India, which now are standing against each other in order to secure more investments in their states. In this race, the rights of workers and their interests take a back stage. In this light, it becomes relevant to analyze the changes brought
by the forces of liberalization, privatization and globalization in the states of India.

This paper looks at the structural changes introduced in the economy of Punjab. Accordingly, this paper is divided into three sections. First section brings out the economic trends existed in the state in the pre-liberalized ear. Second section deals with the economic trends existing in the post-liberalizing period. Third section includes concluding remarks.

1.2 Economy of Punjab: Pre-Liberalization Period

The state of Punjab in the northern part of India is small in terms of geographical area and population, yet it has achieved high development. “Punjab within an area of 50,362 Sq. Kms. is one of the smaller states of India. It accounts for 1.5% of the total area of the country and 2.4% of the total population (2001)” [1]. Punjab has experienced a rapid growth rate in its economy based on the growth it achieved in the agricultural sector after implementation of the green revolution. It has emerged as the stable source of food grains supplying to the central pool of India. Punjab has achieved the status of the state having high per capita income than other states in this era. Punjab has managed to achieve this growth against all the upheavals it experienced in the form of the partition of India, which divided the state of Punjab into two parts, western part went to Pakistan and eastern part remained in India. Economically, all the developed parts, irrigated parts and skilled work force went to Pakistan. Subrata Banerjee on this issue writes, “Partition thus found East Punjab faced with a massive human problem of rehabilitating thousands of people with different demands, talents and skills. It lacked the basic requirements for fast economic development” [2].

What was left in the Indian Punjab was poorly irrigated land, no markets for goods produced and very low skilled workforce. Once again, this state underwent territorial changes which had a severe effect on its resources. In 1966 it was divided into three states, namely, Himachal Pradesh, which received mineral resources and Haryana received industries which were developed nearly Delhi; and Punjab which was robbed of its mineral and industrial set up. J.S. Sandhu and Arijit Singh write, “With the reorganization of the state in November, 1966, developing industrial complex around Delhi fell to the share of Haryana and whatever mineral and forest resources that were available went over to the Himachal Pradesh. As a result of this development, the growth of industries in the state further suffered a setback” [3]. Farmers coming from east Punjab wholeheartedly accepted and followed green revolution. Due to their hard work and open mindedness not only Punjab gained growth, but India as a nation gained stability in the area of food production. Thus, agricultural sector received more attention as well as funds from the government. This policy of state and central government had a negative impact on industrial sectors as this sector was neglected. In the pre-liberalized era, the rate of economic growth in the state was higher in comparison to all India level soon after the introduction of the green revolution. However, by the 1980s it started lacking behind in comparison to growth achieved at all India level. “During 1965-66 to 1975-76 the economy grew at the rate of 4.8% as against 3.5% in the national economy (Department of Planning, 1978)... In the 1980s Punjab economy grew at the rate of 5.3% per annum as against 5.5% in the case of the national economy” [4]. Agriculture, a sub-sector of the primary sector started experiencing a decline in its growth rate as it fell down from ‘4.66%’ growth rate recorded from 1980-85 to 3.91% from 1985-90’. Secondary sector experienced positive growth. The growth rate in this sector was ‘4.93%’ in the period 1980-85 that increased to 5.75% in the period 1985-90’. Further, tertiary sector witnessed high growth rate in the later years of 1980s. The growth rate in this sector was ‘2.97%’ from 1980-85 that increased to 4.46% from 1985-90’ [5].

The agricultural sector has stagnated in the later years of pre-liberalized period and its share in state domestic product has gradually decreased. “The share of agricultural sector in state domestic product upto the end of Seventh Plan (1989-90) decreased by 3.7% points as compared to its contribution upto the end of Forth Plan period” [6]. Further, the growth rate of agricultural sector in the pre liberalized period, experienced decline in the later period of pre liberalized period. ‘From 1980-85, this sector experienced growth rate at 5.65 percent, but this growth rate decreased to 3.58 percent in 1985-90’ [7].

One of the main reasons of such declining rate of growth in this sector is the practice of concentration. The production is concentrated to grow wheat and rice. Other crops are neglected. R.S. Bawa highlighted the importance of this practice leading unhealthy pattern of production in the state [8]. Industrialization becomes important when it comes to achieving high economic growth and development. Hence the following section deals with this sector of Punjab in the pre liberalized period.

The industrial sector did not receive as much attention as it requires by the state govt. and central govt. Industrial structure lacks the large scale enterprises. Further, private investments by big industrial houses also showed lack of interest in setting up their enterprises in the state. Thus, organized sector of industries did not gain a strong foothold in the economy. On the other hand, informal sector and small scale industries dominated the industrial sector of the state. It’s dominance become evident when we look at the number of units falling under this sector and workers employed in it. ‘As on 1980-81 there were 43,338 units under small scale industries employing 2,64,869 employees with the fixed investment of 332,0 Crore rupees’. This figure is increased in the later period of pre-liberalization era. As on 1990-91 there were ‘1,60,388 units employing 6,68,845 employees having 1,349 Crore rupees as fixed investment’ [9].

During pre-liberalization period, number of factories registered increased and this rate of growth was higher in the later years. In the liberalized period in 1980, number of registered factories were ‘7053 and average working workers and number of workers per lakh of population stood at 201735 and 1206 respectively. Number of such factories increased to 11396 by the year 1990 and average working workers and number of workers per lakh of population stood at 3,67,513 and 1770 respectively’ [10]. This trend showed that increase in the number of manufacturing factories has led to more employment generation to the increasing number of workers in the population of Punjab. This rise in the number of workers can also be attributed to the mechanization of agriculture that led to capital intensive nature of production than the labour intensive one. Thus, more and more persons are seeking paid work in the factories.

Further, the production value of manufacturing industries in the year 1980-81 was ‘2,25,950.93 lakh rupees which increased in the last decade of pre-liberalization period to
11,21,351.33 lakh rupees in 1990-91’. In sync with growth in production value, the growth is also experienced in the employment in the manufacturing industries.

‘Employment increased from 3,74,636 to 8,56,156 in the same period’ [11].

In order to give a major push to the industrial sector, Punjab’s government had adopted various policies. One such is to distribute loans and subsidies to attract investors to set up production houses. S.P. Mehra on this issue writes, “The state government gives a package of incentives like developed plots at industrial focal points, 40% to 50% subsidy on cost of land, 15% capital investment subsidy is declared in backward areas, exemption from electricity duty for 5 to 10 years etc. In 1980-81 the department (Industrial Department) gave loans worth Rs. 9.99 lakh to 171 applicants under the State Aid to Industries Act. Value of central /state subsidies came to Rs. 90 lakhs in the same year” [12].

The above provided information regarding production level and employment trend showed that in the pre-liberalized period Punjab’s industrial structure have experienced positive growth. With this growing number of workers also increased. However, the growth in employment is slower than the growth in production value. The reason behind this is the predominance of small scale sector and concentration of production limited to the number of the few goods without employing modern technology. S.P. Mehra noted the expansion in the small scale industries in the state. He writes, “These industries have grown very fast. In fact, their rate of growth has been the envy of others states …. As many as 4,576 small units were registered “between” April 1981 to December, 1981. The additional employment generated during April-December, 1981 was 26,301 persons” [13]. Further, on the issue of growth of industrial sector in the state he observed that, “Between 1961 and 1971 contributions of manufacturers to state income went up from 10.1% to 11% but the workforce employed in the manufacture fell from 15.6% to 11.3%. Punjab is much below the all India average in this field” [14].

Another sub-sector of industries is the village industries. The state government had given much emphasis on the importance of village industries in the state which is a part of Rural Development Programme. The state has attached twin objectives to that policy. One is to generate employment matching with the skills of rural people and another is to support the large number of schedule caste inhabiting the rural areas of the state having a low education and skills training. Village industries experienced growth with the support of the state. On this matter, S.P. Mehra writes, “The number of village industries went up from 4,127 in 1979-80 to 49,813 in 1980-81 (provisional) showing a rise of 21.1 per cent. The estimated fixed investment rose from Rs.6.16 crores to Rs. 11.52 crores in the same period, registering an increase of 87.0%. The value of production in a village industry which was worth Rs. 16.11 crores in 1979-80 became 28.74 crores in 1980-81. Employment increased from 68,270 persons to 83,590 persons in the same period” [15]. The similar growth rate is highlighted by the govt. reports on state’s economic structure.

Punjab’s industrial sector failed to expand in the state. This increased the problem of the economy as the agriculture sector was also experiencing downfall. On this matter P.S. Raikhy and Anjali Mehra write, “… primary sector constituted a 62.2 percent share of NSDP in 1966-67, while the secondary sector accounted for only 15.3 per cent. Over time the share of primary sector decreased, but it has been largely absorbed by the tertiary sector and the share of secondary sector slowly increased to 22.41 per cent in 1990-91” [16].

Coming to the commercial establishments and hotels – restaurants, this sub-sector experienced growth. In the year 1980 ‘number of shops were 1,72,831 which increased to 2,47,729. Number of employees increased from 42764 in the year 1980 to 59912 in the year 1990. Similarly, commercial establishments, including cinema and theatres increased in terms of numbers and works. Number of commercial establishments increased from 40736 to 54702 in 1990 from 1980. Number of employees increased from 83063 in 1980 to 1,07,105 in 1990. Further, hotels and restaurants also increased in this period. There were 10,773 hotels and restaurants in Punjab in the 1980 which employed 15,546 employees. This number increased to 11818 hotels and restaurants employing 16,924 employees” [17].

Employment in the govt. sector showed positive growth and organized sector, including public, quasi and private sub-sectors in the state of Punjab have employed a large number of people. ‘The share of private sub-sector within the organized sector was 28%. Number of employees employed were 7,86,434 in the year 1990’ [18].

Lastly, this section brings out the unemployment scenario in the state of Punjab in the pre-liberalized period. During this period people seeking work and registering themselves with the employment exchanges in the state of Punjab were very high. ‘In the year 1980 number of such persons was 4,82,596 which further increased to 6,59,250 persons by the year 1990. Among different categories number of fresher’s without any experience or training has increased from 2,27,033 in 1980 to 3,77,849 in 1990” [19]. The reason for increasing of freshers in the category of unemployed could be attributed to the mismatch between the skills imparted to the learners and what is required or demanded in the industry. There exists the large gap between the number of unskilled unemployed and skilled unemployed persons registered with the government. Another major finding concerning the workers is the dominance of informal workers in the workforce of the state in the pre-liberalized period. Dr. Vishwa Mittar also observed this trend. He writes, “The workers in the formal sector in the secondary and tertiary occupation of the economy grew at the compound rate 3.96 per annum, public sector contributing 4.19 and private sector 3.37 per cent per annum … The size of workers in the informal sector of the state grew at a compound rate of 3.96% per annum which is almost equal to that of the state during the decade 1971-81” [20]. The workers employed in the informal sector have low education and do not possess high skills. Thus, they earn low wages. Further, informal workers in the state consist of a large number of migrant workers. The increasing rate of unemployment showed that the growth in the economy failed to create employment opportunities for the increasing number of persons joining labour force of the state.

Following section brings out the economic and employment trends in the post-liberalization period.

1.3 Economic Trends in Punjab –Post Liberalization period
Economy of Punjab has slowed down in terms of its growth rate in the post liberalization period i.e. post 1990-1991
period. Economy of the state has grown at much slower rate than the all India growth rate. It has been observed that, “During 1991-92 to 1997-98, the national economy grew at the rate of 6.9 percent per annum as against 4.71 percent in the case of state economy” [21]. During this period, other states of India have grown at higher rate than the 4.71 percent growth rate of Punjab.

Post liberalization period has experienced major changes in the economy of Punjab as the agriculture continued to experience decline. Secondary and tertiary sectors have experienced positive growth, but the growth rate is not stable. One should always remember that industrial sector had failed to attract investments in the pre-liberalized period and expecting it to do the rescue work for the economy in times when agriculture led primary sector is experiencing not only stagnation but decline, is something not feasible. Industrial sector has gained a legacy of predominance of unregistered sector from the pre-liberalized era. Though the share has declined yet has remained large enough to greatly impact the production levels in the state. On the matter, P.S. Raikhy and Anjali Mehra write, “… unregistered sector has declined yet has remained large enough to greatly impact the production levels in the state. On the matter, P.S. Raikhy and Anjali Mehra write, “…. unregistered sector constituted 50.67 per cent of the manufacturing sector in Punjab in 1970-71 …. The share of unregistered sector in Punjab declined to 41.91 per cent in 1990-91” [22]. The predominance of this sector has negative impact on the interests of welfare of workers as this sector falls beyond the jurisdiction of labour laws making workers more vulnerable and insecure.

Agricultural (primary) sector of the economy has experienced decline. The rate of growth of this sector was 2.66 per cent for the period from 1992-97 which fell down to 1.80 per cent in the year 1997-99. This clearly brings out the cause of decline in the Punjab’s economy as it is linked to the agricultural growth. In case of secondary sector, it has been experienced that the growth in the years, followed by the economic reforms was high in the immediate years after the reforms but this growth experienced decline in the later period of liberalization policy. It grew at 6.25 per cent in 1992-97 but fell down to 3.5 per cent in 1997-99. The tertiary sector experienced low growth rate in comparison to the pre-liberalized period. It was recorded at 4.24 per cent in 1992 to 1997 which further decreased to 3.97 per cent in 1997 to 1999” [23].

Support from the agricultural sector to the economy of Punjab has been decreasing because the production level has reached to a point from where it is not physically possible to increase. The stagnation in agriculture is not the only problem. Other aspects related to this is the declining quality of soil and falling levels of groundwater in the state due to the excessive use of water and increasing use of fertilizers and pesticides used to enhance the productivity in the agriculture. Even though this sector has declined yet it still is the major sector in the economy of Punjab. The production of wheat and rice has remained dominant in the post-liberalized period and the share of other crops experienced decline. “The other food crops in the state are maize, bajara, barley, gram and pulse whose share in total food grains are just 1.95% in 2011-12” [24]. Apart from agriculture, animal husbandry plays a vital role and increase its share in the post-liberalized period. “Livestock also plays an important role in the economy of state which contributed 7.25% to the Gross State Domestic Product (GSDP) at constant (2004-05) prices in 2011-12 (Q)” [25].

In the post-liberalization period, secondary sector continues to be dominated by the small scale industry. ‘The number of units increased from 1,60,368 in the year 1990-91 to 2,00,603 units in 2000-01 which was higher than the pre-liberalized period. But in the second decade of the post-liberalization period this industry experienced downfall as the number of units decreased to 1,60,062 in the year 2009-10. In the terms of employment generating capacity of this sector, it has experienced growth, but it was lower than that was experienced in the pre-liberalized period. The number of employees increased to 8,97,642 and reached to 9,78,932 from 1990-91 to 2009-10 but this growth was much slower than it experienced from 1980-81 to 1990-91, from 2,64,869 to 6,68,845’ [26].

In this period the secondary sector experienced increase in the number of large /medium scale industries. ‘Number of units under this category increased to 611 in the year 1999-00 employing 2,35,993 employees with the investment of 14,765 crore rupees’ [27]. It is healthy for the working class as working in the large or medium scale industries gives an opportunity to the workers to be employed on permanent basis availing monetary and non-monetary benefits and also to organize themselves to strengthen their collective bargaining. However, this hope is bleak as it has been observed that liberalization and globalization has led to the informalization of workforce as workers are hired more on contract basis. Only a small number of workers work as permanent or core workers.

Another change experienced in the industrial sector in this period is the move towards rural areas as rural are now preferred to set up manufacturing firms. This policy is against the practice followed in the pre-liberalized period, which preferred urban areas [28].

During this period, registered factories and workers employed in them have increased. In the year 2000 number of registered factories ‘working at the time of survey stood at 14004. As far as workers employed are concerned, average working workers are 4,50,210 and number of workers per lakh of population are 1843 in the same year. The figures increased in the next decade. In the year 2010, number of factories is 17637. The number of average working workers and number of workers per lakh of population increased to 6,11,844 and 2130 respectively’ [29].

The production value in the manufacturing sector has remained dynamic as it was increased in the first decade and then declined in the second decade of this period. ‘In the year 2000-01 it was recorded at 44,90,158 lakh rupees but decreased to 12,02,927 lakh rupees in the year 2009-10. However, it is higher than what was recorded in the year 2008-09. Manufacturing sector exhibited its high absorbing capacity as far as employees are concerned. In the year 2000-01 it employed 11,46,337 employees. Thus number increased to 1,05,85,835 workers in this sector in 2009-10’ [30].

The village industries continued its story of growth in terms of its production value as well as employment in the post-liberalized period. However, the employment generation capacity has declined. Shops, commercial establishments, hotels and restaurants have experienced dynamism in the post-liberalized period. Number of registered shops has declined.’ In the year 2005 number of shops were 2,10,243 employing 98,515 employees. By the year 2010, number of shops increased to 2,16,094 employing 1,04,428 employees. Commercial establishments, including cinema and theatres witnessed marginal increase. In 2005 it was recorded at 32,999 employing 91381 workers. These were lower than
that was achieved in the pre-liberalized period. Further, in
case of hotels and restaurants, this sub-sector experienced
decline when comparing it to the pre-liberalized period.
Number of hotels and restaurants declined to 6270 in 2005 in
comparison to 11818 in 1990. Number of employees
employed in this area was 1471 in 2005. This figure slightly
out of the number of hotels and restaurants increased
to 6747 in 2010 employing 16,213 employees\(^3\) [31].
In the first decade of liberalization, the govt. of Punjab
and private sub-sector of organized sector have continued
to employ large number of number. Number of employees
in organized sector of Punjab was 8,45,728. During the
coming year the number of employees declined and it was
recorded at 6,46,754 employees in the year 2009. But in the
next year this sector experienced growth in terms of
employment generation capacity as it employed 8,18,497
employees in 2010\(^1\) [32].

Employment generation capacity of the economy of Punjab
experienced decline. On this matter M.S. Sidhu and P.S.
Rangi write, “The job opportunities, too, have started
receding, if the public and private sectors accounted for 8.47
lakh jobs in 2001, it came down to 8 lakh by March 31, 2003”\(^3\) [33]. They held the small sector
responsible for this situation as this sector does not employ
large number of workers even though it dominates the
industrial sector.

Further, dividing the labour force of Punjab into main,
Marginal and non-workers, it has been observed that men
workers lead the category of main workers. ‘As on 2001,
Punjab had 78,35,732 main workers, 12,91,742 marginal
workers and 1,52,31,525 non-workers. Among these
categories women dominate men in the categories of
marginal and non-workers. There were 64,26,028 men main
workers in comparison to 14,09,704 women main workers.
In the category of marginal workers 7,57,557 women workers
were there in comparison to 5,34,185 men workers. Number
of agricultural workers out of the total workers in 2001 was
35,54,928 which stands at 38.95% of total workers in the
state of Punjab”\(^1\) [34]. In this period persons on the live register
of Employment Exchange in Punjab have declined in
comparison to the pre-liberalized period. ‘In the first decade
it came down to 5,68,000 persons which further reduced to
3,78,087 persons.\(^3\) M.S. Sidhu and P.S. Rangi note increase
in the number of unemployed persons. They write, “The
number of registered unemployed persons has increased from
4.53 lakh in 1980 to 5.06 lakh in 2002”\(^3\) [35].
In the post-liberalization period, the Punjab govt. has started
looking towards industrial sector in order to increase its
growth rate and to solve unemployment situation. For this
Punjab government now is emphasizing the role of special
economic zones in the state. For this the state of Punjab is
trying to attract private, international and domestic investors
by providing various incentives and exemptions. For this
govt. of Punjab has adopted ‘Special Economic Zone Act,
2009’ to facilitate its above stated aim. Central govt. of India
has also approved the projects suggested by the state
government. “17 special economic zones projects have been
approved by the govt. of India, 2 special economic zones
have already been notified”\(^3\) [37]. Along with special economic
zones, the govt. is relying on cluster projects for industrial
development. Further, acknowledging the need to develop
industrial sector in the state, Punjab govt. has established
Punjab State Industrial Development Corporation Ltd. Similarly, Punjab Small Industries and Export Corporation
Ltd. have been set up to facilitate the smooth functioning of
the export sector of the state.
The following section consists of concluding remarks.

1.4 Conclusion

Comparing the trends in three sectors of the economy in the
pre-liberalized period and post-liberalized period provides an
opportunity to understand the impact of liberalization policy
on the economy. It has been observed that economy of
Punjab has experienced a major shift in the post-
liberalization period as far as importance given to the
industrial sector is concerned. However, more than the
impact of liberalization policy, this shift is the result of
stagnation in the agriculture (primary sector). Further,
liberalization policy, as is argued by its supporters would
release the rigidities thereby helping the economy to create
more employment as it grows. The economy of Punjab
experienced neither growth nor increase in the employment
generation capacity in post-liberalization period. Economy of
Punjab carried on the legacy of pre-liberalized era as all the
sectors majorly showcase similar trends in both the era.
The time has arrived for the Punjab’s govt. to look beyond
the agricultural sector in order to experience growth in its
economy. Agricultural sector had provided a solid base for
the economy to flourish. However, the secondary sector
failed to grow to support the workers who are now unable to
get paid work in a stagnated agricultural sector. The major
problem with the production sectors of the economy is the
concentration. Agriculture as well as industrial sector failed
to diversify in terms of geographical location as well as
products produced in these sectors. Industrial sector has
many reasons which have held it back. Some of those
reasons are utmost important given to agricultural sector,
lack of capital rather lack of interest to invest profits back
to the industrial sector, predominance of small scale sector and
lack of interest to invest profits back to the industrial sector, predominance of small scale sector and
closeness to border. Govt. now has started giving importance
to the industrial sector and has initiated various policies to
give it a required push. These initiatives will bring better
employment opportunities for the youth only if the large
scale and medium scale industries grow at a pace similar to
that of small scale industries, if not more than that. This will
ensure better wages and high productivity in the industrial
sector.

As we have seen that the state government apart from small
scale industries is the major employment sector. This avenue
of employment is under threat from the central government’s
policy of liberalization, which leads to roll back of the state.
Thus, formal employment which in itself is small in
comparison to the informal employment in the state is going
to be permanently shadow by the policy of liberalization.
Further, the state is under pressure to attract private
investments and in order to achieve this it is providing
incentives and subsidies and also loosening the grip of labour
laws. While doing so Govt. jeopardize the interest of workers.
Even though it is alleged that the number of workers covered
by these laws in comparison to total workforce has always
remained low, yet these laws work as guidelines in the
protection of interest of workers. One important point has to be remembered is that the
workers employed in the formal sector of the state economy
majorly consists of local people and informal workers
majorly are migrant workers. Hence it will not be easy for
the state govt. to bring drastic changes in the existing labour
policy. Therefore, the move towards SEZs provides an easy
gate through which state can lead the investors to work outside the grips of the state apparatus.

Endnotes
5. Ibid, p.17.
28. Ibid, p.34.

References