

# A Secondary Informal Circuit of Globalisation of Production: Home-based Cashew Workers in Kerala, India

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## **ABSTRACT**

The paper contributes to the literature that examines the connections between local and global by extending the focus of cross-border production circuits to the hinterlands within the nation. A secondary informal circuit is conceptualised in order to argue how the informal sector is coexisting with the formal sector and contributing to the global market. For this purpose, the case of the cashew nut processing industry in Kerala, India, has been examined. The network of clandestine home-based cashew processors identified during the field study in Kerala illustrates the less visible local nodes of the global cashew circuit. The study also explores the informal workers' restricted options and choices due to their gender, health issues, age and financial liabilities.

## **KEYWORDS**

cashew workers; Kerala; global circuit; globalisation of production; India; informality

## **Introduction**

The Global Commodity Chain (GCC), Global Value Chain (GVC), Global Production Network (GPN) and World City Network (WCN) are the prominent network-based approaches used to analyse the current phase of economic globalisation. These approaches examine inter-firm networks, processes of industrial upgrading, strategic nodes and territorial embeddedness that enable countries to benefit from globalisation (Gereffi and Korzeniewicz, 1994; Knox and Taylor, 1995; Beaverstock, Smith and Taylor, 2000; Humphrey and Schmitz, 2001; Sassen, 2001; Sturgeon, 2001; Bair, 2005). According to Sassen (2007), the research on GCCs mainly focuses on circuits, while global cities draw attention to the strategic nodes in the global economy. Brown et al. (2010) have illustrated the indispensable connection between WCN and GCC using the example of the coffee commodity chain and the Mexico–Santiago city network. They have demonstrated how GCCs run through the world cities, and how cities are integrated into the GCCs. Mans (2014) attempted to describe the possible synergies between WCN, GCC and GPN in the context of non-hub cities and their connections beyond national borders. However, such realignment and integration of these approaches “to account for actual global city dynamics also entails bringing labour markets and migration (back) into the analysis, as well as extending it into city-regions and hinterlands” (Vind and Fold, 2010: 61).

The global dispersal of production and the opening up of economies to the global market have brought vast numbers of workers of different nationalities into the global production networks. Female workforce participation has also increased in production centres catering to the global

market, such as garment, electronics, footwear and food processing (Fuentes and Ehrenreich, 1983; Beneria and Feldman, 1992). The growing presence of women in a variety of cross-border survival circuits has become a source of livelihood, profit-making and accrual of foreign currency (Sassen, 2002). Another noticeable change is the increasing prevalence of informal labour in the global circuits. Sassen (2000a) has pointed out the growing presence of immigrants and women in informal sector activities in global cities like New York, London, Paris and Berlin. Informalisation is embedded in the structure of the current economic system (Sassen, 2000b). However, the studies on global circuits stop at the first entry points within the nations – that is, the factories. Labour is treated as passive and examined at the bottom end of the circuit. The effects of globalisation of production do not end within the factories. The dynamics and interconnections of migration, feminisation and informalisation of labour in the local resource points of the global production circuits require further investigation. Therefore, the analysis must extend beyond the corporate networks to the hinterlands, to understand their impact on labour market and migration, as it has the potential of improving our understanding of globalisation processes, especially in the developing economies (Vind and Fold, 2010).

A few studies have attempted to look at conditions of labour and gender-related issues in the commodity chains (Barrientos, Dolan and Tallontire, 2003; Dolan, 2004; Islam, 2008). Heyer (2013) has examined the impact of the knitwear production network on the local economy of Tiruppur in India with a particular focus on labour. Leslie and Reimer (1999: 402) argued that “sites such as the home need to be considered in terms of their role in shaping the dynamics of chains”. Therefore, a more systematic analysis of the relations between capital, labour and the state is required (Smith et al., 2002), as global production circuits have implications within the nation. Thus, the studies on such circuits need to be extended beyond the production units.

This paper attempts to look beyond the formal factories and to analyse the informal workers who are less visible in a global production circuit. There is a significant presence of informal workers in India. The paper traces an informal circuit of home-based cashew processors in Kerala, India, catering to the demands of the global circuit. The following section will discuss the debates on informality and the importance of the informal sector in the context of globalisation of production in developing economies.

## **Debates on Informality**

The informal sector was considered as a separate and dualistic state with a temporary reservoir of surplus labour which would eventually be absorbed into the formal sector as development proceeded (Lewis, 1954; Moser, 1978; Ranis and Stewart, 1999). Informality was seen as a structural barrier to the growth of an economy (Cimoli, Primi and Pugno, 2006). Informal activities are irregular income opportunities and a buffer against unemployment when the formal sector is unable to place the excess labour (Hart, 1973). The informal work provides a safety net for the disadvantaged, but it will not reduce social polarisation (Pahl, 1987, 1988). Therefore, the existence of informal sector activities is often studied in relation to poverty, insecurity, lack of social protection and other development-related issues (Cartaya, 1994; Sethuraman, 1998; Canagarajah and Sethuraman, 2001; Unni and Rani, 2003; Chen, 2008). Informal jobs are often precarious and have low productivity. The informal workers are exposed to various health and safety risks at work; they lack social protection and labour rights (Barrientos and Kritzinger, 2004; Tokman, 2007; Jütting and

Laiglesia, 2009; Kalleberg, 2009). Although many of the working poor in the developing economies resort to informal work (Gerry, 1987), the relationship between informality and poverty is not straightforward (Cartaya, 1994).

With the advent of globalisation of production and the search for destinations of low-cost labour, outsourcing and subcontracting of production processes to the developing economies have increased substantially (Harrison and Kelley, 1993; Munck, 2002; Bhagwati, Panagariya and Srinivasan, 2004). The role played by the informal sector in employment generation in these economies is important in promoting development. In addition, under globalisation of production, the informal sector also provides increasing income-generating opportunities for women, who often have restricted access to the formal sector in developing economies (MacGaffey, 1988; World Bank, 1989; Manuh, 1994; Chen, Sebstad and O'Connell, 1999; Carr, Chen and Tate, 2000; Chen, 2001).

The relevance of informal jobs has increased with the dispersal of economic activities across borders. Informality began to be perceived as a process rather than a distinct entity. Scholars have come across various ways of defining informality and its characteristics over time (Santos, 1979; Uzzell, 1980; Lozano, 1983; Portes, 1983; Harriss-White and Sinha, 2007). The 15th and 17th International Conferences of Labour Statisticians (ICLS) have classified the general features of informal sector enterprises and informal jobs (Husmanns, 2004). However, there is heterogeneity within informal work as it can be voluntary or involuntary (Lozano, 1983; Fields, 1990; Maloney, 2004; Sindzingre, 2006; Chen, 2007). As a result, resorting to any particular theoretical conceptualisation will exclude a large section of informal workers from the purview of its analysis (Routh, 2011). In this context, Yusuff (2011) has rightly pointed out that the existing theoretical approaches cannot adequately capture the internal diversity, dynamism and regulatory processes of the informal economy in developing countries. Moreover, "any particular choice of definition or measurement may be conditioned by a priori perspectives or hypotheses about the nature and role of the informal sector" (Henley, Arabsheibani and Carneiro, 2009: 993). Thus, instead of treating the informal sector as a separate entity, a better approach would be to perceive informality as a series of transactions that connect different economies and spaces to one another (Roy, 2005). Such an approach would help to integrate local economies to the global production circuits.

When catering to the demands of the cross-border industrial circuits, it is essential to acknowledge the contributions of the informal workers engaged, directly or indirectly, in the globalisation of production. The next section discusses the cross-border industrial circuits and the complementary informal circuits of production operating within a nation.

## **Global Industrial Circuits and Secondary Informal Circuits**

The informal sector accounts for 50 to 80 per cent of employment and 20 to 40 per cent of output in developing countries (Bacchetta, Ernst and Bustamante, 2009). In India, 93 per cent of the labour force works beyond the regulatory and protective reach of the state in the informal economy, and that contributes around 60 per cent of GDP (Harriss-White and Gooptu, 2009). The informalisation of the Indian economy shows a definite trend towards self-employment as the primary source of livelihood for informal workers (Sanyal and Bhattacharyya, 2009). Informal sector employment in India represents between 60 to 80 per cent of non-agricultural employment (Siggel, 2010). In India, the home-based workers as a whole were estimated at nearly 8.2 million, of whom about 4.8 million were women; home-based workers constitute about 7.4 per cent of unorganised

non-agricultural workers (NCEUS, 2007).

Informal sector workers face problems of low wages, insecurity of jobs, long and unregulated hours of work, and lack of social security and other benefits (Roy-Chowdhury, 2004). At the same time, the employment-generating capacity of the informal sector can act against unemployment and poverty. For example, the informal sector can play the role of employer of last resort, and reduces the potentially negative short-run impact of economic reforms (Siggel, 2010). Similarly, trade liberalisation in the formal sector can, contrary to conventional wisdom, raise both employment and wages in the informal sector if capital is easily mobile between the two sectors (Marjit and Kar, 2009).

While the informal sector has always existed in developing economies, there is ample evidence that globalisation has exacerbated the process of informalisation in two ways (Sanyal and Bhattacharyya, 2009). It relies, firstly, on outsourcing of production processes to the informal units and, secondly, to large-scale retrenchment of workers in the formal sector. The growth of the informal sector could also be attributed to excessive state regulation and entrepreneurs' efforts to avoid such regulations (De Soto, 1989). With the substantial improvements in shipping and telecommunications, multinational corporations have been able to transfer segments of the value-added chain to geographically dispersed locations (Storper, 1997). These processes of globalisation of production are increasingly being organised by global production networks, resulting in the rise of flexible production (Piore and Sabel, 1984).

According to Sassen (2001), the global economy consists of a variety of highly specialised cross-border circuits corresponding to specific industries – more precisely, those components of industries which are operating across borders. A global circuit has many resource points catering to the demands of the command and control centres located in the global cities. The resource points, the centres of production, are mainly located in developing countries where the cost of labour is cheaper when compared to the developed countries. The command and control centres are the multinational corporations with their headquarters located in the global cities like New York, London and Tokyo. These circuits have spaces that pivot on de-territorialised cross-border networks and territorial locations with massive concentrations of resources (Sassen, 2001). There is a highly differentiated mix of labour supply and demand in these circuits that constitutes part of the formal and informal economies (Sassen, 2008). The nature of each circuit can vary based on the nature of the resources involved and the players engaged in each node. In the cross-border circuit, there are networks of producers, processors, importers, exporters, retailers and consumers.

Similar to the cross-border resource flows, a secondary circuit can form within a nation, linking local resource points, catering to global buyers, to the informal workplaces. Such circuits complement the processes of globalisation within the nation. They represent the resource flows and networks engaging multiple players, including home-based workers, migrants, private subcontracting agents and final clients both domestic and international.

The changes in employment relations and the demand for flexible labour have led to an increase in subcontracting, part-time jobs and home-based work (Standing, 1989). Home-based work became particularly central in the global manufacturing industries (like garment and footwear), agriculture and its allied sectors (Carr et al., 2000). Many of the workers have been adversely incorporated into global production networks as informal, bonded or unfree labour (Breman, 2010; Phillips, 2011). The resource points of production often subcontract production processes to home-based workers to reduce the cost of labour (Ghosh, 2002). The home-based processors (excluding

self-employed) work for agents, who supply raw materials, and receive piece-rate payment (Bhatt, 1987). Women are more likely to be in the informal sector, voluntarily or involuntarily (Johnston-Anumonwo and Doane, 2011). They have gender-specific constraints such as low education, family norms and domestic responsibilities (Basu and Thomas, 2009). Therefore, understanding the role of gender in shaping labour relations in the secondary informal circuit is critical in the analysis of the globalisation of production.

With this background, the paper examines the cashew processing industrial circuit of Kerala to illustrate the informal circuit of production. The cashew processing industry accrues foreign exchange, and it has significant development implications in the economy. The next section discusses the case selection and methodology followed in the present study.

## **Case Selection and Methodology**

Developing economies mainly depend on agriculture and agri-processing industrial circuits to earn foreign exchange. Agri-processing is regarded as the sunrise sector of the Indian economy as it has enormous potential for growth and socio-economic impact through employment creation and income generation (Kachru, 2010). For example, plantation crops like cashew provide employment at each stage in the supply chain, from the collection of raw nuts from the fields to the processing of kernels in the factories. Studies have shown that 95 per cent of workers employed in cashew processing are women with very poor socio-economic backgrounds (Retheesh, 2005; Sivanesan, 2013).

India pioneered cashew nut processing as an industry. Until the early 1960s, India had a monopoly in the processing of cashew nuts and supply of kernels to the international markets. However, the domestic production of raw cashew could not meet the excess processing capacity. The processing industry thus came to depend on the import of raw cashew from African countries. This has increased the cost of production. Later on, during the 1990s, India witnessed an increase in the export of cashew kernels, with greater import liberalisation for raw nuts and relaxation of licencing regulations for the processors (Eapen et al., 1994). Currently, India is one of the leading producers, processors and exporters of cashew in the world. Over 65 per cent of the world export of cashew kernels is from India (KSIDC, n.d.). The major markets are the USA, UK, Japan, the Netherlands, and the Middle East (KSCDC, n.d.).

Kollam district of Kerala was the first place to start commercial processing of cashew for the export market. The geographic concentration of cashew nut processing in the district began as early as the 1920s. The low capital investment and high profit through export helped entrepreneurs to set up many factories using the cheap labour available in the district. Eventually, Kollam became a major centre of cashew nut processing in Kerala and is now known as the cashew capital of the country. The industry was monopolised by a few industrialists who eventually came to be known as the cashew kings in the state (Lindberg, 2005). Later on, with increasing international competition and the rising cost of raw cashew imports, there was pressure to reduce the labour cost of production through cottage processing and by employing more casual labourers in the factories. This was in conflict with the labour laws in Kerala and resulted in the gradual shifting of many processing units to the neighbouring state of Tamil Nadu.

The cottage processing of cashew is banned in Kerala in order to formalise the cashew processing industry and to ensure labour welfare. Despite the ban, it is operating in a clandestine

manner. This necessitates examining the nature of workers who remain outside the formal factories, yet contribute to the global production circuit.

A field study was conducted during the period November 2011 to March 2012 in Kollam to understand the informal network of home-based processors. The secondary data on registered cashew workers was collected from the Kerala Cashew Nut Workers Welfare Board (KCWWB), and on the registered cashew factories from the Department of Factories and Boilers List (DFBL). Primary data collection was based on qualitative research methods. Five private cashew factories and two public factories were visited. Six union leaders and five managers were interviewed to understand the nature of cashew processing in the formal factories. Semi-structured interviews were carried out with home-based processors in their houses. Twenty-eight houses were identified during the field study. Fifty-one female cashew processors and nine male workers were interviewed in their houses. The main difficulty in the study was to identify the home-based processors as there are no available official records of them. One network of home-based processors was located with the help of a local resident. The resident, a moneylender, was known to the workers, and this made entry into their houses easier.

The focus of the interviews was to understand the nature of cashew processing, the nature of the workers, their socio-economic background and the reasons for their involvement. This network of home-based processing operates through an agent. The male private agent and his female assistant were also interviewed.

The following section discusses (1) the history of the cashew processing industry in Kerala, (2) the classification of cashew processing units into the formal and informal sector, and (3) a detailed description of the home-based cashew processors interviewed during the field study.

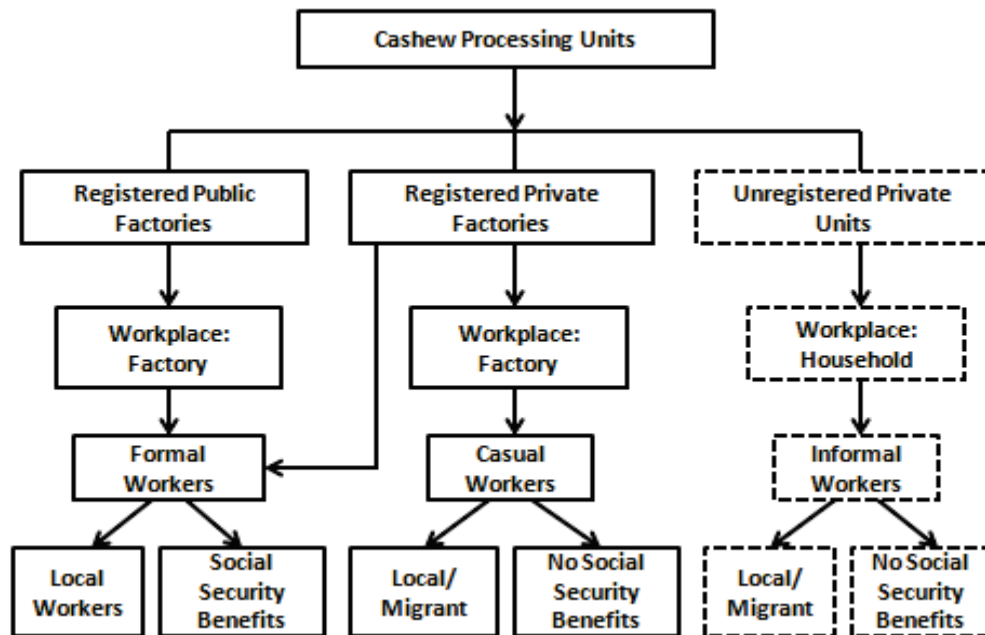
## **Cashew Nut Processing in Kerala**

The cashew industry was started in an organised manner by Joseph Pereira, who conceived the idea of processing the raw nuts on a factory basis and marketing the finished kernel on a commercial scale in Kollam (Chirayath, 1965). During the 1920s, many entrepreneurs like Thangal Kunju Musaliyar, M.P. Kesavan and M.P. Govindhan started to process cashew on a commission basis, and later on started their own factories (Majeed, 2000). Though the production of cashew nut spread across the state, the majority of cashew processing units are situated in Kollam. This is mainly because of the availability of cheap and skilled labour, the existence of a rail link and a small port in the vicinity, and the emergence of a local entrepreneurial class to promote the industry (Chirayath, 1965). The cashew industry attracted a large number of female agricultural labourers to the factories. Child labour was also very common in these factories (Majeed, 2000; Lindberg, 2005). There was no regulation of the industry, and the working day was fourteen hours long. During the 1930s, along with the national freedom movement, the cashew industry witnessed a social movement for increased wages and improved working conditions. Many trade unions came up to mobilise the cashew workers. The first trade union, formed in 1939, was the All Travancore Cashew Workers Union, which was affiliated with the Communist Party of India (Kannan, 1983). Unions fought for reducing the long working hours, fixing the minimum wage and bonus, and improving the working conditions. The cashew industry was not included in the Minimum Wage Act of 1948. A minimum wages committee was appointed in 1952 by the state government as a first step to mitigate the grievances of the cashew workers (Pillai, 2009). The state government also banned the cottage

processing of cashew in 1967. The pro-labour policies of the government were followed by many owners closing down private factories. In 1976, the government brought out the Kerala Acquisition of Factories Act, whereby the government could take over factories whose closure had created large-scale unemployment (Pillai, 2009). It was an attempt to formalise the industry and protect the workers' rights. The Kerala State Cashew Development Corporation (KSCDC) and Cashew Workers Apex Co-operative Society (CAPEX) are the two state government agencies engaged in cashew processing in the state. The KSCDC was established in July 1969 as a fully owned government undertaking. Its major objectives is employment generation in the cashew processing industry, and bringing organisation to the industry by providing higher wages and better working condition for the cashew workers. Presently, KSCDC is running thirty cashew factories all over Kerala. There are more than 20 000 workers and 1 500 staff members working in these factories (KSCDC, n.d.).

The active trade union movement in Kerala was organising the downtrodden workers in a common platform to improve their working condition. However, the rising strikes and lockouts led to the closure of many private cashew factories and their removal by the owners to the neighbouring states. Despite efforts to formalise the industry, cottage processing continues to operate in a clandestine manner (Harilal et al., 2006). The new private factories registered in the state are smaller, which reflects the increasing informalisation in this sector (Harilal et al., 2006). These private factories are employing more casual workers within the unit and subcontracting the processing to home-based workers. Consequently, this has resulted in an underestimation of cashew processing workers in official documents. Lindberg (2001) estimated that there were 400 000 cashew workers in Kerala. However, the total registered members in KCWWB in 2011 were 169 538. Those retired and receiving a pension from the KCWWB were 49 201; of these, 8 079 had retired before the Welfare Board was formed. Therefore, it is clear that there are a large number of informal workers who are not registered with the Cashew Welfare Board.

The organised cashew nut processing industry in Kerala can be grouped into two main categories: the registered and public undertaking, and the registered and private undertaking (Figure 1). There were 798 registered cashew nut factories in Kerala in 2011. The registered factories have a formal workplace, and their workers receive social security benefits. In the registered private factories, there are formal workers with social security benefits and casual workers without social security benefits (Harilal et al., 2006). The migrant workers from other states are also working in the private cashew factories as casual workers. One of the private factories visited during the study has male migrant workers from the state of Assam. These workers are very young, between the ages of 18 and 30 years, and come from poor socio-economic backgrounds. They are temporary migrants employed as casual workers. The manager of the factory mentioned that they rely on migrant workers because there is a labour shortage in the state. The state is facing an acute shortage of manual labourers because people's the standard of living has been raised, and there is an inflow of remittances from the Gulf countries (Prakash, 1998). The wage rates in the agriculture, construction and manufacturing sectors in the state are higher than the national average (Thomas, 2003). The higher wages and the labour shortage have resulted in replacement migration from other states like Odisha, Bihar, Jharkhand, West Bengal and Uttar Pradesh into the construction sector, hotels and restaurants, manufacturing units and agriculture (Prakash, 1998; Planning Commission, 2008; Business Line, 2013).



Source: Author's field study

**Figure 1: Classification of cashew nut processing units in Kerala**

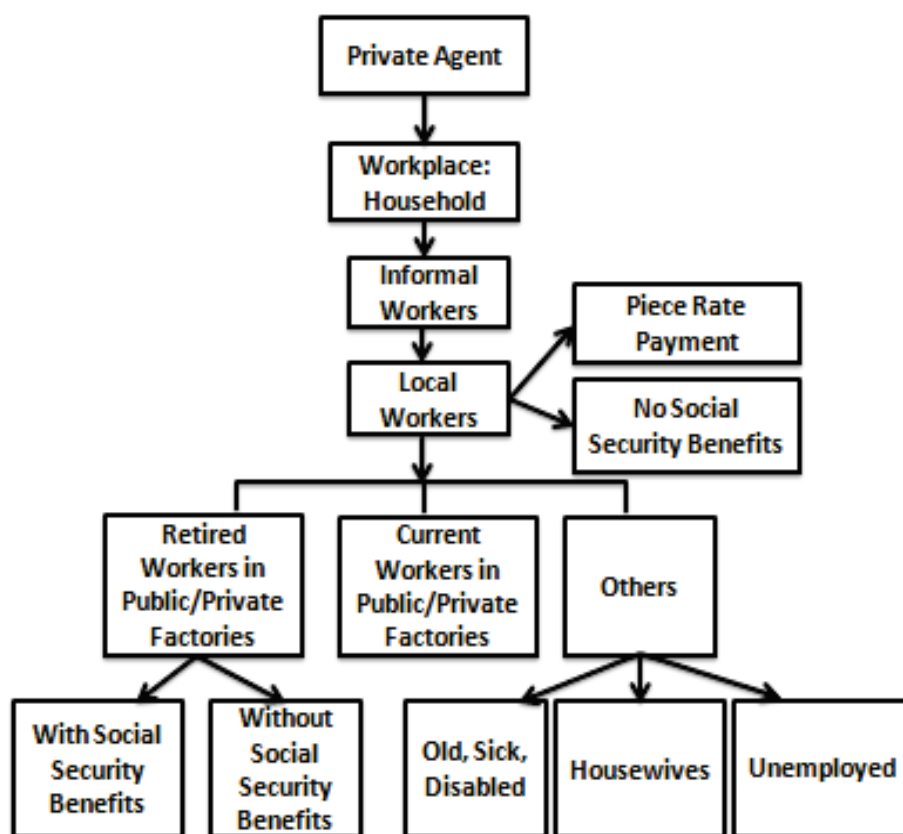
Another category of informal workers comprises unregistered units (Figure 1). Cottage processing (*Kudivarappu*) and processing on a commission basis (*Commission Varappu*) are common methods of subcontracting in cashew processing (Kanji, 2004; Lindberg, 2005; Harilal et al., 2006); they require further micro studies. Although union leaders interviewed indicated that there was no cottage processing in the district, during the field study a network of home-based processors was identified, mostly engaged in grading cashew nuts. These workers are not officially documented.

The home-based workers collect cashew nuts from a nearby shop set up by a private agent. He is the intermediary between the informal workers and the formal factories. During the interview, the private agent revealed that the *Panchayat* (local governing body) gave him a licence to distribute cashew nuts for consumption purposes. For the processing of cashew nuts, he needs a separate registration under the small-scale industries scheme. The agent has a small shop where he has appointed a female assistant to distribute cashew among the home-based workers. Around thirty families collect cashew from this agent. After grading and categorising the cashew nuts, they return the graded product to the shop. The shop assistant weighs the graded cashew nuts and distributes the payment. The processed cashew nuts from the households are sent back to the factories by the agent. In the formal factories, these kernels are further checked for infestation and packed for either the export or the domestic market. The workers receive a piece-rate payment that is higher than the formal factory wage, but do not receive any social security benefits offered by the formal factories. This network does not come under the formal regulations. Therefore, the workers remain



unprotected and underestimated. They know that it is not the recognised form of operation. During the household visits, the workers were reluctant to share information.

Studies on globalisation of production focus on the processing of commodities and the labour relations within the workplace. Such studies tend to ignore the home-based processors as they remain outside the formal factories. However, informal workers coexist with the formal workers and contribute to the global circuit of production. When extending studies on globalisation beyond the workplace, it is essential to look at the nature of the workers in the informal circuit of production. They can be heterogeneous in nature. The heterogeneity of home-based cashew processors is illustrated in Figure 2.



Source: Kuzhiparambil (2016)

**Figure 2: Classification of informal home-based workers**

Figure 2 depicts the network of home-based cashew processing. The private agent collects cashew from the factories and distributes it among the home-based workers. The network identified in the study consists only of local workers. They include housewives, old and disabled persons, regular and casual workers employed in the cashew factories, and retired cashew workers. The majority of the workers in this network are female. In general, studies on the informal sector have

examined the larger presence of women as casual workers, home-based workers and unpaid family workers. One of the reasons for this trend is that women are considered to be naturally more docile and disciplined; they are suitable for doing tedious, repetitious and monotonous work, and they accept lower wages (Elson and Pearson, 1981). The aspirations for formal employment of women can be severely constrained by lack of resources, inadequate education, family restriction, heavy domestic responsibilities and conditioning by prevailing gender norms that restrict their mobility (Carr and Chen, 2004).

There is an increasing trend towards women working from home for export-oriented food processing units and engaging in micro-enterprises through the Self Help Groups in Kerala (Devika and Thampi, 2007; Williams et al., 2011). In the present study, many of the young, married women interviewed mentioned that they work from home due to the flexibility in working time. One of the ladies interviewed mentioned that she used to work in a private cashew factory prior to her marriage. Now she is a housewife and has two children. Whenever she has free time, she processes cashew at home. Married women find it difficult to balance working in the factories on regular timings with their routine domestic chores and care responsibilities for children and sick family members. In most cases, the decision to work outside the house was made by their husbands. In one of the cases, the lady interviewed was a school teacher before marriage. Her husband is a Gulf migrant. He does not want her to work outside the house. Therefore, she chose to quit her job. Now she helps her mother-in-law processing cashew at home. Her choice to process cashew at home is a constrained option resulting from the existing family norms.

There are a very few men engaged in home-based cashew processing. The male members who help in the work are very old or disabled, and they are not engaged in any other outside work. There are many old women also engaged in this network. Cashew processing is monotonous and repetitive work. When the worker becomes old, working eight hours continuously in the factories becomes difficult. Many old women interviewed in the study mentioned that they used to go to the factories when they were healthy. The main health issues observed were backache and knee pain. Some of the female workers in the public cashew factories took voluntary retirement due to their ill health. Once these workers have health constraints, they stop going to the factories. Instead, they bring cashew nuts from the private agent to the house. Home-based processing does not provide the wages and benefits they received in the factories, but it provides flexibility and convenience.

The majority of cashew workers in the state have poor socio-economic backgrounds. In the present study, many female workers mentioned that they had financial liabilities. Borrowing money from the local money lenders is a common practice among the workers. One of the ladies said that she took a loan on interest to send her son to the Gulf. They aspire to send their sons to the Gulf countries. Most of these men are not professionally qualified, and they get blue-collar jobs abroad. At the same time, it is paradoxical that they are hesitant to engage in the same jobs in their home state as there is a shortage of manual labourers. Another reason for taking loans is to meet wedding expenses. One of the ladies mentioned that she had to pawn her house to the bank to get a dowry for her daughter.

Another group of workers engaged in the present network are the regular workers in the public cashew factories. They work in the factory and also process cashew at home. They also mentioned that financial liabilities compelled them to take up a second job.

## Conclusion

Globalisation of production and the resultant search for flexible labour led to the formation of industrial circuits linking multiple locations across borders. The spaces that are linked to the circuits of production processes have become the spheres of dynamic labour relations. Some of these relations are formal while some have become informal. The informalisation often goes beyond the formal workplaces. Therefore, the studies on global production circuits need to extend beyond the formal workplaces to informal spaces. A secondary circuit incorporating migrants, household workers, private agents and subcontractors can form in any of the local resource points of the global circuits within a nation. Though such circuits remain informal, they are productive and have an impact on the local economy. Hence, the secondary circuits are an extension of the cross-border formal circuits rather than a separate entity. They represent the resource flow which is not formal and not fully visible but is productive and engages multiple players including home-based workers, private subcontracting agents and final clients, both national and international. The informal workplaces (mainly households) have become the local resource points engaged in the processing function of an informal circuit. This invisible informal circuit coexists with the formal circuit, and incorporating it within the legal system is becoming more and more complex due to the multiplicity of workers in the network. This complexity is illustrated in the case of cashew nut processing circuit, which has a global circuit that is formal and an invisible circuit of production that is informal. The informal workforce identified in the study is contributing to the global production circuits in an invisible manner.

The case of the cashew nut processing circuit is useful for understanding the nature of informalisation in a global circuit. India is one of the biggest exporters of processed cashew in the world, and the state of Kerala contributes a significant share of the export. Banning of cottage processing is a welcome step by the state government to ensure formality in this sector. The intervention of the government helped to secure labour rights. Despite the active labour welfare measures, the cottage processing of cashew continues in the state. This necessitates examining the nature of informalisation and the labour involved in the cashew circuit under globalisation of production. The workers in the informal network that we traced include formal sector workers employed in private or public factories, casual workers in private factories, retired workers, old and sick people, housewives and other unemployed family members. These informal workers depict a scenario of working at home as the result of restricted options due to reasons like poor health, old age, family restriction and domestic responsibilities which make it difficult to work in the formal sector. Informality in this sector is not perceived as a threat by the workers, but as an option. It will continue to operate in an invisible manner despite the legal restrictions. Bringing them to a formal workplace, without flexibility, is not possible.

Then, the larger question to be raised is how to enlarge the options available to those in the informal activities. The study shows that informality can neither be removed nor regulated entirely by the existing labour laws in the cashew nut processing industry. Informality needs to be considered as a process rather than a separate entity. Studies on the informal sector also need to look at the existing gender dynamics in the family and the patriarchal familial structures. In a patriarchal family, a married woman's option to work outside the house is often decided by her husband. The power dynamics in the family often determine the decisions and choices of female workers within the workplace, as well as within the family.

The literature on economic globalisation focuses, to a great extent, on the dynamics of

migration, feminisation and informalisation of labour in the global production circuits beyond the national borders. While it has been acknowledged that the processes of global scale have implications for the local nodes, such studies primarily end within the first entry points of the nation. This is mainly because labour as a unit of analysis is readily accessible within a formal workplace. However, in many of the developing economies, the majority of the workforce remains outside the organised sector and finds employment in the informal sector. With the increasing outsourcing of production processes to the informal sector, it is essential to recognise the coexistence of the formal and informal circuits. Therefore, the studies on globalisation of production also have to look for linkages in the local nodes within the nation by extending the focus to the hinterlands and even to the households as units of analysis.

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### **ACKNOWLEDGEMENTS**

Thanks are due to all interviewees in Kollam, for their time and information. I thank Professor Narendar Pani, National Institute of Advanced Studies (NIAS), for guidance throughout the PhD programme. Special thanks to Dr K.G. Sreeja and for valuable suggestions on earlier versions of the paper. For financial support, I acknowledge the NIAS. I thank the anonymous reviewers for their constructive comments.