

# Indian worker has always come cheap

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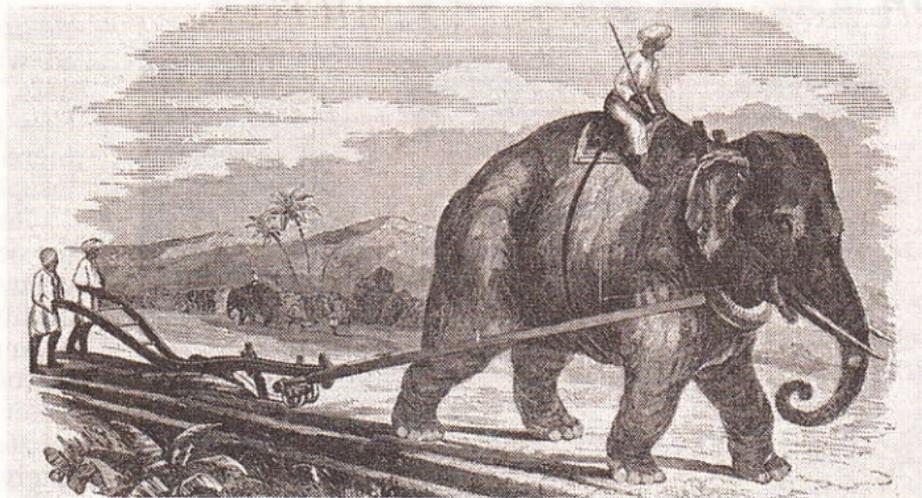
India has for long been associated with cheap labour. So in case the BPO and backoffice-ops rush fools you into believing the country has been a destination for companies looking for low wage-high work only in the last 20 years, think again.

Almost two centuries before liberalization, India was the main source of cheap labour for the West. Indians, who travelled thousands of miles from home, played a key role in shaping the modern world. However, the contract system and racist policies favouring European immigrants forced many to return and their role is generally downplayed.

In the period known as the first global century (1820-1914) — when international mobility of capital, goods and labour force witnessed a major spurt — India was the largest recruitment market for migrant labour. “Between 1834 and 1937, out-bound migration of the labour force

from India was over 30 million, far higher than the British Islands’ 18, Italy’s 10.1 and China’s 8.2 million emigrants,” says Prabhu Mohapatra, associate professor in Delhi University who specializes in the history of labour. “In 1833, the British parliament abolished slavery from the empire, creating a significant gap between demand and supply of labour. The empire then turned towards its largest colony and people were recruited through indentured and Kanyan contract systems to work in plantations outside India. This migration was far larger than the slave labour flow from Africa to the Americas in the 16th to 18th centuries.”

According to a UN report on international migration, huge wage gaps were the main catalyst. In those days, the monthly wage of a farm worker in Madras Presidency was about \$1.50, while the same person could earn the equivalent of \$8 on a Caribbean plantation. But, unlike the Europeans who travelled as free la-



bourers, the Indians were forced into contract because they were too poor to afford the cost of travel. They would have had to save every penny of their earnings here for four to 12 years to undertake the trip. The Indians needed sponsors which was only possible through contracts.

By the late 19th century, the plantation business became less profitable. Racist policies restricted migra-

tion of Indians to new lands like Australia and Canada. Indentured labourers were not encouraged to acquire property and were required to pay extra taxes if they wanted to stay on after their contracts got over. Also, 72% of them were male, which meant most couldn't start a family. That is why nearly 24 million returned home. Only six million stayed on.