Working Paper
379

LIMITS TO UNIVERSAL TRADE LIBERALISATION: THE CONTEMPORARY SCENARIO FOR TEXTILES & CLOTHING SECTOR IN SOUTH ASIA

P. L. Beena

March 2006

Working Papers published since August 1997 (WP 279 onwards)
can be downloaded from the Centre's website (www.cds.edu)

LIMITS TO UNIVERSAL TRADE LIBERALISATION: THE CONTEMPORARY SCENARIO FOR TEXTILES & CLOTHING SECTOR IN SOUTH ASIA

P. L. Beena

March 2006

This is a revised version of the draft prepared by the author while working at the Research & Information System for Developing Countries (Beena 2002 – RIS 2002b). I had benefited from Prof. V.R. Panchamukhi, and Prof. Biswajit Dhar from the discussions I had with them while working on this paper at RIS, New Delhi. I thank Prof. D. Narayana for his comments, which had inspired me to transform the paper into its present form. I thank Prof. K.J. Joseph, Prof. Mridul Eapen, Prof. K.K.Subrahmanian, Prof. Mohanan Pillai, Prof. Sunil Mani, Dr. K.N.Harilal and other seminar participants at the Centre for Development Studies for their suggestions. Special thanks are due to Prof. C.P. Chandrasekhar for providing me some solid suggestions, which have helped me to further enrich this work. Discussions with Dr. Aditya Bhattacharjea were also helpful while finalising this paper. I also thank Gilbert Sebastian and the anonymous referee for giving me valuable comments by reading this paper thoroughly. Finally, I thank Prof. Barbara Harriss-White for introducing me to the school of heterodox economics. However, I own up responsibility for any persisting error or omission.

ABSTRACT

The relevance of outward looking/export-oriented strategies over the inward looking/import-substitution (I-S) strategies is highly debated in policy circles. This paper tries to locate the Textiles and Clothing (T&C) sector in five major countries of South Asia in the light of these theoretical debates. The main focus of the paper is to analyse the sustainability of export performance of T&C in South Asian countries, particularly in the context of universal trade liberalisation. We also try to explore the various factors determining the particular pattern of export growth registered by the countries of South Asia. The demand factors such as the question of market access, some competitors turning immensely powerful and shrinkage in the growth of demand on the world-scale, and supply factors including the nature of industrial structure in each of these countries are dealt with in this paper. From our analysis it is evident that the overall exports of T&C in all South Asian countries grew faster than the world exports in this sector during 1985-2003. However, the growth in the post-1995 period is lower than the growth in the pre-1995 period, which coincides with the world trend. China has emerged as a major competitor to South Asian countries in the EU and the US markets. Our case study of T&C sector shows that the proposed export-led industrialisation has not yielded the expected returns to the South Asian countries. Thus the developed countries are not only "Kicking away the ladder" of protecting domestic industries in the developing countries but also designing a protective shell around themselves preventing market access to the latter. Further the paper argues that labour cost alone cannot explain the relative export performance of South Asia. Rather, it is determined by other factors such as the industrial structure, suppliers' service capabilities, preferential agreements, etc. The need is emphasised of drawing up country-specific trade and industrial policies rather than adopting a universal trade liberalisation policy or proposals for SAARC integration with a view to build sustainable industrial structures.

Key Words: South Asia, Textiles and Clothing, WTO, Trade and Industrial policy

JEL Classification: F13, F14, L67.

Introduction

The relevance of outward looking /export-oriented strategy over the inward looking/ import-substitution (I-S) strategies are highly debated in policy circles. One of the main criticisms on the I-S strategies (Prebisch 1959) was with regard to their limitations for building up diversified industrial structures and for diversifying exports (Hirschman 1992). Another important criticism was on the infant industry protection (List 1856) adopted by countries as part of the industrialisation process. It was argued that universal trade liberalisation would make industries more competent and FDI-driven export-led industrialisation policy was recommended (Little et al 1970; Bhagwati 1978; Krueger 1978 and Balassa 1980). Another line of argument has been that historically the developed countries themselves have taken recourse to protective policies of industrialisation, which are now being denied to the less developed countries under the paradigm of universal trade liberalisation (Amsden 2001; Chang 2002; Chandrasekhar & Ghosh 2005; Shaffaeddin 2005). Let us now look at the impact of trade liberalisation on the export performance of Textiles and Clothing (T&C) sector in five[1] major countries of South Asia in the light of these theoretical debates.

T&C sector has served as an engine of growth for most South Asian countries in terms of value addition, employment generation and foreign exchange earnings.[2] The quotas imposed by developed countries had a determining effect on the export expansion of this sector.[3] The developing countries had agreed for the inclusion of Textile trade under GATT on grounds that the exports of this sector from developing countries to developed countries would be greater without a Multi-Fibre Agreement (MFA)[4] (UNCTAD 1994). Thus the new Agreement on T&C under World Trade Organisation (WTO) dismantled the extensive network of bilateral quotas completely on 31 December 2004. While the new agreement aimed at removing quota restrictions, it has other non-quota provisions such as tariff and non-tariff barriers, which can be used as tools to protect the domestic producers of the developed countries. Restrictions through non-tariff barriers may be introduced in the form of rules of origin, anti-dumping duties and safeguard provisions, labour and environment standards. Moreover, the rising expectations of retailers in terms of suppliers' service capabilities and locational proximity, and changes in the international regulatory context of the Clothing sector, are likely to increase barriers to new developing country suppliers' entry into Clothing Global Value Chains (GVCs) (Palpacuer, Gibbon & Thomsen 2005). Existing literature on this sector in South Asia can be grouped into country-specific studies: Chatterjee & Mohan 1993; Uchikawa 1998; Bagchi 1998; Ramaswamy & Gereffi 1998; Roy 1998; Venkatesan & Katti 1999; Chandra 1999; Khanna 2000; Sinha and Sasikumar 2000; Verma 2002; Hashim 2005 and Tewari 2005 on India; Musleh-Ud&Abbas 2000 on Pakistan; Bakht 2000; BEI 2004 on Bangladesh; Kelegama & Unamboowe 1994; Kelegama & Foley 1999; Weerakoon and Wijayasiri 1999; Kelegama 2005; on Sri Lanka; and Ministry of Commerce, Nepal 2000 on Nepal as well as region-specific studies on South Asia as a whole by Kathuria et al 2000; Beena 2002 and Das 2004. Das (2004) argues that there is scope for industrial restructuring in South Asia through regional integration. Most of the recent studies mainly focussed on the supply-related reasons for the poor performance of the growth of this sector. There are some studies dealing with the questions related to demand constraints (i.e., market access or the question of tariff and non-tariff barriers in particular) imposed by developed countries. But none of these studies analyse the export performance of South Asian countries during the post-1995 period *vis-a-vis* the global trend in a comparative perspective. This study aims at filling this gap drawing comparisons with the earlier phase (i.e., 1985-1995). The main thrust of our study is to analyse the sustainability of the export growth of T&C in South Asian countries, particularly in the context of universal trade liberalisation. We seek to explore the various factors determining a particular pattern of export growth registered by the countries of South Asia-demand factors such as the emergence of powerful new competitors and shrinkage in growth of demand on the world-scale and supply factors such as the nature of the industrial structure in each of these countries. We would further explore how the removal of quota restrictions would have differential impact on each of the countries in South Asia.

This paper is divided into six sections. The pattern of world trade in the T&C sector during 1985 to 2003 is analysed in the first section. The export trend of this sector in South Asia is examined in the second section. The market potential for the T&C sector of South Asian countries in two major destinations i.e., the European Union (EU) and the United States (US) and their relative strengths and weaknesses in various product categories (at HS 6-digit level) has been analysed in the third section. The fourth section gives an overview of agreements on T&C before and after the Uruguay round and the extent of success in their implementation. The fifth section discusses the supply-side factors such as the structure of T&C industries in South Asian countries. The last section discusses summary of major findings and policy implications.

Section I: The World Scenario of T&C Sector

In this section we shall discuss the growth pattern of world trade in T&C during 1985-2003 and the dynamics of export behaviour among the leading T&C exporting countries since 1980s. Our analysis of the overall international trading patterns of T&C sector during the period 1985 to 2003 shows that the world trade has been increasing at an annual average growth of 7.14 per cent. Interestingly, the overall trade in Clothing has increased much faster than in Textiles. This may indicate that countries are generally shifting to higher value addition activities.

Table 1: Growth Pattern of T&C Trade at the World Level (Figures in per cent)

Items	*1985-90*	*1990-95*	*1985-95*	*1995-2003*	*1985-2003*
*Textile Fibre and Waste (**26**)*	7.29	6.41	6.85	-5.87	0.99
*Textile Yarns, Fabrics etc. (**65**)*	14.62	7.92	11.22	0.76	6.45
*Clothing and Accessories (**84**)*	18.13	8.44	13.18	4.04	9.02
Total T&C	15.11	8.01	11.53	1.9 (14)*	7.14

Source: Data Compiled from UN *International Trade Statistics*, Volume II, Various Issues.

* The figure in brackets is the growth rate for China

As far as the developing countries as a whole were concerned, an expansion of Clothing exports had begun in 1960s itself. This could also be partly due to the fact that, the exports of cotton manufactures and Clothing did not fall under the Long Term Arrangement (LTA) (Chandrasekhar 1981). Another reason for the dynamic growth of the Clothing trade is that this sector has vast differences in comparative advantage across countries (arising to a substantial extent from labour costs), offering large opportunities for international trade flows (EXIM Bank of India 1995). Special tariff provisions such as Offshore Assembly Processing (OAP) and Outward Processing Trade (OPT) have also speeded up the globalisation of apparel trade. Further the evidence shows that the total exports of T&C in the world grew much faster during 1985-95 as compared to 1995-2003. The annual average growth for the former period was 11.53 per cent whereas the latter period recorded only 1.9 per cent growth.

Table 2: Leading Textiles Exporters in the World (Top 15) during 1980 to 2003

	Share in World Exports			
Countries	2003	1998	1993	1980
Germany	NA	8.78 (1)	10.53 (1)	11.4 (1)
Italy	NA	8.63 (2)	8.85 (2)	7.60 (3)
China	15.9	8.49 (3)	7.70 (4)	4.60 (8)
Korea, Rep. Of	6	7.47 (4)	7.96 (3)	4.0 (9)
Chinese Taipei	5.5	7.30 (5)	7.26 (5)	3.20 (10)
United States	6.4	6.11 (6)	5.31 (8)	6.80 (4)
France	NA	5.01 (7)	4.78 (9)	6.20 (6)
Belgium	NA	4.95 (8)	5.75 (7)	6.50 (5)
Japan	5.6	3.95 (9)	5.93 (6)	9.30 (2)
United Kingdom	NA	3.60(10)	3.63 (10)	5.70 (7)
India	3.8	3.47 (11)	2.57 (12)	2.10 (11)
Pakistan	3.4	2.85 (12)	3.10 (11)	1.60 (12)
Top 5	NA	40.67	42.3	30.80
Top 15	NA	68.76	79.82	85
Total world exports	100	100	100	100

Note: Figures in brackets indicate ranking of countries. NA stands for ‘Not Available’.

Source: WTO, *International Trade Statistics*, Various Issues.

A similar trend is observed while we analyse the growth pattern for Textiles and Clothing separately. However, China's average export growth during the 1995-2003 is 14 per cent, which is much higher than the world growth during the corresponding period. In 1980, as per Tables 2 & 3, China was in the eighth position in terms of its share in the world exports both in Textiles and in Clothing. As of today, it has overtaken every other country in the world in Clothing exports. Apparently, high growth rates and entry into WTO regime on 1st December 2001, have contributed to the present status of China in T&C exports.

While analysing the pattern of the top 15 Textiles exporting countries (see Table 2), we observe that Germany, Japan, Italy and the US were the leaders in Textile exports in 1980. Korea, China and Chinese Taipei significantly improved their positions as leading exporters in Textiles in 1993. It is further noticed that China pushed Korea down, emerging as the third largest exporter in 1998 and the similar trend continued even for the year 2003.

Another observation that can be drawn from Table 2 is that the concentration in Textile exports at the world level has decreased between 1980 and 1998. But the trend was reverse when we take the top five countries. The export share of China has increased sharply since 1990s and it has emerged as the third largest largest Textiles exporting country in the world in 1998.

Similarly from Table 3, it can be observed that the concentration of Clothing exports of top 15 countries in the world market has decreased and marginally so even in the case of top five countries. Italy, Hong Kong and Korea were the export leaders in the Clothing sector at the world level in 1980. However, China overtook these countries and became the top Clothing exports leader by 1993 and continued to hold the top slot in 1998 and further.

Thus from the above analysis, we observe that the growth of world trade in T&C during 1995-2003 is relatively low as compared to the

Table 3: Leading Clothing Exporters in the World (Top 15) during 1980 to 2003

	Share in world Exports			
Countries	*2003*	*1998*	*1993*	*1980*
China	23	16.69 (1)	14.38 (1)	4 (8)
Italy	NA	8.19 (2)	9.22 (2)	11.3 (2)
Hong Kong, (Dome.exports)	3.6	5.37 (3)	7.27 (3)	11.5 (1)
United States	2.5	4.88 (4)	3.91 (6)	3.1 (9)
Germany	NA	4.27 (5)	5.23 (4)	7.1 (4)
Turkey	4.4	3.92 (6)	3.36 (8)	0.3 (13)
Mexico	3.2	3.67 (7)	NC	NC
France	NA	3.19 (8)	3.59 (7)	5.7 (6)
United Kingdom	NA	2.73 (9)	2.66 (14)	4.6 (7)
Korea	1.6	2.58 (10)	4.84 (5)	7.3 (3)
India	2.9	2.41 (11)	2.81 (12)	1.5 (11)
Belgium	NA	2.24 (12)	NC	NC
Top 5	NA	39.4	40.94	43.2
Top 15	NA	65.82	71.25	85.8
Total world exports	100	100	100	100

Note: Figures in brackets indicate the ranking of countries. NA stands for 'Not Available'. NC stands for 'Not Collected'.

Source: WTO, *International Trade Statistics***,** various issues.

earlier period. A similar trend is observed even in the case of South Asian countries. South Asian countries in general are not in picture excepting India, and Pakistan, to some extent, in the league of the leading world T&C exporters. One of the factors contributing to China's emergence as a major exporter could be that the labour cost per hour for Hong Kong and South Korea has increased in the 1990s as compared to that in the 1970s. The corresponding cost per hour for China is quite low during the 1990s as compared to the level prevailing in the 1970s (Ramaswamy and Gereffi 2000; Texcon 1997; Chandra 1999). However, the changes cannot be explained with the cost comparative advantage in terms of wage rate alone. For instance, labour cost for Apparel industry in South Asian countries (i.e. 0.7 US $ per hour for India, 0.6 US $ per hour for Sri Lanka, 0.2 US $ per hour for Pakistan and 0.2 US $ per hour for Bangladesh) are much lower than that of China (0.9 US $ per hour) (ILO 2003 as cited in Tewari 2005). So there is a need for seeking other explanations for the better performance of China's exports in this sector.[5] An attempt has been made in the forthcoming sections to analyse in detail the export performance of this sector in South Asian countries.

Section II: Export Competitiveness of South Asian Countries

This section discusses export performance, which is measured here in terms of growth of T&C exports, the relative strength of T&C sector in their total exports, share of T&C exports in world exports and the revealed comparative advantage indices of the South Asian countries.

Pattern of Growth

With an export level of the US $ 13.80 billion in 2003, India was far ahead of other South Asian countries, with Pakistan at US $ 8.4 billion, Bangladesh at US $ 4.1 billion, Sri Lanka at US $ 2.71 billion, and Nepal at US $ 0.3 billion.

Total exports of T&C have been growing continuously since 1985 for Sri Lanka, Bangladesh and Nepal, although the growth has been from a much smaller base in comparison to India or Pakistan. It is further evident that the overall exports of Textiles and Clothing during 1985 to 2003 in all South Asian countries grew faster than the world exports in this sector (see Table 4). A similar trend was observed in the case of exports of Clothing whereas, the export of Textile yarns and Fabrics in Bangladesh was quite low as compared to its world trend.

Table 4: Annual Average Growth of Total Exports of T&C in South Asian Countries

Items Code	*Period*	*India*	*Bangladesh*	*Sri Lanka*	*Pakistan*	*Nepal*
*Textile Fibre and Waste (**26**)*	1985-95	16.02	-4.28	2.66	-5.83	-3.39
	1995-2003	22.60	1.97	6.01	-5.96	-34.63
	1985-2003	9.04	-1.55	3.65	-5.89	-18.79
*Textile Yarns, Fabrics etc. (**65**)*	1985-95	15.44	1.66	25.65	15.92	19.43
	1995-2003	5.83	-2.57	2.79	4.45	-5.28
	1985-2003	11.07	-0.24	13.31	10.67	7.74
*Clothing and Accessories (**84**)*	1985-95	16.26	27.94	20.39	20.60	14.98
	1995-2003	6.14	7.96	7.83	3.88	9.23
	1985-2003	11.65	18.64	12.99	12.86	12.39
Total T & C	1985-95	15.58	14.21	20.18	13.90	16.97
	1995-2003	6.14	6.41	7.45	3.99	2.25
	1985-2003	11.28	10.67	12.74	9.39	10.18

Source: UNCTAD, UN Trade Statistics, Volume 1 and II. *Handbook of International Trade and Development Statistics* (Various Issues) .

Our analysis further reveals that the total exports of T & C in South Asia grew much faster during 1985-1995 as compared to the tardy growth in the post-1995 period. A similar trend has been noticed for Textile yarn & Fabrics and Clothing. It is argued that the domestic firms in India played a major role in the internationalisation of Indian Textiles and Apparel vis-à-vis the role of major external drivers such as global buyers, FDI or preferential trade agreements (Tewari 2005). The possible reasons for the stagnation in the exports of T&C during the post-1995 period could be the slow growth in world trade during the period. Added to this was the emergence of powerful competitors.

Significance of T&C Sector in the Total Exports of Individual Countries & World Exports

Export performance of South Asian countries is analysed here in terms of its share in the economy's total exports (Table 5). India is relatively stronger in Textiles than Clothing.

While the T&C sector in Pakistan registered almost 66 per cent of its total exports, Textiles dominated, with as much as 47 per cent of the total exports in 2003.

Although the countries studied here have a meagre share in the global trade in Textiles and Clothing, the sector is important for the individual countries because it has a significant share in the total exports of the economy in question. It is, however, interesting to note that the export share of T&C in all these countries, except Pakistan, showed an increasing trend in world exports during 1985-2003 (see Table 6).

Thus, from the above exercise, we can conclude that the growth of exports of T&C in South Asian countries was quite high during 1985-2003 as compared to its growth at the global level. However, there is a declining trend during 1995-2003 period for all countries, which coincides with the world trend. We may be able to account for the better performance of Nepal by considering its exports to a major non-quota

Table 5: Export Share of T&C in Total Exports of South Asian Economies

Item Code	Country	1985	1990	1996	2003
Textile Fibre and Waste (**26**)	India	0.71	2.84	1.42	0.48
	Pakistan	16.41	8.99	2.04	1.88
	Bangladesh	12.64	7.69	2.08	1.94
	Sri Lanka	1.32	0.92	0.67	0.66
	Nepal	1.98	0.26	0.51	0.01
	World	0.87	0.68	0.6	0.30
Textile Yarns, Fabrics etc. (**65**)	India	11.53	12.15	14.75	10.88
	Pakistan	35.48	47.78	52.86	47.49
	Bangladesh	37.66	21.64	12.57	7.33
	Sri Lanka	1.33	1.3	4.14	3.31
	Nepal	21.84	52.37	46.85	16.46
	World	2.85	3.07	2.97	2.55
Clothing and Accessories (**84**)	India	10.17	14.12	12.64	10.54
	Pakistan	9.34	18.45	21.66	17.78
	Bangladesh	17.21	41.43	62.69	75.93
	Sri Lanka	2.19	33.62	46.24	51.69
	Nepal	21.47	32.63	31.48	34.60
	World	2.41	3.03	3.14	3.32
Total T & C	India	22.41	29.10	28.81	21.89
	Pakistan	61.23	75.22	78.75	66.47
	Bangladesh	65.50	70.76	77.35	85.19
	Sri Lanka	24.56	35.84	51.05	55.67
	Nepal	45.29	85.27	78.84	51.07
	World	6.14	6.78	6.71	6.16

Source: Same as in Table 4.1

Table 6: Export Share of South Asian Countries in the World Trade in T& C Sector

Code	Country	1985	1990	1996	2003
*Textile Fibre and Waste (**26**)*	India	0.37	2.09	1.44	1.49
	Pakistan	2.62	2.06	0.53	0.74
	Bangladesh	0.71	0.44	0.22	0.45
	Sri Lanka	0.09	0.07	0.07	0.16
	Nepal	0.01	0.001	0.005	0.0003
Textile Yarns, Fabrics etc. (**65**)	India	1.85	1.97	3.03	3.99
	Pakistan	1.74	2.40	2.73	1.31
	Bangladesh	0.65	0.27	0.27	0.20
	Sri Lanka	0.03	0.02	0.09	0.094
	Nepal	0.05	0.07	0.10	0.06
*Clothing and Accessories (**84**)*	India	1.93	2.32	2.45	2.97
	Pakistan	0.54	0.94	0.98	1.01
	Bangladesh	0.35	0.53	1.28	1.62
	Sri Lanka	0.59	0.59	0.99	1.12
	Nepal	0.05	0.04	0.06	0.10
Total T & C	India	4.16	6.39	6.93	8.47
	Pakistan	4.91	5.41	4.25	3.06
	Bangladesh	1.73	1.26	1.78	2.27
	Sri Lanka	0.72	0.69	1.2	1.37
	Nepal	0.05	0.05	0.08	0.16

Source: Same as in Table 4.

market i.e. Japan. As for Sri Lanka, the industry was dominated by foreign multinationals and their already existing demand-supply chain at the international level might account for the country's better performance. Bangladesh, being a Least Developed Country, had better market access to the EU under the Generalized System of Preferences (GSP) and that might explain its better performance.

Revealed Comparative Advantage Index

The revealed comparative advantage for a country in a particular product is measured by the product's share in the country's exports relative to product's share in world trade. Thus the Revealed Comparative Advantage Index (RCAI) would indicate the advantage of the country in that product. It has sometimes been argued that under the quota system,

Table 7: Revealed Comparative Advantage Index

Code	*Country*	*1985*	*1990*	*1996*	*2003*
*Textile Fibre and Waste (**26**)*	India	0.82	4.19	2.36	1.6
	Pakistan	18.78	13.29	8.59	6.27
	Bangladesh	14.47	11.36	3.47	6.47
	Sri Lanka	1.52	1.36	0.97	2.2
	Nepal	2.26	0.38	0.79	0.03
Textile Yarns, Fabrics etc. (**65**)	India	4.04	3.95	4.97	4.27
	Pakistan	12.44	15.54	17.77	18.62
	Bangladesh	13.2	7.04	4.24	0.26
	Sri Lanka	0.47	0.42	1.27	1.29
	Nepal	7.66	17.04	14.98	6.45
*Clothing and Accessories (**84**)*	India	4.21	4.67	4.02	3.17
	Pakistan	3.87	6.1	6.63	5.36
	Bangladesh	7.12	13.69	19.96	22.87
	Sri Lanka	9.07	11.11	13.45	15.57
	Nepal	8.89	10.79	9.98	10.42

Source: Same as in Table 4

comparative advantage has been created artificially. However, it may be noted that even countries that benefited from the quota system had to maintain competitiveness in terms of price, quality etc. *vis-a-vis* countries that were their counterparts. So we hold that RCA remains a reliable indicator to measure competitiveness.

Table 7 shows the product category-wise RCA indices for South Asian countries. On the basis of RCA, a consistent improvement is observed in the case of Clothing for Nepal, Sri Lanka and Bangladesh, although the same has declined in the case of India and Pakistan during 1985 to 2003. RCA of Textiles in Pakistan and Sri Lanka, to some extent, showed consistent improvement, while Bangladesh and Nepal lost their position in 2003. The index for Textiles is quite high for Pakistan and Nepal as compared to other countries.

In the next section, we would look into the export performance of these countries in their two major export destinations, namely, EU and the US during the 1990s.

Section III: Export Behaviour of South Asian Countries in the US and the EU Markets

The global T&C industry has faced one of the most regulated international trade regimes during the past several decades. And it has been believed that the Uruguay Round (UR) agreement on T&C would offer significant opportunities for the expansion in T&C trade from developing countries by 2005. Though the abolition of quotas might, on the one hand, create opportunities for the developing countries through the principle of non-discrimination, the implications of changes in conditions of market access or export opportunities may vary for different developing countries and regions.

This section is aimed at exploring the prospects for South Asian countries[6] , in two major destinations, namely the US and the EU. It includes the pattern of distribution of export items of South Asian countries to those markets and the major competitors of these countries there. The analysis focuses on those items, which registered more than 10 per cent export share either in the EU or the US markets in any of the years between 1993 and 1997.

Relative Importance of South Asian T&C Exports in the US Market

The three big suppliers of Textiles in the US market in 1981 were Japan, China and India. However, Japan and India lost their position by 2003. The major gainers in 2003 were China, Canada and Mexico (WTO 2004). Similarly, in the case of Clothing, Hong Kong, Chinese Taipei and Korea were the major suppliers to the US market in 1981. The scenario is seen to be different in 2003 and there are more countries exporting Clothing to the US. China and Mexico have become major import suppliers of the US. It is also evident that the regional trade arrangements like North American Free Trade Area (NAFTA) and the Offshore Assembly Processing (OAP) provisions led to the rapid growth of non-Asian supplies to the US Clothing market.

While analysing the distribution of export to the US market from South Asian countries, we notice that a relatively large share of T&C products are having less than 10 percent export share in the US market as in 1993 as well as in 1997. Further, we observe that in the case of most of the South Asian countries, more than one-third of the total number of T&C products exported to the US market showed a decreasing trend in their export shares during 1997. But the scenario is encouraging for Pakistan, for which the increase is as high as 73 per cent (see Table 8).

Now let us examine the distribution of export items from each individual country to the US.

In the case of **Bangladesh**, two-thirds of the items occupy 10-20 per cent share in the US T&C imports (see Appendices 4 and 8). The major competitors for many of the items are India, Italy, China and Hong

Table 8: Growth Distribution of Exported T&C items to the US from South Asia (1993-97)

	Increased		*Decreased*		*Total Exported T&C items**
	No	*Per cent Share to Total No*	*No*	*Per cent Share to Total No*	
India	54	51.92	50	48.08	104(385)
Pakistan	63	73.26	23	26.74	86(291)
Bangladesh	15	53.57	13	46.43	28(162)
Sri Lanka	16	59.26	11	40.74	27(203)

Source: Data Extracted from TRAINS, UN Data base. The total imports from South Asian countries have been considered as the total exports of South Asian countries.

* The figures in brackets represent the total number of items imported to the US market.

Kong (Beena 2002). In the case of **India**, almost 50 per cent of the total items occupied 10-20 per cent share in the US market (see Appendices 2 and 6). The bulk of these items fall under the Textile category, which shows India's growing competitiveness in this sector. Italy, China, Pakistan and France are the major competitors for those items, which recorded 10-20 per cent export share in the US T&C market (Beena 2002). For **Pakistan**, two-thirds of the items occupies only 10-20 per cent share in the US T&C import basket. Majority of these items showed a steady/sharp increase in their export shares in the US market over the period 1993-97. The increase is also seen in case of the Textile industry. Japan, China, Canada and India were some of the competitors for Pakistan in the US market (Beena 2002). For **Sri Lanka,** majority of the items showed a sharp or steady increase in shares. However, most of these items captured only up to 20 per cent share of the total US T&C imports.

Out of 16 items, 12 fall under the category of Clothing (see Appendices 3 and 7). India, China and Mexico were the major competitors for many items and the competition showed an ascending trend during 1993-97 (Beena 2002).

Relative Importance of South Asian T&C Exports in the EU Market

In the case of Textiles, European Union itself controls the production in the major import supplying countries of Textiles to the EU. China and Turkey emerged as major import suppliers of Textiles in 1998 pushing Switzerland and Austria down (WTO 2000). India and Pakistan have emerged as major import suppliers among non-EU suppliers by 2003 (WTO 2004). Similarly, in the case of Clothing, European Union countries themselves control the major share of imports of the EU. China and Turkey have emerged as major import suppliers of Clothing to the EU in 1998 pushing down Hong Kong and the Republic of Korea and the similar trend continued even in 2003 (WTO 2004).

Table 9: Growth Distribution of Exported T & C Items to the EU from South Asia (1993-97)

Country	*Increased*		*Decreased*		*Total*
	No of Items	*per cent Share to Total No*	*No of Items*	*per cent Share to Total No*	*Exported Items*
India	138	63.89	78	36.11	216(652)
Pakistan	61	57.55	45	42.55	106(411)
Bangladesh	16	72.73	6	27.27	22(229)
Sri Lanka	9	47.37	10	52.63	19(310)

Source: Same as Table 8. Figures in bracket represent the total number of items imported to the EU market.

Turkey's joining the EU Customs Union and the bilateral agreement of EU with Central and East European Countries (CEECs) had a major role to play in bringing about these structural changes. It is being argued elsewhere that the reason for the declining trend in trade between Asia and Eastern Europe could be the significant expansion of Clothing production in Eastern Europe, especially in Bulgaria and Romania (UNCTAD 2000, p.82).

Further it is noticed that as also in the case of the US market, a large share of exported T&C items from South Asian countries to the EU had less than 10 per cent market share. However, a relatively large share of these items from India and Pakistan had more than 10 per cent market share in the EU market unlike in the case of Bangladesh and Sri Lanka. Similarly, just as in the case of the US market, more than one-third of the items exported from South Asian countries to the EU showed a declining trend (Table 9).

Let us take the country-wise T&C export share of South Asia to the EU. In the case of **Bangladesh**, half of the T&C export items occupy 10-20 per cent share in the EU market. All these products show steady or sharp increase in export shares. A significant number of items fall under the category of Clothing (see Appendices 12 and 16). China, Hong Kong and India are the major competitors for Bangladesh (Beena 2002). When we look at the trade between **India** and the EU closely, we notice that majority of the items occupy a 10-20 per cent share in EU imports. Around 50 per cent of the items showed a sharp declining trend during the period 1993-97. A great many items showing sharp decline is a cause of major concern for India. Further, it is observed that only a small number of items, i.e. 44 items out of 216 fall under the Clothing sector (see Appendices 10 and 13). But in terms of value returns, this sector is found to be more significant in the Indian export basket. China, Turkey and Pakistan are the major market leaders for those items in the EU market (Beena 2002). For **Pakistan,** more than fifty per cent of the products occupy 10-30 per cent share in the EU T&C market in 1997. Majority of the products showed steady or sharp increases and place Pakistan in a better position as compared to India. Only 10 out of 106 items fall under the Clothing category (see Appendices 9 and 14). Turkey, US, China, India, Indonesia and Egypt are the major competitors for a majority of the items (Beena 2002). For **Sri Lanka**, two-thirds of the total products exported to the EU from Sri Lanka occupy 10-20 per cent share in the EU T&C market. Most of the items showed steady or sharp increase in export shares (see Appendices 11 and 15). China, Hong Kong and the US are the major competitors for many of the T&C exports from Sri Lanka to the EU (Beena 2002).

To conclude Section III, we may put forth the major findings as below: Majority of the products fall below 20 per cent of the export shares in these two markets. This might point to the untapped potential of South Asian T&C exports to these markets. More than one-third of the products, which had more than 10 per cent export share showed a decreasing pattern in their exports to the EU and the US markets. This is mostly steady or sharp, which is quite discouraging. Further it is worth noting that South Asian countries lack product diversification in T&C industries.[7] Evidence reveals that China is the major competitor to South Asian countries in the US and the EU markets. The ability to make almost any type of Clothing at any quality at competitive prices has helped China become a leading world exporter in this sector (Palpacuer, Gibbon & Thomsen 2005, p.412). Moreover, China's exports have been more diversified and less dependent on quota countries such as the US and the EU and more dependent on non-quota countries like Japan. Now let us look at how the export markets of T&C in South Asia is constrained by the tariff and non-tariff barriers imposed by the quota countries, particularly the US and the EU.

Section IV: Agreement on T&C Sector and the Issues on Implementation

This section intends to deal with three aspects related to the trade in T&C in an historical perspective. Firstly, we deal with agreements initiated since 1960s and the constraints that cropped up as a result of these agreements. Secondly, we discuss the subsequent removal of the MFA regime in phases that was initiated since 1994. Thirdly, we seek to analyse how far the quota system, the phasing out of the MFA regime, tariff and non-tariff barriers were used in practice and with what results? Moreover, we examine whether the ATC facilitated greater market access and whether it has enhanced the demand for the T&C products from South Asia in the world market.

The Agreement since 1960s

The policies pursued during the 1950s had a major role to play in the performance of T&C trade in developing countries. A large number of developing countries had emerged as exporters of T&C since the 1950s due to their comparative advantage in terms of low production costs, especially in the wage component. But it had adversely affected the growth of investment and employment in the Textile production of the developed countries. With the aim of restructuring industries of the developed countries, agreements on Textiles were signed since 1961.[8]

Thus, discriminatory restraints were introduced to control international trade in cotton textiles. The agreement was first called the short-term Cotton Arrangement in 1961 and subsequently, the Long-Term Cotton Arrangement during 1962-73. The most important objectives of these transitional arrangements were: to significantly increase access to restricted markets; to maintain orderly access to markets; and to secure restraint on exporting countries to avoid disruption (Hughes 2000). Numerous changes were adopted in the operation of the arrangement during the period, 1974-1994. The restraints under the MFA were negotiated in cases of unilateral actions at short intervals. By 1994, bilateral quotas from the EU and the US handicapped almost all developing countries, which were the largest set of exporters of Textiles (Bagchi 1998). It was argued that the existence of export quota restrictions acted as a disincentive for developing countries in adopting new technology with comparative ease in the Clothing sector. It has caused a diversion of FDI to the T&C sectors of the countries, which were less restricted under the quota system. The quota system under the MFA has encouraged economies like Hong Kong to continue production in spite of having a relatively low comparative advantage in the labour-intensive Clothing sector (Kathuria *et al* 2000).

Thus a formal decision to phase out the three and a half-decade long quota trade in T&C was taken at the end of the UR negotiations. The prescribed obligation for each WTO member was to integrate products accounting for 16 per cent of imports at the beginning of the first stage (i.e. January 1995), 17 per cent at the beginning of the second stage (i.e. January 1998) and 18 per cent at the beginning of the third stage (i.e. January 2002). The rest of the 49 per cent were integrated on the expiry of the ATC, i.e. on 1 January 2005.

An Evaluation on the Implementation of the New Agreement

Now let us analyse how far the removal of the provisions relating to trade barriers (namely, phasing out quotas, tariff and non-tariff barriers) have actually been implemented and to what extent they have facilitated market access to the South Asian countries.

Phasing out Quotas

We shall now analyse the implementation of the phasing out of quotas. From the review carried out by the Council for Trade in Goods, it is observed that the proportion of the integrated trade relating to products that were under restraint was in the range of 0 to 3 per cent of the 1990 imports of products covered by the ATC (GOI 2000). It is also argued elsewhere (Bagchi 1998) that the EU and the US have removed quotas on imports, accounting for merely 3.15 per cent and 1.3 per cent, respectively at the beginning of the second stage in early 1998. Further, integration of Clothing, which involved higher value added and was subject to higher protection (tariff peaks), was left to the final stage of the phasing-out (Shafaeddin, 2005; p.184). Further it was revealed that the international trade regime in T&C continued to impose a distortionary tax on Indian exports for instance. Thus the Export Tax Equivalents (ETEs)[9] for Indian Garments were high in the US, in the range of 28-37 per cent over the years, 1993-96 (Kathuria 1998). The range was 14-19 per cent for the EU. The weighted average ETEs for cotton were substantially higher than those for synthetic garments in the case of the US. But ETEs for synthetics were higher than those for cotton in the EU. The ETEs for the US were higher than the actual tariffs levied by the US on imports of T&C (Kathuria 1998). In fact the US lags behind the EU in terms of reduction of restrictiveness of the quota regime. A detailed analysis on the implementation of quota integration in stage I and stage II in the US and the EU and the significance of these for the export performance of South Asian countries is examined in the following section.

Extent of Integration under WTO Regime Relevant to South Asian Countries

As Table 10 reveals, it is worth noting that the list earmarked for the integration stages I and II by the EU and the US markets did not include those products, which had a significant presence, i.e., more than 10 per cent export share from the South Asian countries. Moreover, we found a discrepancy in the EU proposal for integration under stages I and II.

None of the items under stage I were integrated during that period. Whereas, four items which had been earmarked under stage II were integrated during the stage I period (i.e. 1995-98).[10] The argument that it has been a 'win-win game' for both the developed and the developing countries does not hold ground as we examine the integration process so far.

Table 10: Number of Items to be integrated

	Stage 1		*Stage 11*		*Total Imported Items*	
Countries	US	EU	US	EU	US	EU
India	79(32)	28(12)	154(38)	130(28)	385(104)	652(216)
Bangladesh	27(9)	10(5)	69(13)	70(0)	162(28)	229(22)
Pakistan	48(4)	13(2)	92(5)	112(19)	291(86)	411(106)
Sri Lanka	24(6)	11(0)	80(12)	81(0)	203(27)	310(19)

Note: Figures in brackets represent the number of items, which had more than 10 per-cent export share in the US market.

Source: TRAINS DATA and WTO, Geneva.

Tariff Cuts

Now let us go into how far the proposed tariff cuts were achieved in practice. The tariff cut on Textile items during the post-UR period in all developed countries was only 22 per cent whereas this cut was 40 per cent on industrial items in all developed countries (Ahmed 1997). The average tariff on Textile products in all developed countries has been 12 per cent during the post-UR period, which is 3 times higher than an average of 3.9 per cent on industrial goods. The tariff rate on T&C sector in the US was 14.6 per cent, which is still above the rate for developed countries as a whole (Ahmed 1997). It is important to note that these rates are higher in developed countries and were reduced to a lesser extent in the course of the UR negotiations as compared to those in developing countries.

Anti-dumping

WTO allows anti-dumping measures to be used by the member countries to protect their respective national interests and also to ensure a ‘level playing field’ among all the countries. Its traditional users such as the EU, the US, Canada, Australia, etc. are now joined by a number of other developing countries such as Argentina, Mexico, India, Brazil, Turkey, South Africa, etc. However, it is developing countries that are most often found to be at the receiving end of anti-dumping initiations. India faced its first anti-dumping case initiated by the EU on the exports of synthetic fibre in 1990 (Baruah 2004). There are around 175 anti-dumping cases related to Textile products (which account for 7 per cent of all the anti-dumping cases) initiated by all countries during 1995 to 2004. Textiles and Textile articles accounted for 13 per cent of all the anti-dumping cases against India during 1995 to 2004. Whereas in the case of Pakistan, Textiles accounted for 78 per cent of all the anti-dumping cases initiated by all countries during 1995-2004 (WTO Anti-dumping database). India and Pakistan faced the relatively larger share of anti-dumping cases against Textile articles initiated by the EU. Further, we observed that none of the South Asian countries except India and Pakistan faced any anti-dumping cases so far (Govt. of India 2002-03).

Rules of Origin

The long-term goal of the Agreement on Rules of Origin was to harmonise non-preferential rules of origin so that the WTO members apply the same criteria, whatever the purpose for which they are applied. But the US move, supported by many other developed countries, was to influence the Harmonisation Work Programme (HWP) so as to suit their interests of universally imposing protectionist rules of origin. According to the new US proposals on rules of origin, countries specialising in processing operations such as dyeing, printing, etc. will be denied originating status. The origin of yarn and fabrics, regardless of dyeing, printing and so many other processing operations done elsewhere would be traced back to the country of spinning and weaving. Thus the new proposal would give a discriminatory advantage to the domestic producers *vis-a vis* foreign sources of yarn and fabrics (Harilal & Beena 2005). Such upstream protection proposed by the US through new rules of origin will not only protect their own T&C industries but also fail to attract foreign investment to this sector in the South Asian region.

Similarly the rules of origin under the EU-GSP (Generalised System of Preferences) scheme stipulate a value addition criteria for non-Textile related exports to the EU and a processing criterion for T&C products (BEI 2004, p.25). While the processing criterion is intended to encourage backward integration in the domestic economy, the existing stringent rules of origin do not allow Bangladesh and other LDCs to access the benefits permitted under the preferential regime as there is clear evidence that the expansion of backward integration has been very slow (BEI 2004). The low level of the EU-GSP (i.e. 35-40 per cent) utilisation suggests that the stringent rules of origin provisions act as constraining factors in expanding Bangladesh's exports to the EU (BEI 2004, p.25). Further it is also argued that the criteria proposed by the EU rules of origin could result in the relocation of Textile mills from Pakistan to Sri Lanka and Bangladesh which would have adverse impact on the Pakistan economy (Rana 2005).

Other Non-tariff Barriers

Here we deal with other forms of barriers, namely, environmental standards and labour standards. The greater emphasis on ecology and labour practices is an impediment for the growth of T&C exports from South Asia. For instance, the readymade garment industry in Bangladesh faces stringent regulations in the European market regarding dyes and chemicals used in the fabric. Germany particularly prohibits apparels containing Azo dyes. Given this situation, garment exporters in Bangladesh are obliged to comply with the requirements of environmental standards put forward by other agreements. Similarly, the Customs department of Germany has stopped importing certain products from India on the grounds that their production involved the use of child labour (Apparel Online 2000).[11]

Thus it can be concluded that the new agreement, which had been designed to encourage more fair and open trading, was not effectively implemented. The question of market access for developing countries may now have more to do with non-tariff barriers. Our evidence supports the view that anti-dumping measures, rules of origin, and other forms of non-tariff barriers could gain popularity when liberalisation of the trade regime takes place (Spinanger 1999; Edwards 1996; Bagchi 1998).

Section V: Structure of T&C Industry in the South Asian Countries

This section dwells on the country-specific supply-side factors, including the respective industrial structures of the South Asian countries.

Bangladesh: In Bangladesh, although a few units were registered with the department of Textiles in the 1970s, the Clothing industry really started at the end of that decade with the establishment of Daewoo-Desh, a joint South Korean-Bangladeshi venture (World Bank 1987). The Clothing industry today accounts for 37 per cent of the total industrial production and 80 per cent of total foreign exchange earnings (GOT 2003 as cited in BEI 2004). Thus Bangladesh transformed itself from an aid-dependent to trade-dependent country (Rahman 2001 as cited in BEI 2004). The presence of Textile firms is seen across all size classes – large, medium, small and cottage sectors. There has been a tremendous growth in total employment, estimated approximately at 2 million by 2003. Of this, almost 90 per cent comprised women. The spectacular growth of the Garment industry was triggered by the relocation of trade by East Asian exporters to Bangladesh. This was an attempt to circumvent binding quota restrictions in their own countries imposed under the Multi-Fibre Arrangement particularly for the North American market. This resulted in Bangladesh's Garment exports remaining focused towards the USA and Canada. Bangladesh was unsuccessful in penetrating the market in the growing economies of ASEAN and the Newly Industrialising Economies (NIEs), as is evident from the fact that its export shares to this region declined from 5.5 per cent in 1980-81 to 3.5 per cent in 1998-99 (Bakht 2000). The reason for the export growth of this sector in Bangladesh is partly the MFA quotas and the relatively better market access to the European Union countries as a result of its Less Developed Countries (LDC) status under the GSP (*Financial Times* 1998).

However, the stagnation in the growth of the Garment sector in Bangladesh could be due to lack of backward linkages and its failure to climb up the value ladder. It has been found that the diversification into higher valued jackets, shirts with complicated designs, and branded items etc., has been slow. At present, 60 per cent of its inputs are imported. Export-oriented readymade Garments industry uses only less than 15 per cent of the fabric from the domestic sources (Bakht 2000). The industry may be able to compete more effectively on delivery terms and price if it can source its fabric and other inputs locally by investing in yarn spinning and Textile mills.

India: India is one of the first LDC to export cotton textiles on a significant scale (Nayyar 1976, p.61). At present the T&C sector accounts for about 4 per cent of the GDP, 14 per cent of industrial production, 20 per cent of the total labour force[12] and 21 per cent of the export earnings in the Indian economy (GOI, 2005). It is also the highest net foreign exchange earner with barely 2-3 per cent import intensity (Hashim 2005). Although the mill sector traditionally dominated with respect to the export market share till the eighties, this share has decreased significantly in the nineties. The number of closed mills at the end of March 2001, was 383 and this has retrenched 344 thousand workers in this sector (*Financial Express* 2001). The sectoral share of handlooms in exports has not been significant[13] and this has decreased in the nineties as compared to the eighties (Uchikawa 1998; Venkatesan & Vijaya Katti 1999). India's exports of cotton textiles were stagnant throughout the fifties and sixties. This was due to the increase in the cost of production in India relative to other major exporters such as Hong Kong, Taiwan, South Korea and Pakistan and the relative profitability of production for the domestic market as compared to exports (Chandrasekhar 1981).

The powerloom sector has had a major share of the export market in the nineties. It also accounted for an increasingly large share of total Fabrics production in the nineties. The significant characteristic of Garment (Clothing) export is that it is largely based on the Fabric made by the powerloom sector because small exporters have a limited volume of demand for specific Fabrics for specific purposes. An interesting feature of the Indian Garment industry is that it subcontracted production to the extent of 74 per cent of its output. The corresponding figures were 36 percent for Taiwan, 28 percent for South Korea, 20 percent for Thailand, 18 percent for China and 11 percent for Hong Kong (Khanna 2000). The productivity of the Indian Garment (Clothing) industry is found to be quite low as compared to her major competitors such as South Korea, Hong Kong, Taiwan, China and Thailand as the latter countries have invested relatively large share of capital in machinery. The exporting Apparel firms in India have investment as low as $250 per machine, compared to $3,510 in Hong Kong and $1,500 in China (Verma 2002). Another study has shown that capital, energy and materials suffered deterioration in productivity in Indian T&C industries. It is further argued that the main reason for poor productivity performance in Garment was diseconomies of scale and inefficiency whereas in the case of cotton yarn, it was due to the lack of technological upgradation[14] (Hashim 2005). However, many small-scale garment export units have been quite competent to handle complex designs, multiple product lines and volatility in orders cost-effectively. A recent study (Tewari 2005) based on the interviews carried out in three Apparel hubs across the country between 2000 to 2005, observed that Indian firms prefer to work with buyers who placed small orders from Gap, Banana Republic, Liz Claiborne, Ann Taylor, Abercombie and Fitch and department stores such as Dillards and JC Penny from the US rather than with bulk buyers especially by mass distributors and discount retailers like Sears, Target and Walmart.

Nepal: The T&C sector is the second largest export earner for the country (Ministry of Commerce, Nepal 2000). The industry accounts for 34 per cent of the total industrial production and 40 percent of the total export earnings. It employs more than one lakh persons directly and accounts for more than five per cent of the total employment of the manufacturing sector. The T&C industry consisting of spinning, weaving and finishing has a fairly long history in Nepal. The main development, however, took place in the 1970s when a new cotton mill was established. Later, a number of Textile mills with modern spinning, weaving and finishing mechanisms were set up. In addition to the weaving capacity of the mills, there are handlooms and semi-automatic powerlooms operating in different areas of the country and now they are mainly owned by the Nepalese. The total production of Textiles at present is merely 20 per cent of the total demand and the balance is met by imports from India and other countries. Textile products are imported not only for domestic consumption but also for production of export Clothing.[15]

Pakistan: The T & C sector accounts for 27 per cent share in the value added of the manufacturing sector, 8.5 per cent of the GDP, a whopping 60 per cent of total export earnings and employs 38 per cent of the workforce in the manufacturing sector (www.pakboi.gov.pk). This industry started from almost non-existence in 1947 with a meager size of 78,000 spindles and 3,000 looms, and that too largely in the unorganized sector. The growth in the size of the Textile industry has been mixed: the number of mills and spindles doubled during the period 1972-73 to 1998-99, whereas the number of looms fell by more than half during the same period. The expansion of this industry was facilitated by the price advantage that Pakistan had in cotton textiles, due to the domestic availability of raw cotton and cheap labour. Apart from this, fiscal incentives, high rates of protection and export subsidies also enhanced the profitability of investment in this industry (Din & Abbas 2000). However, there is stagnation in the growth of this industry due to both demand and supply factors.[16]

Pakistan can increase its export earnings only by improving its quality standards starting from raw cotton to finished products enhancing efficiency of resource use and productivity, in order to attain competitiveness in all segments of the industry in terms of both unit price and product quality. Efforts should be focussed on producing high value-addition products rather than concentrating on intermediate products. Only creating a strong and modern weaving and processing base can achieve this. Production capability of synthetic blends should be strengthened in the country to take advantage of the growing market for man-made fibres and products (Din & Abbas 2000).

Sri Lanka: The Garment industry in Sri Lanka accounts for 6 per cent of GDP, 39 per cent of the industrial production, 33 per cent of the manufacturing employment and 52 per cent of total export earnings of the country (Kelegama 2005). More than 2.3 lakh employees work in this industry. Sri Lanka's T&C sector comprises export-oriented Garment units and domestic market-oriented Textile units. There are a few large-sized spinning and integrated mills and a large number of small and medium-scale powerlooms. The large mills were set up in the public sector to serve the domestic market. However, privatisation of old Textile mills and aggressive pursuit of FDI for modernisation became the key policy emphasis since the early 1990s. Contracts for production under license were signed in 1993 with leading international Clothing brand names such as Van Heusen, Ralph Lauren and Pierre Cardin. By 1994, the Clothing sector became the main source of foreign exchange earnings. The evidence also suggests that import liberalisation did have a negative role in the growth of the domestic Textile sector. According to the Central Bank Industrial Survey, in 1978, a year after the liberalisation of imports out of 1300 firms on its mailing list in this sector, 200 firms informed the closing down of business (Kelegama & Unamboowe 1994). Estimates prepared by the Ministry of Textiles on the unorganised handloom Textile sector suggest that out of about 110,000 handlooms which existed in the country, about 30,000 had ceased to function by 1980. The number of handloom units under operation was 20,000 in the 1990s. The corresponding employment losses in this sector were also quite significant. According to the ministry estimates, the handloom sector employed 150,000 workers in the 1970s. The total employment in this sector in the 1990s is put at less than 25000 (Kelegama & Unamboowe 1994).

The Clothing sector of Sri Lanka faces lack of backward linkages. The extent of backward linkages is quite low, as 65 per cent of the raw materials of this industry are imported (Kelegama & Foley 1999). The small-scale units are being unable to supply garment inputs at competitive prices due to disincentives caused by economies of scale factor. New local investors are capital-constrained to establish large Garment input industries. The representatives of multinational enterprises have an important role in selecting suppliers in the Sri Lankan Garment industry as they account for almost half of all Garment export earnings (Kelegama & Foley 1999).

From the above analysis, it becomes clear that T&C industries have played a crucial role in the economies of the South Asian countries in terms of employment generation, export earnings and contribution to the GDP. However, during the nineties, the traditionally important Textiles and Clothing mills in India, Pakistan and Sri Lanka have been facing closure resulting in major retrenchment of labour particularly due to the restructuring of this industry. In fact, the pattern of FDI inflow in to this sector in South Asia is quite insignificant as compared to the pattern of FDI use in regions like East Asia. However, Bangladesh has been fairly successful in attracting FDI to its Export Processing Zones, particularly in the ready-made Garments sector (ESCAP 1998 as cited in Sobhan and Zaman 2004, p. 158). Although quota system under MFA has, apparently, helped Bangladesh, Sri Lanka and Nepal to develop their export-oriented Clothing industry, these countries faced the problem of the absence of sufficient backward linkages for this sector.[17] Pakistan faced the problem of absence of sufficient forward linkages for its Textiles sector. India is the only country where there have been relatively better forward-backward linkages in the T&C industries and therefore holds out better prospects. Market access would depend not only on low costs, or freer trade, but on the ability of local suppliers to meet increasingly stringent buyer demands for quality, customisation and short lead times (i.e., full package supply) (Tewari 2005). Even though many factors such as firm's strategies in product design and marketing, new entrants from low labour cost countries, enforcement of non-tariff barriers etc., have their specific impact on competitiveness, many of them appear to be closely related to technology (Kell & Richtering 1991). A recent survey reveals that the South Asian manufacturers in this sector are not well prepared to face the competition that emerges from the phasing out of MFA (Das 2004). From the resistance shown by the US on the first-quarter surge in Textile exports to the US from China indicates that the US could not restructure the industry despite 45 years of protection. Even countries in the EU (such as France and Italy) are using the US resistance to the Chinese export surge as the basis for a demand for greater protection for their own textile production (Chandrasekhar & Ghosh 2005). In fact, the US originally practised the theory of infant industry protection in order to protect their industry from the imports from Britian (Shafaeddin 2005, p.139). It is argued elsewhere that the US Textile industry was rarely competitive at world prices during the 200 years spanning 1800 to 2000 (Amsden 2001, p.49). It has also been pointed out that these privileged nations that have historically adopted protective industrial policy regimen are, in turn, "Kicking away the ladder" (Chang 2002) in their relations to the developing countries by denying them the opportunity to protect their own industries. Therefore we would recommend that the governments of all the countries of South Asia should creatively intervene in providing at least promotional support to this industry keeping in view their own respective national interests.

Section VI: Summary of Major Findings and Policy Implications

In this section, we sum up the major findings of the foregoing sections and suggest policy implications. Although South Asian countries in general do not figure among the leading T&C exporters in the world except India and Pakistan to some extent, this sector as such is significant for these countries in terms of export earning, contribution to employment and GDP. However, the performance of the T&C industry in South Asia has been rather unsatisfactory and many units have been closing down in India, Sri Lanka and Pakistan. The export shares of T&C in world trade for all South Asian countries, excepting Pakistan, have increased consistently during 1985-2003. The export growth of South Asian countries in T&C sector during 1985-2003 is quite high as compared to their overall trade growth at the global level. However, their growth as compared to pre-1995 period is much lower in the post-1995 period. And this lower growth rate may be considered as coinciding with the trends in international trade of this sector.

The emergence of China as an immensely powerful competitor and of others such as Bulgaria, Romania and Turkey, and the mismatch between excess capacity in T&C on the world level, on the one hand and the shrinking demand growth on the other are crucial factors that underlay the low growth pattern of the T&C sector in South Asian countries during post-1995 period. As for the shrinkage in demand growth, more than one-third of the products, which had more than 10 per cent export share, showed a decreasing pattern in their exports to the EU and the US markets during 1993-97. This is mostly steady or sharp, which is quite discouraging. The evidence reveals that China is the major competitor to the South Asian countries in the US and the EU markets. Our evidence further supports the argument made by some other studies that a significant level of protectionism remains both in the US and the EU. Therefore we would argue that besides “Kicking away the ladder” the developed countries are also designing a protective shell around themselves, so as to deny market access to the developing countries.

Now, coming to the supply factors, we would recommend that the countries of South Asia could also adopt specific tactics of industrial policy that have been adopted by successful countries, not only on the production-related aspects of improving R&D and productivity but also engaging in more effective promotional activities such as developing brands, delivery on time, etc. With regard to the country-wise industrial structure, we observe that Pakistan has a clear advantage in the Textile sector, whereas Bangladesh and Sri Lanka showed a relatively better advantage in the Clothing sector. While Pakistan faces lack of forward linkages in the Textile industry, Sri Lanka, Bangladesh and Nepal face lack of backward linkages in the Clothing industry. India is the only one country where there have been relatively better forward-backward linkages in the T&C industries and therefore is in a better position to tap the benefits under the new dispensation. Apparently, if conscious steps are adopted to rectify the lopsidedness of the industrial structure, Pakistan does have the potential to develop forward linkages. This is because Pakistan has relatively well-developed Textiles sector and does not have to be import-dependent to develop its Clothing industry.

Our case study of the T&C sector shows that the proposed export-led industrialisation has not yielded the desired returns to the South Asian countries. To make an overall assessment of the export performance in T&C of South Asian countries, we would say, it is a long way to go before we tap the untapped potential and gear up to face the future challenges. For the sake of the sustainability of this sector in South Asian countries, we would stress the need to draw up selective, country-specific industrial policies rather than adopting a universal trade liberalisation policy or proposals for SAARC integration.

P. L. Beena *is Research Associate at the Centre for Development Studies, Trivandrum. Her research interests include Industrial Economics, International Trade and Applied Micro Economics.*

E-mail contact: beena@cds.ac.in

Appendices

Appendix 1: Nature of Increasing Shares of Pakistan's Exports to US (1993-97) (Numbers)

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	11	0	11	1	0	1	1	1	2	14
40-50	2	0	2	1	1	2	2	0	2	6
30-40	4	0	4	0	1	1	1	0	1	6
20-30	8	0	8	4	1	5	0	1	1	14
10-20	7	0	7	10	1	11	5	0	5	23
Total	32	0	32	16	4	20	9	2	11	63

Source: TRAINS DATA

Appendix 2: Nature of Increasing Shares of India's Exports to the US (1993-97) (Numbers)

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	5	0	5	4	0	4	0	0	0	9
40 -50	0	0	0	0	0	0	0	0	0	0
30-40	8	1	9	1	1	2	1	0	1	12
20-30	4	0	4	2	1	3	1	0	1	8
10-20	2	2	4	15	2	17	3	1	4	25
Total	19	3	22	22	4	26	5	1	5	54

Source: Same as Appendix 1

Appendix 3: Nature of Increasing Shares of Sri Lanka's Exports to the US (1993-97) **(Numbers)**

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	0	0	0	1	0	1	1	0	1	2
40-50	0	0	0	0	0	0	0	0	0	0
30-40	0	0	0	0	0	0	0	0	0	0
20-30	1	1	2	0	0	0	0	0	0	2
10-20	1	2	3	3	5	8	0	0	1	12
Total	2	3	5	1	8	9	1	1	2	16

Source: Same as Appendix 1

Appendix 4: Nature of Increasing Shares of Bangladesh's Exports to the US (1993-97) **(Numbers)**

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	3	0	3	0	0	0	0	0	0	3
40-50	0	0	0	0	0	0	0	0	0	0
30-40	0	0	0	0	0	0	0	1	1	1
20-30	0	0	0	0	0	0	0	0	0	0
10-20	1	3	4	1	5	6	0	1	1	11
Total	4	3	7	1	5	6	0	2	2	15

Source: Same as Appendix 1

Appendix 5: Nature of Decrease in Shares of Pakistan's Exports to the US (1993-97) **(Numbers)**

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	0	0	0	0	0	0	0	0	0	0
40-50	1	0	1	0	0	0	1	0	1	2
30-40	0	0	0	1	0	1	1	0	1	2
20-30	1	0	1	1	0	1	0	0	0	2
10-20	12	0	13	1	0	1	3	0	3	17
Total	14	1	15	3	0	3	5	0	5	23

Source: Same as Appendix 1

Appendix 6: Nature of Decrease in Shares of India's Exports to the US (1993-97) **(Numbers)**

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	0	0	0	1	0	1	0	0	0	1
40-50	1	0	1	0	0	0	0	0	0	1
30-40	1	1	2	1	0	1	1	0	1	4
20-30	2	1	3	1	0	1	2	0	2	6
10-20	12	7	19	4	3	7	8	4	12	38
Total	16	9	25	7	3	10	11	4	15	50

Source: Same as Appendix 1

Appendix 7 : Nature of Decreasing Shares of Sri Lanka's Exports to the US (1993-97) **(Numbers)**

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	1	0	1	0	0	0	0	0	0	1
40-50	0	0	0	0	1	1	0	0	0	1
30-40	0	0	0	0	0	0	0	0	0	0
20-30	0	0	0	0	0	0	0	0	0	0
10-20	3	3	6	0	2	2	1	0	1	9
Total	4	3	7	0	3	3	1	0	1	11

Source**:** Same as Appendix 1

Appendix 8: Nature of Decreasing Shares of Bangladesh's Exports to the US (1993-97) **(Numbers)**

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	1	0	1	0	0	0	0	0	0	1
40-50	0	0	0	0	0	0	0	0	0	0
30-40	0	0	0	0	0	0	0	0	0	0
20-30	0	0	0	1	0	1	0	0	0	1
10-20	4	1	5	0	2	2	0	4	4	11
Total	5	1	6	1	2	3	0	4	4	13

Source**:** Same as Appendix 1

Appendix 9: Nature of Increasing Shares of Pakistan's Exports to the EU (1993-97) **(Numbers)**

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	9	0	9	3	0	3	1	0	1	13
40-50	1	0	1	1	0	1	0	0	0	0
30-40	4	0	4	1	0	1	3	0	3	8
20-30	10	0	10	2	1	3	2	0	2	15
10-20	6	0	6	11	0	11	6	0	6	23
Total	30	0	30	18	1	19	12	0	12	61

Source: Same as Appendix 1

Appendix 10: Nature of Increasing Shares of India's Exports to the EU (1993-97) **(Numbers)**

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	10	0	10	4	1	5	2	0	2	17
40-50	10	0	10	2	0	2	3	0	3	15
30-40	4	1	5	1	0	1	3	0	3	9
20-30	11	3	14	6	1	7	3	1	4	25
10-20	10	3	13	21	5	26	26	7	33	72
Total	45	7	52	34	7	41	37	8	45	138

Source: Same as Appendix 1

Appendix 11:Nature of Increasing Shares of Sri Lanka's Exports to the EU (1993-97) (Numbers)

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	1	0	1	0	0	0	0	0	0	1
40-50	0	0	0	0	0	0	0	0	0	0
30-40	0	0	0	1	0	1	0	0	0	1
20-30	0	0	0	0	0	0	0	0	0	0
10-20	1	3	4	2	0	2	1	0	1	7
Total	2	3	5	3	0	3	1	0	1	9

Source: Same as Appendix 1

Appendix 12:Nature of Increasing Shares of Bangladesh's Exports to the EU (1993-97) (Numbers)

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	0	1	1	0	1	1	0	0	0	2
40-50	0	1	1	0	1	1	0	0	0	2
30-40	1	0	1	0	0	0	0	0	0	1
20-30	0	1	1	0	1	1	0	0	0	2
10-20	0	0	0	9	0	9	0	0	0	9
Total	1	3	4	9	3	12	0	0	0	16

Source: Same as Appendix 1

Appendix 13:Nature of Decreasing Shares of India's Exports to the EU (1993-97) (Numbers)

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	0	0	0	2	0	2	1	0	1	3
40-50	4	0	4	0	0	0	1	1	2	6
30-40	3	0	3	1	0	1	0	1	1	5
20-30	3	0	3	2	1	3	0	1	1	7
10-20	20	10	30	11	2	13	8	6	14	57
Total	30	10	40	16	3	19	10	9	19	78

Source**:** Same as Appendix 1

Appendix 14:Nature of Decreasing Shares of Pakistan's Exports to the EU (1993-97) (Numbers)

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	0	0	0	0	0	0	0	0	0	0
40-50	0	0	0	0	0	0	0	0	0	0
30-40	1	0	1	0	1	1	0	0	0	2
20-30	1	0	1	4	0	4	0	0	0	5
10-20	16	5	21	6	2	8	8	1	9	38
Total	18	5	23	10	3	13	8	1	9	45

Source**:** Same as Appendix 1

Appendix 15:Nature of Decreasing Shares of Sri Lanka's Exports to the EU (1993-97) **(Numbers)**

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	0	0	0	2	0	2	0	0	0	2
40-50	0	0	0	0	0	0	0	0	0	0
30-40	0	0	0	0	0	0	0	0	0	0
20-30	0	0	0	0	0	0	0	0	0	0
10-20	2	2	4	1	2	3	0	1	1	8
Total	2	2	4	3	2	5	0	1	1	10

Source: Same as Appendix 1

Appendix 16: Nature of Decreasing Shares of Bangladesh's Exports to the EU (1993-97) **(Numbers)**

Range of Export shares	*Sharp*			*Steady*			*Fluctuation*			*Total*
	Text.	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	*Text.*	*Clot.*	*Total*	
>50	0	0	0	0	0	0	0	0	0	0
40-50	0	0	0	0	0	0	0	0	0	0
30-40	0	0	0	0	0	0	0	0	0	0
20-30	1	0	1	0	0	0	1	0	1	2
10-20	2	1	3	0	0	0	1	0	1	4
Total	3	1	4	0	0	0	2	0	2	6

Source: Same as Appendix 1

Notes

1 We have taken up the study of only five major countries in South Asia, namely, India, Pakistan, Bangladesh, Sri Lanka and Nepal and have left out of our purview Bhutan and Maldives, particularly because of the non-availability of data on these two small economies.

2 The exports by South Asian Countries to the EU and the US were governed by quota restrictions under the MFA in operation since 1974. In fact, T&C sector falls into an important labour-intensive product category, which accounts for about 60 per cent of the total exports of manufactured goods from developing countries (Shafaeddin 2005, p.183).

3 The rapid expansion of cotton textile exports from Less Developed Countries (LDCs) during the late 1950s, threatened not only the exports, but also the domestic markets of North American and West European countries. And this had prompted the developed countries to negotiate a trading arrangement with the less developed exporting countries, in order to regulate the expansion of trade in cotton textiles (Nayyar 1976, p.64).

4 This meant the end of MFA that was in operation since 1974. A study by the United States International Trade commission estimated that the value of exports of currently constrained suppliers to the United States market would rise by 20.5 per cent for Textiles and 36.5 per cent for Clothing or an average of 35 per cent in both product groups (UNCTAD 1994, p. 108).

5 It is noticed that China's export growth was not restricted under MFA, by the quotas imposed by the US and the EU, as they were not the main destinations for China's exports. It was estimated that there were 100 joint ventures and wholly Japanese companies manufacturing Garments to be shipped to Japan (Koshy 1997). Chinese expatriates from Hong Kong, Taiwan, Europe and the US have played very constructive role of 'market makers' as well as producers with factories in China (See Chandra 1999, p. M-22, for details).

6 We could not include Nepal for this analysis because of the non-availability of data on this country.

7 Our analysis reveals that the top 30 items in terms of total value in 1997, contributed more than two-thirds of the total exports of South Asian countries to the US market. A similar trend is noticed even in the case of South Asian exports to the EU except in the case of India. For India, the top 30 products accounted for two-thirds of the total exports in 1993 and this share has declined to the level of around 34 per cent during 1997.

8 In fact, during the post-War period , the developed countries had adopted such restrictions in order to ease their balance of payments crisis.

9 ETEs are a measure of the restrictiveness under the quota regime.

10 These are synthetic yarn, synthetic staple fibre, artificial staple fibre and handkerchiefs, other than knitted or crocheted. Thus the evidence shows that the targeted phasing out of quotas was not effectively implemented.

11 Although labour and environment issues are of serious concern, application of trade barriers on these counts could only lead these countries into a vicious cycle of further marginalisation and faltering on these issues yet again.

12 This industry provides gainful employment to about 35 million persons. In addition, job opportunities are indirectly provided to over 55 million people in cotton farming and processing, stores and accessories and a wide network of marketing of Textiles and allied products (Ministry of Textiles 2005). By contrast although India is the leading IT software exporting country in the world, the high profile IT sector employs only 1.2 million workers, 6.5 lakhs in the booming Business Process Outsourcing industry (NAASCOM as cited in Tewari, 2005, p.7).

13 The handloom exports which were previously exempt from the purview of quotas under the MFA that had come into existence in 1974, became subject to greater export restrictions in the US and the EU markets after 1977 (Chatterjee and Mohan 1993).

14 A major reason that has been put forward by Hashim (2005) for the limited growth of medium and large firms in the Garment sector was the existing policy restrictions relating to the production of Garments, which is reserved for the small-scale sector. However, as per the Textile policy of 1985, investment in this sector upto Rs. 3 crores in plant and machinery and an FDI-cap of 24 per cent were permitted, subject to an export obligation of 50 per cent of total production. So it has not been that this sector was completely reserved for the Small and medium enterprises (SMEs) even earlier. Further, the projected aims of the New Textile Policy, 2000 which replaced the 1985 Textile policy was further encouraging large and medium firms to enter this sector, promoting multinational enterprises (MNEs) and a healthy relationship between the large and the small sectors through linkages such as sub-contracting and marketing.

15 The development of the Clothing sector in Nepal began with the initiative of Indian entrepreneurs who were heavily restricted by quotas in the major developed country markets. The export of Yarns and Fabrics is quite small in volume terms. Of all the export destinations, the United States is the most important market with a share of 83 per cent in the total exports in 1996-97. The current bilateral agreement contains quotas on nine categories. Seven categories belong to the Clothing group and there are two quotas on made-up products. The EU does not apply bilateral restraint but has placed a tariff quota under its GSP (Ministry of Commerce, Nepal 2000).

16 Pakistan's T&C sector experienced low level of quota utilisation rates. Although Pakistan was among the top five cotton-producing countries in the world, its share in world exports of Textiles is only about 3 per cent, i.e., less than half of the share of Korea (8.6 per cent) (WTO 1997 as cited in Ud Din & Abbas 2000).

17 Nevertheless, the viability of the industrial structure of Indian T&C can not be attributed to FDI-driven, export-led industrialisation policies (See also Tewari 2005).

References

Amsden, A.H. (2001), *The rise of "the rest": Challenges to the West from Late-Industrializing Economies,* Oxford University Press.

Ahmed, Munir (1997), 'Is Free Global Textiles Trade A Myth*?'* in *World Textiles: Challenges Ahead* (Proceedings), An International Conference on Textiles &Clothing, 14-16 December, Ahmedabad, CII, Texcon'97

Apparel Online (2000) March 1-15.

Balassa, B (1980) "The Prospects of Industrial development and Alternative development strategies", *World Bank staff Working Paper*, No 438 ,Washington, DC.

Bagchi, Sanjoy (1998), 'Will There Be Free Trade in Textiles?', *Economic and Political Weekly*, July 4.

Bakht, Zaid (2000), 'Impact on Enhancing Environmental Standards on International Trade of South Asian Countries', *Country Paper on South Asia Workshop on Trade and Environment*, RIS, New Delhi.

Baruah Nandana (2004*), Antidumping as a Measure of Contingent Protection: An Analysis of Indian Experience*, CDS, MPhil Dissertation submitted to Jawaharlal Nehru University, New Delhi

BEI (2004), *A Review of History, Doha Mandate and Stage of Current negotiations Agreement on T&C,* Bangladesh Enterprise Institute.

Beena P. L. (2002), "Export Performance of Textiles and Clothing Sector in South Asia: Implications of Phasing out of MFA", mimeo-*RIS 2002b*

Bhagwati J. (1978), *Foreign Trade Regimes and Economic Development, Anatomy and Consequences of Exchange Control Regimes*, Cambridge, Ballinger Publishing Company.

Chandrasekhar C.P. (1981*), Growth and Technical Change in the Indian Cotton-mill Industry:1947-77*, Unpublished Ph.D. thesis submitted to the Jawaharlal Nehru University , New Delhi

Chandrasekhar C. P. & Jayati Ghosh (2005), "The Chinese Bogeyman in US Clothing" http://www.networkideas.org.

Chandra, Pankaj (1999), "Competing through Capabilities Strategies for Global Competitiveness of Indian Textile Industry", *Economic and Political Weekly*, February 27.

Chang, H. (2002*), Kicking Away the Ladder: Development Strategy in Historical Perspective*, London, Anthem Press.

Chang, Ha-Joon (2003), *rethinking development economics*, (ed) Anthem Press.

Chatterjee, Somnath and Rakesh, Mohan (1993), "India's Garment Exports", (mimeo.) *Ministry of Industry,* Government of India, New Delhi, February.

Das, Ram Upendra (2004), "Industrial Restructuring and Export Competitiveness of the Textiles and Clothing Sector in SAARC in the context of MFA Phase-out". *RIS-DP 85/2004*.

Din, Musleh-Ud and Kalbe, Abbas (2000), "The Uruguay Round Agreement and Pakistan's Trade in Textiles and Clothing", *South Asia Economic Journal*, Vol. 1, No.1.

Edwards, Chris (1996), "The Uruguay Round and MFA Quotas: The Textiles and Garment Industries in Sri Lanka – The Next 10 Years", *Research Studies, Industrialization Series* No. 4, IPS, Sri Lanka.

Economic and Social Commission for Asia and the Pacific (1998) "Foreign Direct Investment in Selected Asian Countries", *Development Paper*, No.19, New York, United Nations.

EXIM Bank (1995), "Indian Garment Exports: Implications of the MFA Phase-Out", *Occasional Paper*, No.34.

Financial Express (2001), 3 September.

Government of India (2000), “WTO Agreement on Textiles and Clothing: An Explanatory Note”, *Ministry of Industry*, Textiles Division.

Government of India (2005), Annual report, Ministry of Textiles.

Government of India (2002-03), ‘Directorate General of Anti-dumping and Allied Duties,’ Ministry of Commerce and Industry**.**

Government of Pakistan, ‘Textile Sector Profile’, www.pakboi.gov.pk/Policies/textile_sector_profile_.html.

Hamilton, Carl B. (1990), “The Uruguay Round Textiles Trade and the Developing Countries: Eliminating the Multi-Fibre Arrangement in the 1990s” (ed.), World Bank Publication.

Harilal, K.N. & Beena P.L. (2005), “Reining in Rules of Origin Based Protectionism: A Critique of WTO Initiatives “ *Economic and Political Weekly*, 40(51), December 17-25.

Hashim, Danish A. (2005), “Post MFA: Making the Textile and Garment Industry Competitve”, *Economic and Political Weekly*, Vol, XL, No 2, January 8-14.

Hirschman, A.O. (1992), “Industrialisation and its Manifold Discontents: West, East and South”, *World Development*, 20(9), pp.1225-32

Hughes, Richard (2000), “The World Trade Organisation and the Implementation of the Agreement on Textiles and Clothing”, *National Seminar Background Papers, NIFT*, February 25-26.

United Nations (Various Years), *International Trade Statistics Yearbook*, Volumes I and II, New York.

ILO (2003), (Reprinted, Original, 2002), *Garment Industry in South Asia: Rags or Riches?.*

Kathuria, Sanjay and Anjali, Bhardwaj (1998), “Export Quotas and Policy Constraints in the Indian Textile and Garment Industries”, *Policy Research Working Paper,* The World Bank.

Kathuria, Sanjay et al (2000), "Implications of MFA Abolition for South Asian Countries", *Paper presented at the NCAER-World Bank-WTO 2000 South Asia Workshop*, December 20-21, New Delhi.

Kelegama, Saman and Indira, Unamboowe (1994), "The North American Free Trade Agreement and its implications for Sri Lanka: With Special Reference to the Garment Industry", *Research Studies, International Economic Series* No. 2, IPS, Sri Lanka.

Kelegama Saman and Fritz Foley (1999), "Impediments to Promoting Backward Linkages from the Garment Industry in Sri Lanka", *World Development*, Vol. 27, No 8, pp. 1445-1460.

Kelegama Saman (2005), "Readymade Garment Industry in Sri Lanka: Preparing to Face the Global Challenges", *Asia-Pacific Trade and Investment Review*, Vol 1, No1.

Kell, George and Jurgen, Richtering (1991), "Technology and Competitiveness in the Textile Industry", *UNCTAD Working Paper* No.42.

Khanna, R. (2000), "Competitive Challenges Before Indian Textile and Clothing Industry", *National Seminar Background Papers,* NIFT, February 25-26.

Koshy, Darlie O. (1997), *Garment Exports: Winning Strategies*, Prentice Hall of India Private Limited.

Krueger, A.O. (1978), *Foreign Trade Regimes and Economic Development: Liberalisation Attempts and Consequences,* NBER, New York.

List, F. (1856), *The National System of Political Economy*, translated by Mattile, G A Philadelphia, J.B. Lippincott & Co.

Little, I.M.D. *et al* (1970), *Industry and Trade in some Developing Countries*, Oxford, Oxford University Press.

Martin, Will et al (1990), *The Uruguay Round and the Developing Economies*, World Bank Publication, October.

Ministry of Commerce (2000), *Nepal's Accession to World Trade Organisation: Project Status Review Preparatory Assistance Phase*, January 1997-June 1999, Kathmandu.

Nayyar, Deepak (1976), *India's Exports and Export Policies in the 1960*, Cambridge University Press, Cambridge

Narula, Manoj (1999), 'Living in Fantasyland', *Business India*, November 29-December 12.

National Institute of Fashion Technology (2000), "Apparel Exports in the New Millennium: India's Readiness to Face WTO Challenges", *National Seminar Background Paper*, February 25-26.

Prebisch (1959), "Commercial Policy in the Underdeveloped Countries", *American Economic Review*, Papers and Proceedings, May 251-273.

Palpacuer F *et al (*2005), "New Challenges for Developing Country Suppliers in Global Clothing Chains: A Comparative European Perspective", *World Development*, Volume 33, Number 3, pp. 409-430.

Ramaswamy, K.V, and Gereffi Gary (2000), "India's Apparel Exports: The Challenge of Global Markets", *The Developing Economies*, XXXVIII-2, 186-210.

Rana, P I (2005), "New EU Rules of Origin to Hit the Textile Industry", July *6 DAWN-Business* http:DAWN.com.

RIS (2002b), "Industrial Restructuring and Export Competitiveness of the Textiles and Clothing Sector in SAARC in the context of MFA Phase-out" (mimeo), Draft prepared by Dr. Beena P.L.

Roy, Tirthankar (1998), "Economic Reforms and Textile Industry in India", *Economic and Political Weekly*, August 8.

Shaffaeddin, M (2005*), Trade Policy at the Crossroads: The Recent Experience of Developing Countries*, Palgrave.

Sinha, et al (2000), *Restructuring of the Textile Sector in India*, Edited Volume, Indian Economic Association.

Sobhan, Farooq & Zaman Riffat (2004), "Trade and Investment in South Asia", Chapter 11 in Ramesh Thakur and Oddny Wiggen (ed) *South Asia in the World: Problem Solving Perspectives on Security, Sustainable Development and Good Governance*, UNU Press, Bookwell, New Delhi.

Spinanger, Dean (1999), "Faking Liberalization and Finagling Protectionism: The ATC at its Best", *Background Paper*, Kiel Institute of World Economics.

Texcon (1997*), An International Conference on Textiles and Clothing*, 14-16 December, Ahmedabad.

Tewari Meena (2005), "Post-MFA Adjustments in India's Textile and Apparel Industry: Emerging Issues and Trends", *Working Paper* No 167, ICRIER, New Delhi.

Uchikawa, Shuji (1998), *India Textile Industry State Policy, Liberalization and Growth*, Manohar Publishing Co.

Uchikawa, Shuji (1999), "Economic Reforms and Foreign Trade Policies Case Study of Apparel and Machine Tools Industries", *Economic and Political Weekly*, November 27.

UNCTAD (1988), *Responding to the New Global Environment, The Least Developed Countries*, UN.

UNCTAD (1994), "Agreement on Textiles and Clothing: The outcome of the Uruguay Round: An Initial Assessment", *Supporting Papers to the Trade and Development Report*.

UNCTAD (2000), "Competitveness Challenge: Transnational Corporations & Industrial, Restructuring", New York, UN.

Venkatesan R and Vijaya, Katti (1999), *Indian Textile Policy for the 21st Century* (A Special Emphasis on the Cellulosic Fibre Group), B.R. Publishing Corporation, Delhi.

Verma, S (2002), "Export Competitiveness of the Indian Textile and Garment Industry", *Working Paper,* No 94, ICRIER, New Delhi.

Weerakoon, Dushni and Janaka, Vijayasiri (1999), *Textiles and Clothing Sector in Sri Lanka*, Institute of Policy Studies, Colombo.

World Bank (1987), *Promoting Higher Growth and Human Development, Country Studies*, Bangladesh, Washington, D C., U S A.

World Trade Organisation (2000), *International Trade Statistics*, Volume II

World Trade Organisation (2004), *International Trade Statistics*, Volume II

CENTRE FOR DEVELOPMENT STUDIES
LIST OF WORKING PAPERS
[New Series]

The Working Paper Series was initiated in 1971. A new series was started in 1996 from WP. 270 onwards. Working papers beginning from 279 can be downloaded from the Centre's website (www.cds.edu)

W.P. 378 **K.N. NAIR, VINEETHA MENON,** *Lease Farming in Kerala: Findings from Micro Level Studies.* November 2005.

W.P. 377 **NANDANA BARUAH,** *Anti Dumping Duty as a Measure of Contingent Protection: An Analysis of Indian Experience.* October 2005.

W.P. 376 **P. MOHANAN PILLAI, N. SHANTA** *Long Term Trends in the Growth and Structure of the Net State Domestic Product in Kerala.* October 2005.

W.P. 375 **R. MOHAN, D. SHYJAN** *Taxing Powers and Developmental Role of the Indian States: A Study with reference to Kerala.* August 2005.

W.P. 374 **K. C. ZACHARIAH, S. IRUDAYA RAJAN**. *Unemployment in Kerala at the Turn of the Century: Insights from CDS Gulf Migration Studies.* August 2005.

W.P. 373 **SUNIL MANI,** *The Dragon vs. The Elephant Comparative Analysis of Innovation Capability in the Telecommunications Equipment Industry in China and India.* July 2005

W.P. 372 **MOTKURI VENKATANARAYANA** *On The Non-Random Distribution of Educational Deprivation of Children in India.* July 2005

W.P. 371 **DIBYENDU S. MAITI** *Organisational Morphology of Rural Industries in Liberalised India: A Study of West Bengal.* June 2005

W.P. 370 **SUNIL MANI,** *Keeping Pace with Globalisation Innovation Capability in Korea's Telecommunications Equipment Industry.* March 2005.

W.P. 369 **V.R. PRABHAKARAN NAIR,** *Determinants of Fixed Investment: A Study of Indian Private Corporate Manufacturing Sector.* March 2005.

W.P. 368 J. DEVIKA, *Modernity with Democracy? : Gender and Governance in the People's Planning Campaign, Keralam.* February 2005

W.P. 367 VINEETHA MENON, ANTONYTO PAUL, K N NAIR *Dynamics of Irrigation Institutions: Case study of a Village Panchayat in Kerala.* February 2005

W.P. 366 VIJAYAMOHANAN PILLAI N. *Causality and Error Correction in Markov Chain: Inflation in India Revisited.* December 2004.

W.P. 365 R. MOHAN. *Central Finances in India - Alternative to Procrustean Fiscal Correction.* November 2004.

W.P. 364 SUNIL MANI. *Coping with Globalisation Public R&D Projects in Telecommunications Technologies in Developing Countries.* November 2004.

W.P. 363 K C ZACHARIAH, S IRUDAYA RAJAN. *Gulf Revisited Economic Consequences of Emigration From Kerala, Emigration and Unemployment.* September 2004.

W.P. 362 M. VENKATANARAYANA. *Educational Deprivation of Children in Andhra Pradesh, Levels and Trends, Disparities and Associative Factors.* August 2004.

W.P. 361 K. P. KANNAN, VIJAYAMOHANAN PILLAI N. *Development as a Right to Freedom: An Interpretation of the Kerala Model.* August 2004.

W.P. 360 VIJAYAMOHANAN PILLAI N. *CES Function, Generalised Mean and Human Poverty Index: Exploring Some Links.* July 2004.

W.P. 359 PRAVEENA KODOTH, *Shifting the Ground of Fatherhood: Matriliny, Men and Marriage in Early Twentieth Century Malabar.* May 2004.

W.P. 358 MRIDUL EAPEN. *Women and Work Mobility: Some Disquieting Evidences from the Indian Data.* May 2004.

W.P. 357 K. RAVI RAMAN. *The Asian Development Bank Loan for Kerala (India): The Adverse Implications and Search for Alternatives,* March 2004.

W.P. 356 VIJAYAMOHANAN PILLAI N. *Liberalisation of Rural Poverty: The Indian Experience,* March 2004.

W.P. 355 P.L.BEENA *Towards Understanding the Merger-Wave in the Indian Corporate Sector: A Comparative Perspective,* January 2004.

W.P. 354 **K.P. KANNAN AND R. MOHAN** *India's Twelfth Finance Commission A View from Kerala,* December 2003.

W.P. 353 **K.N. HARILAL AND P.L. BEENA** *The WTO Agreement on Rules of Origin Implications for South Asia,* December 2003.

W.P. 352 **K. PUSHPANGADAN** *Drinking Water and Well-being In India: Data Envelopment Analysis,* October 2003.

W.P. 351 **INDRANI CHAKRABORTY** *Liberalization of Capital Inflows and the Real Exchange Rate in India : A VAR Analysis,* September 2003.

W.P. 350 **M.KABIR** *Beyond Philanthropy: The Rockefeller Foundation's Public Health Intervention in Thiruvithamkoor, 1929-1939,* September 2003.

W.P. 349 **JOHN KURIEN** *The Blessing of the Commons : Small-Scale Fisheries, Community Property Rights, and Coastal Natural Assets,* August 2003.

W.P. 348 **MRIDUL EAPEN,** *Rural Industrialisation in Kerala: Re-Examining the Issue of Rural Growth Linkages,* July 2003.

W.P. 347 **RAKHE PB,** *Estimation of Tax Leakage and its Impact on Fiscal Health in Kerala,* July 2003.

W.P. 346 **VIJAYAMOHANAN PILLAI N,** *A contribution to Peak load pricing theory and Application.* April 2003.

W.P. 345 **V.K. RAMACHANDRAN, MADHURA SWAMINATHAN, VIKAS RAWAL** *Barriers to Expansion of Mass Literacy and Primary Schooling in West Bengal: Study Based on Primary Data from Selected Villages.* April 2003.

W.P. 344 **PRADEEP KUMAR PANDA** *Rights-Based Strategies in the Prevention of Domestic Violence,* March 2003.

W.P. 343 **K. PUSHPANGADAN** *Remittances, Consumption and Economic growth in Kerala: 1980-2000,* March 2003.

W.P. 342 **D NARAYANA** *Why is the Credit-deposit Ratio Low in Kerala?* January 2003.

W.P. 341 **MRIDUL EAPEN, PRAVEENA KODOTH** *Family Structure, Women's Education and Work: Re-examining the High Status of Women in Kerala.* November 2002.

W.P. 340 **J. DEVIKA,** *Domesticating Malayalees: Family Planning, the Nation and Home-Centered Anxieties in Mid- 20th Century Keralam.* October, 2002.

W.P. 339 **M PARAMESWARAN,** *Economic Reforms and Technical Efficiency: Firm Level Evidence from Selected Industries in India.* October, 2002.

W.P. 338 **PRAVEENA KODOTH,** *Framing Custom, Directing Practices: Authority, Property and Matriliny under Colonial Law in Nineteenth Century Malabar,* October 2002.

W.P. 337 **K.NAVANEETHAM**, *Age Structural Transition and Economic Growth: Evidence From South and Southeast Asia,* August 2002.

W.P. 336 **PULAPRE BALAKRISHNAN, K. PUSHPANGADAN, M. SURESH BABU,** *Trade Liberalisation, Market Power and Scale Efficiency in Indian Industry,* August 2002.

W.P. 335 **J. DEVIKA,** *Family Planning as 'Liberation': The Ambiguities of 'Emancipation from Biology' in Keralam* July 2002.

W.P. 334 **E. ABDUL AZEEZ,** *Economic Reforms and Industrial Performance an Analysis of Capacity Utilisation in Indian Manufacturing,* June 2002.

W.P. 333 **K. PUSHPANGADAN** *Social Returns from Drinking Water, Sanitation and Hygiene Education: A Case Study of Two Coastal Villages in Kerala,* May 2002.

W.P. 332 **K. P. KANNAN,** Th*e Welfare Fund Model of Social Security for Informal Sector Workers: The Kerala Experience.* April 2002.

W.P. 331 **SURESH BABU,** *Economic Reforms and Entry Barriers in Indian Manufacturing.* April 2002.

W.P. 330 **ACHIN CHAKRABORTY,** *The Rhetoric of Disagreement in Reform Debates* April 2002.

W.P. 329 **J. DEVIKA,** *Imagining Women's Social Space in Early Modern Keralam.* April 2002.

W.P. 328 **K. P. KANNAN, K. S. HARI,** *Kerala's Gulf Connection Emigration, Remittances and their Macroeconomic Impact 1972-2000.* March 2002.

W.P. 327 **K. RAVI RAMAN,** *Bondage in Freedom, Colonial Plantations in Southern India c. 1797-1947.* March 2002.

W.P. 326 **K.C. ZACHARIAH, B.A. PRAKASH, S. IRUDAYA RAJAN,** *Gulf Migration Study : Employment, Wages and Working Conditions of Kerala Emigrants in the United Arab Emirates.* March 2002.

W.P. 325 **N. VIJAYAMOHANAN PILLAI,** *Reliability and Rationing cost in a Power System.* March 2002.

W.P. 324 K. P. KANNAN, N. VIJAYAMOHANAN PILLAI, *The Aetiology of the Inefficiency Syndrome in the Indian Power Sector Main Issues and Conclusions of a Study.* March 2002.

W.P. 323 V. K. RAMACHANDRAN, MADHURA SWAMINATHAN, VIKAS RAWAL, *How have Hired Workers Fared? A Case Study of Women Workers from an Indian Village, 1977 to 1999.* December 2001.

W.P. 322 K. C. ZACHARIAH, *The Syrian Christians of Kerala: Demographic and Socioeconomic Transition in the Twentieth Century,* November 2001.

W.P. 321 VEERAMANI C. *Analysing Trade Flows and Industrial Structure of India: The Question of Data Harmonisation,* November 2001.

W.P. 320 N. VIJAYAMOHANAN PILLAI, K. P. KANNAN, *Time and Cost Over-runs of the Power Projects in Kerala,* November 2001.

W.P. 319 K. C. ZACHARIAH, P. R. GOPINATHAN NAIR, S. IRUDAYARAJAN *Return Emigrants in Kerala: Rehabilitation Problems and Development Potential.* October 2001

W.P. 318 JOHN KURIEN, ANTONYTO PAUL *Social Security Nets for Marine Fisheries-The growth and Changing Composition of Social Security Programmes in the Fisheries Sector of Kerala State, India.* September 2001.

W.P. 317 K. J. JOSEPH, K. N. HARILAL *India's IT Export Boom: Challenges Ahead.* July 2001.

W.P. 316 K. P. KANNAN, N. VIJAYAMOHANAN PILLAI *The Political Economy of Public Utilities: A Study of the Indian Power Sector,* June 2001.

W.P. 315 ACHIN CHAKRABORTY *The Concept and Measurement of Group Inequality,* May 2001.

W.P. 314 U.S.MISHRA, MALA RAMANATHAN *Delivery Compli-cations and Determinants of Caesarean Section Rates in India - An Analysis of National Family Health Surveys, 1992-93,* March 2001.

W.P. 313 VEERAMANI. C *India's Intra-Industry Trade Under Economic Liberalization: Trends and Country Specific Factors,* March 2001

W.P. 312 N. VIJAYAMOHANAN PILLAI *Electricity Demand Analysis and Forecasting –The Tradition is Questioned,* February 2001

W.P. 311 INDRANI CHAKRABORTY *Economic Reforms, Capital Inflows and Macro Economic Impact in India,* January 2001

W.P. 310 **K. K. SUBRAHMANIAN. E. ABDUL AZEEZ**, *Industrial Growth In Kerala: Trends And Explanations* November 2000

W.P. 309 **V. SANTHAKUMAR, ACHIN CHAKRABORTY,** *Environmental Valuation and its Implications on the Costs and Benefits of a Hydroelectric Project in Kerala, India,* November 2000.

W.P. 308 **K. P. KANNAN, N . VIJAYAMOHANAN PILLAI,** *Plight of the Power Sector in India : SEBs and their Saga of Inefficiency* November 2000.

W.P. 307 **K. NAVANEETHAM, A. DHARMALINGAM,** *Utilization of Maternal Health Care Services in South India,* October 2000.

W.P. 306 **S. IRUDAYA RAJAN,** *Home Away From Home: A Survey of Oldage Homes and inmates in Kerala,* August 2000.

W.P. 305 **K. N. HARILAL, K.J. JOSEPH,** *Stagnation and Revival of Kerala Economy: An Open Economy Perspective,* August 2000.

W.P. 304 **K. P. KANNAN,** *Food Security in a Regional Perspective; A View from 'Food Deficit' Kerala,* July 2000.

W.P. 303 **K. C. ZACHARIAH, E. T. MATHEW, S. IRUDAYA RAJAN ,** *Socio-Economic and Demographic Consequenes of Migration in Kerala,* May 2000.

W.P. 302 **K. PUSHPANGADAN, G. MURUGAN,** *Gender Bias in a Marginalised Community: A Study of Fisherfolk in Coastal Kerala,* May 2000.

W.P. 301 **P. L. BEENA** *An Analysis of Mergers in the Private Corporate Sector in India,* March, 2000.

W.P. 300 **D. NARAYANA** *Banking Sector Reforms and the Emerging Inequalities in Commercial Credit Deployment in India,* March, 2000.

W.P. 299 **JOHN KURIEN** *Factoring Social and Cultural Dimensions into Food and Livelihood Security Issues of Marine Fisheries; A Case Study of Kerala State, India,* February, 2000.

W.P. 298 **D. NARAYANA, K. K. HARI KURUP,** *Decentralisation of the Health Care Sector in Kerala : Some Issues,* January, 2000.

W.P. 297 **K.C. ZACHARIAH, E. T. MATHEW, S. IRUDAYA RAJAN** *Impact of Migration on Kerala's Economy and Society,* July, 1999.

W.P. 296 **P.K. MICHAEL THARAKAN , K. NAVANEETHAM** *Population Projection and Policy Implications for Education:A Discussion with Reference to Kerala,* July, 1999.

W.P. 295 **N. SHANTA, J. DENNIS RAJA KUMAR** *Corporate Statistics: The Missing Numbers,* May, 1999.

W.P. 294 **K. P. KANNAN** *Poverty Alleviation as Advancing Basic Human Capabilities: Kerala's Achievements Compared,* May, 1999.

W.P. 293 **MRIDUL EAPEN** *Economic Diversification In Kerala : A Spatial Analysis,* April, 1999.

W.P. 292 **PRADEEP KUMAR PANDA** *Poverty and young Women's Employment: Linkages in Kerala,* February, 1999.

W.P. 291 **P. K. MICHAEL THARAKAN** *Coffee, Tea or Pepper? Factors Affecting Choice of Crops by Agro-Entrepreneurs in Nineteenth Century South-West India,* November 1998

W.P. 290 **CHRISTOPHE Z. GUILMOTO, S. IRUDAYA RAJAN** *Regional Heterogeneity and Fertility Behaviour in India,* November 1998.

W.P. 289 **JOHN KURIEN** *Small Scale Fisheries in the Context of Globalisation,* October 1998.

W.P. 288 **S. SUDHA, S. IRUDAYA RAJAN** *Intensifying Masculinity of Sex Ratios in India : New Evidence 1981-1991,* May 1998.

W.P. 287 **K. PUSHPANGADAN, G. MURUGAN** *Pricing with Changing Welfare Criterion: An Application of Ramsey- Wilson Model to Urban Water Supply,* March 1998.

W.P. 286 **ACHIN CHAKRABORTY** *The Irrelevance of Methodology and the Art of the Possible : Reading Sen and Hirschman,* February 1998.

W.P. 285 **V. SANTHAKUMAR** *Inefficiency and Institutional Issues in the Provision of Merit Goods,* February 1998.

W.P. 284 **K. P. KANNAN** *Political Economy of Labour and Development in Kerala,* January 1998.

W.P. 283 **INDRANI CHAKRABORTY** *Living Standard and Economic Growth: A fresh Look at the Relationship Through the Non- Parametric Approach,* October 1997.

W.P. 282 **S. IRUDAYA RAJAN, K. C. ZACHARIAH** *Long Term Implications of Low Fertility in Kerala,* October 1997.

W.P. 281 **SUNIL MANI** *Government Intervention in Industrial R & D, Some Lessons from the International Experience for India,* August 1997.

W.P. 280 **PRADEEP KUMAR PANDA** *Female Headship, Poverty and Child Welfare : A Study of Rural Orissa, India,* August 1997.

W.P. 279 **U.S. MISRA, MALA RAMANATHAN, S. IRUDAYA RAJAN** Induced Abortion Potential Among Indian Women, August 1997.

W. P. 278 **PRADEEP KUMAR PANDA** *The Effects of Safe Drinking Water and Sanitation on Diarrhoeal Diseases Among Children in Rural Orissa,* May 1997.

W. P. 277 **PRADEEP KUMAR PANDA** *Living Arrangements of the Elderly in Rural Orissa,* May 1997.

W. P. 276 **V. SANTHAKUMAR** *Institutional Lock-in in Natural Resource Management: The Case of Water Resources in Kerala,* April 1997.

W.P. 275 **G. OMKARNATH** *Capabilities and the process of Development* March 1997.

W.P. 274 **K. PUSHPANGADAN, G. MURUGAN** *User Financing & Collective action: Relevance sustainable Rural water supply in India.* March 1997.

W.P. 273 **ROBERT E. EVENSON, K.J. JOSEPH** *Foreign Technology Licensing in Indian Industry : An econometric analysis of the choice of partners, terms of contract and the effect on licensees' performance* March 1997.

W.P. 272 **SUNIL MANI** *Divestment and Public Sector Enterprise Reforms, Indian Experience Since 1991* February 1997.

W.P. 271 **SRIJIT MISHRA** *Production and Grain Drain in two inland Regions of Orissa* December 1996.

W.P. 270 **ACHIN CHAKRABORTY** *On the Possibility of a Weighting System for Functionings* December 1996.

Books Published by the CDS

Biodiversity, Sustainable Development and Economic Analysis
J. Hans B. Opschoor
CDS, 2004, Rs. 100/$11

Plight of the Power Sector in India: Inefficiency, Reform and Political Economy
K.P. Kannan and N. Vijayamohanan Pillai
CDS, 2002, Rs. 400/$40

Kerala's Gulf Connection: **CDS Studies on International Labour Migration from Kerala State in India**
K.C. Zachariah, K. P. Kannan, S. Irudaya Rajan (eds)
CDS, 2002, pp 232, Hardcover, Rs. 250/$25

Performance of Industrial Clusters: A Comparative Study of Pump Manufacturing Cluster in Coimbatore (Tamil Nadu) & Rubber Footwear Cluster in Kottayam (Kerala)
P. Mohanan Pillai
CDS, 2001, pp 158, Paperback, Rs. 175/$18

Poverty, Unemployment and Development Policy : A Case Study of Selected Issues With Reference to Kerala
United Nations, 2000 (reprint), pp 235
(available for sale in India only), Rs. 275

Land Relations and Agrarian Development in India:A Comparative Historical Study of Regional Variations
Sakti Padhi
CDS,1999. pp 335, Hardcover, Rs. 425/$48

Agrarian Transition Under Colonialism: Study of A Semi Arid Region of Andhra, C.1860-1900
GN Rao
CDS,1999. pp 133, Paperback, Rs. 170/ $19

Property Rights, Resource Management & Governance: Crafting An Institutional Framework for Global Marine Fisheries
John Kurien
CDS & SIFFS, 1998. pp 56, Paperback, Rs. 50/ $10

Health, Inequality and Welfare Economics
Amartya Sen
CDS. 1996. pp 26, Paperback, Rs. 70/ $ 10

Industrialisation in Kerala: Status of Current Research and Future Issues
P Mohanan Pillai & N Shanta
CDS. 1997. pp 74, Paperback, Rs. 110/ $ 12

CDS M.Phil Theses (1990/91-1993/94): A Review Vol.II
T T Sreekumar
CDS. 1996. pp 99, Paperback, Rs. 120/$ 14

Trends In Agricultural Wages in Kerala 1960-1990
A A Baby
CDS. 1996. pp 83, Paperback, Rs. 105/ $ 12

CDS M.Phil Theses (1975/76-1989/90): A Review Vol.1
G N Rao
CDS. 1996. pp 162, Paperback, Rs. 155/ $ 18

Growth of Education in Andhra - A Long Run View
C Upendranath
CDS. 1994. pp 158, Paperback, Rs. 135/ $ 15

Growth of Market Towns in Andhra: A Study of the Rayalseema Region C 1900-C.1945
Namerta
CDS. 1994. pp 186, Paperback, Rs.125/ $ 14

Floods and Flood Control Policies: an Analysis With Reference to the Mahanadi Delta in Orissa
Sadhana Satapathy
CDS. 1993 pp 98, Paperback, Rs. 110/$ 12

Growth of Firms in Indian Manufacturing Industry
N Shanta
CDS. 1994. pp 228, Hardcover, Rs. 250/ $ 28

Demographic Transition in Kerala in the 1980s
K C Zachariah, S Irudaya Rajan, P S Sarma, K Navaneetham,
P S Gopinathan Nair & U S Mishra,
CDS. 1999 (2nd Edition) pp 305, Paperback, Rs.250/ $ 28

Impact of External Transfers on the Regional Economy of Kerala
P R Gopinathan Nair & P Mohanan Pillai
CDS 1994. pp 36, Paperback, Rs.30/ $ 10

Urban Process in Kerala 1900-1981
T T Sreekumar
CDS. 1993. pp 86, Paperback, Rs.100/ $ 11

Peasant Economy and The Sugar Cooperative: A Study Of The Aska Region in Orissa
Keshabananda Das
CDS. 1993. pp 146, Paperback, Rs.140/ $ 16

Industrial Concentration and Economic Behaviour: Case Study of Indian Tyre Industry
Sunil Mani
CDS. 1993. pp 311, Hardcover, Rs. 300/ $ 34

Limits To Kerala Model of Development: An Analysis of Fiscal Crisis and Its Implications.
K K George
CDS. 1999 (2nd edition) pp 128, Paperback, Rs. 160/ $ 18

Indian Industrialization: Structure and Policy Issues. (No Stock)
Arun Ghosh, K K Subrahmanian, Mridul Eapen & Haseeb A Drabu (EDs).
OUP. 1992. pp 364, Hardcover, Rs.350/ $ 40

Rural Household Savings and Investment: A Study of Some Selected Villages
P G K Panikar, P Mohanan Pillai & T K Sundari
CDS. 1992. pp 144, Paperback, Rs. 50/ $ 10

International Environment, Multinational Corporations and Drug Policy
P G K Panikar, P Mohanan Pillai & T K Sundari
CDS. 1992. pp 77, Paperback, Rs.40/ $ 10

Trends in Private Corporate Savings
N Shanta
CDS. 1991. pp 90, Paperback, Rs. 25/ $ 10

Coconut Development in Kerala: Ex-post Evaluation
D Narayana, K N Nair, P Sivanandan, N Shanta and
G N Rao
CDS. 1991. pp 139, Paperback, Rs.40/ $ 10

Caste and The Agrarian Structure
T K Sundari
Oxford & IBH. 1991. pp 175, Paperback, Rs.125/ $ 14

Livestock Economy of Kerala
P S George and K N Nair
CDS. 1990. pp 189, Hardcover, Rs. 95/ $ 10

The Pepper Economy of India (No Stock)
P S George, K N Nair and K Pushpangadan
Oxford & IBH. 1989. pp 88, Paperback, Rs. 65/ $ 10

The Motor Vehicle Industry in India
(Growth within a Regulatory Environment)
D Narayana
Oxford & IBH. 1989. pp 99, Paperback, Rs. 75/ $ 10

Ecology or Economics in Cardamom Development
(No Stock)
K N Nair, D Narayana and P Sivanandan
Oxford & IBH. 1989. pp 99, Paperback, Rs. 75/ $ 10

Land Transfers and Family Partitioning
D Rajasekhar
Oxford and IBH. 1988. pp 90, Hardcover, Rs. 66/ $ 10

Essays in Federal Financial Relations
I S Gulati and K K George
Oxford and IBH. 1988. pp 172, Hardcover, Rs. 82/ $ 10

Bovine Economy in India
A Vaidyanathan
Oxford & IBH. 1988. pp 209, Hardcover, Rs. 96/ $ 11

Health Status of Kerala
P G K Panikar and C R Soman
CDS. 1984. pp 159, Hardcover , Rs.100/ $ 11 & Paperback, Rs. 75/ $ 10