

# **CASE STUDIES OF INFORMATION PRODUCTION IN SOUTHERN INDIA**

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Medical Transcription Industry  
relocation from U.S. to India

Publishing Industry  
relocation from Europe, U.S. and NICs

Electronic News Service Encoding  
location of new industry competing with developed and NICs.

# THE MEDICAL TRANSCRIPTION INDUSTRY

## The industry and production in the U.S.

- Estimated to be worth U.S. \$6-7 Billion per annum.
  - Approx. 750,000 workers in U.S.
  - 95% female
  - fairly evenly split between in-house waged employees employed by small companies and home based contract piece-rate workers (in this the case study the work has been shifted from employees to independent contractors)
  - mid-level skills (community college graduates with M. T. certification)
  - average earnings \$1,800-\$2,400 per month
  - limited supply of skilled labour

## The South Indian Case Study

- the company employs approx. 1,000 workers by January 2000
- 55% male
- all employed in-house on mix of wages and productivity payments
- high level skills (Masters graduates, on the job M.T. training)
- average earnings Rps 7,500-Rps 12,000 per month
- abundant supply of skilled labour

## **Benefits to Establishment in Southern India**

- Existing business connections (specific to companies)
- Low set up costs – building costs very low
- No, or reduced, tariffs on imported computer hardware
- Tax breaks on IT exports – possibility of transfer pricing advantage
- Time difference – the third shift
- Fragmentation of production

# THE PUBLISHING INDUSTRY

- Long standing industry
- Prior to electronic delivery typesetting located in developed countries and in NICs
- Some relocation from developed and NICs to India
- Broad range of skills - from basic data entry, composition through to SGML
- Quality an issue
- Globally, massive amounts of hard copy to be converted into electronic text as well as creation of SGML versions of all new output for hard and electronic copies, eg encyclopaedia.

## **Benefits to location in India**

Established publishing houses in India

Established Typesetting Industry

Labour Supply

Cheap Labour

Range of Semi to Skilled English Speaking Labour (other language skills not essential) to convert into SGML)

Tax Breaks on IT Exports

Tariff reductions on computer hardware

## **The Electronic News Service Industry**

- Syndicated news made available electronically through the web via subscription from news syndicate firms
- Encoding of English language newspapers and journals done in India by small number of home based piece rate workers (monthly income Rps 6,000-12,000)
- Work done in batches – form of short shifts, rapid turn around required
- Quality an issue
- Workers usually graduates often early retirees

## **Benefits to location in India**

- Plentiful Labour Supply
- Cheap Labour
- Skilled Labour
- Subsidiary of Established Software Company
- Tax Breaks on Exports
- Suitable time zone (2.5 hours behind agency head office in Singapore)