# LABOUR MARKET ARRANGEMENTS AND WORKING CONDITIONS IN THE ORGANISED GARMENT INDUSTRY IN INDIA – A CASE STUDY OF THE NATIONAL CAPITAL REGION

Thesis submitted to Jawaharlal Nehru University for the award of the degree of

## DOCTOR OF PHILOSOPHY

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Date: 14 July, 2017

#### DECLARATION

I, Baishali Lahiri, hereby declare that the thesis entitled "Labour Market Arrangements and Working Conditions in the Organised Garment Industry in India - A Case Study of the National Capital Region" submitted by me for the award of the degree of DOCTOR OF PHILOSOPHY is my bonafide work, and it has not been submitted so far in part or in full for any degree or diploma of this university or any other university.

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## **Dedicated to**

## **The Hands That Toil**

"A merchant may sell many things, but a worker usually has one job, which supplies not only his livelihood but often much of his sense of identity An unsold commodity is a nuisance an unemployed worker a tragedy"

----- Paul Krugman

(The Accidental Theorist, Penguin Books)

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## **ABBREVIATIONS**

ESIC : Employer's State Insurance Corporation

FS : Formal Sector

GOI : Government of India

HH : Household

HS : Household Sector

ILO : International Labour Organisation

IS : Informal Sector

M&SFs : Medium and Small Firms

NCEUS : National Commission for Entreprises in Unorganised Sector

NSSO : National Sample Survey Office

NR : No Response

NA : Not Applicable

PF : Provident Fund

SNA : System of National Accounts

SEWA : Self Employed Women's Association

UNO : United Nation Organisation

WEIGO: Women in Informal Employment: Globalizing and Organising

SMEs : Small and Medium Scale Entreprises

## **GLOSSARY**

**Basic Income or Salary** - The basic income or salary refers to only the income that is earned by a worker in a month without including the overtime (it may be the average monthly salary for a salaried worker and average earning for the piece-rate and daily wage earners).

**Dadan Labour** – A form of exploitative labour system that originated in Orissa.

**Educated -** Persons above secondary level of education.

**Financial Inclusion** – It may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost (The Committee on Financial Inclusion, Chairman: Dr. C. Rangarajan).

**Forced Holiday**/ 'Chhuti Le Lena' – Forced unemployment; An arrangement where the worker is asked to withdraw himself from the employment during lean seasons of production and is ironically suggested to take holiday or break, with no guarantee to be absorbed back into employment during next cycle of peak production.

**Formal Sector -** Formal Sector was considered for those who worked in Government/public sector public/private limited company, co-operative societies/trust/ other non-profit institutions.

**Gated Globalisation** – 'gated globalisation' is a term coined by the author for the situation where one of the aim of the globalisation which was e given as justification behind 'opening up' of developing economies like India - that the opening of the economy to the global market will ensure 'fair and higher wages' - is not actually realised because of discriminatory labour market practices based on caste, religion and gender. People from certain castes, religion and gender cannot fully take the advantage of the globalisation because of societal structure – as if globalization is gated for them. This may be called gated globalization.

**Gross Income** - For all working purposes here it refers to monthly income (be it salary or piece-rate income) plus the overtime earning.

**Household Sector** - The remaining workers who worked in enterprise type designated as employer's households (i.e., private households employing maid servant, watchman, cook, etc.) and others were clubbed into one category of Household Enterprise (termed as used and laid down in NSS, 66<sup>th</sup> Round).

**Individual Male Migrant Household** – Households consisting of single male who has migrated without his family.

**Informal Sector -** Using the employment/activity/job status — Usual Principal and Subsidiary Activity Status (UPSS) and the type of production unit, viz, Enterprise Type for Principal Status (ETPS) and Enterprise Type for Subsidiary Status (ETSS), the informal sector was identified. Thus, the following categories emerge:

- a. Self-employed in proprietary and partnership enterprises.
- b. Family workers in proprietary and partnership enterprises.
- c. Casual workers in proprietary and partnership enterprises.

Identification of informal sector is essentially based on the basis of propiertiership and partnership.

**Job Contract** - Job contract refers to any written contract or agreement, whether protected under national legislation or not, in respect of duration of employment with his/her employer, for the job in which he/she is engaged.

**Male Households** – Households where the male worker has migrated with his family but he only is the sole working member.

**Paid Leave -** Paid leave may be defined as 'leave during sickness, maternity, or such leaves, as the employee is eligible to take without loss of pay as per the conditions of employment. The situation will be obtained excluding the paid off days/holidays which an enterprise normally

allows to its employees' (NSSO, 2009 - 2010). A sectoral analysis of paid leave will reveal the quantum of loses by one while staying in the informal sector.

**Payment Method** - Payment in the informal sector may take the form of regular formal monthly payment or the other lesser formal types including weekly payment, daily payment, piece-rate payments and other forms which may include payments in kind or partly in cash and partly in kind etc. Regular monthly payment is considered as an important component for determination of formality or informality of employment (NSSO 66<sup>th</sup> Round, 2009-2010).

**Subsidiary Activity** - For each member of the household, it has to be ascertained whether he/she worked in a subsidiary capacity during the 365 days preceding the date of survey or in other words if he had any subsidiary economic status. A person will be considered to have worked in the subsidiary capacity if he/she has worked for a minimum period of 30 days, not necessarily for a continuous period, during the last 365 days.

Social Security Benefits - Social security may be defined as the hedging against economic and social insecurities. It will be ascertained from the employees whether they are covered under any of the specified social security benefits or a combination of them which are arranged or for which contribution is made by the employer. This question will consider only those components where the employer contributes or arranges or pays in implementing the social security benefits for the worker. If an employee operates, in his or her individual capacity, any security (a PPF account) and the employer is not contributing in that account then it will not be considered a social security benefit. These includes PF, ESIC etc.

Usual Status Activities - Usual Activity of a household member.

**Urbanization -** The phenomenon of increasing urban population. Urban area by its very definition is an area which has a minimum population of 5,000 and population density of 400 persons per square kilometer and at-least 75 percent male of the working population is engaged in non-farm sector.

**Wage Theft** – Any unexplained deduction in wages may be referred to as wage theft. The Contract Labour Act (Prohibition and Regulation), 1970 prohibits deductions that are not permitted by government regulation. Any unexplained deduction apart from the as prescribed by government regulation and commission of the contractor can be recognized as wage theft.

**Working Female Household** - where the female is also working in the labour market along with the male members.

## **CHAPTER I**

## LITERATURE REVIEW

#### 1.0. PREAMBLE

Despite impressive growth story of India in the last decade, occasional global recession has affected the labour market which is segregated, particularly in developing economies between two sectors – the formal or the organised and the informal or the unorganised. Not only in terms of production process but this 'organised and unorganised' market holds special significance in terms of employment.

Garment industry which is a key industry for Indian economy not only in terms of employment generation but also with respect to contribution to the foreign exchange, has an extensive global value chain and product chain. Production in this industry is not only determined in terms of market demand but also in terms of supply of raw material which is necessarily agro-based and depends on climatic conditions. Also garment does not constitute of any single material, it may vary from cotton to silk to mixed fibre and what not. Thus, as understood not only the production but also the demand of the end product is seasonal which may bear significant implication for the persons employed in this industry. Also India which has leading share in the global export of garment, it is expected that the jobs that arise in this sector will be promising and translate the lives of workers therein.

India's labour market is segregated on the unique and queer lines of caste, religion and gender which determines to a large extent the role and location of the worker in the industry and also to a large extent determines the emoluments offered to him or her. The focus of this thesis remains whether such societal effects of wages are overcome by the large globalised export orientated firms or rather do they take advantages of the discrimination to keep low on wages as in case of small and medium domestic market oriented firms (as assumed).

The thesis begins with the review of existing literature in the related field of study so as to identify the research gap.

#### 1.1. THEORIES OF LABOUR MARKET

The theories in the context of labour markets can be segregated in three broad categories: the first is regarding the nature of labour market – dualistic or pluralistic and the second pertaining to the factors influencing labour market. The third a most recent contributor: the role of Global Value Chains (GVCs) in job creation across the globe.

#### 1.1.1. Nature of the Labour Market

Two <u>conspicuous</u> lines of thought can be delineated relating to the idea of labour market. On one hand (the prior approach) there is the *Dualist Model* in view of the "Aristotlean" way to deal with social reality, which partitions and subdivides the economy into *totally unrelated classifications* and after that tries to distinguish and examine them independently. The second is the "Monist" approach (the later approach) which takes the middle way that *unfurls to characterize what social establishments are and how are they connected and limited*. Along these lines the second approach is inverse to the first and looks to recognize the complexities as opposed to make over speculations (Morales, 1997).

Early hypotheses were based on Aristotlean method to deal with the social reality, partitioning the economy into two segments of activities. The classical, neo-classical as well as the Kenysian theories, based on (1) the demand and supply of labour, and (2) the labour market segmentation model, follow the dualistic framework. *The first generation segmentation theory* as developed by Doeringer and Piore in the 1960s, identified two separate sectors belonging to the first category – *primary sector*, marked by high wages, secured jobs, protected and safe work environment, and the *secondary sector*, categorized by low wages, poor work conditions and insecurity of jobs (Jekins, 2004). *The second generation of labour segmentation theory* viewed the labour market as more complex outcome regulated by the capitalist to gain control over the means of production and continue the *process of surplus accumulation by surplus appropriation*. These theories laid down that the two sectors were distinguishable along racial and gender lines. Low skills and flexibility, patriarchy and discrimination resulted in the concentration of women in the secondary circuits/sectors (Peck, 2004).

Researchers of the sixties thus viewed these sectors as antagonistic to each other. Varying terminologies are used to denote these sectors: (a) bazaar and firm, (b) upper and lower circuits,

(c) formal and informal, and so on. The terms 'organised' and 'unorganised' sectors are relatively recent additions.

Lewis model proposed a different viewpoint of the informal sector relating its origin to the surplus labour in the economy' (Sachdev, 2006). In the 1950's and 1960's researchers mostly influenced by this viewpoint marked informal sector as a result of more transient phase in the economy as it progresses from a traditional rural society to a capitalistic one in which rural to urban migration is an important feature. The informal sector was thus considered only as a transitional or temporary phase in the economy that would disappear with development (Aziz, 1984).

However, it is only during the second decade of the twenty first century the realisation that informal economy and informal employment have become more persistent feature of developing nations of India, Bangladesh, Pakistan, China, South Africa, Sri-Lanka dawned.

Historically the two great wars of the Twentieth Century, in its first-half, and the following cold war of the second-half upto the beginning of 1980s, was a process of 'transformation of the knowledge to power' to gain both political and economic supremacy to bend other nations the way the super-powers want. Technology accelerated in a much faster rate to mould every aspect of human lives, both the good-way (materialistic), and the bad-way (moral) as well. The Second World War gave rise to two very important concepts and knowledge that got immediate attention of the academic and applied research world, and acceptance in all-round economic development process, and became strong tools for management of industrial activities: (1) Operations Research (OR), and (2) Ergonomics. Or Human Engineering (HE), both bringing a total transformation through new understandings in the 'thought process of Design Science'. These two together contributed to the institutional productivity and the individual (human) productivity, having becoming intensive fields of studies of 'economic worth'. Three pillaring phases can be identified, linked to production and economy, as follow: F.W. Taylor (1920) - Modern management of industries, bringing in the concepts of 'interchangeability' in component manufacturing vis-a-vis narrowing their engineering tolerances for perfections, and ensured by the activity of 'inspections'; G. Ford (1910-50) – mass manufacturing by hard automation; The

impact of Third Wave (A Toffler): Computer and information technology (~1950) – Flexible automation and robotisation.

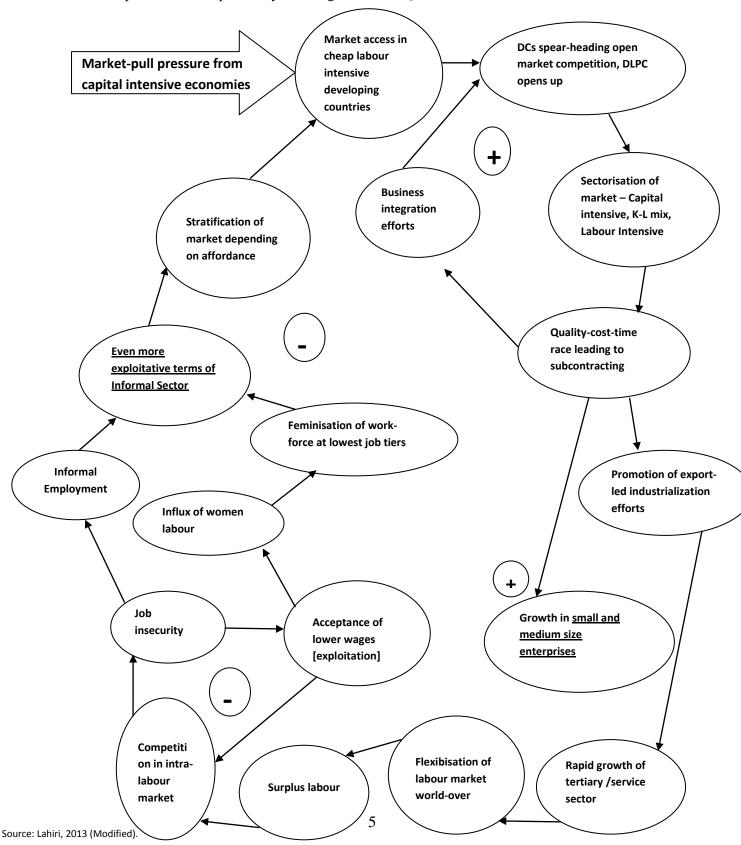
The second half of the Twentieth Century, post Second World War has been termed as a *post-Fordist era* [the Ford era can be taken as the period 1910-1945/50] or that of 'flexible specialization' (Holstrom, 1993: M82; Das, 1999; Munck, 2002). It refers to a strategy of innovative and flexible use of technology, and OR-based management of adjustment by flexibility in labour use and skill based workers. Globalization [1980s], that fetched in consequential strategies to integrate the markets, resulted in export led industrialization and rapid growth of tertiary sector, both of which have initiated and accentuated the flexible nature of labour market all over the world (Standing, 1989, 1999; Holstrom, 1993; Das, 1999; Munck, 2002). This phenomenon, under corporate commands, of increasing casualisation and flexible use of labour is also termed as "flexiblisation". It has two connotations: one, flexible use of labour and capital. Labour can be viewed at two scales. The upper scale comprise of people having multiple skill and technological knowhow, and the other, where flexiblisation takes the form of 'passive flexibility' and 'sweat labour' in labour surplus developing countries like India, China, Bangladesh, South Africa (Holmstrom, 1993, Galhardi, 1995, Das, 1999).

In a labour surplus country like India where general level of education is low, competition at the global market is mainly argued on the basis of constant wage cut and compromising work conditions. This has led to the growth of floating informal sector characterized by low wages and with feminization of the work force specially at the lowest tiers of employmet<sup>2</sup> (Standing, 1989, 1999). Figure 1.1 depicts grades of improvement in some pockets of activities with negative fallout in some as effects of globalisation. Labour market thus has varying degree of formality and informality within it forming a continuum (Unni, 2000; ILO, 2002b; Chen, 2003; Unni and Rani, 2003a).

Thus continuum in a modern complex economy suggests than workers with low education in informal sector are not segmented and segregated from the high educated, high skilled ones in formal sectors. There prevails heterogeneity among workers alongside work conditions within the labour markets (ILO, 2002b; Hussmans, 2004). The process of perpetual exploitations continues in socio-industrial life.

Figure 1.1: Globalisation Dynamics - Formal - Informal Sector Continuum

[Positive sign (+) indicates that development that takes place is positive; the negative sign (-) indicates that development that take place may have negative fallout.]



#### 1.1.2. Factors Influencing the Labour Market

Factors affecting the labour market are many and complex. However, the early theorists – first generation, second generation, proponents of flexible specialization as well initial pluralistic theories identified economic forces of demand and supply as the only determining factors. The role of social dimensions was recognised much later. The influence of racial and cultural dimensions were first analysed in America. Thereafter, the role of education and experience was analysed, with *human capital theory* gaining ground (Scahdev, 2006). Parameters like *gender discrimination, role of patriarchy and similar socio-cultural factors were incorporated in the late eighties and nineties*. Social feminists identified the role of patriarchy, social structure and mode of social reproduction (Peck, 1989, 1996) in determining labour relations by arguing that patriarchy or the social relations of interdependence and solidarity among men together subordinate women's status in society and labour market (Penck, 1989, 1996; Hanson and Pratt, 1995; Raju, 1999).

The *public and private spheres of women's life are intricately linked* and in most of the cases overlap with each other. The fact that *domestic division of labour and leisure*, influences participation of women in labour market was a later addition (Hanson and Pratt, 1995; Jenkins, 2004) – thus forming a distinct area of enquiry in feminist economics. Household factors impose a constraint on women's time, and the cultural- behavioural pattern within the household may hinder education, mobility of women and hence their active participation in work outside the household (Masika and Joekes, 1996).

Modern theorists claim that dynamics of spatial relations, must be examined (Hanson and Pratt, 1995). Labour market now is being viewed in the larger context of socio-cultural context of the nation where the spatial location of the region holds significance (Dubey, Palmer-Jones and Sen, 2004; Raju, 2006; c.f. Sachdev, 2006). Thus, gradually the role of education and educational quality, social and class discrimination, regional differences etc. were accepted. Increasingly, demographics in terms of population growth, migration (Tansel, 2001; Tiwari and Goel, 2001; Dasgupta, 2003; Dubey, Palmer-Jones and Sen, 2004), age-structure of a region; the gender and cultural construct; social processes of exclusion and grades of inclusion (Bhat and Nirmala, 2000, Carr and Chen, 2004, Vanek, 2005); educational levels, skill, geographical factors and

*location specifications* (Peck, 1989; Biswas, 1996; UNFPA, 1998, Raju, 2006) have often been enlisted that govern the labour market dynamics.

Post-1990s witnessed rapid advancement of science and technology in particular the communication-cum-control engineering and space-invading diffusion of the internet across the world resulted in increased globalization and integration of markets, and thereby the entire developmental process and the labour market underwent notable transformation.

The impact of globalisation on developing countries has two prominent schools of thought though there has been widespread debate. The first school views that opening up of market would tend to increase employment opportunities promoting growth (Ahluwalia, 2002); it appears to have a capitalist's bias. The second school opines that increasing competition and guidance of the economy by market forces of demand and supply would tend to accentuate inequality in a labour surplus economy like India; this appears to have a socialistic basis. They argue that export led industrialization and rapid growth of tertiary sector would lead to casualisation of labour and proliferation of the informal sector (Unni, 2001; Bhattacharya and Sakthivel, 2004). This effect is very visible in India where globalization has increased competition among Indian firms which have tendency to compete by constant lowering of wages and adapting flexibility in employment to exert downward pressure on costs. At the national level, simultaneous withdrawal of the welfare state and reduction of the rigidities in the labour legislations has marked the process employment flexibility and also decreased the strength and dominance of unions reducing the bargaining power and increasing the vulnerability of the especially marginalized group and low skilled workers (Standing, 1989; 1999).

Such labour market flexibility has actually led to increase in the volume of the informal economy. The term informal economy implies both the employment generated in the informal sector and the informal employment in the formal sector (detailed in the later half of the chapter). However, despite globalisation the employment scenario of the country is not very bright – with more than 90 percent of the employment generated as informal employment. Even, in urban India 66 percent of the jobs are generated in the informal sector. Even the high GSDP states like 'Gujarat' 77 percent of the jobs are generated in the informal sector which is almost 10 percent higher than the national average of 66 percent (Lahiri, 2013).

Another cause of concern is that both labour force and work force participation have declined in rural and urban areas among both men and women. This has been attributed to increasing agricultural labourers and increasing non-farm employment which require workers of higher educational levels. For urban areas too participation rates have fallen, and rising joblessness and rising aspiration levels are attributed as the main causes (Unni, 2001). Though unemployment rates have declined but daily status unemployment, youth unemployment, and educated unemployment share is increasing (Visaria, 1998, Government of India, 2002, 2003; Datt, 2003; c.f. Sachdev, 2006). The increasing unemployment by daily status generally indicates underutilization and casualisation of labour.

Various studies reveal that female employment in the first decade of the twenty-first century was on rise but a recent trend of declination is noted. Female Work Participation (FWPR) rate in India has declined from 28.5 per cent in 1987-88 to 21.9 per cent in (2011-12). Though 2004-05 witnessed a significant rise in FWPR (marginally less than 30 per cent), the growth has not been sustainable. Globalisation driven increase in female participation was visible in 2004 – 05.

Some scholars argue that diffusion of educational opportunities to a potent factor behind females missing from employment. But this only partially explains declining trend of FWPR as the fall in work participation has been witnessed across all age categories. The recession in 2008 could have been a probable reason for the declining FWPR but this falls short as an explanation if we include the performance of other South Asian countries. For example, the performance of Bangladesh has been reasonably well, with Nepal and Maldives having high women participation at the labour market at 79.4 and 54 percent respectively. Even Pakistan and Sri Lanka has shown steady increase.

Cause of concern in the context of Indian labour market is that women with elementary education are particularly missing from the labour force as they mostly perform the duties of unpaid caregivers. Apart from the care economy, a substantial proportion of the female workers contribute towards unpaid family labour.

Besides, declining FWPR the quality of female employment is another grave issue. Female generally concentrate in poor quality, low paid part time jobs with least formal job contracts and

social security benefits (Kundu, 1997). The flexible nature of work being considered by employers to be more attuned to women has resulted in increasing female workforce participation rates as well as use of female labour force in jobs traditionally done by men.

ILO's recent World Employment and Social Outlook Report (2017) states that economic growth rate would lag behind and this will lead to further decline in employment rate and worsening social inequality in 2017. With respect to India's forecast, employment rate would not improve in 2017 but rather marginally decline in 2018. Global unemployment rate is also expected to rise moderately from 5.7 percent to 5.8 percent, thus representing 3.4 million more unemployed people globally (bringing total unemployment to just over 201 million in 2017). This will lead to deteriorating labour market conditions in emerging countries thus raising the vulnerability of the workers and compromising on the provisions of decent work.

Factors affecting women's work and women's decision to work are much wider and diverse compared to her male counterpart. They range from her education level and skill acquirement to her age, marital status, family size and composition, demographic characteristics of the family, husband's earnings, status of the family and area of location (urban or rural)etc. For example, men and women differ in their age characteristics at the time of entry to the job market. Most of the men normally enter work by the age of 25; whereas most of the women do so beyond 25 years of age, and 35 years being the most frequent. The life cycle of a woman which consists of events like pregnancy and child bearing period determine to a large extent the participation of the women in the labour market.

This substantiates further that these entrants are not, on the whole, a new generation of independent women in adolescence seeking work outside the house rather they have come out to work to augment their family's income (Bapat and Crook, 1988). This indicates that labour market participation of women is from more mature households, with the adult women being compelled to take up work after their early years of child-bearing to support their family's earnings and these mostly are the households that were poorest of all. Presence of small children and elderly may not assume statistical significance independently but they nevertheless profoundly affect women's decision to work. Once, the household income increases these women are withdrawn from employment which is one of the effects of 'Sanskritisation'.

Manufacturing and construction are the two areas which recruits large proportion of female workers. Within infrastructure, building industries, bricklaying and road construction engages, a large proportion of casual labours, migrants and also local rural women. Bidi - rolling (country-cigars) industry, dyeing/printing of cloths, in also employ considerable female workers. Garment industry within manufacturing employs women workers in huge proportion but mainly for the lowest of jobs or the residual (peripheral jobs).

The increase is also exceptional for women in the 'unclassified' sectors; and domestic service, nursing included, already the domain of women, increased substantially (Bapat and Crook, 1988). Hollos (1991) noticed that differences exist with respect to how a woman spends her earning depending on her status. Educated women in white and pink collared jobs coming from rich family spends her earnings usually on her desires and luxuries like jewellery etc. whereas illiterate or little educated women in informal jobs spend most part of their income in children's education, health etc (Such instances are found in the study as well).

Location of women also assumes importance on her decision to work. Studies have found that the advantages of urban living include possibilities of loosing of clutches of male or patriarchal domination (Mayer, 1971; Obbo, 1980), and associated economic and (sexual) independence from husbands (McCall, 1961) and thus greater financial empowerment (Ardener, 1961), and overall higher standards of living (Southall, 1961). Financial independence also is believed to offer the women greater scope of selection of partners (Gugler, 1972). But, there is other side of the picture too. The disadvantages of living in urban areas include instability in the traditionally powerful position women held within the household which was her 'exclusive private space'. Alien culture, especially for rural women folks make them emotionally dependent on men (Bay, 1982; Schwartz, 1972; Ware, 1981), partially due to unequal educational and employment opportunities across gender (Boserup, 1970; Gugler, 1972; Smock, 1977). Women also lose contact with their relatives and friends, further eroding their emotional base.

Biasness exists across sectors in male-female distribution of workers. The sixty-sixth round of National Sample Survey (2009 - 2010) notes that among the female workers in the informal sector in urban areas about 47 percent were engaged in the manufacturing activity. In the manufacturing activity, a higher proportion of female workers were employed in informal sector

than the males: 87 percent of female workers against 75 percent of male workers in urban areas, and 93 percent of the female workers against 83 percent of male workers in rural areas. There are occupations where the increase for both sexes was substantially above the average: for instance, in bricklaying (where it is a safe assumption that women are engaged in the unskilled tasks), and in the residual category of 'other labourers'. The increase is also exceptional for women in the 'unclassified' sectors; and domestic service, already the domain of women, increases substantially (Bapat and Crook, 1988). Arup Mitra and Swapna Mukhopadhay (1989) observes an average change in the sex composition of the workforce in that the female intensity of the construction workforce (FCW/TCW: number of female construction workers to total construction workers) has shown an appreciable increase in Class-I cities. Thus not only the type of sector but the location considerably influences women's decision to work and job type. Bapat and Crook acknowledge there exists segmented labour market which would allow the capitalists to set lower wages for females for the same job compared to that for males. Market cannot be viewed as an entirely independent entity which would automatically clear off unequal gender terms that stem within the society and home, as J.S. Mill pointed out that the only explanation of such differentials in the same occupation lies in "the present condition of society, which, making almost every woman, socially speaking, an appendage of man, enables man to take systematically the lion's share of whatever belongs to both". Furthermore, certain occupations are effectively 'reserved' for women, especially women from low-status households. To quote Mill again, "So complete has hitherto been the separation, so strongly marked the line of demarcation between the different grades of labourers, as to be almost equivalent to a hierarchy distinction of caste". At lower level of education and jobs there may exist male-female wage differentials in the same job in spite of having similar qualifications.

Garment industry presents an ideal situation of global value chains (explained in detail in Chapter III) which engages huge number of women workers but mostly concentrated in the lowest tiers of jobs. The main question that this thesis tries to address is that whether the export markets are able to overcome the discriminatory labour practices that exist along the lines of caste, gender and religion or rather do they take advantages of the prevalent segregation to keep low on wages and other benefits and entitlements of the workers.

Cotton textile industry is one of the oldest industries in India and is unique in the sense that both traditional and modern co-exists in the same sector in sometimes harmonious and in other times in conflicting relations. Such relations are represented through the issues like tussle between the handloom and the power-loom sectors, displacement of labour force especially female workers following mechanisation, misappropriation of wages by contractors. Both are high priority sectors, but power-looms employ technology similar to that of mills, but offer the workers much lower wages compared to that of the mill workers. On the other hand being part of the small scale sector they qualify for important tax concessions thus further raising their profit margins (Roy Chowdhury, 1995). Thus the power-looms reaped the benefits of being priority sector on one hand and the advantages of globalization and liberalisation on the other. The performance of the cotton textile industry in subsequent years showed that the growth of power-looms continued, and except for a few mills which moved towards the export market, the decline of the organised mill sector could not be reversed. Additionally, the expansion of the power-loom meant certain degree of displacement for both handlooms and mills. Four decades since independence have seen deepening decline of both handloom and power-loom sector. The justification of the powerloom was given in terms of dispersal of economic activity over the country and as an employment provider in rural areas. However, growth of unregistered power-looms, dubious entrepreneurial practices such as dispersal of economic activities to avail the protections reserved for the small scale sector, and above all the growing number of workers in this sector whose wages were much below those in the organised sector raised serious policy concerns. The New Textile Policy of 1985 tried to correct the situation. In the context of the critique of textile modernization outlined above, the 1985 New Textile Policy struck a different chord. The policy sought to encourage economies of scale by allowing larger sized plants in the organized mill sector, liberalized import of textile machinery and facilitated export subsidies. The Textile Modernization Fund of Rs. 750 million was created under the aegis of the Industrial Development Bank of India (IDBI) to provide credit assistance for the revival and modernisation of mills. The policy stated clearly that potentially unviable mills should be closed down to avoid continuous drag on the economy of the country. A number of steps were envisaged with regard to increased support to handlooms. Excise duties on the domestic production of synthetic fibres and duties on their import were significantly reduced in order to encourage the growth of the synthetic textile industry. Finally, with regard to power-looms, the new policy recommended the

registration of all existing power-loom units. In effect therefore the policy sought to legitimize the growth of power-looms, a large part of which had hitherto developed outside of state laws. An excise duty was imposed on power-looms which brought them at par with the weaving section in the organised mill sector. However, the wage differential between the mill and the power-loom sectors remained. Effectively, therefore, the question of the competition between the mill and the power-loom sectors remained unaddressed. The performance of the cotton textile industry in subsequent years showed that the growth of power-looms continued, and except for a few mills which moved towards the export market, the decline of the organised mill sector could not be reversed. The decline of mills in fact increased sharply in the mid and late 1980s. The number of closed textile mills went up from 13 by the end of 1980-81 to 70 in June 1985 and further to 142 in March 1989 (Roy Chowdhury, 1995) thus affecting the employment of hundreds of workers.

Not only this, liberalization has affected differently in the nexus of gender. Four significant trends on employment and income of the women workers in textile industry due to liberalisation are visible (SEWA, 2014):

- Loss of existing employment without creation of new opportunities.
- New technology and skill has replaced the traditional work locations of women
- Growing informalisation of work
- Creation of new arenas of employment.

Women are mostly affected by changes due to mechanization. Reduction in manual work, has drastically cut down the number of jobs held by women workers. For instance, the import of 'China-Korea' silk yarn has lead to thousands of women silk spinners and twisters of Bihar losing their jobs. Weavers and consumers prefer this yarn as it is cheaper and shinier. Various micro-studies reveal that technology has eliminated several jobs which were traditionally held by women but alternate job opportunities have not been created for women in the same rate as it has been for men. However, labour intensive jobs are still left for women. Introduction of tractors, harvesters, weedicides, insecticides, hormone accelerators, High Yielding Varieties, mechanical cotton pickers have replaced jobs traditionally performed by women and on which many women were depended for their livelihood had been (mis)appropriated.

However, there are still sectors of opportunities where the women are preferred and are in large numbers. Subcontracting of work to home based workers is widespread both in the unorganised and certain organized manufacturing sector and a huge majority of the households in slums and resettlement areas are doing some form of work. However, the regularity of jobs of these home based workers is extremely low (women workers).

Presently, competition is an important component for the development, expansion and growth of industry. In this context, cheap and abundant labour along with their flexible use, have become key to competitive advantage of firms (Neethi P., 2008). With increasing competition with the global market, restructuring the domestic industry with more flexible policies regarding production and labourhas been the demand (Bagchi and Das, 2005). Such restructuring of the domestic industry had varied implications for labour, employment and industrial relations in India. Informal employment has increased significantly due to such restructuring where employees are appointed on a flexible basis which are largely informal—in the nature of a clientsupplier relationship whereas employment is offered "not as an appointment but as an assignment". Despande et al. (2004) studied the labour flexibility practices in India during 1991 – 98 and found that percentage of permanent manual employment has declined and that of casual employment employees has increased. Share of total emoluments including wages, salaries and social security benefits in Net Value Added (NVA) follows declining trend in employment whereas the share of profits has increased as such by shunning liabilities (Neethi P., 2008)). This sector - textile and garment industry -is a case in point to examine the impact of labour market flexibility and globalization because it comprises large small scale and old industries with better organisedlabour market and adherence to labour relations. Additionally, this sector is well integrated with the global market through exports and FDI. It is, therefore, expected that the textile and garment industry affects the intersection of labour and capital in the domestic economy (Sen and Dasgupta, 2005).

Another important issue to be noted is that, in the textile and garment industry the share of the 'non-production' employees not directly involved in the production process, which include supervisory and managerial (barring the clerical) staff, technical and engineering staff (as machine and machine maintenance team) had increased. There is a decline in the share of the floor workers involved in direct production and increase in the share of the control staff (as a

consequence of increasing automation in the production machines and facilities). As Ravi Srivastava (2014) marks that the proportion of permanent workers getting full social security and having permanent job is very less (0.4% equivalent to just one number of worker in the surveyed population). Contract Labour Act divides work into core and non-core work and strictly specifies that contract workers cannot be employed for core work. But contract work is replacing direct work, taking support from leniency of labour laws. The share of profit remains unchanged, the share of wages to net value added falls, and to maintain the same level of profit, employers follow a strategy of wage cutting. Thus, as a way out from the existing rigidities in the labour market, employers choose mainly two methods: reducing permanent workers or increasing non-permanent workers by adopting structural changes like using the capital deepening method of production (whenever capital is cheap). The first method helps them reduce the labour cost and maintain an unchanged profit level. Thus there is a wage theft (Neethi P., 2008).

For having a generic symmetry, a similar situation, and possibly more averse, exists in the Eastern states, mostly West Bengal and Assam in the Eastern region of the country and Bangladesh (for having geographical and climatic similarities). Jute being totally an agricultural produce, and has not have a synthetic support as substitute, which the textiles and garment industries can enjoy otherwise, the labour size not only includes the workers in jute processing industries, but also the band of labours engaged in jute cultivation. In the late Sixties, to promote the use of jute-fabric based industries, the "Indian Jute Industries' Research Institute (IJIRA)" was established in Kolkata to promote quality of jute products in general and diversify the scopes of use of jute based products in the national as well as international markets. Jute processing machineries underwent great changes, but on the whole the future of jute based products could not be sustained in face of steep challenges from synthetic fibres. A very large number of jute mills are closed now, forcing the employees to migrate and search for alternative jobs. Both, their employment and their employability have been put on barren anvil.

In general there had been an increase in average share of contract workers to the total workers across states from 14 percent in 1995-96 to 23 percent by 2003-04.

Neethi P. calculates the contract worker intensity for each state as:

Contract worker intensity = 
$$\frac{\text{Contract worker } i_{jt}}{\text{Total worker in } i_{jt}}$$

[where, i denotes the states; j denotes the industry; and t denotes the time period].

She notes that on an average, the contract work intensity was the highest in Gujarat (27 per cent), followed by Andhra Pradesh (26 per cent) and Orissa (24 per cent), despite the fact that Gujarat is industry-rich and Orissa is industry-starved. This is interesting as these two states fall apart at two ends of a spectrum of industrial growth, thus indicating growth to be unrelated to the presence of contract labour. Despite the ubiquitous nature of contractualisation in almost all industry groups, it varies from region to region. State-specific factors such as degree of labour market rigidity, level of industrial growth as well as industry-specific factors such as cost of labour, productivity, and capital intensity vary across regions.

Cluster development programmes have been implemented across the country since 1996 by the Development Commissioner of Small-scale Industries (SSIs) along with UNIDO. To enhance the performance and efficiency of clusters, the Ministry of Small-scale Industries regularly identifies and intervenes in select clusters targeting the achievement of 'sustainable development' through targeted assistance to groups of local firms and associated institutions. Nearly 25 schemes for cluster development have been initiated by various central, state and developmental agencies throughout the last decade.

Vijayabaskar (2008) stresses the importance of clusters as increasingly seen by policymakers and multilateral agencies as possible growth engines and employment generators in the current globalising environment. The recent success of clusters of MSEs in the global market has provided a direction for policy-making. Harriss -White (2003) points out, that informal activity is essentially clustered, populated with MSEs specialising in specific sectors and dispersed across the country. Only a small share of these clusters has, however, responded pro-actively to global market impulses and produces for global markets. Several policy interventions have been initiated by the government and multilateral agencies like the UNIDO to improve the capabilities of the MSE clusters and enable them to compete in the open market.

Looking at the overall spectrum of industries in the country, the MSE clusters thrive as satellite industries around the main resource-based industries. And so far as engineering industries are concerned, 'vendor development' became a strategic approach taken up by the major industries in the Seventies-Eighties, who became dedicated and dependable suppliers of engineering components (that require specialized machineries, and technical skill as well as understandings) rendering the SMEs to be more competitive to remain in the streams, which the major industries have taken advantage of since the globalisation. This was a beginning of the shift in cultural attitudes of the then young generation, tuning them to be more 'employable'. A spread in technical education country-wide at that point acted as the main factor to make them 'industry-ready'; the issue of 'employability' could be attended to. But the general question remains, for whom, and to what extent, and how long under the sweeping and unpredictable changes in the techno-economics patterns!

The movement into global markets has not however been accompanied by any significant improvements in the quality of employment generated. Market dynamism, by itself, it appears, is insufficient to ensure better work conditions. On the contrary, a debate may be initiated as to how this dynamics itself may be sustained and how long by poor work conditions. The question, therefore, is how and to what extent can this situation be reversed.

Clusters of networked small firms in different low-income regions are drawn into global commodity chains those are increasingly dominated by metropolitan buyers who dominate the global market. In idealistic situations, if there be any, the firms that co-ordinate these value chains determine, to a large extent, let the producers of developing countries to access global markets, and also structure those markets; and this is the situation that generates the thrust of the market-push situation, (as defined in the HBR Webinar, May 1987 – vide Appendix).

Two contrasting views explain how entry into value chains can affect workers in clusters.

The first view is based on the logic that better wage rates can be achieved in low-income economies by the global integration of labour markets leading to equalisation of wage rates, globally. Global competition warrants better quality and flexibility leading to developed working skills as well as ability to move between and among tasks. According to the second view coming from the critics of globalization, global integration of markets work against low-income

economies, particularly workers in low-income economies. This is referred to as the 'immiserisation' argument and explains a possibility of quality degradation (Kaplinsky, 2000). This form of global integration creates what is popularly known as 'raise to the bottom' or a condition where the workers in the lower echelons suffer and their conditions are made worse for those inthe upper end to have increased profit (Rivoli, 2015). Therefore, improved quality is a prerequisite that is adhered by cluster development strategies. This enables MSE clusters to compete on the basis of improved quality, productivity and innovation. It is assumed that increased competition based on quality control will ensure better working conditions.

# 1.1.3. Understanding Informal Sector and Informality in Employment

The term 'Informal Sector' was first used by Hart in 1971 in a study of urban Ghana to refer to a number of income and employment generation opportunities in un-remunerative sectors, and was meant to described the labour force outside the organized labour market. *As a concept* though, it was first used by Hart in the early 1971 for the ILO employment mission in Kenya where the 'informal sector' was referred to as the traditional sector (Gerxhani, 2004: 267; Sethuram, 1977). Two schools of thought, as discussed earlier, exist in terms of the conception of the sector. The first follows the dualistic framework whereby the informal sector is seen as distinct from the formal. This school identifies the informal sector as a residual category comprising of the residual surplus labour unable to find jobs in the formal sector, and also the excluded workforce. The proponents of this school believe it to be the consequence of rural–urban migration, a temporary phenomenon, which will disappear in size with development (Aziz, 1984).

The second school argues that the informal sector cannot be sharply demarcated as a separate economic phenomenon or labour situation. The informal sector is heterogeneous and linked to the main economy (Breeman, 1976; Papola, 1980; Tiwari, 1994; Sethuram, 1997: ILO, 2002a, 2002b) and is not a separate 'analytical category'. Several authors confirm the view, but recognize the need to identify the varying sectors in the economy, for use as a tool for policy formulations (Papola, 1980; Ramanujam and Prasad, 1993; Sethuraman, 1997) (c.f. Sachdev, 2006).

The conception, origin and characteristics about the informal sector have evolved over time. Deliberations within ILO and organizations like 'Delhi Group/Expert Group on Informal Sector'

and stakeholders like informal sector cooperatives – 'Self Employed Women Association (SEWA)' continuously debated the case of the developing countries thus widening the base for 'informal sector' and 'informal employment'. Informal sector is now considered, in a humanistic sense, more as a sector within which there are gradations and which itself is a part of continuum of the general fragmented labour market. As against previous notions it is now considered heterogeneous and a permanent phenomenon (but not necessarily negative), the causes for whose origin can be traced to a multitude of factors.

Some illustrative examples are: small traders/grocers, hawkers, people earning their bread and butter relying on individual's efforts, skills under traditionally inherited professions/technical trades – involved in the 'art-of-making', the artists like painters, sculptors, idol-makers/potters and similar traditional expertise, composers, musicians, lyricists-poets, actors/thespians, novelists/play-wrights, sport-persons, private tutors, freelance photographers/reporters, anchors, the consultants in different categories of respected professions – all those who excel in some of their virtues, are creative and take the challenges of living meaningful social lives, who can turn their hobbies into profession – all of them enjoy their independence yet earn a living – belong to informal sector having flexibility to remain unorganized, or can prefer to go for loose organization. And they can arise from any social stratum, the common thread that run through them is their intelligence and talents, by birth and sharpened by practice; the only binding factor is the ethics they are to maintain.

Consequent upon the prominence and the complexities associated with it, "informal sector" had sought **inclusion of their activities into the system of national accounts**. Accordingly, the <u>production boundary</u> was enlarged in 1993 to incorporate the activities of the informal sector (ILO, 2002). Along with it, the Fifteenth International Conference at Geneva 2000, passed a resolution regarding the *definition of informal sector* which was later on endorsed by the SNA on the recommendations by the UNO<sup>4</sup>. Informal sector employment was based on enterprise definition.

'Informal sector' as defined by the 15<sup>th</sup> International Conference of Labour Statisticians (ICLS) is broadly characterised as –

- a) "units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at low level of organization, with little or no division of labour and capital as factors of production and on small scale. Labour relations where they exists are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees".
- b) "production units of the informal sector have the characteristic features of household enterprises. The fixed and other assets used do not belong to the production units as such but to their owners. The units as such cannot engage in transactions or enter into contracts with other units, nor incur liabilities, on their own behalf. The owners have to raise the necessary finance at their own risk and are personally liable, without limit, for any debts or obligations incurred in the production process. Expenditure for production is often indistinguishable from household expenditure. Similarly, capital goods such as buildings or vehicles may be used indistinguishably for business and household purposes".

Consequently, this pair of definitions was realized being too restrictive <u>as not to include the vast chunk of population not strictly falling within the informal sector</u>. It was criticized on the count of ignoring the employer–employee relationship. Consequently, the Seventeenth International Conference of Labour Statisticians (ICLS), 2003 modified the definition reasonably, but for 'informal employment', and not for 'informal sector'.

According to the 17<sup>th</sup> ICLS framework, *informal employment* is identified by jobs, classified by status of employment of various categories of workers engaged in different types of production units consisting of "(a) formal sector enterprises, (b) informal sector enterprises, and (c) households which produce goods for their own consumption or final use and/or those employing domestic workers". The status of employment of the workers performing the jobs may be "(a) own account workers, (b) employers, (c) contributing family workers, (d) employees, or (e) member of informal producers' co-operatives". The employment in the above categories *may be* 

formal or informal depending upon the type of enterprises in which the workers are engaged or the nature of work they perform.

# Accordingly, the *informal employment* comprises jobs held by:

- own-account workers and employers who have their own informal sector enterprises;
- contributing family workers, irrespective of whether they work in formal or informal sector enterprises;
- employees who have informal jobs whether employed by formal sector enterprises, informal sector enterprises, or as paid domestic workers by households;
- members of informal producers' cooperatives; and
- persons engaged in the own-account production of goods exclusively for own final use by their household, such as subsistence farming or do-it-yourself construction of own dwellings.

The specific difference between the informal and unorganised sector in India has been laid down in the 55<sup>th</sup> Round Survey of NSSO in 1999 – 2000. Accordingly, the *informal sector* has been defined, *using the legal status*, as unincorporated proprietary and partnership enterprises (NSSO, 2001). As regards the *informal employment*, issues of the combination of enterprise type, the employment status and criteria of nature of employment, job contract, coverage by social security, payment method, etc. have been taken into account (Sastry, 2004, NSSO 66<sup>th</sup> round report).

#### 1.1.3.1. Characteristics of Informal Sector

Initial attempts to identify informal sector were based on characteristics of enterprises, *viz*, small size of operation, informal structure, family ownership, use of traditional labour intensive technology, low productivity, lack of access to government favours, lack of access to credit, competitive product market, freedom of entry with little labour security. Thereafter, a range of criteria have been used, like, character of producers/enterprises owning it, nature of market, relation with the state and constraints faced by it (Breeman, 1976; Sethuram, 1977; Papola, 1980; Gerxhani, 2004). Overall, informal sector was identified as a negative, with no legal sanction, no formal protection or contract with the employer, absence of representation mechanism, poor

industrial relations, limited access to infrastructure, credit and marketing constraints, insecure employment, lack of social security and protection, poor industrial relations, low use of technology, low skill formation among labour, low productivity, low wages, poor networking and information base, less government support because of identification problem and unorganized nature of the informal sector (Breeman, 1976; Sethuram, 1977; Papola, 1980). In addition it was considered unsustainable.

Gradually scholars and also the International Labour Organisation started acknowledging the positive role of informal sector and employment (Tiwari, 1994; Sethuram, 1997; Belgique Agency, 2002, ILO, 2002). Informal sector absorbed people with less formal education and skills, and the goods they produce satisfy the need of working class and the middle income class people. The informal sector has a positive role in the developmental process, which can be attributed to its linkages with the formal sector and its ability to innovate (Papola, 1980, Tiwari, 1984).

Only in the last decade the heterogeneity within the informal sector -- specific to the area of study and consequently specific to the nature of economic activity undertaken in the informal sector -- has been acknowledged (Expert Group on Informal Sector, Meetings 1998 to 2005: www.mospi.nic.in/mospi\_informal\_sector.html). 'Informal economy' comprises the largest set of workers in the 'informal sector' and 'informal employment' which has been categorized into 'non-wage' employers and 'own-account' workers and 'wage' workers -- employees, subcontractors, home based workers and informal employees in formal units (Unni and Rani, 1999). The earnings and proportion of workers engaged show inverse relation or pyramidal structure, that is, wages decrease as the proportion of workers increases. In addition, attempts are being made to refine the boundaries by using the concept like 'place of work' to capture invisible workers and seasonality of occupations recognizing the irregular nature of operations (Charmes, 2004).

# 1.1.3.2. Causes of Origin of Informal Sector

The causes of origin of informal sector vary widely. Going beyond the simple and specific causes like rural urban migration and globalization, causes include compound and complex ones ranging from rigid and complex legal system (legalist school), slackening economic growth

(dualistic school), economic restructuring, and linkages with global value chains (structuralist school) (ILO, 2002, Avirgan, Bivens and Gammage, 2005), weak capacity of educational institutions, migration, governmental inefficiencies (Becker, 2004) and processes of social exclusion (Carr and Chen, 2004).

Three strategies have been identified that relate to the emergence of the informal sector. First, survival strategy for poor to supplement their income, in which sense it is an opportunity; second, cultural networking, wherein the community produces together in a close knit economy, geared to sustain and not accumulate; third, as a consequence of capitalism and economic restructuring to gain profits, evade regulations by choice or by need (Belgique Agency, 2002, cited from S. Sachdev, 2006)'. However, the reasons for growth of the informal sector vary across regions (ILO, 2002).

Empirical testing of these causations and comparisons of informal sector across nations and regions has been limited as different countries use different surveys, criteria and sampling techniques<sup>4</sup>. It has been argued that a mixed survey, with a separate module for informal sector is ideal (Expert Group on Informal Sector 1998 to 2005, Hussmans, 2004).

There are two prominent schools of thought *explaining the causes* of informality. One school focuses on the exclusion of workers from formal sector as a cause of informality. This school of thought adheres to the exclusionary view of informality. The 'exclusion' view of informality emphasizes the dual nature of labour markets, in which a highly productive formal sector *coexists* with a subsistence informal sector, which absorbs excess labour. The second school of thought considers informality as a result of voluntary dejection of the formal economy by workers for reasons including ease of entry and exit in the labour market, flexible working hours and so forth.

Across countries, burdensome entry regulations emerge as causation for having larger informal sectors (Djankov et al., 2002). India's labour laws may also lead firms to resort to informal arrangements, rely more on capital instead of labour, or limit their scale in order to remain outside the legal guidelines of the formal sector altogether (Economic Survey, 2013). Maintaining profile as a informal enterprise or micro-enterprise may allow the entrepreneur to

evade regulations imposed by the government on consequently larger size enterprises and also allow it to take the advantages and benefits of being a small business or enterprise (in the form of government subsidies and protection) [*ibid*].

## 1.1.3.3. Consequences of Informality

Informality has both positive and negative effects. While some scholars agree that informal sector constraints economic growth and poor working conditions for workers, other opine that informal sector provides an avenue for the poor to access a parallel market. The former argument holds true on the basis of the 'productivity' and 'accountability' to the official growth logic.

Productivity differences between workers in the formal and informal sectors are large, suggesting that moving a trained and skilled worker from an informal to a formal firm would bring about sizeable gains from improved re-allocation of human resources. In fact, rough estimates suggest that an informal job in the formal sector has double the *value added* than an informal job in the informal sector. Besides earning less, informal workers are also more vulnerable to violations of basic human rights, such as, deprivation of reasonable working conditions and safety at work. With little job security and limited access to safety nets, most of the informally employed remain extremely vulnerable to shocks such as illnesses and loss of income. Not surprisingly, a strong correlation exists between informality and poverty in India (NCEUS, 2009).

Informality as a beneficial assemblage is based on the logic that a large section of the population cannot access formal economy and benefit from the informal economy. Also, from the point of view of the firm, informal work arrangements bring *benefits*: lower price and greater flexibility in adjusting the quantity of labour in response to fluctuating demand. Yet, these benefits are partly offset by indirect costs, such as low worker loyalty and inadequate incentive to invest in worker skill building. Moreover, any net benefits need to be weighed against the social costs to the workers and the economy as a whole.

# 1.1.3.4. Database and National Level Studies

Conceptual and definitional issues associated with the informal sector have been widely dealt with but related data suffered from proper availability at the disaggregated level. It was

generated as residual sector only in 1999-2000. It was only in the 55<sup>th</sup> round of NSS that the definitional issues relating to the informal sector were solved and consolidated from a direct survey on informal sector enterprises and a module on informal sector in the 55<sup>th</sup> round of NSS undertaken (Kundu, 2001). [Details pertaining to Database and estimation are dealt in Chapter 2]. The increasing importance of the informal sector and employment was realised by scholars and researchers, thus urging both NSSO and Census to carefully collect and incorporate data on this sector as direct estimates, through two surveys undertaken in 1999-2000 which showed that not only three-fourth of the total employment is in informal sector but also that one-fourth of this was underemployed. Non-agriculture comprised 71 percent in rural areas and 68 percent in urban areas (Expert Group on Informal Sector 1998 to 2005).

Among all workers in AGEGC and non-agriculture sectors<sup>5</sup>, nearly 71 per cent were engaged in the *informal sector* (74 per cent in the rural areas and 67 per cent in the urban areas). More than 93 per cent of workers in both rural and urban areas engaged in AGEGC belonged to the *informal sector* (NSSO 66<sup>th</sup> Round, 2009 – 2010).

Within the urban informal sector and the urban organised manufacturing sector, and the question of dynamics prevailing across them has been most widely examined, including industry and region specific ones (Kundu, 1998, 2001; Kulshreshtra and Singh, 1999; Oberai and Sivanantiram, 2000; Oberai and Chadha, 2001). Many studies focus on the impact of reforms on unorganised manufacturing sector and report a decline in the growth rate of manufacturing sector (unorganised) vis-a-vis the latter half of 1990s (Kundu and Lalitha, 1998; Oberai and Chadha, 2001). During 1984 to 1994-95 the most employment generating sectors were not the ones which were most productive, but the ones which were most productive with employment growth, concentrated more in average and the low productivity sector, indicating that the sector is largely supply driven (Kundu, 2001). Studies also indicate that 'employment elasticity' is higher in unorganised manufacturing than in organised manufacturing. Informalisation has also found inroads into the formal sector through subcontracting thereby accounting for high growth rates for casual employment and for women as well (Parthasarathy, 1996; Kundu, 1997; Oberai and Chadha, 2001). Though industries recording maximum growth are reported to be food, paper and machinery and equipment, but the declining sectors have been identified to be dealing with rubber, leather (Unni and Rani, 2003); contrarily, information technology and tourism have

received special focus in terms of analyzing employment, productivity scenario and laying down policy guidelines (Oberai and Chadha, 2001).

## 1.1.3.5. Formal Sector – Informal Sector Linkages

Linkages of the informal sector with the formal sector can be positive in the form of forward/direct linkages, backward/indirect linkages and subcontracting/dependency linkages. Backward linkages are stronger in most cases and forward linkages are generally in the form of input, credit assistance and sale of outputs, which act as inputs for the formal sector (Wishwakarma, 1993). Backward linkages are generally of exploitative character and this reason explains the relatively involuntary character of this sector (Bienefeld, 1975).

Informal sector performs *two functions*. First, they provide cheap goods for rural and urban poor, who find it increasingly *difficult to purchase* 'high cost, standard industrial goods'. Besides, they serve as a small individualised market (as in custom made furniture and shoes) or where a great deal of flexibility in marketing is advantageous (as in street vending and illegal occupations). At other times, the same enterprises were functioning as distribution outlets or component suppliers for very large firms. They however face the price and credit problems much more than the large sectors. Second, the wages in this sector being very poor provide the larger units with huge trading profits through an *unequal exchange relation* (Bose, 1978). Additionally, they are dependent on the large scale industry for inputs (often obtained illegally), (Bienefeld, 1975).

Besides these types of direct linkages in terms of market, technology and resource inputs there exists *bonds of social dependency relationships* which have their basis in the lack of economic security. A complete lack of public welfare or unemployment compensation coupled with highly irregular and insecure nature of income, forces these people into either social dependency relationships or petty entrepreneurships. The poor try to increase their security within the urban system by entering into dependency relations with social superiors, and in doing so they accept wide range of contractual and semi-contractual commitments forced upon them (Breman, 1976). Similarly, people engage more in petty entrepreneurship on the basis of such dependency relations (Peattie, 1980).

The indirect linkages arise with reference to those generated by the goods and services produced in the informal sector for a clientele whose income is depended on the formal sector<sup>6</sup>. Therefore, a growth in the productivity and wages of the formal sector will create additional demand for these activities in the informal sector, which is guided by the nature and type of linkages that operate in reality.

# 1.1.3.6. Studies on Women, Poor and Vulnerable Sections

Female workers in urban India generally constitute in low tier jobs. An analysis of the employment structure that female workforce constitute about one third of the employment and their share has gone up more in low growth industries like textile and tobacco, construction etc. Share of part time workers, who are predominantly women have increased.

Segregation according to gender within the labour market operates at several levels – <u>vertical segregation</u> limiting women to low paid manual work; <u>horizontal segregation</u>, limiting women to agriculture, certain industries and services which are more of an extension of the work they do at home, leading to gender stereotyping of jobs; and occupational segregation prevents women to move higher up the grade with little scope of upward mobility (Bhat and Nirmala, 2000; Jenkins, 2004).

Interestingly, a study in Kerala reveals that in the service there are significant variations in higher scale attainment between men and women. While caste and religion are significant influencing factors on workforce participation of men in higher occupational scale, women employment in higher scale is positively influenced by ability, job training, technical education, private schooling, parental education, which reduce the cultural rigidities (Bhat and Nirmala, 2000).

Horizontal segregation is revealed by dominance of women in subcontracting, self-employed work and specific work. However, in India and some other Asian countries, a decline in self-employment and a rise in casual employment are observed. A growth of regular salaried employment among women has also increased. This may be attributed to the process of subcontracting, home based work and growth of export led industries, which sustain the global value chain and have more than three fourth of their workers as females (Standing, 1989; Unni

and Rani, 1999; Unni, 2001). This is recorded often as regular employment as they are paid regularly through contracts (Kundu, 1997; Unni, 2001).

In an extensive study by UNIFEM the linkages of the industry through subcontracting to home based work, primarily employing women was explored. The women home workers though predominate in all trades, they were dominantly found in garments, plastic goods, hosiery, shoe making, lock making, spices and pickles and food processing trades or industries. Average earnings were quite low, especially due to the irregularity and contractual nature of the work. Most of the work they did was manual. The technology and changing markets make livelihood earning even more difficult for them (UNIFEM, 2002: www.unifem.org). Study in Ahmadabad city in 1998-99 shows most women were home based workers, who get the lowest of wages and work at home. Most of them work on contracts and have negligible benefits (Unni and Rani, 1999). Male female wage differentials exist and are varied; while male wages lie above the minimum wage more often than not; women wages are not only below the minimum wages but also indicate the poverty line (in Ahmadabad) (Unni, 2001).

'Modern production relies on the informal labour relations for its sustenance (Standing, 1989, 1999). The low load of flexible specialisation that is being adopted to cut down on labour costs is resulting in the informalisation in the formal units. Case study in an engineering unit reveals the plight of informalisation coupled feminization. The engineering units in an attempt to cut down on labour costs employ only trainees and casual workers, who are primarily women and the reasons attributed by employers, are the dexterity of women hands, their patience, inability to organize and ease of paying them lower wages' (Vanamala, 2001; c.f. S. Sachdev, 2006). This is a case of direct and intentional exploitations of specially the women folk.

Thus, the labour market segmentation coupled with patriarchy result in the discrimination of women in the labour market. Specific focus has been laid on examining the condition of women employment in unorganised sectors by organisations like SEWA, and Women in Informal Employment: Globalizing and Organizing (WIEGO). They lay down measures and are actively involved in improving the condition of women in the labour market. In support of such measures, SEWA, the largest cooperative of home workers, organize themselves and a Trade Facilitation Centre was formulated. Besides, assistance from the academicians, scholars, NGO

and social activists; stakeholders and members of subcontracted and home based units themselves form a part of the network and have organised production on modern lines. As a brand, its sales and exports have gone up enormously (Treacy, 2003). Thus, adequate and appropriate policy can be used to improve the productivity, profit and conditions of workers in the sector (S. Sachdev, 2006).

The *political economy* which governs the relations between the employers and the employees have also been studied in depth, arguing that the access to social and organisational capital is essential for success, which otherwise accrue only to the upper class and caste and/or to union leaders (Cross, 1994; Waite, 2001). The role and potential of unions varies for different categories of workers, as informal entrepreneurs, informal contractors and informal employers in decreasing order of significance (Cross, 1998).

India has been successfully able to integrate herself with the world market. The case study of garment industry offers a very unique example of pre-dominant presence of dual sectors within a industry – and thus offers crucial insights to comparison between the formal and informal labour arrangement and return from their employment.

#### **END NOTES**

- <sup>1</sup> The term 'flexible specialization' was first used for a phenomenon in Italy, was first used for a phenomenon in Italy, wherein a network of small and middle size firms, having complementarities, find niches in the market with their high quality goods and hence sustained high wages. This region was also termed as 'Third Italy'. (Holstrom, 1999: M82).
- <sup>2</sup> Increase in the share of women in workforce, where women increasingly substitute men in various forms of employment is termed as feminization of workforce (Standing 1989, 1999).
- <sup>3</sup> Production boundary enlists what comprises of economic activities for national accounting.
- <sup>4</sup> Among different kinds of surveys used by different countries, the main ones can be enlisted as follows: labour force surveys, household schedules, enterprise schedules, economic census, urban surveys and earnings and employment surveys, living standard surveys, business registers, informal sector surveys, industry surveys and mixed surveys.
- <sup>5</sup> In the NSS 66<sup>th</sup> round (2009-10), particulars of the workers in the informal sector and conditions of employment of the different categories of employees (viz., regular wage/ salaried workers and casual labourers) were collected for the industry groups/ divisions 012, 014, 015, 02,05, 10-99 of NIC-2004. Among these, the industry groups/divisions 012, 014, 015, 02, 05 (henceforth referred to as AGEGC sector) were in the [ag]ricultural sector [e]xcluding only [g]rowing of [c]rops, market gardening, horticulture (industry group 011) and growing of crops combined with farming of animals (industry group 013). The industry groups 011 and 013 were kept out of the coverage.
- <sup>6</sup> The building and furnishing of middle class houses, repair services, traders of fresh fruits and vegetables, house-help; all these activities are depended upon the income of a clientele who in turn is depended on the upon the formal sector for his livelihood. Thus, only a growth in the formal sector's productivity and wages will create additional demand for these activities. However, here a paradoxical relationship arising out of the demonstration effect of formal sector goods is likely to arise between the informal sector production and formal sector wages. This growth would worsen the income distribution and induce a shift in the pattern of demand away from the informal sector's production.

# **CHAPTER II**

# RESEARCH FREAMEWORK

## 2.0. PREAMBLE

As already discussed garment industry is one of the key industry in Indian economy and has been instrumental in generating huge employment opportunities. This industry has a global value chain and is an important foreign exchange earner from economic point of view. But from social view point it touches life of millions. The industry which so essential to the economy of nation, whether and how it translates the lives of those engaged in this industry is the main theme of inspection in this thesis. Keeping in view the work done by the researchers so far the objectives and research focus of the study has been devised.

## 2.1. RESEARCH GAP AND AREA OF FOCUS

Garment industry is one of the most investigated and researched sector in Indian economic scenario, as this industry represents the modern co-existing with the traditional, and has global value chain employing millions of workforce. A lot has been studied about the nature of subcontracted jobs it produces, but there is one area of social as well as economic importance which lack serious investigations. Government policies encourage global investment in large firm, but has that investment been translated to benefit the workers is not known. This study therefore focuses on this question that whether big export firms are able to generate quality employment when compared to their medium and smaller counterparts. Another dimension of social importance this thesis also looks into is that whether the caste, religion and gender based segregations in society are reflected in the labour market decisions of even the large and export oriented firms when they provide employment and benefits to the marginalised sections of the society or rather do they overcome these discriminatory labour market practices. This research therefore integrates both economic and non-economic sides of employment generated in the sector and intends to address the situation in case of any lacuna.

#### 2.2. STATEMENT OF PROBLEM

Though garment industry has generated considerable research interests and attempts have been taken to study its various aspects – value chain, markets, employment generation, yet a holistic approach to study its economic and non-economic contribution to creation of sustainable jobs is lacking. This thesis puts an effort to study that whether employment in large export oriented firms ensure better job qualities to workers compared to those engaged in domestic, medium and small production units. This research also focuses that whether the firms with global outlook and serving international firms overcome the market dictates of wages based on caste, religion and gender differences which is a reflection of the greater societal marginalization or rather these firms continue to take advantages of such differences to keep down on the wages.

#### 2.3. OBJECTIVES

- 1. To explicate the relationship between firm typology and employment characteristics and emoluments entitled to the workers.
- 2. To examine whether there is occupational segregation across caste, religion, gender lines and whether these factors play role in determining the employment emoluments and benefits extended to the workers in light of firm typology.
- 3. Study the measures taken by the firms to overcome the market fluctuations and the financial crisis and how they affect the employment structure and labour per se.
- 4. To examine the role of the labour market institutions in protecting the workers' welfare. To examine the current provision in law to provide security to workers especially those informally employed.

# 2.4. GENERAL RESEARCH QUESTIONS

What is the nature of urban labour market across space?

What is the importance and contribution of the textile industry and garment sector to employment generation and Indian economy?

## 2.4.1. Research Questions Related to the First Objective

- 1. Does the production or firm size and type affects the prosperity of the workers? Do organized and large or export oriented firms offer better and regular payments and social securities to their workers across different skill levels when compared to unorganized workshops, small and medium firms or firms serving the domestic market?
- 2. Do the large and export-oriented firms offer better securities like maternity leave, crèche facilities, regular health checkups and separate toilet facilities to their women workers when compared to workshops, small and medium firms? Do the large firms have separate grievance redressal cell to take care of the issues faced by the women workers?
- 3. Do large or export oriented firms employ greater proportion of regular workforce than the small and medium firms serving domestic markets?
- 4. Is sub-contracting of work more frequent in medium and small firms than compared to large firms as the former have reluctance to cross their threshold and loose the benefits of small size?
- 5. Does requirement of a larger workforce bring about change in external realignment by shifting towards more formal recruitment methods and more formal selection procedures? Are the emoluments and securities offered to different grades of workers similar across firms of similar size?

## 2.4.2. Research Questions Related to the Second Objective

- 1. Are there occupational segregation across caste, religion and gender lines?
- 2. If there is segregation because of non-availability of skills or rather it is a fall out of the greater social discrimination?
- 3. Are these type of discrimination, lesser in large firms where the number of workers are large and personal terms and information about the workers are less available to the employers vis-à-vis workshops, small and medium firms? Does these differences disappear in the export oriented firms where the quality and standard of the workforce is of greater concern?

4. Do these factors play role in determining the benefits and social securities granted to the workers?

## 2.4.3. Research Questions Related to the Third Objective

- 1. Since garment industry is a highly export oriented sector and has a global value chain does economic crisis affect the employment structure of the firm? Do the firms strategy to deal with the crisis insecure the employment of the workers? Are the workers working in the large or export oriented firms more affected when compared to workshops, small and medium firms or firms serving domestic market?
- 2. Which group of workers are mostly affected and how?
- 3. What are the survival strategies of those workers then?

## 2.4.4. Research Questions Related to the Fourth Objective

- 1. Where and whom do the workers approach to resolve their grievances? Is there any grievance redressal cell within the firm? Are the problems faced by the labour are resolved by the employer?
- 2. Do the workers form labour unions? If not, why so?
- 3. Are there any Non-Governmental Organisations nearby looking into the worker's problems and rights?

#### 2.5. PROPOSITIONS

- 1. The importance of informal sector in country's economy is on the rise both in terms of employment and contribution to GDP.
- 2. The firm typology does not necessarily positively affect the conditions of the workers.
- 3. Employment relationships in the economy are changing and the new employment created is largely contractual and is in nature of client-supplier relationship where employment is not as an appointment rather as an appointment.
- 4. The proportion of permanent workers getting full security is very less even in large and export oriented firms.

- 5. Large and export oriented firms mainly take the advantages of globalisation and labour flexibility mainly through lowering of wages and hence the workers economic condition remain stagnant even after being employed in large or export oriented firms.
- 6. Female workers are differentiated and subjected to sub-human work conditions.
- 7. Factors affecting women's work and women's decision to work are much wider and diverse (than her male counterpart) ranging from her education level and age, area of location (urban or rural), family size and composition, demographic characteristics of the family, husband's earnings, status of the family etc.
- 8. Women and men differ in their age characteristics at the time of entry to the job market and also their prospects of job mobility are lesser.
- 9. There is gender stereotyping of work and large and medium firms and domestic market oriented firms absorb higher proportion of female workers than small or export oriented firms.
- 10. Differences in entitlement to wages, benefits and securities to workers exist across different castes and religious and gender groups.
- 11. Gender based differentials exist in the informal sector even with similar qualification and educated women are in larger proportion in the informal sector than in the formal sector.
- 12. Female employment assumes distinctive patterns in the interface of space and social groups like caste and religion.
- 13. Firms strategy to deal with economic pressures mainly include the reducing the number of floor workers and compel the remaining for overtime.
- 14. The situation of the workers is stagnated by the operation of the external pressures like network of contractors who prevent any unionisation of the workers.

The objective of the research is to verify whether the above propositions are corroborated and/or whether and what other hidden dimensions and insights are revealed and exposed for further examination.

# 2.6. CONCEPTUAL FRAMEWORK

The current research adopts a post-modern and post-fordist frame of thought. Post modern geography analyses uneven development in spatial context and thus the research too adopts a view on spatiality of labour market. The regional specifications are no less important than the structural factors.

The research adopts a monist or pluralistic approach to social reality. Rather than viewing the labour market as constituting two separate circuits, a viewpoint that is a continuum yet fragmented and pluralistic is adopted. Adopting a median approach and taking the case study of garment sector the research attempts to unravel the complexities in the urban labour market. It thus recognizes that there are separate niches in the labour market with varying degree of formality and informality.

Following a post-Fordist and post-modern, the thesis tries to address whether myth of homogeneity of workers is replaced by identifying the heterogeneity of workers and work conditions even in the informal sector. The heterogeneity of workers enables making supposition that the determinants or characteristics of workforce (individuals) employed in the informal sector is not only founded in economic but also in the educational (including skill), demographic socio-cultural milieu of the individual as well as the region or space economy in question (Sachdev, 2006).

**Labour Market Determinants Dualistic Framework-**Pluralistic Framework-Recognizes mainly economic factors Recognizes complexities and variability of factors Formal **Formal** Informal Informal Economic factors: Demand Demographic **Socio-Cultural Factors:** Space: & Supply, Experience, Skill & Factors: Age, Social Group, Religion, Sex, Location, Education, Experience Sex, Migration HoF, MS, HHA, FS&C, etc. Regional Individual characteristics as labour market Space mediates

Figure 2.1: Determinants of Individual Labour Market Situation

Note: HoF: Head of Family, MS: Marital Status, HHA: Main Economic Activity of the House Hold Activity, FS&C: Family Size and Composition.

determinants

Source: Developed by the Author

Each of the factors – skill and education, patriarchy, forms of social inclusion, exclusion and marginalization, age, migration, demographics, gender position, and space – collectively generates multiple positions and identity of individuals in society that influence the labour market outcome (Dixit, 1997; Carr and Chen, 2004; Raju, 2006) [Figure 2.1].

Innovational **Technology Push** drive in Special skill manufacturing development drive Flexible use of technology Flexibility in labour market Replacement of labour with **Generation of** capital surplus labour

Figure 2.2: Post Fordist Viewpoint - Flexibile Specialisation and Globalisation

Positive sign (+) indicates that development that takes place is positive; the other sign indicates that development that take place may have negative fallout.

Source: Developed by the Author

## 2.7. DATABASE

The research would be based on both primary and secondary source of information.

The primary source would include field survey and questionnaire method. Questionnaires would mainly be of three types: the employer's questionnaire; the worker's questionnaire; and the non-governmental organizations' and governmental and trade unions' questionnaire looking into

worker's problems. This type of questionnaire categorization is basically determined on the basis of issues chosen to be addressed (Refer to the Appendix for Questionnaire).

The secondary dataset would include Annual Survey of Industries Database for the years 2004-2005, 2009-2010, 2011-2012. Estimates of workforce size, contact labour size and labour cost to turnover and value added in the garment can be made to get a background about the garment industry and its employment structure.

National Sample Survey Office (NSSO) also reports about detailed employment status of the individuals surveyed. An insight into NSSO  $66^{th}$  (2009 – 2010) and  $68^{th}$  Round (2011 – 2012) will help get a picture of the employment composition and structure of the workers in the textile and garment industry. Besides, these various government reports and information to strengthen the study will also be used.

#### 2.8. METHODOLOGY

The methodology adopted for the analysis embrace resolving working definition of various terms, questionnaire preparation and field surveying, data collection and dressing data and estimation.

The thesis uses certain terminologies which form the foundation of the questions to be addressed. Hence those terminologies are listed and defined as used for the analysis.

# 2.8.1. Defining Terminologies:

Organised or Formal Sector Manufacturing: Factories Act 1948 defines organised or formal manufacturing as enterprises employing 10 or more workers and using power, or 20 or more workers with or without the use of power.

For the purpose of study, the organised sector includes factories (registered under Factories Act and subject to its regulatory requirements) and workshops (manufacturing establishments employing ten or more workers) and excludes small manufacturing establishments (including home based establishments) and Own Account Units in the garment industry.

Export and Domestic Firms: These terms mainly relate to the market served by the firms – export or international market is served by the export-oriented or export firms and the domestic firms meet the demand of the domestic markets. Most of the firms in the export market as observed are large in size, however this may vary according to location (Table 2.1a). (For example firms in Okhla are mainly medium in size). The categorization has been merged and splitted from time to time according to the need of the question and sample size (will be explained in each case in chapters). Most of the units in the domestic market have less than 10 workers employed and hence they do not directly come under the crucial labour legislation of Factories Act, 1948.

Table 2.1a: Organised Sector – Unit of Analysis – By Firm Size

Export Oriented Firms		Firms	Firms Serving Domestic Markets	
Large	Medium	Small & Workshops	Small Firms & Workshops	

Source: Field Survey, 2016.

Table 2.1b: Firm Typology: Small and Medium and Large Enterprises

Enterprises	Investment in plant & machinery	
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees	
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees	
Large Enterprises	More than ten crore rupees	

Source: Development Commissioner, Ministry of Micro, Small and Medium Enterprises.

In the first objective the term firm typology is used. Firm typology refers to the production size and relating firm type and working conditions is a very important aspect of this thesis. Hence the working definition of small and medium is listed from the ministry of micro, small and medium enterprises (Table 2.1b).

However, in field there may be difficulty regarding extracting information about the production investment which employ may be unwilling to reveal. In that case, alternative is to categorise firms according to the number of workers employed (Table 2.1c).

Table 2.1c: Size of Firms: Categorisation Based on Firm Sample Surveyed

Enterprises	Number of Workers Employed/ Employment Size	
Workshops	Less than 10	
Small Enterprises	10 – 100	
Medium Enterprises	101 – 499	
Large Enterprises	More than equal to 500	

Source: Developed by Author.

Employment Type: This refers whether a worker is regular salaried and is wage employed or whether he is a casual labour and this can be corroborated with the method of payment – daily, weekly or monthly. Thus the insecurities of the casual workers can be gauged against regular worker.

*Social Securities:* This refers to employer's contribution towards securing the well-being of the workers. These include employer's contributions towards provident fund, pension, heath care and maternity benefits.

## 2.8.2. Field Survey and Data Collection:

Choosing the study area:

Choosing of field or study area as National Capital Region (NCR) has very strong reasons. Garment forms an important sector in this region and the garment industry is crucial to India's economic well-being hence taking the case study of NCR region serves the purpose. NCR comprises of Delhi state and 11 districts in three states of Haryana, Uttar Pradesh. NCR is also the world's largest agglomeration in terms of area (33,578 sq. km) and second largest in terms of population (22.157 million). Besides, production is clustered in specific sectors: Hoisery Complex and NEPZ (Noida Export Processing Zone) in NOIDA; Industrial Model Township (IMT) Manesar and Udyog Vihar in Gurgaon, Okhla industrial area in Delhi.

## Field survey and Collection of Data:

Field survey mainly includes extensive field mapping to familiarize with the sites, units and worker's residence. Firms and workshops are to be identified through directories, locality mapping, personal contacts or snow balling. After that questionnaire survey is used to extract the required information. Questionnaires would mainly be of three types: the employer's questionnaire; the worker's questionnaire; and the non-governmental organizations' and governmental and trade unions' questionnaire looking into worker's problems. This type of questionnaire categorization is carefully chosen to address the issues raised. Questions will be in the form of both structured and open ended questions. Interviews while case studying may also be considered.

As explained above Gurgaon, Okhla and NOIDA regions (different sectors) are surveyed to cover the export units. Workers are also surveyed at their residence at Kapashera (Gurgaon – Delhi Border, workers engaged in export units in Gurgaon reside here) and Yakubpur (NOIDA). The survey for the domestic units is mainly conducted in and around different locations in Delhi – Karol Bagh (mostly), Seelampur and Gandhi Nagar (Figure 2.3a and Figure 2.3b).

In order to construct the profile of firms, a sample of 10-15 workers has been taken for large firms, 6-10 workers for medium firms, 4-6 workers for small firms and 2-4 workers for workshops. Selection of workers to be made through careful snowballing to reflect a representative group of workers across skill/functional levels, sex and type of employment (adapted from ICSSR Workshop, 2014).

A total sample of 343 workers and 45 firms and workshops is considered for survey -25 of the firms are export based while the remaining 20 represents the domestic market.



Figure 2.3a: Aerial View of the Location Surveyed

Source: Google Earth and Maps.

138 RAJ NAGAR EXTENSION Sankhol Bahadurgarh Seelampur 122 Karol Bagh Nuna Majra 9 Ghaziabad PASCHIM VIHAR 136 Gandhinagar Soldha CONNAUGHT 44 Chhapraula Luksar New Delhi 44 JAFFARPUR KALAN Kharkhari Nahar Indira Gandhi **NOIDA** hosiery Kapasherarnational Airgurgaon Phase V LAJPAT NAGAR complex Phase II HAUZ KHAS GREATER KAILASH Okhla Phase I Noid SURAJP Badsa Yakubpur Gurgaon Phase II Tughlakabadi Gurgaon Rural 136 (15A) Chandu Dhankot Greate Gurugram Gurgaon Phase IV Gurgaon Phase Issue 137 Khaintawas Ghata Bandhwari OLD FARIDABAD Map data @2017 Google 5 km s

Figure 2.3b: Study Area: Locations Surveyed

Source: Google Earth and Maps.

**Table 2.2: Sampling Scheme** 

Export – 249			Domestic Sector - 94		
Gurgaon	Noida	Okhla	Karol Bagh	Gandhi Nagar-Seelampur- Tughlakabad	
145	60	47	60	34	
Males – 173		Males - 84			
Females – 76		Females - 10			

In export sector (Table 2.2) total 249 workers are surveyed and from the domestic sector around 94 workers are surveyed. The collection of data was not only in the form of questionnaires but structured interviews and focused group discussions (matters of unemployment, job satisfaction, and employment related insecurities) are also initiated. The method of study is essentially mixed in nature.

Besides owners and managers of firms, labour contractors in the garment industry are also interviewed to understand the overall labour market situation of the aforesaid industry. Case studies are presented throughout.

Since, the domestic industry is pre-dominantly male, the sample size of the female workers is low. Even in Okhla, despite repeated attempts only two women (working in the export sector) could be interviewed. Women hardly leave factory premise during tiffin or tea-break. Another problem with Okhla is since it had very early start (earliest of all the three locations) the workers are not settled in particular residential locations unlike Kapashera, Dundahera in Gurgaon and Yakubpur in NOIDA and this made collection of female sample very difficult. Most of employers were apprehensive about interviewing the workers, hence this alternative method of interacting with the workers outside the factory gates during tiffin and tea-break and also visiting their residence are adopted.

The quantitative tool used for analysis is simple composite index, logistic regressions, standard deviation and quartile distribution. Maps are created using GIS software.

Photo plates are attached before the appendix to support the study. Glossary and list of abbreviations is also provided.

#### 2.9. CHAPTERISATION

In the first chapter introduction to the topic and review of literatures in the related field is done. Second chapter focuses on the research framework – objectives, research questions and research methodology. The third chapter develops the background of the study - the nature of urban labour market, employment arising therein in general and the nature of employment in the garment industry in particular. It provides a synoptic view of the background characteristics of the workers and also their location in the production process in the garment industry. The fourth chapter seeks answer to the first objective of explicating the relations between firm typology and employment characteristics and emoluments entitled to the workers. It also examines the second objective - whether there is occupational segregation across caste, religion, gender lines and whether these factors play role in determining the employment emoluments and benefits extended to the workers in light of firm typology. The fifth chapter deals with third objective to study the measures taken by the firms to overcome the market fluctuations and the financial crisis and how they affect the employment structure and labour per se. The sixth chapter will focus on fourth objective of examining the role of the labour market institutions in protecting the workers' welfare. The seventh chapter presents a case study on child labour. The eight chapter presents a gist of the findings and draws conclusion on them and suggest policy measure if any and also identifies future scope of study.

# **CHAPTER III**

# URBAN LABOUR MARKET AND THE GARMENT INDUSTRY - PROCESS OF PRODUCTION AND WORKERS

Almost all quality improvement comes via simplification of design, manufacturing..... layout, processes, and procedures.

**Tom Peters** 

Manufacturing is more than just putting parts together. It's coming up with ideas, testing principles and perfecting the engineering, as well as final assembly.

**James Dyson** 

#### 3.0. PREAMBLE

Globalisation as it was propagated would boost trade by easing movement of capital and labour, and also ensure higher and fair wages for all. Critics of globalization state that the global integration of markets work is against low-income economies, particularly workers in these lower-income countries. This is referred to as the '*immiserisation*' argument and explains a possibility of quality degradation (Kaplinsky, 2000). This form of global integration creates what is popularly known as 'raise to the bottom' or a condition where the workers in the lower echelons suffer and their conditions are made worse for those in the upper end to have increased profit (Rivoli, 2015).

The garment industry presents a perfect example of a global industry which has an elaborate value chain that requires specialised skill at each level of production. One striking feature of the garment industry is that even with improvement in technology this industry has remained largely labour intensive. This probably explains the shift towards and dependence on South Asian and African Countries for meeting the demands of the West. Despite improved technology in garment production, its labour intensive nature has shifted the base of production towards the developing countries thereby creating a global assembly line. The fulcrum has tilted away from producers in favour of the retailer and trader (McCormick, Dorothy and Schmitz, 2001). Market

preferences determine the nature and type of production. India, Bangladesh, Pakistan and Sri Lanka have become global garment production hubs.

Globalisation premiums on skill and hence it was believed that post LPG (Liberalisation – Privatisation – Globalisation) movement of labour and trade would be eased which would ensure fair and higher wages for all. Income levels did rise but not to the extent as it should have been. Globalisation has indeed brought investment in the developing economies but at the same time the competition within the developing countries has been on the basis of cost reductions through constant lowering of wages. This has affected the overall well being of the labourers, who in spite of working in large globalised firms might be deprived of the fruits of globalisation.

Detailed exploration of the garment industries in the National Capital Region indicates the prospects and problems of workers in the globalised firms. Textile industry of which garment is an essential part directly and indirectly employs 45 million of the country's workforce. Having a global value chain at the core, any change in the global economy is likely to affect this industry. Such changes may at times jeopardize the situation of the already vulnerable workers. A closer look at the employment structure in the industry unfolds several puzzles.

This chapter also provides a backdrop of the urban labour market in India and the location of manufacturing sector in it.

#### 3.1. NATURE OF THE URBAN LABOUR MARKET

The labour market in India is characterized by dualism. Infact, informalisation, in economies especially the developing ones, has expanded over the years. India being a part of the developing economies also exhibits similar trend of increasing informality of jobs. A significant proportion of these informal employment holders are female. Informality by its very definition is characterised by insecurity regarding any and every aspect of labour market, employment, job, work, skill reproduction and representation and income, social security and other benefits. The common thread is that "the vulnerability of the people is very high and they to have a decent work deficits" (ILO, 2002b). In some Indian states the wage earned by the female workers represents the poverty line (Kundu, 2011).

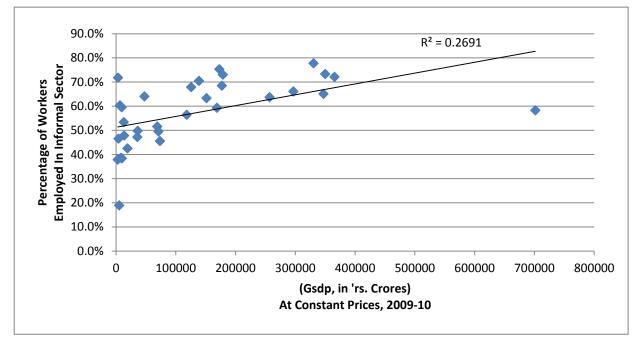


Figure 3.1a: Correlating Informality in Jobs and State Gross Domestic Production

Source: Lahiri (2013).

The performance of a state on economic front is hardly related to the type of jobs it creates. The correlation between Gross State Domestic Product and informality (or formality) is very weak at (Figure 3.1a). Highest GSDP states of Gujarat, Punjab and Delhi have considerable proportion of employment originating in the informal sector (with Gujarat having the highest share of jobs – at 77 percent – in the informal sector). The myth of linkage between economic success or growth of a state and security of jobs of the workers in the state is challenged.

This indicates that regional economy results from two interacting forces:

- i) mutual interaction of different socio-economic conditions and aspects within the space or region
- ii) it's interaction and relation with the outside world in general and external economy

A spatial pattern is reflected in the distribution of the informal and formal sectors of employment (Figure. 3.1b and Figure. 3.1c):

• Indian economy, state economy, per se is primarily depended on the informal sector for employment generation. Out of the three economic sectors taken into consideration, in

most of the states informal sector supports more than 50 percent of the total employment. Dominance of the informal sector is seen across West to East India with Gujarat, Rajasthan, Uttar Pradesh, Bihar, Sikkim, West Bengal employing as high as 65 to 80 percent of working population in the informal sector. Contribution of the informal sector in employment generation, among all the states, is highest in Gujarat at 77.7 percent. This trend continues in Southern States of Andhra Pradesh, Tamil Nadu, Kerela. Predominance of informal sector persists in Central and Western India in the states of Maharashtra, Karnataka, and Kerala.

- The states in North-Eastern India show moderate proportion of working population depended on the informal sector (Figure 3.1b). Tripura, Assam have less than 55 percent of workers in the informal sector while the corresponding figure for Nagaland and Meghalaya stands at 38 percent (for both). Arunachal Pradesh has the lowest (of all the north-east states and obviously of India) percentage of workers engaged in the informal sector at 18.9 percent only. It has around 58.4 percent of workers placed in the formal sector, making it among the top-ranking states that have their labour placed in the formal sector. Manipur is the only state in the North-East to have a dependency on informal sector of 60 percent. Thus interestingly, all the north-eastern states have a dependency on informal sector, much less than the national average at 66 percent. This may be attributed to the higher attainment of educational levels in the North-East. However, the newly added eighth member to the seven sisters' state, Sikkim shows very high dependence on informal sector amounting to nearly 72 percent. Save Sikkim, contiguity in the north-eastern states may be noted in terms of their less dependence on the informal job market.
- Job opportunity in the formal sector is very less. Jobs arising in most of India in the formal sector are lesser than 30 percent (Figure 3.1c). The lowest being in Bihar at 15.8 percent. However, Maharashtra, Chhattisgarh, Orissa, Jharkhand have moderately decent proportion of working population engaged in the formal sector, in the range of 30-45 percent. Jammu and Kashmir and Haryana also fall in this category. North-East India save Sikkim, shows a higher proportion of employed working population in the formal sector. Arunachal Pradesh has highest proportion of worker engaged in the formal sector, at 58.4 percent followed by Nagaland at 53.4 percent. This is to be noted that majority of the Union Territories as Pondicherry, Chandigarh, Lakshadweep, Andaman and Nicobar

Islands, demonstrate decent level of formality in jobs ranging between 35-57 percent. In fact, Dadra and Nagar Haveli show the highest degree of formalized workers.

Figure 3.1b

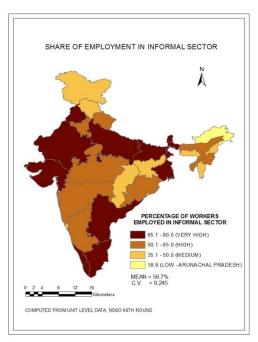
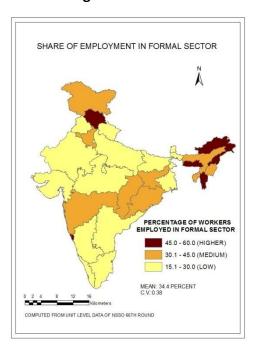


Figure 3.1c



Source: Lahiri (2013).

Having discussed the nature of employment in the country, it is important to know which economic sectors may have the prospect to overhaul the employment scenario in the country.

From the viewpoint of urban economy, the service sector consisting of trade, hotels, transport & storage, information & communication and the manufacturing sector together constitute almost 57 percent of jobs. Manufacturing alone employs 23 percent of working population in the urban area (Table 3.1a; Table 3.1b and Figure 3.1d).

The industry in question – Garment and Textile directly and indirectly provides employment to a whopping 45 million persons. Therefore, it is a backbone industry not only from the viewpoint of

Table 3.1a and Table 3.1b: Contribution of Sectors of Economy to Employment

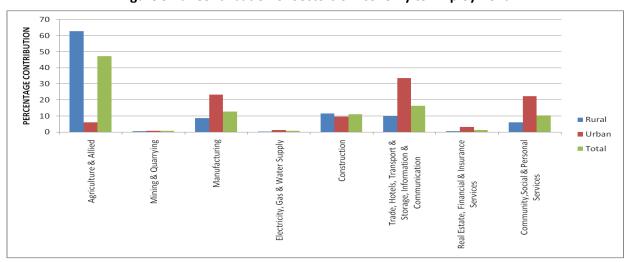
Table 3.1a

Sectors (in Percent)	Rural	Urban	Total
Agriculture & Allied	62.8	6.1	47.3
Mining & Quarrying	0.5	0.8	0.6
Manufacturing	8.7	23.3	12.7
Electricity, Gas & Water Supply	0.3	1.3	0.6
Construction	11.6	9.5	11
Trade, Hotels, Transport & Storage, Information & Communication		33.5	16.2
Real Estate, Financial & Insurance Services		3.2	1.2
Community, Social & Personal Services		22.3	10.4

Table 3.1b

Sectors	Percentage contribution
Primary	47.31
Secondary	24.85
Tertiary	27.84

Figure 3.1d: Contribution of Sectors of Economy to Employment



Note: All figures are in percentage. Source: NSSO, 68<sup>th</sup> Round (2011 – 2012). revenue it generates but also from the fact the magnitude of employment it produces. The employment in the textile industry rose from 7.3 million in 1983 to 9.36 m in 2011-12 but the contribution of textile to total manufacturing employment fell from 21.8 percent to 15.8 percent over this period.

Apparel manufacturing employment rose from 3.17 million in 1983 to 9.18 million in 2011-12, overtaking textile employment. The rising importance of the garment industry can be well gauged and India is emerging as a leading supplier of garments in the global market. Impact of economic crisis seems to have been severe particularly on textiles (Figure 3.1e and Table 3.1c). Large number of women is absorbed in the garment sector, but mainly in the lowest tiers.

Figure 3.1e: Percentage Share of Textiles and Apparels in Total Manufacturing Employment

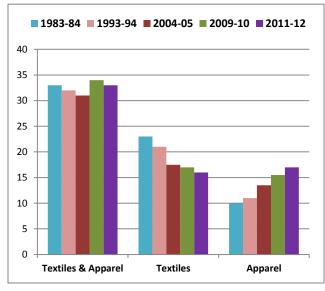
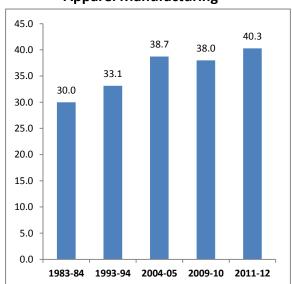


Figure 3.1f: Share of Women Workers in Apparel Manufacturing



Source: As Computed from Annual Survey of Industries Rounds.

Table 3.1c: Percentage Share of Textiles and Apparels in Total Manufacturing Employment

	1983-84	1993-94	2004-05	2009-10	2011-12
Textiles & Apparel	33	32	31	34	33
Textiles	23	21	17.5	17	16
Apparel	10	11	13.5	15.5	17

Source: Annual Survey of Industries Rounds.

But being a global industry, the garment sector is closely linked with the world's economic outlook and trends. The female employment in apparel manufacture has grown at a faster rate in all sub-periods, except the crisis period. The share of female employment has increased from 30 percent in 1983 to 40.3 percent in 2011-12 (Figure 3.1f).

It is also an important foreign exchange earner. India has a favourable market for high end fashion wear in the United States of America and Canada and new markets like Australia are also opening up (as stated by the employers of the export units in their interviews).

An industry so crucial for the growth of a nation needs serious investigations into the kind of jobs it generates. The next sections directly start with introduction of the background characteristics of the workers in the study area.

#### 3.2. BACKGROUND CHARACTERISTICS OF THE WORKERS

The workers working in the garment industries of the National Capital Region are mostly migrants from the rural areas of Bihar and Uttar Pradesh; around 90 per cent of the workers are rural migrants from these neighbouring states of Delhi. A miniscule proportion comes from West Bengal followed by Orissa and other Indian states. A larger proportion of male workers (92.6 per cent) have originated from the rural areas compared to their female counterpart (81.4 per cent). Strikingly, a larger proportion of female workers (18.6 per cent) are from the urban areas (computed from field survey, 2016). In several instances their husbands are engaged in the same factory as they are, and in fact it is through their partners mostly, they are informed about the labour requirements and vacancy in the firms.

Almost 86 per cent of the workers have migrated into urban NCR in search of job. Lack of employment opportunities at districts of origin has pushed them towards Delhi. In Indian context of urbanisation the push effects of migration are dominant than its pull effect. While 94.2 per cent of the male migrants have migrated in search of job, it is significant to note that almost 62 percent of the female workers have solely migrated in search of employment (Table 3.2).

**Table 3.2: Reasons behind Migration of the Sample Population** 

	Reasons for Migration						
	Employment	Education	Marriage	Moved with Household	Other	N.A.	Total
Male	243	2	0	4	6	3	258
iviale	94.2	0.8	0.0	1.6	2.3	1.2	100.0
Fomala	53	0	15	16	1	1	86
Female	61.6	0.0	17.4	18.6	1.2	1.2	100.0
Takal	295	2	15	20	7	4	344
Total	86.0	0.6	4.4	5.8	2.0	1.2	100.0

A significant proportion of the female workers in this category have moved in the city with their husbands but the primary reason for such movement was job seeking and employment. Women who migrated because of marriage informed that after the initial period of child birth and rearing they prefer to work in the job market so as to supplement their family income as the cost of living in the city is high. Many of the women workers expressed that they would not prefer going back to their villages as it would mean curtailing their freedom of movement and foregoing their employment. Only two individuals in the sample reported that pursuing higher education was the main motive behind their migration to Delhi. However, poverty forced them to discontinue their education and earn for a living. Vikash Kumar, now a graduate of 21 years had migrated from Champaran district of Bihar in 2013 with the objective of pursuing higher education in Delhi. But high cost of living and lack of adequate support and resources in the city forced him to leave back for home. Lack of employment opportunities back home once again compelled him to outmigrate to NCR. Similar is the fate of Satish Kumar (27 yr) who also migrated to Delhi to pursue higher education but was compelled to work to maintain a living in the metropolitan. However, he was able to complete his education through correspondence or distant learning courses. He has diverse work experience starting from receiving calls and attending to queries at the callcentres through working in Business Process Outsourcing (BPO) to helpers in garment industry. At present he earns merely Rs. 10,000 per month in the capacity of a tailor for a giant (largesized) garment export enterprise. Interviewing him revealed that opportunities in rural Jhansi in Uttar Pradesh from where he migrated are very limited. The grim situation of Vikash and Satish reminds us the increasing challenges of job opportunities in higher education.

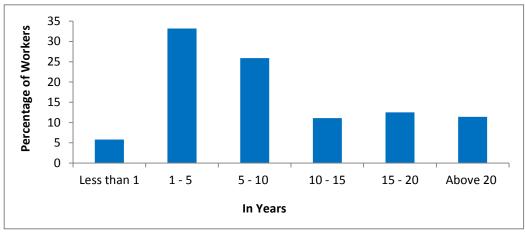


Figure 3.2: Time Period since Migration of Workers

Source: Field Survey, 2016.

Around one-third of the workers have migrated between 1-5 years back followed by another one-fourth who came to the NCR between 5-10 years (Figure 3.2).

A disaggregation between export and domestic sector bears parity to the overall pattern of migration (Table 3.3). While in domestic market firms 37.6 per cent of the workers have migrated between last 1-5 years, around 31.6 per cent of the workers in export have migrated within the same time period. However, there is a marked difference in case of long term migrants. While only 27 per cent of the migrants engaged in the domestic production firms have migrated to the region for a time period longer than 10 years, contrary to this almost 38 percent of the workers in export firms have migrated for the same period. This may indicate that domestic garment production sprawl in the National Capital Region is a more recent phenomenon. Though production units in Gandhi Nagar in Delhi have been established long, yet the spurt of the factories in Karol Bagh has been recent. Population growth, increasing purchasing power of people and hence rising demand also factored in such growth. Interaction with several factory owners revealed that the demand pattern in Gandhi Nagar is

**Table 3.3: Duration of Stay in NCR since Migration** 

Duration in NCR	Frequency	Per cent	Export (%)	Domestic (%)
Less than 1 year	20	5.8	4.4	9.7
1 - 5 years	114	33.2	31.6	37.6
5 - 10 years	89	25.9	26.0	25.8
10 - 15 years	38	11.1	12.4	7.5
15 - 20 years	43	12.5	13.6	9.7
Above 20 years	39	11.4	12.0	9.7
Total	344	100		

much diverse than in Karol Bagh. While producers in Gandhi Nagar informed that they supply products throughout India, the makers in Karol Bagh confirmed that they mostly produce for Karol Bagh markets and at most they supply to wholesalers in and around Delhi. The production process in Gandhi Nagar is quite fragmented and largely subcontracted.

Taking another step forward towards understanding the background characteristics of workers an age structure of employment is attempted. The findings are intriguing. While 38.5 percent of the workers across all production units are below 25 years of age another 19 percent of the workers are in the age group between 25- 30 years.

It is to be noted that almost 57.7 per cent of all the workers in the garment production are below 30 years of age and over 87 percent of the workers are below the age of 40 years (Table 3.4). Tailoring and stitching working- stations are in general spatially crowded, where ergonomic considerations are seldom given attention to. Stitching or tailoring demands strong eyesight. With age the strength of the eye-sight declines. This may be a very strong reason behind young workforce in the garment industry. A disaggregation further at the factory level strikingly reveals that while 54.8 per cent of the workers in domestic units are in the age group of below 25 years the same variable in case of export stands at 32.4. However, it is noteworthy that 52 per cent of the workers in the export sector are less than 30 years of age also indicates some serious issue. The export units in NOIDA, Gurgaon and Okhla avoid continuing with the same set of workers over a longer period of time.

Table 3.4: Age Decomposition of Workers across Firm Typology

Age Crown	All Production Units		Export Units		<b>Domestic Units</b>	
Age Group (in Years)	No. of Workers	Percent	No. of Workers	Percent	No. of Workers	Percent
Less than 25	133	38.5	82	32.4	51	54.8
25 - 30	66	19.2	49	19.6	17	18.3
30 - 35	62	18.1	51	20.4	11	11.8
35 - 40	39	11.4	31	12.4	8	8.6
40 - 45	25	7.3	22	8.8	3	3.2
45 - 50	13	3.8	10	4.0	3	3.2
Above 50	6	1.7	6	2.4	0	0.0
Total	344	100.0	251	100.0	93	100.0

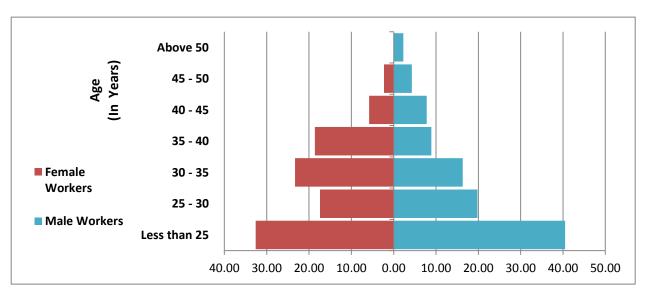
This is even true for NOIDA where a significant proportion of the workers are working on piecerate basis. The production of garment is seasonal and hence the demand for labour, and this factor facilitates the management to discontinue with the same set of workers for a longer time period. This step inhibits the formation of long time bondages between workers who otherwise may tend to unionise their demands before the management and this may affect production prospects. In this thesis in the later chapters several revelations would be made that indicate the measures adopted by the management and firm owners to prevent unions in workers. Age decomposition in the context of domestic garment production units reverberate the relative nascent expansion of the domestic sector in newer regions like Karol Bagh, Seemapuri, Tulakkabad etc. as these areas have higher concentration of youth with almost 73 per cent of the workers below the age group of 30 years.

A gender perspective allow parallel exhibit between male and female workers, with the workforce being predominantly young. It is noteworthy that 50 per cent of the female workers is below the age of 30 years and the same variable for male stands at 60.3 per cent (Table 3.5 and Figure 3.3). Another interesting behaviour depicted by female workers is that while female below 25 years of age has maximum participation, it declines in the next age-group between 25-30, thereafter again increasing and declining between 30-35 and 35-40 years. Child birth and

Table 3.5: Age Decomposition of Workers across Gender

Age – Gr (in Years	-	Less than 25	25 – 30	30 - 35	35 - 40	40 - 45	45 - 50	Above 50	Total
Male	No. of Workers	105	51	42	23	20	11	6	258
- William	Per cent	40.6	19.8	16.3	8.9	7.8	4.3	2.2	100.0
Female	No. of Workers	28	15	20	16	5	2	0	86
- c.maic	Per cent	32.6	17.4	23.3	18.6	5.8	2.3	0.0	100.0

Figure 3.3: Age Sex Decomposition of the Workers across Gender



Source: Field Survey, 2016.

rearing and gap between children may be the probable reasons behind fluctuating participation of women across different age groups. It must be remembered that the most productive years of a woman is also her reproductive period.

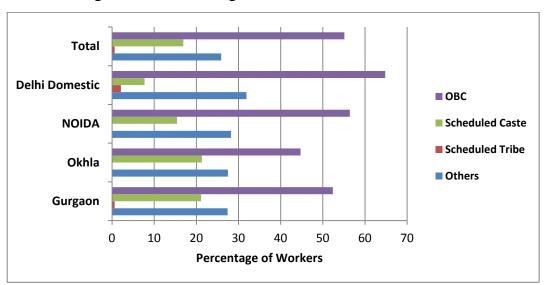


Figure 3.4: Social Categories across All Grades of Workers

The artisans working in the garment industry across all pay grades mostly come from backward castes. Around 72.6 percent of all the workers are from backward categories and depressed castes (including Other Backward Castes, Scheduled Castes and Scheduled Tribes). This feature is predominant across all locations and firm typology (Figure 3.4 and Table 3.6a). However,

**Table 3.6a: Percentage Showing Social Categories of Workers across All Locations** 

Location of Firms	Others	Scheduled Tribe	Scheduled Caste	ОВС	Total
Gurgaon	27.4	0.6	21.1	52.4	74.1
Okhla	27.5	0	21.3	44.7	66
NOIDA	28.2	0	15.4	56.4	71.8
Delhi Domestic	31.9	2.1	7.7	64.8	74.6
Total	25.9	0.6	16.9	55.1	72.6

Source: Field Survey, 2016.

scheduled tribe population forms a miniscule proportion of the sample observed.

Pre-dominance of OBC is observed across all locations and firm typology followed by workmen from the Other or General Castes and Scheduled Castes. Segregation according to occupation is initiated to observe the impact of caste group on type of occupation.

**Table 3.6b: Social Categories of Helpers and Tailors** 

Social Cotogomy	Export	Firms	Domestic Firms		
Social Category	Frequency	Percent	Frequency	Percent	
Scheduled Caste	45	22.2	5	7.5	
ОВС	112	55.2	50	74.6	
Others	46	22.7	12	17.9	
Total	203	100.0	67	100.0	

Helpers and tailors who form the core of garment industry and drive the production yet get the lowest grade pay as reflected from the population surveyed (Table 3.6 b). Around 77.42 percent of workers working in the export firms of NCR are from socially disadvantaged caste groups while the same figure in domestic firms stands at almost five percentage points higher at 82.1. Notable is the higher participation of Schedule Castes workers in export firms compared to the domestic firms. In domestic firms dominance of a single caste group is well pronounced as the peer network is very strong and often the employer shares the same socio-religion background. Also the barrier to entry of the 'Dalit' or Scheduled Castes may be lesser in export firms where the caste details does not matter atleast for low-skill and low-remuneration jobs. Approximately 78.8 percent of the workers (in both export and domestic firms taken together) engaged as tailors and helpers constitute from disadvantaged caste groups. This fact reemphasizes that a strong correlation exists between poverty and social categories in India.

Predominance of Muslims is observed in the domestic firms whereas their presence is much less in the export firms (Table 3.6 c). Historically, people from Muslim community have been engaged in the profession of tailoring, 'zari-work' and embroidery since long. This explains the profound impact of this community in the domestic firms.

Table 3.6c: Religion of Tailors and Helpers Engaged in the Garment Industry

Poligion	Export F	irms	Domestic Firms		
Religion	Frequency	Percent	Frequency	Percent	
Hindu	167	82.67	27	40.3	
Islam	35	17.2	40	59.7	
Others	2	1.0	0	0.0	
Total	203	100.0	67	100.0	

However, this is to be noted that whether it is export or domestic firm the ownership from Muslim community is limited. Of all the 20 domestic firms surveyed around 7 units have Muslim ownership. Even more interesting is that the highly localised nature of Muslim headed firms. All these seven firms were located in Karol Bagh region.

Table 3.6d: Gender Perspective of Tailors and Helper Category of Work

Caste Groups		Male	Female	Total
	Frequency	24	22	46
Scheduled Caste	Percent	18.5	30.1	22.7
ОВС	Frequency	82	32	114
	Percent	63.1	43.8	56.2
Othors	Frequency	24	19	43
Others	Percent	18.5	26.0	21.1
Total	Frequency	130	73	203
TOTAL	Percent	100	100	100

Source: Field Survey, 2016.

A gender perspective across social categories of helpers and tailors allows introspection into the gender structure of the society (Table 3.6d). Already well established in host of gender literature is that women has been 'fillers' in the sudden globalisation driven employment growth and served in the peripheral jobs. Higher participation of women has been from the poorest households and most backward caste groups. Same is reflected where the highest participation of women are from OBC (56.2 percent) followed by Scheduled Castes (30.1) and Other Caste groups.

Many women were uncomfortable reporting there castes and few reported themselves from so called 'higher castes' but when further probing questions were asked they divulged their identity. India, where caste system and 'casteism' based behavioural distinction of the society is a blatant reality such cases of unwillingness to disclose caste identity is not uncommon.

In the interface of religion, the participation of Hindu women is greater than Muslim women in the sample surveyed. Christian workers formed a miniscule in the population surveyed. But notable is that 58.3 percent of the Muslim women are from general caste or other caste groups compared to 30.6 percent of Hindu women in the same caste group.

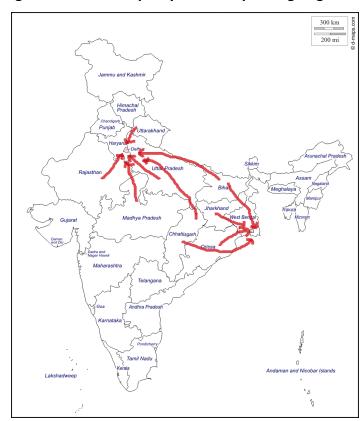
Also domestic firms have predominantly male workers hence firm based distinctions on gender front is not taken up to maintain decent sample size.

**Table 3.7: State of Origin of Workers** 

States	Migration
Uttar Pradesh	45.45
Bihar	44.66
Bengal	2.62
Jharkhand	2.62
Uttarakhand	1.17
Madhya Pradesh	0.87
Rajasthan	0.87
Maharashtra	0.58
Haryana	0.29

Source: Field Survey, 2016.

As already mentioned that most of the workers engaged in the garment factories are migrants from the states of Bihar and Uttar Pradesh. Around 45.45 percent and 44.66 percent of workers have migrated from Uttar Pradesh and Bihar respectively to NCR in search of better employment opportunities (Table 3.7). Interviewing them revealed that limited job opportunities back home are the main reasons behind migration. Strikingly, 90.11 percent of the workers have migrated from these two states. Miniscule proportion is from Bengal and Jharkhand followed by other states.



**Figure 3.5: Core Periphery Model Explaining Migration** 

Source: Developed by Author.

Mapping data at district level highlights that unemployment is a predominant problem across most of the districts in these two states (Figure 3.5). However, it should be stated that marginal migration from other Indian states does not necessarily mean absence of unemployment problem in these states. It simply shows that proximity of Bihar and Uttar Pradesh facilitates stream of migration towards the National Capital Region which serves as a core of employment opportunities. Friedman's core periphery model explains the dependence of Western Bihar and Uttar Pradesh on Delhi for employment opportunities and relative less dependence of other states in this respect. Kolkata in Bengal serves as a core in eastern India thereby factoring migration from the peripheral states of Orissa, Chattisgarh, Jharkhand and also to certain extent in Bihar.

Motihari, Gaya, Nalanda, Patna, Siwan are the major districts of outmigration from Bihar with respect to this study. In Uttar Pradesh Bijnor, Etwah, Gorakhpur are the main districts of outmigration. Table 3.8 depicts the top 15 districts from where workers have migrated to find work in the garment production lanes of NCR. However, strikingly even the top 5 districts

combine to around 22 percent of the migrant composition. Altogether these 15 districts contribute around 44.3 percent of the total workers working in the garment industry. However, it should be noted that 343 artisans surveyed came from 88 different districts of India. This shows that job search and employment is a mere process of coincidence in India.

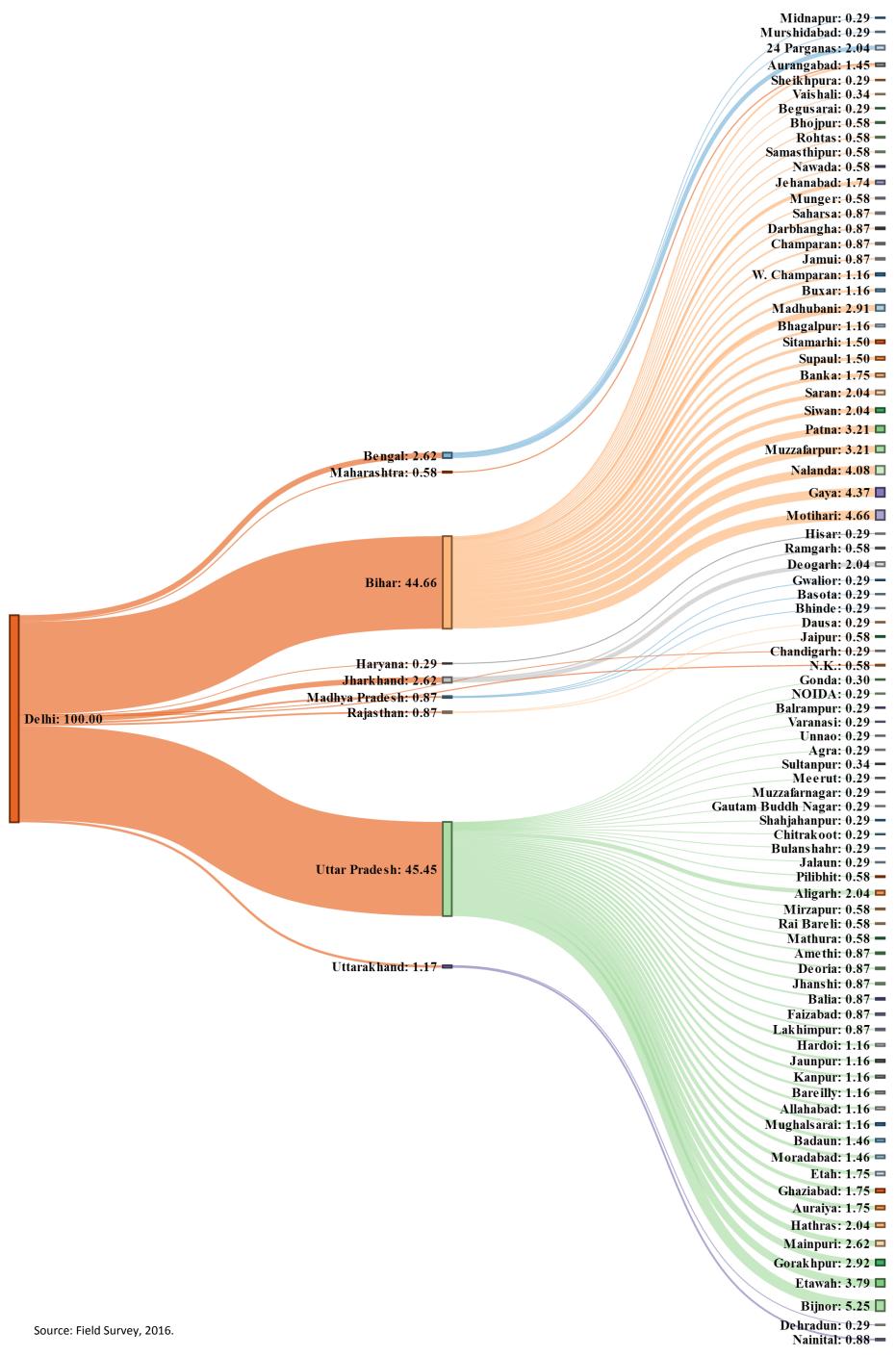
Table 3.8: Top 15 Districts of Out-migration

Districts	Frequency	Percent
Bijnor	18	5.2
Motihari	16	4.7
Gaya	15	4.4
Nalanda	14	4.1
Etawah	13	3.8
Patna	11	3.2
Muzzafarpur	11	3.2
Gorakhpur	10	2.9
Mainpuri	9	2.6
Saran	7	2.0
Siwan	7	2.0
24 Parganas	7	2.0
Deogarh	7	2.0
Hathras	7	2.0
Etah	6	1.7

Source: Field Survey, 2016.

A Sankey diagram (Figure 3.6) is used to represent the proportional flow of migrants from different districts. Besides, Motihari, Gaya, Nalanda, Muzzafarpur, Patna, Siwan in Bihar, Bijnor, Etwah, Gorakhpur, Mainpuri, Hathras districts in Uttar Pradesh also emergence as prominent districts of migration. This diagram also represents the diversity in the nature of migration. A sample size of 343 workers comes from 88 different districts hint that the opportunities of employment in the catchment of these two North Indian states to be seriously limited.

Figure 3.6: Sankey's Diagram Showing Districts of Origin of Migrant Workers



The process of education – withdrawal or drop out – intermittent period – job seeking – period of unemployment – marginal employment is a repeated story with most of the workers here.

## 3.3. FROM EDUCATION TO EMPLOYMENT

The journey of most of the workers from education to employment reflects the economic and social struggle they undergo. Almost most of the workers are educated in government schools

Table 3.9: Level of Education of the Workers

Levels of Education	No. of Workers	Percent	Cumulative Percent
Illiterate	24	7.0	7.0
Upto Primary	88	25.7	32.7
Middle School	82	23.9	56.6
Secondary & Higher Secondary	120	34.7	91.3
Graduate & Above	30	8.7	100.0
Total	344	100	

Source: Field Survey, 2016.

with little infrastructure. Almost one-third of the workers have education upto primary level only (Table 3.9). Around 7 percent of the workers have no education at all. Another 24 percent have visited till the middle school. That is more than half of the workers have received education till class 8. However, this does not necessarily affect the skill they are into. Most of the skilled tailors work on machine and in line. Working in line means that they sit in parallel columns and they are engaged in 'part piece production'. That is the first worker may be sewing the corners of the garment, the second worker is sewing the collar, the third sleeve and the fourth is sewing the cuff and the making of the garment thus progresses. In both export and domestic garment production unit single or whole piece production by a single tailor is rare. Production takes place in organized chains and this is more applicable in case of the export factories.

Therefore education in garment industry hardly affects skill and in case of vocational skill education, if taken as a proxy of skill, has its own limitations. But what education affords is that

awareness about the rights of the workmen, and the increased confidence, power of collective bargaining and justification to exercise them.

Introspective question about gap between employment and education revealed few interesting processes dominant in the rural setting of life (Annexure Table 3.1A). First, around 59 percent of the workers were unaware about the passage of time between their education and employment. Second, the average gap between education and paid employment is 5.6 years. Out of 41 per cent of respondents who could recall the gap period, only around 13 per cent of the workers mentioned that the period between completion of education or drop out and entry into the labour market was less than or equivalent to one year. Third, in most of the cases this gap of five years or more is spent as unpaid family labour if the household posses some agricultural land or sometimes the unemployed youth seeks petty jobs in and around the village. Usually migration to the urban area is along with some friends and relatives who have been already working in the city. Around 70 percent of the workers reported to have friends or relatives working in NCR and with their help they migrated to the megacity and they form the initial support system to the new migrant who had little or no resources. After initial search averaging 20 to 25 days the migrant enters the labour market. Around 30 percent of the migrants mentioned that the initial search of employment and sustenance in the new city life was difficult for them. In many cases their search for employment extended to a period of a month or so.

Strikingly, a considerable proportion of the male migrants are individual migrants. Decomposition of migration pattern based on location reveals certain important trends. In Gurgaon the proportion of single male migration is highest of all the four locations (Table 3.10). As high as 64 percent of the workers in Gurgaon, are single or individual migrants. However, it is noteworthy that almost 60 percent of all the male migrants are individual migrants. Okhla has the least of all four locations with 53.3 percent of the workers being in the nature of individual migrant. This has some probable implications. Of all the three export orientated market locations, Okhla had the earliest start in the garment export clusters followed by NOIDA. Therefore this structural shift in nature of migration from Okhla through NOIDA to Gurgaon is quite evident. As explained by the workers the increasing rate of inflation inhibits the worker from bringing in and supporting their family in NCR. This possibly explains shift in pattern of towards individual migration.

**Table 3.10: Pattern of Migration of Male Workers** 

	Gurgaon	Okhla	NOIDA	Delhi Domestic	Total
Individual Migrant	64	24	18	48	154
Individual Migrant	64.0%	53.3%	58.1%	59.3%	59.9%
Migrated with Family	36	22	13	33	104
	36.0%	46.7%	41.9%	40.7%	40.1%
Total	100	45	31	81	258
Male Migrants	100.0%	100.0%	100.0%	100.0%	100.0%

Late start of Okhla is also evident from the age structure of workers across all the locations. While the mean age of workers in Okhla is at around 35 years, the same for Gurgaon and NOIDA stands around 30 years (Table 3.11). Individual migration among female workers is nil.

**Table 3.11: Age Structure of Male Workers** 

Age Structure (in years)	Gurgaon	Okhla	NOIDA	Delhi Domestic
Mean	30.49	35.42	29.84	26.36
Minimum	19	21	19	12
Maximum	58	59	58	50

Source: Field Survey, 2016.

Importantly, it is to be noted that presence of child labour in the domestic garment factories pulled down the average age of worker at around 26 years.

Introspective discussions with the managers and workers about the problems and prospects of the garment industry in India in general and NCR in specific brought to light certain crucial issues. High land prices and other taxes in Delhi are leading to closure of several firms in Okhla. While some of them are shifting their base of production towards new venues in Gurgaon and NOIDA, many other units are closing down. This also partially explains the relatively young and new labour base in Gurgaon and NOIDA. Simmering discontent and grievances among workers (helpers and tailors) as observed is high among the workers in Okhla. Oversupply of labour,

maintenance of bouncers by the firm management, corruption at trade union level, lack of ability to unionise and fraction within workmen obstructs assertion of worker's rights. A detailed discussion on these problems would be taken up in the later sections.

#### 3.4. EMPLOYMENT AND LABOUR MARKET ARRANGEMENTS

## 3.4.1. The Global Production Network and Work Conditions

The simplicity or complexity of production process depends on an array of factors. Market size and demand to a large extent determines the production or supply chain decisions. With special reference to garment export industry Mr. Sanjay Singh, manager of Industrial Manufacturing Corporation, an export firm in NOIDA mentions that fashion is very fast changing and it is increasingly becoming very difficult to keep pace in the global market with producers in Chain and Bangladesh. He suggests several labour laws to be a main hurdle towards the progress of Indian firms. He also mentions that rampant violations of crucial labour welfare measures in these countries have made possible production at very low costs.

Critics of globalisation argue on this very point. Economic development and income gains from globalisation of trade will result in marked improvement in the conditions of workers only if the increased income translates into better protection of worker's rights. Pietra Rivoli (2015) argues that this assumption translates into action only when people's grievances are listened to. A well functioned democracy where people's voices are expected to be heard ensures that workers rights are protected.

Regulations and legislations alone cannot ensure social justice. A well maintained regulatory system should be in place. Alexander Harney (2008) reports the manner in which Chinese apparel factories evade the international norms and standards and tweak the European and American customers. He terms this as 'falsification engineering' where companies deceived the social auditor and forged the data related to the payroll, overtime and other benefits related to employment.

Similar case is observed across export factories in the National Capital Region. Workers in Okhla complained of gross misappropriation of wage related data. Even while surveying the workers within factory premise it was noted that few workers tried to mislead by overstating

their benefits when cross examined they confirmed that they are instructed by their supervisors and employers to report in such manner. Fact of the matter is that they realise that they are denied their due rights but are helpless over the situation.

Therefore effective functioning of regulatory machinery is essential to ensure the minimum standards at workplace are maintained. India, a founding member of ILO, has ratified 45 international conventions and one protocol. However, the progress is far from satisfactory. Corruption at the government, bureaucracy and trade unions or worker's organisation level has thwarted the system.

Therefore globalisation alone cannot safeguard the well being of workers. Global Production Network (GPNs) will only have a significant impact with respect to the employment and working conditions only when the minimum standards of decent work are adhered to.

## 3.4.2. The Global Value Chain and Organisation Structure

As already mentioned (in Chapter II) that the structural differences between export orientated garment industry and garment industries serving the domestic market are huge therefore attempt to study their organizational structure must be dealt separately.

This sub-section pertains to the discussion of the value chain, organisation and the structure of the organized export garment factories.

## **3.4.2.1.** The Value Chain

The concept of value chain was initiated by Michael Porter in his treatise 'Competitive Advantage: Creating and Sustaining Superior Performance' (1985). Porter differentiates two kinds of a value chain of a product – the supplier value chain and the buyer value chain.

The supplier's value chain consists of creation of a product through use of various raw materials and intermediate products. Suppliers not only deliver the product but also influence consumer or buyer's decision through a series or channel of events, which Porter terms as channel value. The firm's product eventually becomes part of buyer value chain.

The value chain differs from industry to industry and reflects the history, strategy and success of implementation. Even within industry a firm's value chain may differ from the other thus representing a potential competitive scope and potential competitive advantage. Even competing in related industries with coordinated value chain can actually lead to competitive advantage through interrelations.

FIRM INFRASTRUCTURE

HUMAN RESOURCE MANGEMENT

TECHNOLOGY DEVELOPMENT

PROCUREMENT

INBOUND OPERATIONS INBOUND MARKETING SERVICE

LOGISTICS & SALES

Figure 3.7: Porter's Concept of Generic Value Chain

Source: Porter (1985).

Value is the amount customer is willing to pay for the product. A firm is profitable if the value it charges exceeds its cost of production and the competitiveness of the firm is also based on its value terms.

The value chain consists of primary activities and support activities (Figure 3.7). Primary activities involve physical creation of goods and its sale and transfer to the buyer and as well as after sale assistance (Porter, 1985). However, with improvement of communication and technology after sales assistance has transcended the border and now is as well a part of support activities which provide support to the primary activities and also each other by providing purchased inputs, human resources, technology and other wide range of activities across firm

Sample Design by
Supplier and Approval
by the Buyer

Compliance Survey by
the Buyer Country

Order
Confirmation

Physical Process of
Production Begins

Figure 3.8: Beginning of the Process of Production of Garment in Export Houses

Source: Developed by Author.

## **3.4.2.2.** The Structure of Production in the Export Garment Factory

The production structure and the organisation in the export garment factories is complex and layered with hundreds of staff involved at different stages of garment production.

There are two major layers in the production process. First task consists of biding and winning the orders of the foreign companies. The next step consists of physical creation of the product or garment.

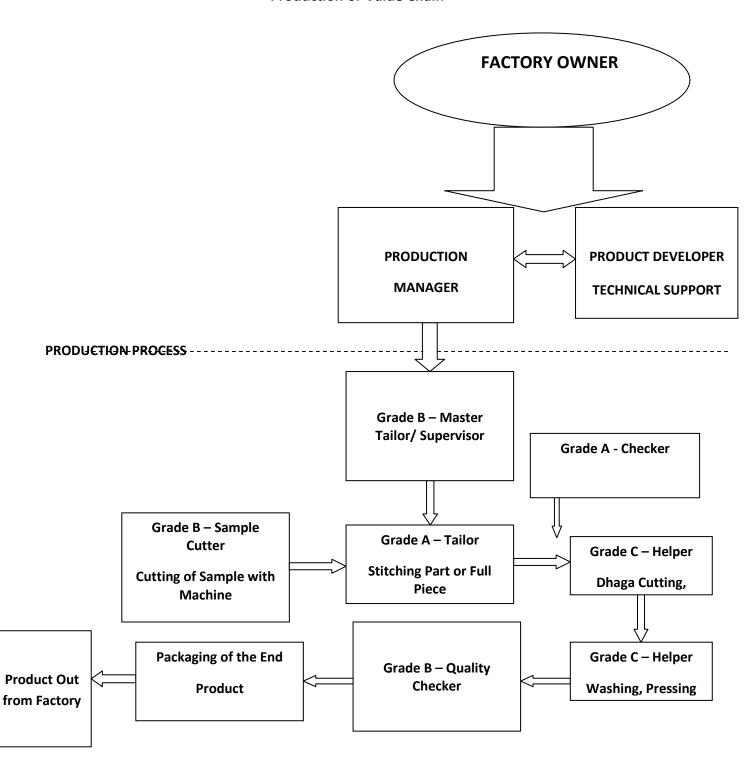
The production process starts with quotation of production and undergoes the following steps before physical creation of the goods (Figure 3.8). Approval of the sample designs created by product developers is a crucial step in the production process. Usually the design preference is indicated by the buyer. Product developers usually are trained in fashion designing and fashion technology. Interviews with few product developers revealed that career opportunities in this sector are quite promising.

After approval of the sample design a team from the buyer company (country) visits the factory. This survey is known as 'compliance survey' which forms a part of buyer's code of conduct (which is formally a part of CSR – Corporate Social Responsibility) have significant effect on raising the bar of employment quality.

The global apparel industry has long been under scrutiny due to alarming evidences of sweatshops in developing countries which manufactured for the leading global brands. Rampant violations of labour norms and even use of child labour in certain cases lead to institutionalizing buyer code of conduct and their impact on labour rights and work conditions were observable (Blowfield, 1999; Jekins et. al 2002; Pearson and Seyfang, 2001; Rossi, 2016). The compliance surveys hence not only assess the productivity capacity of the firm but also the labour standards and quality of employment which includes various aspects like minimum wage, hours of work, paid leaves, medical facilities and social security etc – so as to assess and protect the overall well being of the workers engaged in the particular company or field.

After the survey, if the report is satisfactory the manufacturer company wins the order of production.

Figure 3.9: Simplified Production Process and Distribution of Workers across Production or Value Chain



Note: Size of the boxes across the same pay grade is similar but are relative to the other pay grades and category of workers. Grade B represents higher skill and pay grade compared to skill A.

Source: Developed by Author.

The second phase of production is initiated. The physical creation of garment from fibre undergoes several stages of production. Though the product chain may differ from factory to factory a generalised version is presented above (Figure 3.9). Along with the value chain the distribution of workers across different skill and grade pay are also listed.

The main production of garment takes place through a series of stages along which different grades of workers with different skill level are involved. Most of the skilled tailors work on machine and in line. Physical production begins with cutting of the fabric for the garment. Cutters (Grade A) are trained high skilled workers and predominantly male. This first working station comprising special purpose machines with separate operators in arrays is for cutting the cloth length to geometric patterns (bound lines) and pieces to size specifications. The pieces are then transferred in baskets (this is a separate element of work) to the second working station, where the first worker may be sewing the loose lines of the main body cut from cloth length of quality and colour, the second the sleeves, the third the collar with stiffener, the fourth the cuffs with stiffeners, and the fifth sub-assembles some of them in relevant positions to specifications, and the last man stitches the final assembly to make the basic garment to specifications of size and choices. The last touches, are stitching of the buttons, labels etc, are also mechanized. Making of the garment thus progresses as their serial number in the line ascends.

Sometimes experienced tailors also perform the additional task of quality checking at the initial stages.

Managing the assembly line is the responsibility of the master or supervisor who usually supervises one particular assembly line. A master or supervisor is usually a male. He has the technical knowhow and is well versed with the art of teaching and is experienced. He assesses the quality of the product and after satisfaction the product is initiated for the finishing. Thread cutting or 'dhaga – cutting', stain removal, washing and pressing follows.

A highly skilled and experienced quality checker after making final assurance of the quality of the product clears the garment for auditing and packaging (Refer to Photo Plates 1 to 6).

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With the emergence of the Global Production Network (GPNs) the base for neo-liberal globalisation has widened. The 'Fordist' type of production system that dominated the production regime till 1970s has given way to 'post – Fordist' systematization.

The 'Fordist-Taylorist' concept of manufacturing, as a technology process, was the invention of the First World War, when F. W. Taylor first introduced the concept of modern management in machine production plants, chiefly automobiles and war machineries. The technical concept was 'interchangeability of components, whose random selection from a tray or chute, and assemble them in some ordered manner of assembling the parts to make sub-assemblies and then the final assembly, called the final product or the system ready for packaging, marketing and function delivery. Speed and skill are essential for modern production units, where each worker specializes on specific machines and component; assemblers are different set of workers with specific jobs. Ford greatly influenced by Taylorism realized that mass production needs mass markets. With Fordism every worker has a specific task in a limited space for example with respect to garment industry as witnessed the garment moves along the production line. But the maximized productive efficiency has its own set of limitations (discussed in detail in Chapter I) – absenteeism of labour, corporatist welfare state, contradictions in model of consumption and value change, lack of product-differentiation, ecological exploitation etc (Hirsch, 1991).

Some scholars argue that despotic control and deskilling of workers as practiced during the 'Fordist-Taylorist' era of mass production has been substituted by greater work place participation, shopfloor democracy and re-skilling in the 'lean production process'. However, serious investigation into these claims is lacking (Jha and Chakroborty, 2014). Other scholars criticize the first set of scholars on the ground that despite important rupture that have been considerable continuation of the 'Fordist-Taylorist' production especially with respect to bureaucratic control, linkages and conditions of labour. A coherent investigation of situation of the labour in Post-Fordist Global Production Network is lacking. The upcoming sections seek to address these issues.

Table 3.12 details a synoptic view of the functions of workers across each occupational location in the export garment industry. There exists a strong occupational segregation with the missing of women at higher levels of occupational position. Grade B (higher levels of wages and skill)

Table 3.12: A Synoptic Description of Functions across Different Grades of Workers

	Occupational Position	Skill Level	Functions Performed		
	Quality Checker*		After the final production of the garment he/ she checks the whole garment and approves the quality. If there is some problem the garment is returned for alterations.		
			He has technical knowledge and also sound knowledge of tailoring.		
Grade B	Grade B  Sample Cutter*  Highly Skilled – Machine Operations  Master Tailor/ Supervisor *  Highly Skilled		Operates on machine, first step towards making of garment. They cut the sample to precision.		
			Usually manages the assembly line and guide and does the initial checking of the stitched garment.		
Grade A	Skilled (Full – Garment) Skiled/ Semi –		Increasing trend is observed for part stitching of garment. Rarely any tailor stitches the full garment.		
		Skilled (Part – piece)	Gender Perspective – Gender division of work. Stitching of collar, cuffs and other parts of garment which require higher precision are reserved for males.		
Grade C	Helper	Unskilled	Performs the task of washing, pressing, 'dhaga – cutting'/ thread cutting, stain removal etc.		

Note: \*indicates predominantly male workers with exceptions in certain firms.

has restricted recruitment of women labourers. In the position of sample cutter though, few firms recruit women workers 'as it requires patience and diligence'.

#### 3.5. SUMMING UP

The labour market in India is characterized by structural dualism. The informality in employment in urban India is also so dominant that informal sector forms 66 percent of the total employment. The relation income of the states and type of employment – formal or informal - it generates is of little importance. The states having highest GSDP, have the highest informality in employment.

From the view point of employment, the textile and garment industry within the manufacturing sector provides employment to millions of workforce in the economy – a substantial proportion of which are female labourers. Also it has a global value chain and is an important foreign exchange earner.

The sector which is at the core of Indian economy, the kind of employment it generates needs sincere evaluation. In this backdrop, the field survey of the garment factories in NCR is adopted. The operations and the process of production and the production chain in the industry consist of several direct and indirect linkages. Workers with specific set of skills are distributed at different levels of production – but what is common is essential concentration of female workers at lower levels of skill and occupation. Whether this segregation is based on skill and education or rather a fallout of greater gender structure of the society will be unleashed in the later chapters.

## **CHAPTER IV**

# OCCUPATIONAL AND WAGE ARRANGEMENTS IN THE GARMENT INDUSTRY

"A merchant may sell many things, but a worker usually has one job, which supplies not only his livelihood but often much of his sense of identity"

Paul Krugman (The Accidental Theorist, Penguin Books)

## 4.0. PREAMBLE

The most essential component of the employment of the worker is his or her wage. A decent wage offers him or her much of sense of dignity. Wages has been categorized as minimum, fair and living according to requirement or facilities they are capable of delivering. This chapter analyses that whether the firm characteristics and typology are related to the wages – thus partially focusing on the first and second objective that whether the large export oriented firms overcome the discriminatory labour tactics based on caste, religion and gender, supposedly used by the medium and small firms in the export sector and as well by the domestic sector. This also assesses whether workers in the large export sector experience better wages and hence improved job quality or rather these large exports firms also do take advantages of the existing societal based market inequality to exert downward pressure on wages.

#### 4.1. ENTRY INTO THE LABOUR MARKET

As discussed in the earlier sections that the process of entry into the labour market of most of the semi-skilled and unskilled labour is rather gradual and slow. The average gap between education and employment is around 6 years. Around 60 percent of workers even don't remember the lapse of time between their education and employment. This indicates that loss of productive years in rural India is a rampant phenomenon.

Also school drop-out rate is high among these workers. Around one – fourth of the workers have education level less than primary and another 7 percent are illiterate. In the interface of gender, this scenario is even more skewed.

**Table 4.1: Livelihood of Workers Previous to Migration** 

	Study	Agriculture	Technical jobs	Others	Tailor	Housewife	At Home	Daily Wage Earner
Male	38.2	26.5	2.1	9.5	8.5	N.A.	11.6	3.7
Female	13.6	21.0	1.2	13.6	2.5	32.1	14.8	1.2
Total	30.7	24.8	1.9	10.7	6.7	9.6	12.6	2.9

Source: Field Survey, 2016.

Attempt to analyse the time utility before migration to NCR revealed that for most of the workers working in the garment industry was the first prime regular employment for them (Table 4.1). However, this is not homogeneous across gender. While around 38 percent of the male workers confirmed that before entering the labour they were engaged in achieving education only 13.6 percent of the female workers confirmed the same. Most of the female workers have entered the labour force post marriage and initial years of child rearing. Almost one-third of the female workers have been reported that they were housewives before migrating to the urban area. However, 61.6 percent of the women confirmed that employment was the main motive behind migration. However, most of these women have either migrated with their husbands or household. Individual migration among females is limited.

Since a major proportion of the workers are rural migrants agriculture is one main absorbent of labour in rural India. However, agricultural sector in India has several laxities – disguised unemployment, low productivity, climatic vagaries and lack of crop insurance are some of the crucial challenges that has baffled Indian agriculture. Besides, agriculture for these very reasons have failed to attract the youth and the intergenerational proportion of employment in agriculture (which is also a phenomenon related to the process of development) has declined<sup>3</sup> (The Wire, 2017; GoI, MoA&FW, 2015-16).

One obvious consequence of this trend is the urban drift of rural youths. People consciously move towards urban area with expectations of better employment opportunities and income in rural areas. This not only creates extra pressure on city infrastructure but also a surplus labour in several cases restricts the bargaining power of the labour (this point will be elaborated in the later sections).

Unemployment among educated youth in India is on increase this is reverberated by the stories of Vikash and Satish. Parveen, age 24 years and Masters in Political Science shares similar fate. Lack of job opportunities at par with his skill has pushed him towards underemployment. Earlier he used to work as a carpenter to support his education. But that job took a toll on his health and he is now employed as a Quality Checker in a domestic garment factory in Gandhi Nagar. With a family size of five, he is the only earning member.

Priyanka, age 20 years, is pursuing her Bachelors of Arts alongside working as a daily wage earner in Krishna Labels has also knowledge of computers. She has the experience of data entry. After marriage she migrated to Delhi with her husband with expectation of better employment and income. After having a skill training programme at Orient Craft Export for a period of three months she worked there for few months. She also joined some government vocational training course of one year duration but even after much toil she only managed to earn a living of Rs. 250 per day. She complains about the improper workstation conditions at Orient Craft. Maintenance of comfortable temperature and hygiene at workplace and distribution of masks etc. are some of the essential norms under Factories Act, 1948. She reports gross violations of these provisions by the export giant.

Therefore, for many working in these global productions chain with little remuneration compared to their skill has been compulsion due to lack of sufficient employment opportunities. Around 6.7 percent of the migrant workers (tailors and helpers) were engaged in the profession of tailoring in their villages also. Expectations of higher income have pulled them towards city glitz.

As discussed earlier peer network serves as a crucial sustenance system of these young migrants. Usually search of employment begins visiting various factory gates or sometimes the friends already working in some factory divulges information about employment vacancies (Table 4.2).

Table 4.2: Major Sources of Information about Employment of Tailors and Helpers

Employment	Gurg	gaon	Okl	hla	NOI	DA	Delhi Domestic	
Sources	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Peer	47	39.8	14	35.9	18	38.1	37	55.2
Factory Gate	31	26.3	13	30.9	20	44.5	1	1.5
Contractor	37	31.4	12	30.8	6	13.0	3	4.5
Know Employer/ Manager	3	2.5	1	2.5	2	4.3	26	38.8
Total	118	100.0	40	100.0	46	100.0	67	100.0

Source: Field Survey, 2016.

Across all four regions peer network forms the most importance source of knowledge about job vacancy. Since domestic industry has strong caste and region based employer – employee relationship peer networking and village based or personal relation with the employer helped them get into present employment. Around 55 percent of the workers in domestic garment factories have entered into the current employment with the help of their peer group. Almost 39 percent of the workers have village based relation with the employer. For employers in the domestic garment production villages form a ready source of supply of cheap labour. However, this village based relations have strong ethos which helps them sustain the difficult times together (details in later chapters).

In both Gurgaon and Okhla the contractor system has emerged as very strong link between the owner and workers. The prevalence of the contractor system in the export factories helps the employer to adopt a very flexible system of employment of labor or 'employment flexibilisation'. In the words of E.S. Fourie (2008) "it simply means that employers, in their quest to reduce costs whilst trying to meet the demands of globalisation, are disregarding the traditional job boundaries — often to the detriment of the unskilled, non-standard workers. Employers use non-standard workers to avoid restrictive labour laws and collective bargaining restraints. In addition, the practice provides them with more flexibility".

The piece-rate workers, daily wage earners are managed by the contractor. They are the labour at 'beck and call', they can be 'hired and fired' any time. Almost 31.4 and 30.8 percent of labourers in Gurgaon and Okhla respectively are engaged through the contractor. In NOIDA the influence of the contractor seems to be much less. Another important observation in addition to this is the proportion of salaried workers is also higher in NOIDA compared to other places.

Searching for jobs at factory gates is another major way of looking out for vacancies. For an unemployed experienced tailor it may take 15 - 30 days to get job while for inexperienced tailor it may take months even during the peak seasons of production.

## 4.2. FIRM CHARACTERISTICS AND WAGE ARRANGEMENTS IN THE INTERFACE OF GENDER

Wage is the most crucial parameter towards measuring the welfare of the labour. The promise of globalisation was 'higher and fair wages for all'. However, this had limited translation into action.

Global Production Networks which emerged from the process of 'Neo-Liberal Globalisation' sketched pictures of workplace participation, shop-floor democracy and re-skilling in the production process. However, recent chain of events at the Rana Plaza in Bangladesh (2013), Cambodian Worker's Struggle (2014), Bangaluru Garment (Women) Worker's Protest (2016), Bangladesh Worker's Protest (2017) shook the globalised world to pause and think over the high claims of Post-Fordism.

The Gurgaon Garment Worker's protest (2016) to end contact labour system and implement the Minimum Wages as the latest guidelines of the Government of Haryana (April 2016), Orient Craft worker's protest in NOIDA over sacking of some contractual employees and change in shift timings (October 2016), All India Strike of Garment and Automobile Workers to protest over crucial central laws (April, 2017) exposes the gruesome reality of the export sweatshops.

An introspection into the wage decomposition of the labour type helps analyse the rhetoric and reality.

Table 4.1a: Gross Income of Non-Salaried Tailors in Large Export Firms in Gurgaon

Salary Range Total Male Female (in Rs.) (Percent) (Percent) (Percent) **Below 7500** 12.5 31.1 7500 - 7999 4.2 10 18.8 5 0 8000 - 8499 8.3 8500-8999 15 12.5 18.8 9000 - 9499 10 8.3 12.5 9500 - 9999 2.5 4.2 0 10000 - 10499 17.5 25 6.3 11000 -11499 10 12.5 0 11500 - 12000 15 16.7 12.5 14000 & 2.5 8.3 0 Above

Note: No income in the range of Rs. 13,000 and the maximum income earned is Rs. 15000 (same as salary of large export firms of Gurgaon). Figures of Workers are in Percentage

Source: Field Survey, 2016.

Table 4.1b: Gross Salary of Salaried Tailors in Large Export Firms in Gurgaon

Salary Range (in Rs.)	Total (Percent)	Male (Percent)	Female (Percent)
Below 8000	5.4	0	14.3
8000 - 8499	16.2	4.3	35.7
8500 - 8999	10.8	8.7	14.3
10000 - 10499	5.4	0	14.3
11000 -11499	8.1	13	0
11500 - 11999	2.7	0	7.1
12000 - 12499	37.8	52.3	14.3
12500 & Above*	13.6	21.7	0

Note: \*The next salary figures were 13, 14, 15 (Rs. '000) Figures of Workers are in Percentage

Source: Field Survey, 2016.

The wage data is analysed at three different levels: intra-firm (according to size), intraoccupation and across gender. However, these layers may be clubbed at times to maintain a decent sample size across all the levels considered.

Across any occupation group the workers are divided in two groups – salaried or non-salaried. Non-salaried workers include those engaged as piece-rate workers and daily wage earners. As witnessed the contractor forms an important source of labour supply in Gurgaon and most of these are piece-rate workers and daily wage earners.

Gross Income for all working purposes here refers to monthly income (be it salary or piece-rate income) plus the overtime earning. The basic income or salary refers to only the income that is earned by n worker in a month without including the overtime (it may be the average monthly salary for a salaried worker and average earning for the piece-rate and daily wage earners).

Figure 4.1a: Gross Salary of Salaried Tailors in Large Export Firms in Gurgaon

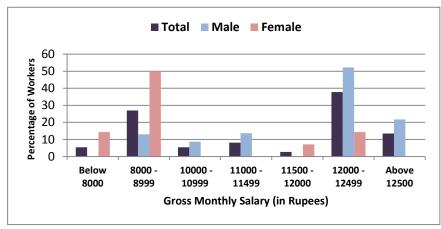


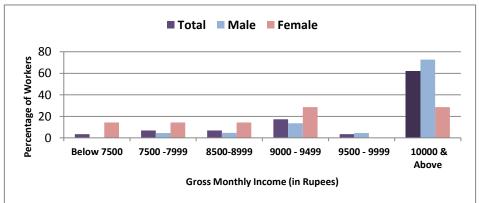
Table 4.1c: Income Parameters of (Salaried and Contract)
Tailors in Large Export Firms

-					
	Salaried (in Rupees)	Non-Salaried (in Rupees)			
Mean	10803.08	9454			
St. Dev	1970.41	2145			
Q1	8500	8000			
Q2	12000	9000			
Q3	12000	11000			

Source: Field Survey, 2016.

## Gross Salary of (Salaried and Contract) Tailors in Large Export Firms in Gurgaon: Figure 4.1b & Table 4.1d

Figure 4.1b



Source: Field Survey, 2016.

Table 4.1d

Salary Range	Total (Percent)	Male (Percent)	Female (Percent)	
Below 7500	6.9	0	16	
7500 -7999	6.9	0	16	
8000-8499	13.8	9.1	20	
8500-8999	13.8	12.1	16.2	
10000 & Above	58.6	78.8	32	

Source: Field Survey, 2016.

## 4.2.1. The Tailors – Drivers of the Garment Industry

The core of the garment industry that drives it is the tailors or artisans. Their well being and situation is of utmost importance to determine the smooth functioning of the industry and it is critical to analyse their gains and losses from working in the Global Production Networks.

The tailors are divided into two main groups: salaried tailors and the non-salaried tailors. Salaried tailors are those who are entitled a regular monthly salary payment and have a basic salary. The non-salaried tailors are those who are disbursed amount according to the pieces they work upon. Few are paid on the basis of daily wage as well. Though the regularity of pay in the export units are usually monthly while in the domestic it may be disbursed fortnightly and even on weekly basis.

The non-salaried tailors have a much lower income base (minimum of Rs. 5000 per month) when compared to the salaried tailors in the large export firms of Gurgaon. The minimum salary of the salaried tailors per month is Rs. 7500. The mean monthly earning of salaried tailors is Rs. 10803 while for non-salaried tailors it is Rs. 9454. The upper ceiling of income of the salaried tailors is Rs. 12,000 while for non-salaried tailors, it is Rs. 11,000 per month (Table 4.1c).

However, all the lowest wage earners in both salaried and non-salaried categories of tailor are the women (Table 4.1a and Table 4.1b, Figure 4.1a). The minimum wage in Gurgaon (during the period of survey – June 2016) was 355.13 per day (for Skill A category of workers) and Rs. 372.88 per day (for Skill B category of workers). Skill B category workers possess higher skill than A.

Most women workers reported that usually they are not included in the higher pay group of tailors (Skill B category) as the work done by men are harder and higher skill is required for performing them. The stitching of collars and cuffs are the work performed by the male workers in this skill group. But the question that arises is that why there is such division of labour and wages across the same occupation (tailoring or stitching). The gender dictate of society may bear implications on keeping down the wages of women workers.

Figure 4.1c: Basic Salary of (Salaried) Tailors in Large Export Firms in Gurgaon

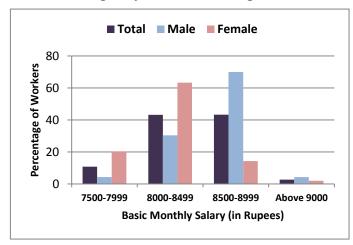


Table 4.1e: Salary Range of Basic Salary of Tailors in Large Export Firms in Gurgaon

Monthly Salary	Total (Percent)	Male (Percent)	Female (Percent)
7500-7999	10.8	4.3	20.4
8000-8499	43.2	30.4	63.3
8500-8999	43.3	70	14.3
Above 9000	2.7	4.3	2

Source: Field Survey, 2016.

The figure and table above reflect clear concentration of female tailors towards the lower basic monthly range of income. While more than 20 percent of the women tailors get a monthly basic salary of less than Rs. 8000, only 4.3 percent of the male tailors are given such a low salary. While 34.7 percent of the males are getting less than Rs. 8500 per month, an alarming 83.7 percent of the women tailors have basic salary less than Rs. 8500 per month (Figure 4.1c and Table 4.1e).

While 50 percent of the salaried female tailors in the large export firms are included in the Grade Pay of skill A (~Rs. 9233.38 per month), another 21.4 percent of women received less than the prevailing minimum wage rate compared to 4.3 percent of male tailors (who received less than the basic minimum wage). Around 13 percent of the male tailors receive monthly basic salary in the skill A category and around 95.7 percent of the salaried men (compared to 78.6 percent females) received higher than the minimum wage of Skill A. But the wage of tailors across the same skill category is not also the same. While only 28.6 percent of the salaried female tailors are included in the basic minimum wage band of Rs. 9694.88 per month (skill B category), a whopping 82.6 percent of the males are included within the same pay band. This clearly indicates occupational and wage segregation (as computed from primary data).

Many women complained that though they wanted to work for more than two hours of overtime (which is the daily permit) the firm management does not allow them to, whereas for male workers there is no such restriction. Though the Government of India through a recent amendment to Factories Act of 1948 allows women to work in night shifts most of the factories in National Capital Region seemed to be unwilling to employ female workers beyond the normal work timings i.e. 6 A.M. to 7 P.M (as this has to be passed by the state legislature separately, only Karnataka has passed the required legislation). Actually for employing female workers at night the factory owners have to conform to certain government norms such as provision of female guards, conveyance facilities etc. This adds extra costs to the firm and hence their unwillingness to extend the night shift. However, many women were observed leaving the factory gates daily after 7:30 p.m. only which indicates violation of the normal timings of employing female labourers. However, many women workers seemed who had limited family income and also women headed family showed greater willingness to work for longer hours. This holds true for both salaried and non-salaried workers.

Decomposition among the salaried and non-salaried workers also exhibit that a higher proportion of the salaried male tailors earn towards the higher end of the wage scale spectrum compared to the non-salaried males (Table 4.1a and Table 4.1b) in the large firms of Gurgaon. While only 25 percent of male non-salaried tailors earn gross monthly income of more than Rs. 12000, around 73.9 percent of the male salaried tailors received salary in the same range. The disparity though is lower in case of females the women workers on average earn lesser than their male counterpart. While only 6.3 percent of the non-salaried female tailors in the large export firms of Gurgaon earn a monthly income above Rs. 12000 per month, 14.3 percent of the female salaried workers in the same range.

The gross mean monthly salary of the non-salaried tailors is Rs. 9454 while that of salaried tailors is around Rs. 1349 higher at Rs. 10803 (Table 4.1c). To earn at par with the salaried tailors the piece-rate workers and the daily wage earners have to work for longer hours. They are the invisible hands that gear the production. They work for continuous 16 hours to meet the targets and to earn average monthly income of Rs. 10,000. During peak seasons of production though they earn few thousands more but for that they might have two work for continuous two shifts (Jha and Chakraborty, 2014). In the interface of gender, the women piece rate earners are the worst sufferers even after putting the same 'man hours' woman hours' they are always populated at the lower end of the pay-scale.

As observed the tendency to employ non-salaried tailors is higher in the medium and small firms (M&SFs) of Gurgaon compared to the large firms. While 63.8 percent of the workers are formally employed (have a basic monthly salary that is the proportion of salaried tailors) in the large firms the same figure stands at almost 30 percentage points lower for M&SFs at only 34.5 percent. A probable reason may be that larger firms have to maintain higher sufficiency with respect to workers and work conditions compared to conform to the compliance norms. Hence the proportion of salaried tailors is higher. Also having a larger market share easily maintains their affordability to continue with regular skilled tailors.

An inter comparison between large firm and medium-small firms (M&SFs) reveals interesting findings. This comparison is done by taking together the salaried and non-salaried tailors as the salaried tailor forms only one-third of the sample surveyed. When gross salary of large and (M&SFs) tailors are compared to large firms it is observed (as computed and also refer to Figure 4.1d & Table 4.1f):

- While 13.8 percent of the total workers (salaried and non-salaried tailors) in the M&S Fs receive less than the minimum wage scale of the Rs. 9233.38 (skill A) the same parameter stands at 10.3 percent in the large firms.
- Compared to 4.5 percent of the male tailors in the M&S Fs who received less than the
  minimum wage pay of tailor, none of the male tailors in the large sized firms of Gurgaon
  received less than the minimum wage.
- But the situation is not similar for females. The exploitative gender relations is present both in large and M&S Fs. 28.6 percent of the female tailors in the medium and small firms and 32 percent of female tailors in the large firms of Gurgaon receive less than the minimum wage.
- The average basic salary of a (salaried) tailor working M&S Fs is though higher at Rs. 9638 compared to Rs. 8411 in the large firms (that is a difference of around Rs. 1227 per month.
- The average monthly income of a tailor (salaried and non-salaried combined) in large firm stands at Rs. 10201 while in M&SFs it is Rs. 10283. The difference is not though significant.

# Gross Income of (Salaried and Contract) Tailors in Medium and Small Export Firms in Gurgaon (Figure 4.1d & Table 4.1f)

Figure 4.1d

Total Male Female

100
80
60
40
20
Below 7500 7500 -7999 8000-8499 8500-8999 10000 & Above

Gross Monthly Income (in Rupees)

Table 4.1f

Salary Range (in Rs.)	Total (%)	Male (%)	Female (%)
Below 7500	3.45	0	14.3
7500 -7999	6.9	4.5	14.3
8500-8999	6.9	4.6	14.3
9000 - 9499	17.2	13.6	28.6
9500 - 9999	3.45	4.5	0
10000 & Above	62.1	72.7	28.6

Source: Field Survey, 2016.

Source: Field Survey, 2016.

• However, a greater proportion of tailors in large sized firms earn a monthly income of Rs. 10,000 and more. Around 78.8 percent and 72.7 percent of male tailors in large and M&SFs respectively earn more or equivalent to than Rs. 10,000 (Figure 4.1d & Table 4.1f compare to Figure 4.1b & Table 4.1d). Around 32 percent and 28.6 percent of female tailors in large and M&SFs earn more or equivalent to the amount of Rs. 10,000 per month. Inter-firm comparisons thus also reflect upon gender differences of wages.

Similar analysis is under taken for NOIDA. In NOIDA, the proportion of non-salaried workers is very less as a result the system of contractor is also very limited. Factory gate and peer network as already discussed are the major sources of information exchange about employment vacancies.

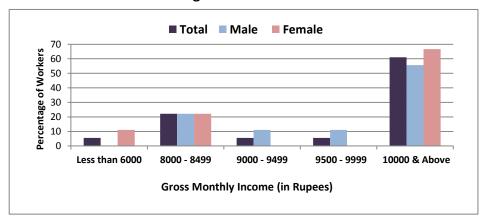
Therefore, further analysis in NOIDA is based on the salaried and the non-salaried tailors - taken together as a group. The examination is at two levels: firm size and gender.

A visit to an export firm and an interaction with the owner of the firm Mr. Kohli (Industrial Manufacturing Corporation) revealed that he prefers employing female workers in factory rather in his words 'Women themselves prefer working in that firm as the timing of the firm 8 a.m. to 4:30 p.m. suits their schedule. They are allowed a maximum overtime of two hours'.

Inter-firm and intra- firm comparisons of large and medium and small firms (M&S Fs) in NOIDA reveal (Figure 4.2a and Table 4.2a; Figure 4.2b and Table 4.2b):

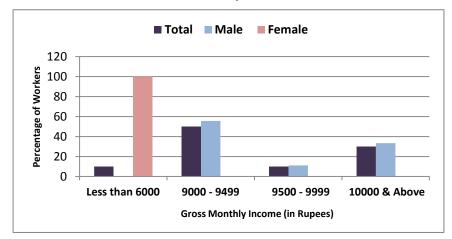
- The minimum salary of the M&SFs is much less than that of large firms in NOIDA. While the salary of any tailor in large firm is not less than Rs. 6000 per month, the start salary in M&S Fs is only 4000 per month.
- While around 72 percent of the tailors in M&SFs receives a gross salary or income of Rs.
   9000 and above per month, a higher proportion of workers (90 percent) receives the same amount in large firms.
- The mean monthly (gross) salary in the large firms is Rs. 841 higher at Rs. 9961 compared to Rs. 9120 in the M&SFs.
- The minimum wage for NOIDA (Uttar Pradesh) for tailoring (w.e.f 1/4/2016 to 30/9/2016) is Rs. 8757.85 (approximately Rs. 8757). The large and the M&S Fs in NOIDA also show stark variation with respect to minimum wages that are disbursed in the interface of gender.
- While 11.1 percent of the female tailors in the large firms receive less than the minimum
  wage rate of the Rs. 8757, strikingly 100 percent of the female tailors in the M&SFs have
  their basic salary (as well gross salary less than the minimum wages) lesser than the
  minimum wage.
- None of the male tailors in either large firms or M&SFs have basic (or gross salary) less
  the minimum wage. The gender distinction of wage rates is quite blatant in NOIDA
  across different firm sizes.
- Gender comparisons also reveal that while only 22 percent of the men earned a gross salary of less than Rs. 8500 per month, about one third of the women tailors earned less than the equivalent amount.
- However, gender relations to a marginal extent may also depend on firm particular. For
  instance, IMC even has a considerable proportion of women sample cutters fall in the
  category of highly skilled personnel. This company thus provides favourable situation for
  women employment. None of the female (also male) tailors and helpers interviewed

Figure 4.2a: Gross Monthly Income of Tailors in Large Firms in NOIDA



Source: Field Survey, 2016.

Figure 4.2b: Gross Monthly Income of Tailors in Medium and Small Export Firms in NOIDA



Source: Field Survey, 2016.

Table 4.2a: Gross Monthly Income of Tailors in Large Firms in NOIDA

Salary Range (in Rupees)	Total (in %)	Male (in %)	Female (in %)
Less than or equal to 6000	5.6	0	11.11
8000 - 8499	22.2	22.2	22.2
9000 - 9499	5.6	11.1	0
9500 - 9999	5.6	11.1	0
10000 & Above	61	55.6	66.6

Source: Field Survey, 2016.

Table 4.2b: Gross Monthly Income of Tailors in Firms in NOIDA

Salary Range (in Rupees)	Total (in %)	Male (in %)	Female (in %)
Less than 6000	10	0	100
9000 - 9499	50	55.6	0
9500 - 9999	10	11.1	0
10000 & Above	30	33.3	0

Source: Field Survey, 2016.

reported to receive less than the minimum wages in this factory. However, an attempt was made to over report the provisions of social security (will be discussed later in upcoming sections). Human Resource manager of IMC Mr. Singh also reported that their factory recruits higher proportion of female workers than male in the ratio is 3:2. Many owners and contactors cited that female workers are more docile and dedicated with respect to punctuality and production target.

Individual firm decisions and attitude may bear important implication for maintaining the standard of employment. Like IMC in NOIDA, Gaurav International in Gurgaon has set some standards of women employment. However, there may also exceptions to this norm.

Okhla offers a quite contrasting view to both NOIDA and Gurgaon where most of the units are large. In Okhla very few units are of large size and most of the sample population surveyed is from medium sized firms. Hence the factor of size is not taken into account. The other problem, which is encountered in Okhla is that the representation of female workers had been minimal in Okhla while surveying (detailed in Chapter II). Since the female workers do not leave the factory premise during the tiffin and refreshment breaks, it was very difficult to interact with them. The workers working in Okhla are not settled in any particular part of Delhi as in the case of the other two locations in NCR, therefore tracking female workers in Okhla became very difficult. Therefore, the factor of gender is not considered in Okhla.

In Okhla most of the garment factories are undergoing through tumultuous situation. Many units are closing down or relocating their base mostly towards Gurgaon (or at times NOIDA). Interviewing workers and contractors revealed that the higher cost of production in the heartland of Delhi is the reason behind many sick factories. High land costs, higher taxes and higher costs of labour are the major reasons cited.

The minimum wages across various categories of workers are also higher in Delhi compared to the other two locations. For example, the monthly minimum wage of a skilled worker tailor in Delhi is Rs.16,182 compared to Rs.10,064 in Gurgaon and Rs. 8,889 in Uttar Pradesh (according to the latest revisions). At the time of survey the minimum wage rate of a skilled tailor in Delhi is Rs. 1,928 (skill B) and Rs. 2,865 higher compared to Gurgaon and Okhla respectively.

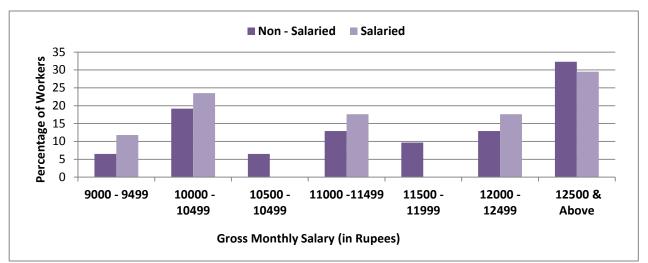


Figure 4.3a: Gross Monthly Income of Tailors in Export Firms (Large + M&SFs) in Okhla

Source: Field Survey, 2016.

Table 4.3a: Monthly Income of Tailors in Export Firms (Large + M&SFs) of Okhla

Monthly Salary	Gros	Gross Income		* Income
Range (in Rupees)	Salaried (in %)	Non – Salaried (in %)	Salaried (in %)	Non – Salaried (in %)
9000 - 9499	11.8	6.5	11.8	6.5
10000 - 10499	23.5	19.2	29.5	25.7
10500 - 10499	0	6.5	0	6.5
11000 -11499	17.6	12.9	17.6	12.9
11500 - 11999	0	9.7	17.6	35.5
12000 - 12499	17.6	12.9	5.9	3.2
12500 & Above	29.5	32.3	17.6	9.7

Note: The use of term basic salary or income for non-salaried tailors is a misnomer since the non-salaried workers are not regular workers and are hired during peak seasons of production and thrown out of employment during lean seasons.

Source: Field Survey, 2016.

But from the workers point of view the living cost in Delhi must also be considered. If relocating the business saves this extra cost burden of the firms then the livelihood of these thousands of garment (as well as similar business houses undergoing same process) will be under serious question. The resentment among the worker seemed to be quite surfaced as few focused discussions were arranged on the theme of 'wages and sustainability'. Many reported gross misappropriation of wages in Delhi. Almost 50 percent of the sample tailors in Okhla were

piece-rate earners. They reported that during compliance survey they are shown as regular workers in the factories and their monthly grade pay of Rs.15,000 which is even 29 percent higher than minimum wage rate. In case of the non-salaried workers the provisions of minimum wages are blatantly ignored let alone wage hikes. A separate fake wage roll or register is maintained to showcase before the compliance survey team. This is stated not only by the workers but also by a young contractor (name withheld). He is an unregistered contactor and provides around 15 - 20 workers to a single company.

The shimmering discontent related to the other conditions at work like the infrastructure that maintains comfortability at workplace – regulation of temperature and moisture, provision of clean drinking water which are mandatory provisions under the Factories Act and that also adds to the productivity of the worker are not adhered to in the factories of Okhla.

As already mentioned that the distribution of salaried and the non-salaried workers in the employment absorption is quite homogeneous, this uniformity is also reflected in their gross earnings. While 52.9 percent of the salaried tailors receives a monthly income of less than or equivalent to Rs.12000, around 54.8 percent of the non-salaried tailors come under this pay band. Around 47.1 percent and 45.2 percent of the salaried and the non-salaried tailors respectively receive more than or equivalent to Rs.12000 per month (Figure 4.3a and Table 4.3 a). Like both Guragon and NOIDA, in Okhla too, the maximum monthly (gross) income of a tailor is Rs.15,000.

A dissociation of basic wage (in case of non-salaried tailors basic is considered equivalent to gross income) to calculate the conformity to minimum wage regulation reflects that 36.8 percent of the salaried workers receive lesser than the monthly delineated minimum wage of Rs.11622 while the situation of the daily wage and piece-rate earners are even worse with almost percent 58.8 percent of the non-salaried workers earning less than the statutory minimum amount.

Comparing all the export firms vis-à-vis the domestic firms have important revelations with respect to worker and his or her earnings.

The domestic garment industry is predominantly male dominated production. Many of the units have less than 10 workers thus they directly do not come under the ambit of Factories Act.

However, the recruitment and strength of tailors are often seasonal and increases during the peak production seasons. Therefore, further distinctions with respect to factory size are not made within the domestic firm category as they are also largely unorganised.

less than 8000 - 84998500 - 89999000 - 9499 10000 - 12000 - 12500 & 7500 Gross Monthly Income (in Rupees)

Figure 4.4a: Gross Monthly Income of Tailors in Domestic Firms in NCR

Source: Field Survey, 2016.

Table 4.4a: Gross Monthly Income of Tailors in Domestic Firms in NCR Compared with the Situation of Export Firms in NCR

Gross Monthly Income (in Rupees)	Percentage of Workers	
less than 7500	11.3	
8000 - 8499	9.6	
8500 - 8999	4.8	→ Minimum Wage of NOIDA – Rs 8757
9000 - 9499	7.1	Minimum Wage of Gurgaon – Rs 9694
10000 - 10499	7.1	→ Minimum Wage of Okhla – Rs. 11622
12000 - 12499	8.1	Willimum Wage of Okilla – KS. 11022
12500 & Above	52	

Source: Field Survey, 2016.

Comparisons across export and domestic market oriented firms reveal that the wages of export firms at all locations the wages in domestic firms the income prospects of the tailors is much higher (Table 4.4a). Not only the average income of tailors in the domestic firms is higher at Rs.11,871 than the average wages of the all the export firms (across all locations and sizes), the

maximum income earned by a tailor is also higher in the former. This is because many of the tailors are also the owner of the firm and he sits along with the other fellowmen and contributes towards stitching of clothes. Also the average earning of a tailor is high and the hours of work are almost same with export units.

Around 64.2 percent of the tailors in the domestic factories earn more than Rs. 10,000 a month and of them 50 percent earn above Rs. 12500 (Figure 4.4a and Table 4.4a).

However, all the tailors engaged in the domestic sector are piece-rate earners. Giving a salary to a tailor or helper is not a trend in the domestic sector. Helpers though are given a monthly salary, in most of the cases they are adolescent workers and even at times child labour (Lahiri, 2017) and they are given a maximum salary of Rs. 5,000 a month. If he is a child labour he is provided only food and lodging (usually in the factory shed). The owner usually is a close relative or has village based relation with the child.

Therefore as seen, the average immediate return by working in a domestic firm is higher. Many times the workers live in the factory unit itself and this prevent them from shelling out the expenses of rent which typically forms 16 to 20 percent of their expenses in the city. However, workers in the domestic firms have no social protection like Provident Fund (PF) and Employer's State Insurance (ESIC) etc. Therefore, opportunity cost of working in the export sector is hard to determine.

The costs of production in the domestic firm are mainly two major types (besides labour cost): one, the cost of raw material and other, the rent of the factory site. On the other hand, export firms have to invest in host of measures like maintenance of human resource and technical personnel, product developers, marketing expenses etc. This adds to the cost burden of the firm. However, saying this it must be mentioned that the capital base and the financial shock absorption capacity of the export units are much larger. The burden is therefore balanced by lowering labour wages which is very easily adopted measure in developing countries like India, China, Pakistan, Bangladesh and African countries.

The domestic firms on the other hand have much localised markets mostly within India and that too most of them are restricted to whole seller markets in and around Delhi. For example the

production in Karol Bagh region is bought by wholesellers in Karol Bagh market itself. The production of Gandhi Nagar though has a larger market capture and is traded in other states like Madhya Pradesh, Bihar and Orissa and to a smaller extent in Nepal. Interviewing the owners of these domestic units shed light on this.

# 4.2.2. The Helping Hands: All Odd Jobs

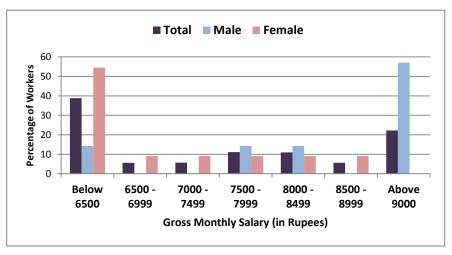
After tailors another category of labour intense work is that of helper. Helpers are found in every section of the production process and probably are another numerically strong group of workers in the process of garment production especially in these global value chains and they perform all kinds of odd jobs like 'dhaga' or thread cutting, pressing, stain removal, relocating and transferring the goods from one workstation to the other, loading and unloading materials etc.

They are helping hands in all sections of work but are the least paid of all since their labour is unskilled. For the purpose of analysis of helpers who are mostly men the gender perspective adopted only for Gurgaon which constituted the majority of the sample.

The helpers in the large firms vis-à-vis small and medium firms in Gurgaon exhibit contrasting conditions (Figure 4.5a and 4.5b and Table 4.5a and 4.5b).

- A larger proportion of helpers (76.9) in M&SFs have salaried income compared to large firms (38.9 percent) in Gurgaon. This is just the opposite witnessed in case of tailors where much larger proportion of tailors in large firms have monthly salary compared to the smaller and medium sized firms. A probable reason for this may be that large firms sub-contract a part of their production to smaller and medium sized firms hence they maintain a much regular size of helpers. On the other hand, tailors are skilled labour hence larger firms maintain a stable size of them not only to meet the production targets but also to conform to the CSR norms.
- The range of basic salary of helpers in large firms is very wide with the lowest wage starting at Rs. 2500 and the maximum is Rs. 8500. The lowest salary in the M&SFs is Rs. 4500. But irrespective of firm size the lowest earners are always the females. Though they comprise the homogeneous group of unskilled labour distinctions are made,

Figure 4.5a: Gross Monthly Salary of Helpers in Large Export Firms in Gurgaon



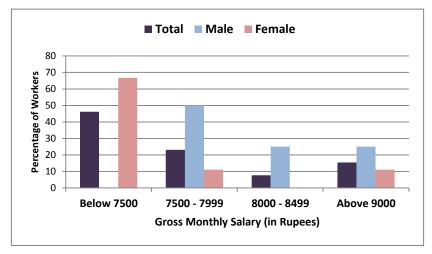
Source: Field Survey, 2016.

Table 4.5a: Gross Monthly Salary of Helpers in Large Export Firms in Gurgaon

Salary Range	Total (percent)	Male (percent)	Female (percent)
Below 6500	38.8	14.3	54.5
6500 – 6999	5.6	0	9.1
7000 – 7499	5.7	0	9.1
7500 – 7999	11.1	14.3	9.1
8000 – 8499	11	14.3	9.1
8500 – 8999	5.6	0	9.1
Above 9000	22.2	57.1	0

Source: Field Survey, 2016.

Figure 4.5b: Gross Monthly Salary of Helpers in M&SFs in Gurgaon



Source: Field Survey, 2016...

Table 4.5b: Gross Monthly Salary of Helpers in M&SFs in Gurgaon

Salary Range	Total (percent)	Male (percent)	Female (percent)
Below 7500	46.2	0	66.7
7500 - 7999	23.1	50	11.1
8000 - 8499	7.7	25	0
Above 9000	15.4	25	11.1

Source: Field Survey, 2016.

- probably on the basis of work they do for example the loading and unloading work which is done by the helper is paid more.
- Almost 72.7 percent of the women helpers in large firms earn a gross salary of less than Rs. 7500 compared to 55.6 percent of female helpers in the same income range in the M&SFs. Also none of the male workers in the M&SFs earn a monthly gross income of less than Rs. 7500 per month while 14.3 percent of male helpers in large firms less than Rs. 7500. This is contrary to the assumption that as size of the firm increases the income of worker increases. However, for tailors this assumption hold true as seen in the early sections that firm size effectively affects the income and also host of other benefits like social security etc.
- But the gender differences of pay are present independent of the firm size while none of the female helpers earn more than a gross income of Rs. 9000 per month, only 11 percent of the women earn in the same income range in M&SFs.
- The minimum monthly wage for helpers in Gurgaon (Haryana) is Rs. 8279. Around 44. 4 percent of the all the helpers in the large firms and 38.5 percent in the M&SFs are paid less than the minimum wage rate (as computed).
- In the gender front the differences are blatant. While none of the male helpers engaged in the medium and small export firms in Gurgaon receive a basic salary less than the mandated minimum wage, 55.6 percent of women helpers there get less than the mandated minimum. Also while 14.3 percent of the male helpers in large firms have

Table 4.5c: Comparison of Monthly Income of Helpers in Large and M&SFs Export Firms in Gurgaon

Parameters (in Rupees)	Gross Monthly Income*		Basic Monthly Income*	
	Large Firms	M&SFs	Large Firms	M&SFs
Mean	6662.22	7224	6261.67	7131.69
Standard Deviation	2441.13	1416.34	2023.481	1351.514
First Quartile (Q1)	4750	6150.00	4750.00	6150.00
Second Quartile (Q2)	7300	7500.00	7300.00	7500.00
Third Quartile (Q3)	8625	7806.00	7697.50	7606.00

Note: \*Inclusive of PF/ESIC deductions.

Source: Field Survey, 2016.

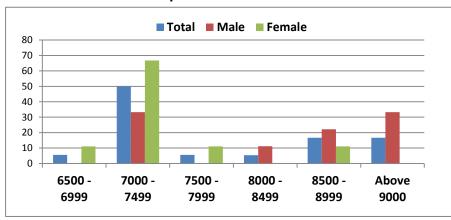
- income less than the minimum wage a whopping three-fourth (72.7 percent) of the women is devoid of their due minimum wages (as computed).
- Therefore as exhibited in the above table (Table 4.5c) the mean wages of helpers in the M&SFs are better compared to the large firms in Gurgaon. The factor of size seems to hold less significance here.
- The performance of all the parameters in the M&SFs is better compared to large firms. Exception is in third quartile where the value (gross income) in case of large firms stand at Rs. 8625 compared to Rs. 7806 in the medium and small export houses.

As observed in case of the tailors in NOIDA that most of them are salaried in nature, this trend continues for the helpers as well. Almost 78 percent of the helpers surveyed in NOIDA were engaged enjoyed a regular monthly salary (compared to only 55 percent of the same in Gurgaon).

The minimum wage of helpers in the garment industry of NOIDA, Uttar Pradesh (w.e.f. from 1<sup>st</sup> April, 2016 – 30<sup>th</sup> September, 2016 – Source: Government of Uttar Pradesh; www.paycheck.in) was Rs. 7107.64. A disaggregation of basic wage helps understand the ground situation of wage conditions in NOIDA. Since already mentioned that most of the helpers are salaried, hence wage differences are only observed from the view point of gender. Also the size component is merged since most of the helpers surveyed were from the large factories of NOIDA (Table 4.5d and Figure 4.5c; Table 4.5e and Figure 4.5 d).

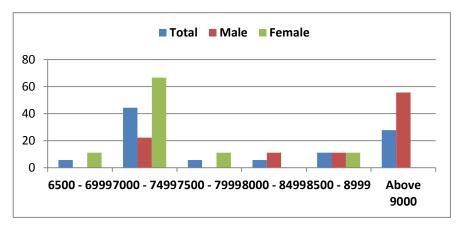
- At lower levels of income both gender bear parity, this is quite striking. Around 11 percent of the helpers of both the sex receive a basic monthly income of less than Rs.7107 as computed (approximately Rs. 7100 as in this case/ table).
- However at higher levels of income this parity is not maintained. The societal or patriarchal discrimination of wage is reflected in the higher end of the income spectrum of the helpers. While one-third of the male workers earn a monthly salary of Rs. 9000 and above, none of the female workers earn in that range. The maximum a female helper is earning in NOIDA is Rs. 8500. When this is computed taking the gross salary, even more male helpers fall in this range. Around 55. 6 percent of the male helpers earn a gross income of Rs.9000 and above but none of the female helpers even get the opportunity of having a gross salary in that range.

Figure 4.5c: Basic Monthly Income of Helpers in Export Firms in NOIDA



Source: Field Survey, 2016.

Figure 4.5d: Gross Monthly Income of Helpers in Export Firms in NOIDA



Source: Field Survey, 2016.

Table 4.5d: Basic Monthly Income of Helpers in Export Firms in NOIDA

Salary Range	Total	Male	Female
6500 - 6999	5.6	0	11.1
7000 - 7499	50	33.3	66.7
7500 - 7999	5.6	0	11.1
8000 - 8499	5.4	11.2	0
8500 - 8999	16.7	22.2	11.1
Above 9000	16.7	33.3	0

Source: Field Survey, 2016.

Table 4.5e: Gross Monthly Income of Helpers in Export Firms in NOIDA

Salary Range (in Rupees)	Total (in %)	Male (in %)	Female (in %)
6500 - 6999	5.6	0	11.1
7000 - 7499	44.4	22.2	66.7
7500 - 7999	5.6	0	11.1
8000 - 8499	5.6	11.1	0
8500 - 8999	11.1	11.1	11.1
Above 9000	27.8	55.6	0

Source: Field Survey, 2016.

This indicates that discrimination occurs even in homogeneous work category that too when skill is not the question. Moreover, most of the female workers are themselves not aware of this discrimination. For them, not to be included in the higher skill work is a accepted norm. As seen in case of tailors, some females described few works of stitching as 'hard task' and essentially reserved for the men. When the production takes place mostly in assembly line and garments are stitched in part or 'part-making' takes places then the question of high skill requirement does not even hold ground.

As already mentioned that of all three locations, industries in Okhla is undergoing through an unstable phase with rising concerns of the workers over loss of employment. As mentioned one important characteristic associated with workers is that since Okhla had a very early start of garment industry the workers here are not settled in particular residential area unlike in Kapashera and Dundhahera in Gurgaon or Yakubpur in NOIDA. Moreover, during our 5 days visit to Okhla for survey tensions started piling up and interviewing the workers became increasingly difficult. The security guards became quite active (on the orders of manager) and the workers were barred from meeting us even during the tea and lunch breaks. Even some spokesperson from the management of a company was send and he stated that he has 'progressed a lot and is very much satisfied with the quality his job offers'. Clearly, his words were indicative enough for workers.

Therefore, rather than focusing on the number of helpers the mode of analysis here is changed into interview. One worker, age 37 (name withheld on request) refers to the above mentioned situation as the main reason behind deteriorating work conditions. The lack of unity among the workers on issues of utmost importance to worker's welfare is of the many reasons for pathetic work situation. Saying that, it must be mentioned that workers have choice, raising voice of dissent would mean losing jobs which is very costly affair. The monthly minimum wage rate in Okhla is Rs. 9568 for helpers, however he is paid much less with a basic of Rs. 7000 and an overtime of around Rs. 3000, it barely amounts to Rs. 10,000 per month. On inquired about the rate of overtime, he added that earlier they used to used to get double rate for overtime but now it is slashed down to single rate. As also confirmed by other workers, units have been closing down leading to heavy loss of employment during the last few month. This person says though he is engaged through contactor he is entitled to a

monthly salary and PF and ESIC. However, he sees no improvement in his work conditions in the past 7 to 8 years with limited opportunity of improving his life standard.

Prayeen, a young quality checker and new entrant in this sector mentions recent job cuts in

his company reducing the strength of workers from 100 to 10 – 15. He a masters of arts in the discipline of Political Science unable to find a suitable employment has joined this work. Parveen is not the only helpless youth suffering from lack of employment opportunities. Out of 203 workers surveyed in the export garment industry, around 4 people were graduate and above (including one female, Priyanka) which is approximately 2 percent of the workers employed in capacity of helpers (whose requirement unskilled) and tailors and of these four people atleast two have technological knowledge. Priyanka, before migration has worked in the field of data entry and Satish had the experience of working in Business Processing Units

(both cases referred in detail in earlier sections). So to say that the real problem of low

income is lack of skill would be an understatement. The much hue and cry about skilling

India probably draws away much needed attention from the question of unemployment in

general and educated unemployment in particular.

Skilling India can be a potential option for new entrants to the labour market but the question lies that in 'assembly-line productions' like in the case of automobile (highly mechanized) and garment industry in India where production takes place in part may be the question of 'skill becomes less important'. Reverberating words of Jha and Chakraborty, the claim of 'multi-skilling of workers', lean and flexible process of production, increasing democratic participation of workers and ensuring worker's rights has been rather an 'ideological campaign' and the era of 'Taylorism-Fordism' still prevails in much refined forms.

Vijay (name changed, of age 29 years) helper in one of the firms of Okhla reports serious misappropriation of wages and other emoluments in the firm he is working as helper. He was hired as piece-rate worker. He was informed about this vacancy by his friends. However, he reports incidents of wage thefts, undercounting of pieces by the master tailor (supervisor) and contractor is a common phenomenon in this factory. Each worker hence keeps his or her details of pieces worked upon and often irregularities are found during the time of payment. The interviews were conducted in the month of July, Vijay informed that the minimum

wages rate has increased since April 2016, by Rs. 390 per month (rise in wage confirmed from labour website) and therefore around Rs. 1,170 is due from the contractor but he is not ready to pay. He hoped to get it along with July's salary but was quite doubtful.

# 4.2.3. Quality Checker or Master and Supervisor: The Persons in Charge of Assembly Line

Called by the different names he or she is the person who supervises the assembly line. Usually the supervisor also has good knowledge of tailoring and skill of managing the labourers.

Supervisors may be of different types and of different categories and his or her salary may vary considerably depending upon several factors, of which experience in job is of prime importance. Formal education is of little value.

The master tailor or checker as he is usually called along with the supervisor usually manages an 'assembly line'. The supervisor may not necessarily has formal training in tailoring but has practical experience of assessing quality of garment and also most of them have an average experience of more than 5 years. Besides, most of them are provided with formal training in the company. The supervisor may be described as the 'first link' between the workers and management.

The master tailor or the checker usually is the most skilled tailor. Not only he (or she) has the sense about maintenance of quality of the product but also considerable experience of working in the garment industry. He or she usually heads the assembly line. Each master tailor or checker is in charge of one assembly line and around 25 – 40 workers work in one line (strength of assembly line varies from factory to factory). At times the post of master tailor or checker may vary depending upon the strength of the company. Usually large factory maintains one checker, one master tailor and one supervisor for each line. The master tailor usually earns a salary that is higher than the other tailors but lower than that of supervisor. The salary of the master tailors varies depending upon the location and nature of the firm. The master tailor usually plays the role of the checker. In Gurgaon the master tailor earns a few hundred rupees to one or two thousand rupees extra per month compared to the

other tailors in similar grade. But in NOIDA, for example the recognition of skill linked remuneration is less. For example, Salim is a skilled tailor who has been working in a factory of NOIDA for last seven years as a tailor but he informally supervises the work of a checker, at the salary of a tailor. Again, Manjulika (name changed) had worked in the same factory for thirteen years but she took break for a year to build her own house, she re-joined the same factory but her PF is terminated and will not begin until she is one year into the same employment.

The supervisor is the most important link in the assembly-line. He or she is the in-charge of the assembly line. A female supervisor is a rare occurrence. Infact none of the supervisors interviewed are female. When probing questions about the occupational segregation of work are asked they suggested absence of female staff in the level of supervisor or above. Female labour in garment production industry is restricted to the level of artisans and direct production of garment. The post of supervisor which clearly requires decision making and is the lowest unit of administrative work is predominantly gendered. Interviewing the factory owners revealed clear biasness for recruiting male staff in the administrative level as those work are very 'unlike female nature and time to time requires effective handling of labour problems'.

The globalised garment industry where the 'just in time' production system operates and deadlines are strictly to be adhered human like machines work (where little skill is required) continuous hours to meet the target of which they are constantly reminded. Visit to few factory premises and surveying there helped witnessed this norm. As the day shift were coming to a close the urgency to meet the deadlines or rather the reluctance to answer questions became prominent as constant reminder from supervisor who kept a close watch on the production process.

Peer network is a very strong factor determining the occupational location provided the worker has required knowledge and skill. For many in the position of supervisor any link in the rank of manager or human resource has made their recruitment easier.

However, for some supervisor their journey has been quite gradual. For instance, Bablu Srivastava (age 40 years, highest education attended is upto secondary level) mentions 13

years back when he migrated to this city he started as a helper in garment factory at Rs. 2400 and gradually he learnt the work of tailor and few years back he got the opportunity of joining as a supervisor in Shivang Export in Gurgaon. He had personal terms with the human resource personnel which also aided him in getting the job of supervisor. For the position of supervisor mainly confirmed that their personal terms with the executive of the factory helped them in getting the position.

Brahmanand of age 34 years (higher secondary educated) is working as a supervisor and also as human resource personnel in Richa Global in Gurgaon. His main work is that of supervisor but he earns the grade pay of a Human Resource Personnel. He is one of the few permanent staff in the enterprise and mentions he has a formal contract which is renewed every year. His personal terms with the manager of the company helped him to get this job and also mentions after undergoing some vocational training on production (on the suggestion of the manager) at Okhla institute he easily got through this job. Same is the story of Ramkrishna Verma (age 53 years, received formal education upto class 8) working in the same factory as supervisor and he came to know about this job through some acquaintance in the Human Resource department. Therefore, besides skill the strength of social network to a large extent determines the position of a worker in factory.

Peer Network as seen in earlier cases is one of the most important mode of information regarding recruitment. In case of supervisor both peer networking and advertisement or recruitment from factory gate (26 percent) form important source of employment (Table 4.6a). However, in case of recruitment of the supervisor any link in the management is crucial. Around 16 percent of the supervisors and quality checkers/ masters had contact with manager or the employer and around 26 percent of them have peer network that were strong enough to provide them with decent jobs.

Table 4.6a: Mode of Recruitment of the Supervisors Working in the Export Garment Industry

Source of Employment Vacancy	Frequency	Percent
Peer	5	26.3
Factory Gate	5	26.3
Contractor	1	5.2
Know Employer/ Manager	3	15.7
Total	19	100.0

Source: Field Survey, 2016.

Skill here is essentially determined on the basis of work experience Formal education is of little importance even for the post of supervisor. The supervisor must have the administrative skill to attend to the demands of the workers and efficiently handle them. None of three case studies discussed above are graduate but they have good working experience in the industry and right contacts. Experience is crucial towards recruitment for the post of supervisor. Most of the persons employed have previous experience of working in the garment industry and atleast some form of training (Table 4.6 b). Only 15.8 percent of the supervisors mentioned though they do not have any form of training, their links in the garment industry were crucial in providing them the job. Over the years they have acquired the skill to judge the quality of the produce and also 'regulate the labour'. Merely 10 percent of the quality checkers and supervisors had formal training before joining the jobs and around 53 percent of them had

Table 4.6b: Mode of Skill Attainment of the Supervisors Working in the Export Garment Industry

	Frequency	Percent
Formal Training	2	10.5
No Training	3	15.8
Informal Training	10	52.6
On Job Training	4	21.1
Total	19	100.0

Source: Field Survey, 2016.

informal training probably back at home or from friends. The workers being mostly rural migrants have the working knowledge of stitching and tailoring from their home only. Many of them even had the expertise background of tailors and gained the traditional knowledge through inter-generational learning. This also holds true for many of the tailors as well. However, many supervisors (around 21 percent) have been provided with on job training in the factory they are currently working for. Their training include guidelines about assessing the quality of the product and only after satisfaction its packaging and transport. The production of garment undergoes through several separate workstation. Each workstation has separate groups of helpers and supervisors allotted with specific category of work in the process of production. The maximum number of supervisors is allotted in the tailoring or stitching section. If he is not satisfied with the garment quality, he instructs the tailor to make required alterations. Most of the tailors reported that in case of minor mistakes they are not charged any penalty but are asked to make the necessary modifications. However, the opinion of few female tailors slightly differed in this context as they reported that though their male counterparts are often let go in similar situations, they are often verbally abused.

Table 4.6c: Level of Education of the Supervisors Working in the Export Garment Industry

Education Level	Frequency	Percent
Middle School	4	21.1
Secondary & Higher Secondary	10	52.6
Graduate & Above	5	26.3
Total	19	100.0

Source: Field Survey, 2016.

Though formal education is little linked to the work supervisor performs it does not mean that education is less importance. A considerable proportion (almost one-fourth) of the supervisors and quality checkers are graduate and above (Table 4.6c). As seen that almost 42 percent of these workers had contact or peer relations in the category of manager and human resource and even owner of the factory which becomes a determining point in their employment.

When peer network becomes important determinant of employment opportunities caste decomposition becomes necessary to analyse how the benefits of the relations are getting distributed. As revealed, the supervisors are pre-dominantly from general or upper castes. A marginal proportion of them are from scheduled caste and schedule tribe (Table 4.6d). This indicates that even where education and skill are not much required the socially and educationally disadvantaged castes fail to get the 'better off jobs' thus evidently reflecting the caste based occupational divisions in the industry.

Table 4.6d: Caste Analysis of the Supervisors Working in the Export Garment Industry

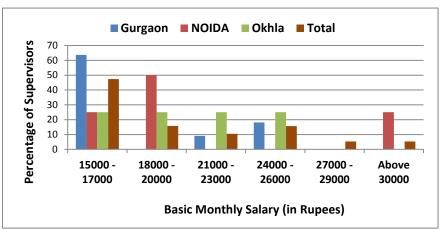
	Frequency	Percent
General / Other Caste	11	57.9
ОВС	5	26.3
SC & ST	3	15.8
Total	19	100.0

Source: Field Survey, 2016.

The basic salary of the quality checker or master tailor and supervisor starts at Rs.15,000 per month across all three locations (Figure 4.6e and Table 4.6e). With respect to the range of salary, NOIDA has the highest pay with 25 percent of the workers in this category having a basic (and gross pay of Rs.35,000) pay over Rs.30,000 per month. For both Gurgaon and Okhla the maximum monthly payment is in the range of Rs.24,000 – Rs.26,000. In Gurgaon around 63.6 percent of the quality checkers and supervisors receive in the of Rs.15,000 – Rs.17,000 per month and 27.3 percent workers earn above Rs.20,000 per month. While in NOIDA, 25 percent of the Q.C.s and supervisors receive a monthly salary of between Rs.15,000 – Rs.17,000 and 50 percent of the workers earn between Rs.18,000 – Rs.20,000. In Okhla the workers depict unique distribution across all the wage categories.

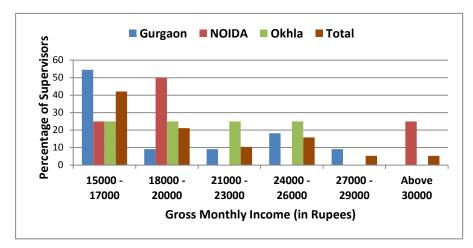
While the range of salary (both basic and gross) is highest in NOIDA, only 25 percent of the quality checkers and supervisors earn a gross salary above Rs.20,000 per month compared to

Figure 4.6e: Basic Monthly Income of Supervisors in Export Firms



Source: Field Survey, 2016.

Figure 4.6f: Gross Monthly Income of Supervisors in Export Firms



Source: Field Survey, 2016.

**Table 4.6e: Basic Monthly Income of Supervisors** 

Salary Range	Gurgaon	NOIDA	Okhla	Total
15000 -17000	63.6	25	25	47.4
18000 -20000	0	50	25	15.8
21000 - 23000	9.1	0	25	10.5
24000 - 26000	18.2	0	25	15.7
27000 - 29000	0	0	0	5.3
Above 30000	0	25	0	5.3

Source: Field Survey, 2016.

**Table 4.6f: Gross Monthly Income of Supervisors** 

Salary Range	Gurgaon	NOIDA	Okhla	Total
15000 -17000	54.5	25	25	42.1
18000 -20000	9.1	50	25	21.1
21000 - 23000	9.1	0	25	10.4
24000 - 26000	18.2	0	25	15.8
27000 - 29000	9.1	0	0	5.3
Above 30000	0	25	0	5.3

Source: Field Survey, 2016.

36.4 percent in Gurgaon and 50 percent workers in Okhla (Figure 4.6f and Table 4.6f). Around 36.4 percent of all the workers earn in the range of above Rs. 20,000 per month.

An analysis to explore the causes beyond such a wide range of salary in a homogeneous with the help of regression equation doesnot yields much result. The factors like education, vocational training, years of experience of in the garment industry, factory size, caste system and religion preferences did not seem to have significant effect on the range of income. As noticed earlier also that education and vocational training background have least influence on the quality checker and supervisor category. Factory size seems to have some effect on the wage but that too not significant (as confirmed by regression results).

Table 4.6g: Percentage of Workers with Rate of Overtime across Location and Firm Size

Size of Firm	Location	Single Rate	Not Provided Overtime	Double at first 2 hours	Usually do not Work Overtime
	Gurgaon	56.3	41.4	2.3	
Largo	Okhla	50.0	50.0		
Large	NOIDA	62.5	37.5		
	Total	57.9	40.6	1.5	
	Gurgaon	31.9	66.0	2.1	
Medium & Small &	Okhla	44.1	55.9		
Workshops	NOIDA	56.3	37.5		6.3
vvoi kšilops	Total	40.2	57.7	1.0	1.0
	Gurgaon	48.1	49.6	2.2	
A II -:	Okhla	43.9	56.1		
Across all sizes	NOIDA	60.7	37.5		1.8
	Total	50.4	47.8	1.3	.4

Source: Field Survey, 2016.

### **4.2.4.** The Rate Of Overtime

The gross salary is computed on the basis of overtime plus the basic salary. Basic salary for the sake of above analysis - refers to the total salary in simple terms inclusive of Dearness Allowance (D.A.) and House Rent Allowance (H.R.A.).

The Factories Act (1948) states that the worker must be provided the double rate of overtime for every extra hour worked. However, most of the workers are unaware of this provision. Lack of awareness of their due rights is one factor in their exploitation.

Most of the workers are reported to receive single rate of overtime, only in certain large firms and one medium sized in Gurgaon, the workers receive double rate of overtime for the first two hours and thereafter single rate.

Around 48 percent of the workers are not entitled to any overtime – this figure is proportionate to the number of non-salaried workers in the industry. The piece-rate workers and daily wage earners clearly do not receive any overtime despite working for 16 hours to 18 hours daily.

Workers at the level of supervisors usually donot work overtime, even if they do (as rare instance) they are entitled to double rate of overtime. None of the workers at occupational level lower than that of a supervisor gets a double overtime (Table 4.7g).

Only certain firms in Gurgaon pay double overtime for the first two hours, thereafter overtime is at single rate. Strikingly, in case of overtime the factory size seems to have some influence with the 58 percent of the workers in the large factories get the scope of earning when compared to 40 percent of the Medium & Small & Workshops. This is mainly because of the high productive capacity of the large firms.

## 4.3. FACTORS DECIDING ECONOMIC WELL BEING

It is already established in a host of literature that the factors of caste, religion and gender play important role in determining the occupational location of the worker defining the capital – labour and the distribution of various emoluments. Where skill is not so much in question for upward occupational mobility then the scope of improving livelihood and employment opportunities become very limited as market rigidities are high. Even the 'globalised' export sector fails to overcome those societal dictates of labour market. As peer networking forms an important determinant in employment opportunities and any specific skill is not required for positions like that of the master tailor and supervisor (supervisor in specific) upward occupational mobility becomes difficult. In India, since the market is segregated in terms of the

patriarchal – casteism yardstick and in cases where high supply of labour coupled with 'low skill employment opportunities' exit the bargaining power of the labour is largely reduced and they are left at the mercy of the market. In developing economies workers cannot afford to live unemployed due to lack of social security benefits – unemployment insurance (Rani, 2016) or 'bekar bhatta'. Many policy makers argue that better skilling will help find better jobs. But the question that arises in this context of the garment industry which has a global value and product chain where the tailors are labeled as 'skilled workers', there is hardly any opportunity to show case their skill. The production design is such that it takes place in 'assembly – line' and every worker is stitching only a minor part of the garment. Even when stitching of certain specific parts like collar and cuffs are required like women are debarred. Labour oversupply complexes the problem. Most of the labourers are from rural India where stitching is often a part of rural life. They have 'traditionally acquired the skill' which is in bounty in rural India. The skilled tailors who are makers of the garment are essentially from disadvantaged castes and religious groups. On the contrary, the positions of supervisors (and master tailors) who may or may not have any specifically required skill are predominantly from upper castes. The first objective stands explained that even the export market fails to overcome the discriminatory labour practices rather they take the advantage of the existing caste, religion and gender based discrimination to keep low on the wages. This situation can termed as 'gated globalisation' where one of the aim of the globalisation were given as justification behind 'opening up' of developing economies like India that the opening of the economy to the global market will ensure 'fair and higher wages' is not actually realised because of discriminatory labour market practices.

Religion and gender hold significance regarding finding employment in garment industry as peer network is one of the strongest source of information about employment opportunities in the garment industry and also because of the labour market segregation is also confirmed by regression analysis. Table 4.7a and 4.7b show which workers have better chances of being employed in the garment export compared to the domestic firms. Table 4.8a exhibits workers of all levels and Table 4.7b shows which tailors and helpers are likely to be absorbed in The non-hindus (muslims) have a lesser chance (as indicated by a negative beta) of being employed in the export industry and their chance of being employed in the export sector is 0.27 times lesser than

Table 4.7a: Factors Affecting Employment in The Export Sector Vis-À-Vis Domestic Firms

Variables	В	S.E.	Sig.	Exp(B)
(Ref: Hindu)				
Non-Hindus	-1.311	.353	.000	.270**
(Ref: General / Other Caste)			.284	
OBC	.272	.392	.488	1.313
SC & ST	.926	.584	.113	2.524
(Ref: Male)				
Female	1.511	.480	.002	4.533*
(Ref: Secondary & Higher Secondary)			.043	
Primary	-1.082	.448	.016	.339
Middle School	419	.433	.332	.657
Illiterate	989	.600	.099	.372
Graduate & Above	.764	.637	.231	2.147
(Ref: Experience > 5 years)				
Less than 5 years	784	.350	.025	.457
(Ref: Formal Training)			.028	
No Training	-1.122	.765	.143	.326
Informal Training	.169	.744	.821	1.184
On Job Training	195	.767	.799	.823
(Ref: Peer Network)			.000	
Placement	.127	.559	.821	1.135
Factory Gate	2.611	.655	.000	13.608**
Contractor	1.259	.484	.009	3.522
Knew Employer	-2.024	.520	.000	.132**
Constant	1.548	.815	.057	4.700
Cox & Snell R Square	.336			
Nagelkerke R Square	.489			

Note: \*Denotes 95% significance level and \*\*denotes 99% significance level.

Source: Field Survey, 2016.

Table 4.7b: Factors Affecting Employment of Tailors and Helpers in The Export Sector Vis-À-Vis Domestic Firms

Variables	В	Sig.	Exp(B)
(Ref: Hindu)			
Non-Hindus	-1.625	.000	.197**
(Ref: General / Other Caste)		.644	
OBC	186	.740	.830
SC & ST	.405	.595	1.500
Female	1.460	.010	4.308*
(Ref: Secondary & Higher Secondary)		.085	
Primary	-1.470	.009	.230**
Middle School	727	.196	.483
Illiterate	881	.259	.414
Graduate & Above	.291	.735	1.338
(Ref: Experience > 5 years)			
Less than 5 years	-1.128	.012	.324
(Ref: Formal Training)		.690	
No Training	615	.533	.541
Informal Training	.057	.951	1.059
On Job Training	121	.901	.886
(Ref: Peer Network)		.000	
Placement	.274	.769	1.315
Factory Gate	3.579	.001	35.821*
Contractor	1.956	.005	7.074*
Knew Employer	-2.004	.001	.135*
Constant	2.422	.025	11.273
Cox & Snell R Square		.392	
Nagelkerke R Square		.582	

being employed in the domestic sector garment industry. It is already seen that a substantial number of Muslims are engaged in the domestic industry compared to the export garment. Also as observed that the domestic industry is pre-dominantly male and that females have a better chance of being employed in the export sector is also reflected by the regression model that for every extra unit of employment creation the employment of female worker is positively related and their chances being employed is 4.5 times higher being employed in the domestic firms. Both these variables of religion and gender are statistically significant at 99 percent significance level.

Peer network and factory gate and recruitment at the factory gate are important variables for prospective worker in search of employment and the chance of a worker being employed at factory gate in the export sector is almost 14 times (13.608) level higher than the same in the domestic sector. Infact, this variable of factory gate information is hardly of any importance in the domestic industry as mostly the employer and employee are related and village forms the steady source of employment. In case of recruitment of helpers and tailors this factor of 'factorygate' becomes even more significant and strongly related and the chance of their recruitment from the factory gate is almost 36 times. Personal terms with the owner of the factory are also helpful in finding employment. In the export firms many workers especially at the level of tailors and helpers find employment through the contractor and this variable is quite significant at 99 percent confidence level. The terms and labour relations with the contractor will be discussed in detail in the next chapter.

#### 4.4. SUMMING UP

The non-salaried workers have much lower income base compared to the salaried workers who usually earn a certain basic salary and an additional amount of overtime. But the lowest occupational and income tiers are always populated by the women. However, the factor of gender plays differently at different location. In Gurgaon, most women tailors reported they are not usually included in the higher pay group of tailors as they donot usually perform the work done by men like 'stitching of collars and cuffs' which are considered to be tough and requiring higher skill. This is despite the fact that higher proportions of the female workers (25 percent) have formal skill training (see appendix, Table 8.1A) compared to their male counterpart (9

percent). Therefore, the question arises that despite women having formal skill, division of labour and wages persist across the same occupation (tailoring). The gender dictate of the society bears implication for keeping low on wages.

Similar situation prevails in NOIDA. However, gender disparity is higher in large firms compared to M&SFs in both the locations. A larger number of female tailors have on-job and formal skill compared to their male counterpart. Actually, there are several government skill training programme operating throughout the country to ensure gender empowerment. For example, in Gaurav International and Richa Global women workers are trained in the trade of the tailor for certain period of time and during the training period they are given around Rs.5,000 and later usually recruited in the same firm. Though several women have benefitted from the scheme, it is far from full realisation as the 'gender factor and gender stereotyping' limits the women workers only to low skill jobs and salary. Despite, giving the same 'man hours' rather 'woman hours' to the job as their male counterpart they are earning less.

Another question that arises is that in the process of garment making where the production takes place in 'assembly-line', hardly any room is left for the worker to showcase his or her skill – therefore from where the question of high skill and tough work reserved for male arises? It is largely a game of the patriarchal structure of the society which leads the women to believe that some tasks are tougher which can only be executed by the males.

Though some firms actually prefer female workers as they are 'diligent, efficient and hardly leave the factory premise during tiffin break and argue less', they still populate the female workers at the lower spectrum of skilled jobs. The firms in NOIDA behave very heterogeneously. While a larger proportion of all the workers in NOIDA are regular salaried yet, the gender disparity here is glaring. None of the female workers engaged in the medium and small sized firms in NOIDA receive atleast the minimum wages. This is blatant violation of not only Minimum Wages Act (1948) but also Equal Remuneration Act (1976) which provides for equal pay for equal work across gender.

The component of firm size shows perplexing behavior across all locations - with respect to helpers. While in case of tailors, larger the firm size, higher is the probability of a tailor getting

better salary (both male and female), in case of helpers a larger proportion of workers in the medium and small have salaried income compared to large firms in Gurgaon. The probable reason may be that large firms sub-contract a portion of their assignment to the smaller and medium sized firms and hence they maintain a considerable regular helper size. Also in a large factory there are usually 35 – 40 operations and at each of the operations a large number of helpers are required. However, at the level of helper gender differences are even more blatant, with more than half of the women workers deprived of their prescribed minimum pay. In NOIDA, though the gender differences at lower level of salary is not significant, the differences at higher levels of wage within the same category are stark.

Therefore, what evolves is that women workers are mainly concentrated at the lowest spectrum of occupation and wages. Despite having similar levels of skill, they are not provided the opportunities to improve their occupational position and wages.

Therefore, the first and the second objectives are realized through this study. The export firms do not overcome the market discrimination of caste, gender and religion; rather they take the advantage of these discriminatory practices located in the societal structure to keep low on wages.

The size of the firms however does not hold special significant at least with respect to wages and other emoluments. But the infrastructure of firm certainly improves with its size and location.

Surprisingly, the average income of the tailors in the domestic firms is much higher compared to all the three export locations. Therefore, working in export does not necessarily ensure higher and fair wages.

# **CHAPTER V**

# SECURITIES AND INSECURITIES OF EMPLOYMENT AND CRISIS MANAGEMENT

"Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom.

Sometimes it falls upon a generation to be great. You can be that great generation. Let your greatness blossom. Of course, the task will not be easy. But not to do this would be a crime against humanity, against which I ask all humanity now to rise up."

Nelson Mandela

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

Franklin D. Roosevelt

#### 5.0. PREAMBLE

The importance of the job quality is essential for 'sustainable life'. Sustainable living encompasses elements of living wages and provisions of decent work and ensuring of equal opportunities for all. Living wage enables the worker to provide himself (or herself) and his (or her) family not with bare essentials of food, cloth and shelter but also frugal comfort which includes education for children, protection for health, essential social needs and insurance against old age Fair Wages Committee Report (2005). ILO identifies seven insecurities that indicate lack of decent work which labour market, employment, job, work, skill reproduction, skill representation and income insecurities. The common link is that the vulnerability of these people are very high and they are engaged in an employment which has decent work deficits (ILO, 2002b).

This chapter brings in light the various employment related insecurities that the worker battles and assess the fall back options in case of extreme events like unemployment. The production and market demand in the garment industry being seasonal in nature, a large proportion of the

workers are informally employed. During the lean seasons of production these workers are withdrawn from employment, thus exposing them to highly vulnerable situation for which they may not cushioned enough. This chapter pertains to the third objective of the thesis i.e. to understand the measures taken by the firms to overcome the market fluctuations and the financial crisis and how they affect the employment structure and labour per se and the related labour responses to overcome these employment related insecurities.

## 5.1. EMPLOYMENT CULTURE – QUALITY AND INSECURITIES

The term employment culture is used to denote the quality of employment that is offered or is in trend in the garment industry. To begin with, the nature of job is very important. Very few workers reported to be in permanent employment. At the level of tailor and helper permanent job is a rare instance. The case study of those employed at this level with permanent position is presented in detail.

The proportion of non-salaried workers is quite high in the garment industry with as high as 45 percent of workers being non-regular in nature. They are the piece-rate workers and daily wage earners. Most of these are piece-rate workers and daily-wage earners. The proportion of piece-rate workers are much higher than daily wage earners who are recruited usually through the contractor. NOIDA has the highest proportion of salaried workers compared to Gurgaon and Okhla (Table 5.1a). Strikingly, the proportion of regular female workers is more in NOIDA compared to male workers unlike in Gurgaon. In NOIDA the sample size of female workers is quite low hence, it may be ignored in analysis.

When the workers at the level of tailors and helpers are considered, it is clear than workers at this level are more vulnerable with 48 percent of the workers being non-salaried (however the effect of the greater sample size of tailors and helpers is not negated). Here as well, the highest proportion of salaried helpers and tailors are in NOIDA (Table 5.1 b). NOIDA has a job culture to employ salaried workers. However, surprising is lack of standard yardstick to determine the method of payment – the factors affecting employer's decision to provide salary to some workers are largely unidentified.

Table 5.1a: Proportion of Salaried and Non-Salaried Workers in the Garment Industry

Workers	Location	Salaried	Non - Salaried
	Commence	62	31
	Gurgaon	66.7%	33.3%
		27	18
	Okhla	60.0%	40.0%
Male	NOIDA	33	5
iviale	NOIDA	86.8%	13.2%
	Delhi Domestic	18	63
	Deini Domestic	22.2%	77.8%
	All	140	117
	Locations	54.5%	45.5%
	Gurgoon	24	28
	Gurgaon	46.2%	53.8%
	Okhla	2	0
	NOIDA	21	1
Female	NOIDA	95.5%	4.5%
	Delhi Domestic	1	9
	Deini Domestic	10.0%	90.0%
	All	48	38
	Locations	55.8%	44.2%
	Gurgoon	86	59
	Gurgaon	59.3%	40.7%
	Okhla	29	18
	Okilia	61.7%	38.3%
Total	NOIDA	54	6
i Utai	NOIDA	90.0%	10.0%
	Delhi Domestic	19	72
	Dellii Dolliestic	20.9%*	79.1%
	All Landiana	188	155
	All Locations	54.8%	45.2%

Note: \*Includes self-employed domestic unit owner and supervisors in export. Source: Field Survey, 2016.

Table 5.1b: Proportion of Salaried and Non-Salaried Tailors and Helper

Location	Salaried	Non - Salaried
Gurgaon	54.2	45.8
Okhla	55.0	45.0
NOIDA	89.1	10.9
Delhi Domestic	19.7*	80.3
Total	51.9	48.1

Source: Field Survey, 2016.

A logistic regression is run to identify these factors (See Appendix, Table 4.8A) but no significant differences are reflected between the salaried and non-salaried. Favourtism by the employer for unexplainable can be stated as the only motivating factor. Personal terms with the employer or contractor, higher mean years served in a particular company may be important in determining whether a worker with be hired on the basis of monthly salary or piece - rate.

The contractors who supply most of the non-salaried workers may be registered or unregistered. Most of the contractor supplies in 3 to 4 companies. Hardly, there is any in-house contractor. The workers are mostly unaware of the terms and conditions between the firms and contractor. Mr. Ram Kishen, a contractor who supplies labour to two three companies mentions his commission is determined based on the size and cost of the assignment. The range of commission may vary between 8 percent to 10 percent of the cost of the assignment. However, he did not clearly elaborate on the terms between him and the workers. Priyanka, piece-a tailor, (already referred to earlier) mentions that the commission of the contractor may vary from contactor to contractor. For example, the contactor she was provided with the has a fixed commission of Rs. 100 per month. Another, workers Rajesh Kumar explains that he has to give Rs. 500 per month to the contractor. Therefore, the share of the contractor varies from person to person the factors affecting such variable is not revealed. Dinesh (name changed), 28 years a salaried worker in Okhla complains of gross 'wage theft' in his factory. The Contract Labour Act (Prohibition and Regulation), 1970 prohibits deductions that are not permitted by government regulation. Any unexplained deduction apart from the as prescribed by government regulation and commission of the contractor can be recognized as wage theft. Dinesh complained of serious irregularities in wages of workers engaged in this factory of Okhla. Where, piece-rate workers are engaged

through contractors (as they mostly are) irregularities over number of pieces worked on is very common. Every worker keeps a track of his or her work as several times the contractor undercounts the pieces.

Another cause of serious concern is that almost 99 percent of the workers reported the principal industry of the household is garment sector. That means 99 percent of the workers have no cushion against unforeseen events like loss of employment in an industry which is highly exposed to market forces (cited in Chapter III). Global financial meltdown in 2008 severely affected the export sector and job-cut is the foremost measure that factory owners device to escape the market burn. The first employees to be terminated are the daily wage and piece-rate earners who form almost 45 percent of the total employment strength of the garment industry. In this case, a difference between the behaviour of the employers of the export unit vis-à-vis domestic units must be mentioned. Both the industries are subject to market fluctuations of demand however, being linked to global market the export industry is more vulnerable. The production in the export industry mainly consists of high end fashion which is another reason of high vulnerability of this sector. Saying that, it must be remembered that the export sector has higher resilience to market fluctuations (because of greater capital power) compared to domestic sector which has low capital base and low coverage by various financial instruments as well. The domestic industry also undergoes lean season of production but unlike the export sector most of the workers are retain. Some workers are hired on seasonal basis but despite low production most of the regular workers (who work regularly for the same company) are retained where more than 80 percent of the workers are piece-rate earners. However, since the employer – employee are usually from the same village (mostly in Karol Bagh which forms the majority of the sample surveyed) the village ethos helps them to sustain the difficult times together. The workers reported that they are not withdrawn from employment but their earning is less in the lean seasons averaging Rs.5000 (almost ranging from one-third to half of the actual earning). This is very unlike the situation of the workers in the export sector.

Most of the male migrants (detailed in Chapter III) are individual migrants who are the mostly the sole bread winner of the family with the average family size being 6.2 (rounded off to 6). Strikingly, around 42 percent of the salaried workers reported that they have experienced unemployment in the last five years. This is also the period when India was trying to boost up

her export and revive the national income and growth rate. However, India's macroeconomic policies, timely government intervention and prudent monetary measure by the Reserve Bank of India (R.B.I.) and strong domestic market managed to insulate the economy from the global financial crisis. Also, around 65 percent of the non-regular or piece-rate workers stated that they have experienced loss of employment during the last five years.

Almost all the workers working in both the sectors confirmed to have searched for job during the period of unemployment. In the garment sector the monsoon months of July – September the production hits its low and among 24 percent of them confirms to have got alternative employment opportunity. The unemployed worker searches work from factory gate to factory gate but being a season of low production during this period of unemployment which lasts for an average of 2 to 3 months they usually manage to get buffer employment of 15 to 20 days. For rest of the period they are forced to return to their village and worse they also have to bear the house rent in the city even during their period of unemployment. Another torture than worker has to bear is surfaced. Kapashera is a border area between Delhi and Gurgaon (Haryana) where these workers working in the export industries in Gurgaon are settled. They often fall trap to the nexus of their landlords who compel them to buy ration from them at a rate which is higher than the market rate. More, if the workers raise their voice they are asked to vacate their rooms and are often reminded that oversupply of labour and high demand for room will not affect the shrewd business of the landlords.

Around, 90 percent of the workers reported that in the period of alternative employment they earn less than 10,000 per month provided they manage to get alternative income. However, prospects of alternative employment are better in Gurgaon compared to Okhla and NOIDA. Interviewing, contractors and managers across all these locations revealed that the environment for garment production has somewhat slowed down in both NOIDA and Okhla, more so in Okhla. Rising land value and taxes in Delhi has hit the production and profit levels, along with it the rising discontent among the workers has made the problem even more complex. Many of the units have been shutdown and few are relocated to Gurgaon and NOIDA. September, 2016 has seen widespread protest in the Okhla Industrial Area with hundreds of workers across garment, plastic and electrical panel industries going on strikes and lock outs. It was a national protest of workers with estimated participation of 15 crore people (https://scroll.in/article/815560, 2016).

Deteriorating work conditions and lack of remunerative employment and violations of minimum wages had ignited the protest. Chapter IV detailed how the workers are devoid of their designated minimum wages. Even the conditions of workstation the workers are made to work in are not comfortable enough and violate various safety and health provisions of the Factories Act, 1948 (detailed in next chapter).

Similar protest were witnessed in Karnataka when a proposed Regulation in the PF Act (2016) was introduction. It led to wide spread protest especially by women workers engaged in the garment industry. The proposed regulation which restricted withdrawal from PF account till the attainment of 58 years was withdrawn by the central government in face of steep opposition led by the female workers employed in ready-made garment industries in Karnataka, an industry, countrywide, having a large share of international market. This was a dangerous proposition for the female worker in particular for the struggles they undertake for meeting the bare basic needs of their families. These working folks are primarily unskilled, hardly literate, originate from villages, receiving only a minimal pay package of Rs 7000/- per month. These women work-folk could organize agitations raising their demands and sustain their continued opposition over a year to the proposed regulation, showing their dedication to the cause, because the monetary support they expect to have from their deposits in provident fund really is considered a providential blessing (Choudhury, 2017, Ananda Bazar Patrika).

### 5.2. EMOTIONAL AND FINANCIAL CRISIS AND MANAGEMENT

The migrant workers in an alien city not only undergo financial insecurities but are emotionally vulnerable as well. Constant fear of loss of employment results in lack of confidence in the management. This section is sub-divided into two sections. First pertains to the financial management of the worker to battle months of little or no earning and assess the support system or shock absorption techniques of the worker. The second section, assesses the trust of the worker in management.

## 5.2.1. Financial Crisis and Management

Since a large proportion of workers are subject to annual loss of employment, it is crucial to assess their survival options. As already mentioned most of the male migrants are individual

migrants, this phenomenon being more visible in Gurgaon. However, in NOIDA and Okhla many of the male migrants have migrated with family. The early start of these two regions may be a probable reason for this trend and galloping inflation in last few years has prompted the workers in newly industrialised areas as Gurgaon to migrate individually leaving their family back at village.

Figure 5.1a and Table 5.2 depicts that how worker's migration status affects his expenditure. In general, grocery forms one-fourth to half of the total monthly expenditure of the worker. Room rent has a considerable proportion (17 percent to 25 percent) of total expenses of the worker. Individual migrants are able to remit a considerable amount to their family back at village. The obvious reasons being they as living as individual migrants here. Also in case where only male workers (individual male migrants) are earning the monthly saving is the lowest at only Rs. 2603. However, it is to be noticed that the individual migrants remit a considerable proportion (35 percent) of their earning back to the village whereas, where male workers living with their family (minimal proportion of the spouse of male workers surveyed are earning) remit almost half of the amount that individual male migrants remit. It is to be noted, in the households where female workers are working, higher amount of money is spent on grocery, rent and bills as in most of the cases the male partners of them female workers are also employed (in few cases the male member is presently unemployed because of loss of jobs or issues like substance abuse).

Working female increases the financial capacity of the household as reflected both in the amount of expenditure and savings. The amount saved by a working male per month is Rs. 2644 which is less than half of the amount saved by the family of the working female which is around Rs. 5428. Another important observation in the households where females are also working the investment in education is higher (almost Rs. 200 per month) than the household of the non-working female and also the children are sent to private tuitions for better learning. However, a cause of grave concern is that in the recent years the female work participation rate in India is declining<sup>1</sup>.

Figure 5.1a: Proportion of Different Elements of Monthly Expenditure of Tailors and Helpers in the Export Garment Industry

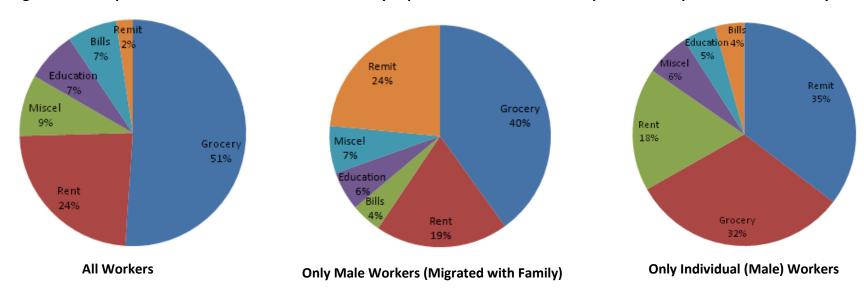
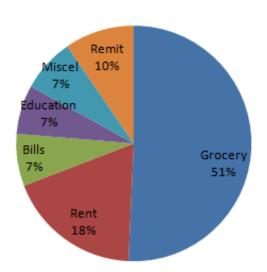


Table 5.2: Components of Expenditure and Salary (Monthly) of Tailors and Helpers

Components of Salary (in Rupees)	All workers	Male workers	Individual migrants	Female workers
Grocery	4128	4148	2309	6056
Rent	1900	2003	1552	2201
Miscellaneous	709	717	540	882
Education	582	589	383	803
Bills	573	460	383	855
Remit	192	2433	4040	1142
Total Expenditure	9373	8595	6596	11644
Savings	3749	2644	2603	5428



However, both salaried and non-salaried workers are referred to here. A further analysis between the non-salaried male and female worker expenditure pattern again reflects the difference between the living standard of 'only male working member household' (referred to male household) and 'working female household' (where the female is also working) [Table 5.3].

Table 5.3: Proportion of Different Elements of Monthly Income and Expenditure of Tailors

Non-Salaried and Helpers in the Export Garment Industry

(in Rupees)	HH income	Grocery	Rent	Bills	Education	Miscel.	Remit	Actual Expenditure	HH saving
Male household	11809	2746	1714	441	318	651	3741	7488	2721
Working Female Household	9492	5931	2095	779	504	913	570	10770	4803

Source: Field Survey, 2016.

Though expenses towards grocery, rent and education working female household spends more. In several households of the working female the male worker has lost the job and is presently unemployed which pulls down the measure of average income of the household. However, since in the household where both the partners are working monthly earning can around Rs. 20,000 which escalates the figure of average expenditure. Interesting is here also the working female households have monthly savings at three-fourth times higher than the male household.

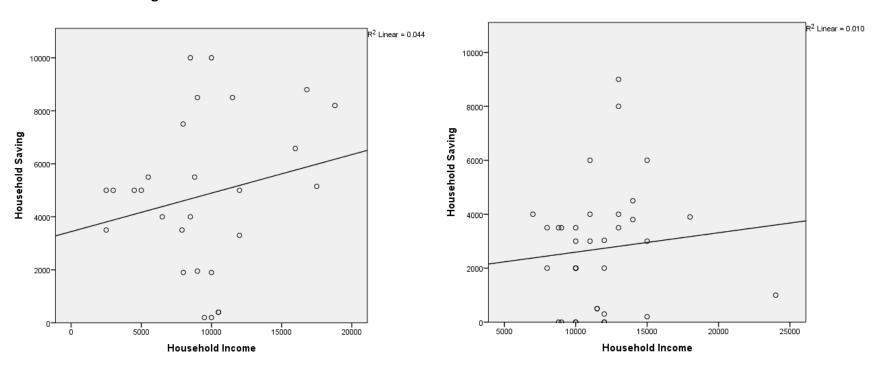
Scatter diagrams are run to make the argument clearer (Figure 5.1b) which shows as the income increases potential of saving also increases however, in case of working female household the rate of saving increases at a much faster rate (as indicated by the steep slope of the scatter diagram). In case of the 'male household' for most of the sample, the average savings is less than Rs. 4,000.

However, it must be remembered the piece-rate workers earn maximum for 9 to 10 months in a year, rest of the period they have to bear their bare minimum expenses from these savings and for 'male households' and 'individual male migrant household' with one earning member the difficulty is even more. Only 24 percent of the workers in Gurgaon only reported to get alternative employment at different factory but maximum for 15 to 20 days. In NOIDA and Okhla however there is no such scope.

Figure 5.1b: Proportion of Monthly Savings to Income in Male Households and Working Female Households of the Non-Salaried Workers in the Export Garment Industry (in Rupees)

# **Working Female Households**

## Male Households



Note: Male Household refers to the household where only male working member is employed and 'working female household' refers where the female member is also working (along with the spouse).

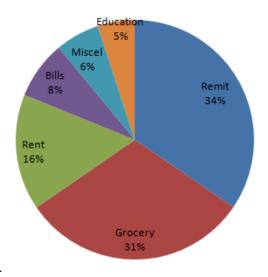
When the case of the domestic workers are taken, the average return from their employment is high with monthly average of Rs.14,000 – Rs. 15,000 (includes the child labour who are not paid or receive meager payment) which is much higher than the average return of the workers employed in the same category. However, the domestic industry also faces seasonal unemployment but the unemployment crisis is less visible as the work is largely subcontracted as in Seelampur (as hence the requirement of labour is less and the related seasonal fluctuation of employment is minimal) and also because of emotional bondage between the employer and employee. The employer employee mostly sharing same village or caste bonds are empathetic. Most of the workers reported that they may earn between Rs. 4,000 – Rs. 5,000 per month but they are never thrown out of employment.

Table 5.4: Proportion of Different Elements of Monthly Income and Expenditure of Tailors
Non-Salaried and Helpers in the Domestic Garment Industry
(in Rupees)

HH income	Grocery	Rent	Bills	Education	Miscel	Remit	Actual Expenditure	HH saving
14068	3596	1832	915	587	695	4020	7981	4674

Source: Field Survey, 2016.

Figure 5.2: Proportion of Different Elements of Monthly Expenditure of Tailors Non-Salaried and Helpers in the Domestic Garment Industry



Also they remit a considerable proportion of warning to their home. The monthly saving of the domestic sector workers are more than the average saving of the male migrants and male migrants with family and most of the workers working in the domestic sector are single earner of the family (Table 5.4 and Figure 5.2). Many of the domestic sector workers are single migrant and they stay in the factory shed only. They cook and take bathe within a small space usually designated for this purpose (Photo Plate no.19 and 20). Thus most of them save the rent. The child labour are also housed in the factory (case study on child labour is detailed in chapter VII).

Most of these workers engaged in the garment industry are landless rural migrants with almost 58.1 percent of the tailors and helpers working in the garment industry have no land at all and only 31.5 percent of them have minimal land area of land (less than 5 bigha) i.e. a cumulative of around 90 percent of the workers in this category have agricultural land which has produce just enough to support self-consumption (Table 5.5). Interviewing the workers at higher rank also revealed bleak situation. Therefore, agricultural land cannot be counted as an asset for these workers as the size of the

Table 5.5: Land Possessed by the Workers Engaged in the Garment Industry

Land Possessed (in Bigha)	All Workers	Helpers and Tailors
Landless	54.52	58.1
less than 1 bigha	8.16	9.3
1-5	25.07	22.2
6-10	4.08	5.2
11 – 20	4.66	2.6
Above 20	3.5	2.6

Source: Field Survey, 2016.

Table 5.6: Average Period of Unemployment Annually Faced by Workers in Export Sector

Months of Unemployment	Percentage of Workers (Tailors and Helpers)
Less than a month	6.2
1	3.5
2 – 3	28.4
4 – 6	8.0
More than 6	0.9
N.A.	53.0

land in most cases is too small and the produce is hardly marketable. Very few workers reported that they produce enough to sell the surplus. In case of forced holiday as they call it 'chhuti le lena' or break in employed workers return to their home and practice agriculture.

Around 47 percent of the workers in the export garment industry report that they are subject to loss of employment every year (Table 5.6). Therefore, one point that comes clear is that even the workers engaged in the export industry are highly vulnerable. Question arises if the export sector of a key industry of Indian economy fails to deliver 'decent jobs' then where the magnum workforce of India looks upto for 'sustainable jobs'. When we talk about increasing the export base of India, attention must be taken to the nature of jobs that are created. Around 28.4 percent of the workers face annual unemployment for an average period of two to three months. Another cause of concern is that the period of unemployment is prolonged in Okhla Industrial Region with production remaining sluggish for 4 to 5 months, as stated by the workers. However, the rate of unemployment is lower in NOIDA as most of the workers employed are regular salaried, thus the fluctuations in employment is lower there.

Table 5.7: Source of Financial Help during the Last One Year

Source	Percentage of Workers Seeking Help
Bank/ Non Banking Financial Company (NBFCs)	4.4
Friends/ Relatives	29.2
Employer	5.3
Moneylender	1.8
6	3.5
N.A.	55.8

Source: Field Survey, 2016.

When enquired, in time of financial emergency or necessity whom did the workers approach for help, most of the workers responded (Table 5.7) that they approach their friends and relatives for help. Only one person mentioned to have taken loan from the money lender at 15 percent interest as he was in dire need and no one was available for help. Minimal population approaches formal financial institution (4.4 percent) for help mainly for two reasons, one the financial inclusion is less the second more important workers find it easier to approach peer for financial help as it is

an informal mode and does not require any formal procedure unlike banks and also in this way they can avoid interests on the principal borrowed.

# 5.2.2. Financial Credibility of the Workers

Financial inclusiveness is very important to ensure overall security of the workers. The deepening of banking facilities is quite low in India. Financial inclusion refers to the process of ensuring access to financial services and timely availability of sufficient credit to priority groups which include the vulnerable population like the low income groups and the socially disadvantaged categories at affordable cost (The Committee on Financial Inclusion, 2008)<sup>2</sup>. As per 2011 Census, only 58.7 percent of the households have access to financial services. Considerable progress though has been done in this respect in the last decade still there are miles to go. As of 14 June, 2017 there are 28.90 banking beneficiaries (https://pmjdy.gov.in/account). However, an analysis of the financial inclusiveness among workers in garment industry is not very illuminating. These workers are mostly rural migrants (especially at the level of the tailors and helpers) and hardly have bank accounts here in the city. Back at home, though they might not have individual bank account but usually the account is in the name of the eldest. Only 42.4 percent of the tailors and helpers working in the export industry have bank account. Workers at the level of checker/ supervisor and above have higher banking inclusion with 65.2 percent of them being covered (Table 5.8a).

Table 5.8a: Percentage of Workers Having Bank Account in Export Sector

Banking Facilities/	Tailors &	Helpers	Checker - Supervisors & Above		
Account	Frequency	Percent	Frequency	Percent	
Yes	86	42.4	30	65.2	
No	117	56.7	16	34.8	
Total	203		46		

Source: Field Survey, 2016

As discussed earlier majority of the workers prefer taking credit from their peer (because of the reasons discussed above). Lack of bank accounts may be one primary reason for the mode of payment in the export sector being largely in cash. The reason of maintaining flexibility in employment is a reason strong enough to adopt cash as the main mode of payment.

Institutionalising method of payment makes the accountability towards labour more transparent which is not always desired by the firms. Neither any initiative is taken towards creating of bank account of the workers. In the domestic sector, minimal number of workers has bank account (10 percent). Significant is almost 6 percent of the tailors and helpers and 4.3 percent of the higher

Table 5.8b: Source of Credit of Workers in Export Sector

Mode of Credit	Tailors 8	& Helpers	Checker - Supervisor Above		
	Frequency	Percent	Frequency	Percent	
Bank/ NBFCs	6	3.0	7	15.2	
Friends/ Relatives	151	74.4	29	63.0	
Employer	18	8.9	1	2.2	
Moneylender	12	5.9	2	4.3	
Others	12	5.9	4	8.7	
Do Not Take Loan	4	2.0	3	6.5	
Total	203		46		

Source: Field Survey, 2016.

level workers stated that to avail credit from money lender. Another 9 percent of tailors and helpers confirmed that their employer or contractor allow advance payments in case of dire requirement. But only 3 percent of the tailors and helpers and 15.2 percent of the avail credit from bank or Non-Banking Financial Company (NBFCs) [Table 5.8b]. Almost 79 percent of the

**Table 5.8c: Reasons for Taking Credit in Export Sector** 

December Credit	Tailors &	Helpers	Checker - Supervisors & Above		
Reasons for Credit	Frequency	Percent	Frequency	Percent	
Marriage	23	11.3	5	10.9	
Business	0	0	2	4.3	
Household Expenses	159	78.3	28	60.9	
Education	13	6.4	7	15.2	
Others	8	3.9	2	4.3	
Total	203		46		

Table 5.8d: Re-Payment of Loan

Po Doumont	Tailors 8	& Helpers	Checker - Supervisors & Above		
Re-Payment	Frequency	Percent	Frequency	Percent	
Yes	127	62.6	30	65.2	
No	13	6.4	3	6.5	
In Process	63	31.0	11	23.9	
Not Taken Loan			2	4.3	
Total	203	100.0	46	100.0	

Source: Field Survey, 2016.

Table 5.7e: Effect of Loan

	Tailors & Helpers		Checker - Supervisors & Above		
	Frequency Percent		Frequency	Percent	
Tangible	11	5.4	4	8.7	
In tangible	192	94.6	42	91.3	
Total	203	100.0	46	100.0	

Source: Field Survey, 2016.

Workers confirmed to have taken credit to meet household expenses (Table 5.8 c). More than 60 percent of the workers have re-paid their loans (Table 5.7d) and the rest are in process but the effect of loan is mostly intangible or loan is mostly put to non productive uses (Table 5.7 e). Keeping cash continues to be a popular mode of savings and around more 60 percent of the tailors and helpers and around 44 percent of the workers at the level of checker-supervisor and above prefer keeping cash. Therefore, bank seems to be less popular option of savings (Table 5.8f). People prefer keeping cash.

**Table 5.8f: Mode of Savings of the Workers** 

	Tailors &	Helpers	Checker - Supervisors & Above		
	Frequency Percent		Frequency	Percent	
Savings Account	77	37.9	24	52.2	
Cash	125	61.6	20	43.5	
Gold/Bond	1	0.5	1	2.2	
Total	203	100.0	46	100.0	

Most of the workers be they salaried or non-salaried are paid in cash. The transfer of monthly payment into bank account is very limited across all the three locations the lowest being in NOIDA. In domestic garment production, all the payments are made in cash (Table 5.8g).

Table 5.8g: Mode of Payment Made to the Workers

Location	Cash	Bank Account
Gurgaon	74.7	25.3
Okhla	68.0	32.0
NOIDA	81.0	19.0
Delhi Domestic	100.0	
Total	80.9	19.1

Source: Field Survey, 2016.

The recent move of demonetization by the central government (December, 2016) is said to have taken toll on these workers especially those who are informally employed. Consumer demand being low during this period, the production has suffered leading to withdrawal from employment of thousands of worker who were informally employed. The season being peak season for production and market demand the losses are even more. (https://www.icraresearch.in, accessed on 28/6/2017, 3:24 P.M.) Not only textile, there has been massive job cuts in other labour intensive sector like textile, leather, jewellery which has effected estimated 4 lakhs job loss (http://f-trend.com, accessed on 28/6/2017, 3:24 P.M.). Most of the small scale businesses are affected and the home based workers to whom a large proportion of work like stitching of button and zip are sub contracted are the worst affected. Most of the payments are made in cash. Also the embroidery or zari work industry worst affected with majority of the workers returned back to their villages. However, these are hoped to be short down effects.

Central Statistical Organisation however projected that growth of GDP (Gross Domestic Product) to soar high at 7.9 percent in financial year 2015 – 2016 but government had put a modest expectation of growth between 7 percent to 7.6 percent (http://www.firstpost.com. accessed on 29/6/2017; 5:30 P.M )Taking a toll on expectations the growth dropped to a meager to 6.1 percent and the effect is likely to continue for few more quarters (http://mospi.nic.in, accessed on 29/6/2017; 5:30 P.M.).

Most of tailors and helpers workers have little or no asset. Only one female tailor mentioned to have her own house. Almost 84 percent of the tailors and helpers possess no asset at all. Around 6 percent of them mentioned to have bike or motorcycle. The story of the supervisors and checkers are not less bleak with only one supervisor reported to have own house. But almost 20 percent of them have bike or motor-cycle. As high as 50 percent workers at the level of checkers or above have no asset (Table 5.8h).

Table 5.8h: Asset of the Workers Engaged in the Garment Industry

Assets	Tailors 8	& Helpers	Checker - Supervisors & Above				
	Frequency	Percent	Frequency	Percent			
Bi-Cycle	17	8.4	8	17.4			
Bike/ Motor Cycle	12	5.9	9	19.6			
Car	0	0	1	2.2			
Nothing	169	83.3	23	50.0			
Own House in the City	2	1.0	2	4.3			
House + Bike	1	.5	1	2.2			
Bike + Cycle	2	1.0	2	4.3			
Total	203	100.0	46	100.0			

Source: Field Survey, 2016.

#### 5.3. VOICING THE PIECE-RATE WORKERS AND UNEMPLOYED WORKERS

The piece-rate workers are the worst sufferers in this industry. They are the first to be shunned or withdrawn from employment. They suffer from multi-dimensional insecurities. First, hardly any of the piece-rate workers are covered under ESIC (Employer's State Insurance Act, GoI, 1946), or Provident Fund (Employees Provident Funds and Miscellaneous Provisions Act 1952, GoI, 1952). Even, the salaried workers reported that contribution to the Provident Fund by the employer starts only after the passage of seven months to one year in the employment of the same company without any break. Second, the details of employment of the piece- rate workers are not registered by the manager. This is a clear violation of the provision of Factories Act of 1948 which mandates maintenance of register consisting of details of employment of every adult worker by the manager. Violation of this provision makes exploitation even easier as the 'invisible worker' hardly has any document to prove their innocence. In most cases their

attendance is maintained by the contractor or the security guard who mostly acts as the lowermost agent of the manager. They act as bouncer or in many cases bouncers are even maintained by the company. The infamous case of Sami Nath, a supervisor working in a famous company in the export lanes of Gurgaon was almost beaten to death by the security guard on the instruction of the management for being half an hour late to his job. Next, days worker's protest filled the export lanes, while simple bail able offence was registered against the personnel of management, workers were slapped with non-bail able offence. The third problem is, the piecerate worker faces seasonal unemployment. Most of the piece-rate workers reported that they remain unemployed on an average of 3 to 4months, the spell usually continuing from April to July. However, there are variations to this as noted earlier. Workers at Okhla reported longer spell of unemployment with an average duration of 4 to 5 months. The garment firms in Okhla are reeling under several production and financial issues. This may have led to longer period of unemployment. Several garment factories here are on the verge of closure or relocation. Around 5 percent of the workers in sample surveyed in Okhla reported to have lost jobs due to closure or relocation of the firms. Higher costs in Delhi (comprising rent, taxes and land revenue) and better infrastructure in Gurgaon are two primary reasons of relocation of factories towards Gurgaon. Work revamps post-monsoon. Third, since they work as invisible labour instances that their due entitlements are not clear is not infrequent. Fourth, they can be fired from their job at any moment. Though seasonal fluctuation and creation of employment is a regular phenomenon the piece-rate workers have no guarantee that they will be they will be absorbed back in the same factory as work revamps. This means struggle begins afresh and this becomes a permanent feature of the worker's life. Ramesh, reports he has been working in the export firms of Gurgaon for at least ten years and in the mean time he has been forced to change the factory for at least 7 to 8 times and smirks telling that it is hard name any factory where he hasn't worked. In some factories, he worked for 2 to 3 times by rotation. Such is the irony of the export lanes!

Kushi (name changed), age 25 years is a migrant from Nalanda district of Bihar. She has been out of job for the last five months. Earlier she used to work in Richa Global and had ESIC and PF coverage had been withdrawn from employment during this annual seasonal low production cycle. She has no formal education and her daily activity starts with searching for job from one factory gate to the other. She used to work as helper and states that she has worked in atleast 2-3

companies in the last 2 to years. Case of Ramesh reverberates. Her husband who is a supervisor in some other factory in Gurgaon also failed to provide her any help regarding a stable job. Post Richa she has been working on salary only but without being continued with her ESIC and PF, two so crucial for the welfare of the labour.

Baby (name changed), of age 30 years, also a migrant from the same district as Khusboo and worked in the same company as a non-salaried helper but was sacked two months ago (the survey was conducted in May, 2016). Her husband also works as a helper in some export company and earns a meager amount of Rs. 8,000 – Rs. 10,000 per month. She had been employed through contractor and this was probably the reason for being target of quick removal.

Another perennial problem with the piece-rate earner is that rate of piece hardly increases (more so in the export). Salim, age 45, reports than the rate of piece hardly increases. The average annual increase in rate is usually between Rs. 300 – Rs. 400, which means that per day increase in their income is by Rs. 1 compared to the last year, that is they are receiving additional Rs. 12 only compared to the same period in the last year

# 5.4. THE EMPLOYER'S – CONTRACTOR'S POINT OF VIEW ON EMPLOYMENT AND UNEMPLOYMENT

(Names of all the employer and contractor withdrawn to be referred in this section is withdrawn on request; they are denoted with numbers)

Manager 1, Location – Gurgaon: Interviewing the manager of the firms was a difficult experience as most of them were apprehensive about the questions related to labour welfare. The first encounter with a manager of an export company in Gurgaon was not pleasant enough. First he was friendly, after asking for the questionnaire that was meant for him he straightforwardly refused to answer any labour welfare related questions. However, he divulged some points on the state of the Indian garment industry. He confirmed most of the production is of knitted wear in his factory and the major buyers are United States of America, Canada and Australia. On question of whether the company was affected by 2008 financial crisis, the manager confirmed that production was sluggish for the first two to three years, after which production geared. On inquiry whether all the workers are salaried he confirmed the same but after that the way was

showed with promise to discuss the remaining issues later but despite repeated attempts time for further appointment was not given.

Manager 2, Location – NOIDA: This manager was frank enough to answer all questions empathetically. However, few contentious issues were there so the name was withdrawn. The factory produces high end fashion (majorly women's clothing) and mainly exports to U.S.A. The 2008 financial crisis was overcome by the firm by the end of 2010 -2011. He mentioned that his firm employs all the worker on the basis of salary and this is confirmed by surveying the workers. On the question of the global competition he mentioned that India is facing stiff competition especially from Bangladesh which offers even more cheap production by 'compromising on the wages of the labour' and he mentioned that the condition and benefits offered to labour there are minimal and has given rise to 'sweat shops'. The incident at the Rana Plaza in Bangladesh in which five garment factories that supplied global brands collapsed and more than 1000 lives were lost because of neglect of safety measures.

The manager also mentions that 'India's elaborative labour laws' is the one of the reason that India is losing competitiveness. He hopes that the labour laws become simple, consolidated and flexible. He mentioned that his company prefers absorbing female labourers or rather the company is preferred by women because of its working time from 9:00 a.m. to 4:30 p.m. If they are allotted overtime they work maximum upto 6:30 p.m. He stated that they are paid double rate of overtime but in actuality they are paid only single rate of overtime as confirmed by the workers (which is against the provisions of Factories Act which mandates double overtime rate). He also confirmed that the proportion of female and male workers is in the ratio of 60:40. On the question (Please refer to Appendix for Firm's Questionnaire) of the effect of global financial crisis on the employment he told that 'none of the workers were withdrawn from employment and also paid the overtime at double rate though the factory was shut down for 3 months during that period'. However, the researcher has serious doubt about this claim as the owner of the firm according to the principle of economics must be a economic man with the objective of profit making.

He also stated that several firms in NOIDA are being closed down temporarily or being relocated to Gurgaon. In the researcher's personal view, the market culture of labour flexibility in Gurgaon

is attracting owner in other locations like Okhla and NOIDA (more so in Okhla) to shift their production base towards Gurgaon. In the sample surveyed around 11 percent of the population has lost their earlier jobs due to relocation or closure of the firm and only 4 percent of them has been marginally benefitted (average increase in income per month being Rs. 1000) [Table 5.9]. Around 12.5 percent of the workers in the export sector confirmed that they got better offer and changed their jobs. Inspiring stories like where the worker started as helper and slowly managed to the position of supervisor has been cited in the thesis in different sections.

Table 5.9: Reason for Changing the Last Employment

Reason For Change Of Job	Percent of Workers
Better Wages	19.2
Gone home	12.5
Don't Remember	.8
Unit Closure/ Relocation	10.8
Increment in other facilities	1.7
Other Issue	3.3
Lucrative Job/ Better Position	12.5
N.A.	39.2
Total	100.0

Source: Field Survey, 2016.

Mr. Tom, Supervisor, Location – NOIDA: Mr. Tom is working as supervisor in one of the export garment factory in NOIDA. He showed his factory very well and made understand the production process across various work station. Chapter III which details upon the process of production is mainly based on his and Mr. Kohli's input. He detailed about the distribution of workers across various activities and also about the pay scale of different categories of workers.

Mr. Kohli, Factory Owner, Location – NOIDA: He explained the various process of production that takes place in the assembly line and stated that the whole production takes place in 30 to 35 different operations with several forward and multiple linkages. He owns four units in NOIDA and also produces embroidery work. He informed that he outsources the embroidery work majorly to Secunderabad where most of the embroidery work is done by the Muslim community. Traditionally, muslim community has been engaged in the work of embroidery. His

factory unit in NOIDA also sheds one portion for high technology embroidery machines (Photo Plate no. 7 and 8) and also few workers.

He informed that his factory employs later share of female workers who themselves prefer working here because of the convenient time. Most of the recruitment takes place at the factory gate but the recruitment of high skilled workers like human resource personnel and manager takes place through placement agency. However, no female workers are hired for these higher positions. There is clear absence of women at the higher level of occupation and pay scale which may be a fall out of the patriarchal mind set. Even in industrially developed states of 'Gujarat and Maharashtra' which houses garment production giants there is strong aversion towards employing female workers at higher position (Lahiri, 2013). Women workers are concentrated mainly at menial positions.

Mr. Sundar (name changed - Gradute), Contractor, Location – Gurgaon: He is a registered contractor in Gurgaon and supplies daily ten to fifteen workers to two to three companies. He is a migrant from Kanpur and started his career as a helper in the garment industry, slowly he learnt the skill of a tailor (by observing and taking help from his friends) and after working as tailor in various companies he started his own venture as contractor. He has also gained the skill of sample cutter. He frankly mentions that all the workers he supplies are engaged on piece-rate basis and also confirmed about seasonal employment crisis when the piece-rate workers are first to be withdrawn. The workers usually are also employed on hourly basis at Rs. 50 per hour. This business earns him between Rs. 15,000 – Rs. 20,000 per month.

Mr. Ramesh (referred earlier, name changed) Contractor, Location: He is a young unregistered supplying labour to a company in Okhla. He shares this business with his elder brother for the last four to five years and he is an in-house contractor and supplies fifteen to twenty workers. His income is based on commission which may range upto 20%. As observed, unlike other contractors he shares a very friendly bond with the labourers and is empathetic towards their situation. He highlighted some serious issues which are listed below.

➤ He confirmed that the industrial scenario is not smooth in Okhla Industrial Region as most of the firms are reeling under various pressures like competition from global market, high land and taxation costs, worker's unrest etc.

- Most of the employers prefer labour flexiblisation and hence hire piece-rate workers.
- ➤ Due to labour oversupply the rate of piece hardly increases. He cites, 10 years back if the payment for working on one piece was Rs. 30, excess of labour has declined the bargaining power of the workers and the employers actually benefitted. Employment is more like a gamble or token and for the same piece the tailor now gets Rs. 28!
- The labour is exploited to the worst. During compliance, even the piece-rate workers are instructed to report themselves as regular workers with a monthly salary of Rs. 15,000 (which is 25 percent higher than the minimum wage in Delhi which is blatantly violated) and a separate fake roll is maintained to be produced before the survey team.

## 5.5. JOB SATISFACTION OF THE WORKERS

A good job should not only offer good remuneration but must also earn the worker the feeling of safety, dignity and respect. Various parameters are deviced to understand whether the workers feel satisfied with respect to the employment they are in. Though it is a very subjective perspective nevertheless several variables are carefully designed to assess job satisfaction. The worker were asked to rank their feeling as good or satisfied (1), medium (2), bad or not satisfied (3) and a composite index is developed to assess an overall performance of the firms across various locations to win over the confidence of the worker.

Seventeen most crucial variables primarily considered for assessment (further details in worker's questionnaire):

- ➤ How satisfied are you satisfied with your present job?
- ➤ How satisfied are you with your immediate supervisor's leadership skills?
- ➤ How satisfied are you with your immediate supervisor's conflict resolution skills?
- ➤ How well does he listen to you?
- ➤ How well does he provide you sufficient information related to your work?
- ➤ How satisfied are you with your management about conflict resolution or grievance redressal?
- ➤ How satisfied are you with the clients/ management respect for competence of employees?
- ➤ How satisfied are you with the career advancement opportunities?

- ➤ How satisfied are you with the salary compared to the work you perform?
- ➤ How satisfied are you with the current model for rewarding the overtime
- ➤ How satisfied are you with your salary compared to the external comparable groups?
- ➤ How satisfied are you possibilities to receive assistance from co-workers when necessary?
- ➤ What is in your opinion on the current working hours?
- ➤ What is in your opinion workload pressure?
- ➤ How satisfied possibilities to receive assistance from co-workers when necessary?

The following variables are not disjunctive from the discussions addressed in the thesis. Hence, explanation of each and every variable in detail is not taken up to avoid duplication of discussion. As noted, some of the variables measure the trust and comfortability and communication that the workers share with the management while others measure the expectations and their returns.

A simple composite index is created with most of the variables (positive direction of variable considered) faring average and bearing parity across all the three levels. Few differences that need to be noted are the outstanding positive response of the workers in NOIDA with regard to employment remuneration like salary, overtime (though they get single payment but the total work hours are less), reward, workload and also respect from fellow workers and team work. In other variables it bears parity with the two other regions. Infact, Okhla fares well in variables like work load and work hours when compared to Gurgaon. One obvious reason being the production of garment in Okhla is much low compared to Gurgaon and during peak seasons of production the workers work 16 to 20 hours per day and even double-shift continuously (Table 5.10a and Table 5.10b).

Therefore, to assess the impact of all these variables the composite index is constructed which portrays the performance of NOIDA region to be well compared to Gurgaon and Okhla which

Table 5.10a: Percentage of Workers Satisfied with the Terms and Conditions of the Present Employment in the Export Garment Firms

Location	Satisfaction	Facilities	Supervisor Leadership	Conflict Resolution	Commun ication	Listen to	Provides Information	Conflict Resolution	Client Respect	Career Advance	Salary	Rewarding	Compar able	Assistance	Work Hours	Work Load	Team Work
Gurgaon	35.5	15.1	44.1	39.8	46.2	47.3	59.1	21.5	30.1	2.2	29	3.2	22.6	86	36.6	33.3	54.8
Okhla	25	10	33.3	33.3	41.7	33.3	45.8	33.3	37.5	20.8	33.3	20.8	20.8	41.7	80	100	37.5
NOIDA	38.1	70	60	50	60	50	54	35	85.7	10	95.2	75	75	90	90.5	90.5	100
Mean	32.87	31.70	45.80	41.03	49.30	43.53	52.97	29.93	51.10	11.00	52.50	33.00	39.47	72.57	69.03	74.60	64.10

Source: Field Survey, 2016.

Table 5.10b: Job Satisfaction Index (Composite Index) of the Workers across Different Location

Location	Satisfaction 1	Facilities 1	Supervisor Leadership 1	Conflict Resolution 1	Communi cation 1	Listen to 1	Provides Information 1	Conflict Resolution 1	Client Respect 1	Salary 1	Rewar ding 1	Compar able 1	Assistance 1	Work Hours 1	Work Load 1	Team Work 1	Job Satisfaction Index
Gurgaon	1.08	0.48	0.96	0.97	0.94	1.09	1.12	0.72	0.59	0.55	0.10	0.57	1.19	0.53	0.45	0.85	12.17
Okhla	0.76	0.32	0.73	0.81	0.85	0.76	0.86	1.11	0.73	0.63	0.63	0.53	0.57	1.16	1.34	0.59	12.39
NOIDA	1.16	2.21	1.31	1.22	1.22	1.15	1.02	1.17	1.68	1.81	2.27	1.90	1.24	1.31	1.21	1.56	23.44

follow each other very close. The job satisfaction index of Gurgaon is 12.17 and that of Okhla is 12.39 which is much less when compared to NOIDA which stands at 23.44. Therefore, here also like other instances overall performance of NOIDA stands out, though a lot needs to be done.

#### 5.6. SUMMING UP

Almost half of the workers engaged in the garment industry are non-salaried engaged as piecerate and daily wage earners in the export sector. Since most of the production of garment is seasonal in nature, a large proportion of workers annually lose their employment, thus leaving them vulnerable emotionally and economically. Most of these workers are landless (around 55 percent of all the workers have no land) rural migrants with little or no asset (83 percent of the helpers and tailors have almost nothing for security)

Unemployment typically lasts for 2 – 3 months between the months of July – September (may extend upto 4 to 5 months, till October, as in case of Okhla) and they are forced to take 'holiday' from their employment with no promise to be absorbed back in the same company as the production revamps. Most of these workers are migrants from rural areas and are the sole earners of their family. During this break they either share helping hands in the little land they have (if they have it all) or sit unemployed. Meager savings are the only support which ends up soon. The savings is mostly in form of cash with little accessibility to banking facilities (in case of tailors and helpers, more so) and their source of financial help are their immediate relatives and friends. Deepening of banking services is very limited with only 42 percent of tailors and helpers having bank account and 65 percent of workers at the level of checkers and supervisors having bank accounts.

Mostly, it is a vicious circle of poverty, with little stored in for the future generation (despite working 12 hours – 16 hours a day). They are largely vulnerable. This explains the third objective that 'employment cut' is the foremost strategy of the firms towards financial management and secondary data also bears testimony to the fact that financial crisis in 2008, actually led to a major loss of employment in garment manufacturing. Most of the unemployed worker tries to bear the household expenses out of his or her little savings which are mostly eroded even before the completion of the term of seasonal unemployment.

However, one illuminating fact is that households where the females are also working, saves better and resource are more judiciously allocated towards the betterment of the children's education and health.

The domestic sector units are also subjected to seasonal unemployment but close village ties help the employer and the employee sustain difficult times together.

### **END NOTES**

<sup>1</sup> Female Work Participation (FWPR) rate in India has declined from 28.5 per cent in 1987-88 to 21.9 per cent in (2011-12). Though 2004-05 witnessed a significant rise in FWPR (marginally less than 30 per cent), the growth has not been sustainable. Globalisation driven increase in female participation was visible in 2004 – 05. Some scholars argue that diffusion of educational opportunities to a potent factor behind females missing from employment. But this only partially explains declining trend of FWPR as the fall in work participation has been witnessed across all age categories. The recession in 2008 could have been a probable reason for the declining FWPR but this falls short as an explanation if we include the performance of other South Asian countries. Cause of concern in the context of Indian labour market is that women with elementary education are particularly missing from the labour force as they mostly perform the duties of unpaid caregivers. Apart from the care economy, a substantial proportion of the female workers contribute towards unpaid family labour.

<sup>&</sup>lt;sup>2</sup> Financial Inclusion, broadly defined, refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products (The Committee on Financial Sector Reforms, Chairman: Dr. Raghuram G. Rajan).

## **CHAPTER VI**

# THE LABOUR INSTITUTIONS AND THEIR IMPACT ON THE WELFARE OF THE WORKER

"The notion of human rights build on our shared humanity"

Amartya Sen, The Idea of Justice (Allen Lane and Harvard University Press, 2009)

### 6.0. PREAMBLE

The structural reforms undertaken in India in 1980s and intensified in the 1990s have changed the trajectory of the Indian economy towards high growth rate and helped improving India's Balance of Trade and Balance of Payment situations. Consequently, India's foreign exchange reserves boomed and Gross Domestic Product (GDP) growth returns reached monumental 9.6% in 2006 – 2007. However, due to post 2008 global financial meltdown and Euro Zone crisis – 2010, India being a part of global economy had to bear the heat. But India's strong domestic market and till then partially closed Foreign Domestic Investments and immediate interventions from the government and monetary measures by the Reserve Bank of India help India wisely survive the global and national crises (with limited effects on both economy and employment). Though limited the global melt down has affected the job market specially those which have global value chain: the information technology, the software technology, manufacturing sector especially the textile and readymade garment.

The effect of the global melt-down and loss of employment in the textile and garment industry has been thoroughly discussed in Chapter II. This chapter elaborates upon the various labour market institutions like the labour legislations and the Non-Governmental Organisations that look after the various aspects related to the well being of the worker and this chapter also assesses efficacy of labour institutions thus addressing the fourth objective.

## 6.1. LABOUR LEGISLATIONS IN INDIA: ORIGIN AND TIMELINE

According to National Crime Investigation Bureau labour legislations may be defined as a "body of laws, administrative rulings, and precedents which address the legal rights of, and restrictions on, working people and their organizations". The labour legislations in India had their origin in the colonial era and the political economy of the Britain had paramount impression on Indian Labour Legislations. Factories Act in 1883 was the earliest legislation which restricted hours of work, prohibited use of women labour in night shifts and banned child labour. These measures though overtly welfare at the surface, had protectionist nature which restricted Indian production (mainly textile) so as to favour the Lancashire and Manchester garment business magnets. Most of the important labour laws – Trade Unions Act, Industrial Disputes Act, Workmen's Compensation Act and Payment of Wages Act emerged between 1926 and 1947. State intervention in the labour market originated in the early colonial rule and was elaborated in the 19<sup>th</sup> and 20<sup>th</sup> Centuries. English Common law and the Masters and Servants Statutes formed the basis of the legislations (Felipe and Hasan ed., 2006). Two classic forms of 'legislative intervention' were Workmen's Breach of Contract Act of 1859 and Plantation Labour laws of 1860s. Therefore, emergence of labour legislations in India can be demarcated into clear phases.

- First phase: Before 1920 As mentioned most of the labour legislations in colonial India were guided by English laws and Masters and Servants Statutes 2 important legislation of this period were Workmen's Breach of Contract Act of 1859 and Plantation Laws of 1860. The first act was culmination of a series of legislative initiatives during the early nineteenth century which restricted free exit and prevented association among workers. The second institutionalised the penal contract indenture system (ibid). These legislations and series of events centering these legislations had deep impact on the nature and character of the labour market institutions in India and employment relations therein (especially different ways of contacting labour intermediaries, jobbers, sardari system, criminalization of free labour)
- Second phase: Between 1926 and 1947 Post Second World War when India joined the ILO and statutory legacy of criminal breach of contract and penal contract indenture was abolished in 1926 ushered the second phase in labour legislation. Workmen's

Compensation Act (1923), Trade Union Act (1926), Maternity Benefits Act, Payment of Wages Act. A series of industrial protest in the 1920s led to the passage of Trade Dispute Act in 1929 which provided for arbitration and adjudication through industrial courts under the authority of the state. State intervention further gained grounds with end of World War II, and under the Defence of India Rule 81 – A - strikes and lockout were banned. Industrial Disputes Act 1947 passed during retained the character of Defence of India Rules. The Trade Union Act, the Industrial Employment Act (Standing Orders) of 1946, Minimum Wages Act of 1948 (initiated in 1946), Industrial Disputes Act of 1947 were basic pillars of regulatory and interventionist State. These two phases shaped the historical character of labour institutions in India with:

- > State intervionism becoming entrenched in the industry labour relationship
- Protectionist and regulatory labour policies
- Dualism of labour market: organised (formal) and unorganised (informal).
- Post Independence At the end of the second World War a new economic idea came into vogue. It envisaged that sustained economic growth could be reached through full employment and effective demand. In terms of labour market, it meant encouraging formal long-term employment with social protection. The role of the state in this context increased with the state led massive public sector industries in key areas of economy iron and steel, power, heavy engineering, shipping, railways, roads etc. Thus state became a key generator of formal employment and this led to strong involvement of state in the labour market.

Post independence era was marked by Mahalonobis- Nehru Model with a view to make India resilient in the areas of key production by building basic industries like iron and steel, ship building etc. The post independence era can also be sub-divided into distinct phases.

The first phase (1947 – 1965) was characterized by development of state led industrialization, based on import substitution and employment intensive public sector

enterprises (as cited above). This period was marked by increased unionization which also had characteristics of being state sponsored (Ramaswamy, 1984).

The second phase (1966 – 1977) witnessed severe industrial stagnation and low growth rate of employment and high rates of industrial disputes with increase in strike, lock outs, and also *Naxal Movement* or *Naxalism*. Several states enacted special labour laws to control to define unfair labour law practices to control the rising industrial disputes (T.C.A. Anant *et al.*, 2006).

The third phase coincided with liberalization and gradual withdrawal of state from economic activities and opening up of the Indian economy to the global market. Though no overt changes were made in the labour laws and policies this phase entered into a new kind of industrial relations – at more individualistic firm level and region level. Though it was the best period of economic growth, it was also the worst period in terms of employment generation (majorily due to sudden withdrawal of state and also partially because of increased privatisation and sub-contracting) [Ghose, 1992]. Unorganised sector got thrust due to sub-contracting. Productivity increased in manufacturing, wage also substantially increased but along with it increased the differential earning of organised sector workers and non-organised sector workers. This phase witnessed deterioration in the effectiveness and bargaining power of the unions.

The final phase (1991 to present) saw escalation of economic reforms and even greater decline in public sector employment with erosion of power of centralized trade unions.

Most of the lockouts settled with bipartite settlement that included downsizing of the workforce and significant absence of the state intervention.

In short, the New Economic Reforms of 1991 and opening up to the global market led to reserved army of labour being utilised through global value chain. Net effect of this was rise in wages, rise in inflation along with rise in inequalities and concentration of wealth, increase in informalisation and contractualisation of workforce.

Also associated with it was changing industrial relations from state domination of industrial scenario and centralised wage bargaining structure a move towards towards privatisation and increased casualisation of jobs.

The increased insecurities and informalisation of the workers across the globe concerns ILO which initiates countries to adopt minimum floor wages and social securities.

State regulation of the labour market to ensure labour welfare became the framework for managing labour relations from pre independence till 1970 – 1980s. This led to 47 central laws and 200 state laws, labour being listed in concurrent subject of the Constitution. Excessive labour legislations has led to definitional incompatibilities, administrative overlap and inefficiency. Moreover, it has led to higher tendency to evade the labour laws and further the conditions of the labour are by jeopardized cumbersome and long judicial process. As on March, 2013 there are more than 13,000 cases pending in the labour courts (www.pib.com) [Appendix Table 6.1A].

# 6.2. CRUCIAL LABOUR LEGISLATIONS AND THEIR IMPACT ON THE LIVES OF GARMENT WORKER

The most important labour laws guiding the welfare of the workers is the Factories Act of 1948 and the export garment factories are essentially covered under its ambit. The most important labour laws guiding the welfare of the workers is the Factories Act of 1948 and the export garment factories are essentially covered under its ambit.

Problem arises in case of the domestic sector, where the factory size in many cases being very small and employing less than 10 workers do not directly fall under the jurisdiction of the Factories Act thus insecuring lives of millions working in the domestic sector. Also, the seasonal nature of production leads to employing huge proportion of informal and contract labour especially in the export sector.

From this point of view of the nature of production, Factories Act and Contract Labour Act emerge as the most crucial labour legislations in the context of garment industry. Both these laws are dealt in detail and attention was paid to cover all crucial provisions in the questionnaire. Most significant ones are discussed in detail. A synoptic view of the crucial labour laws is presented in Table 6.1.

Table 6.1: A Synoptic View of Labour Laws

# **Industrial Relations Laws**

Legislation	Aim	Coverage
Industrial Disputes Act, 1947	Provides machinery and procedures for investigation and adjudication of industrial disputes.	Applies to an existing industry.  Coverage extends to whole of India.
Trade Unions Act, 1926	Seeks to confer a legal status to registered trade unions. This Act provides immunity from civil and criminal liability of trade union executives and members engaged in bonafide trade union activities. It is guaranteed under Right to Freedom/ Right to form Association or Union, Article 19, Fundamental Rights, Part III of Constitution. The course of collective bargaining was influenced by the recommendations of Fair Wage Committee (1948) regarding the concept of minimum, fair and living wage.	Applies to whole of India.
Industrial Employment (Standing Orders) Act, 1946	Provides for additional provisions for job security among workers. While Act seeks to make labour contracts complete, fair and legally binding it features certain provisions which may interfere with firms resorting to quick adjustments to changing market conditions.	Applicable to those industrial establishments/undertakings wherein 100 or more workers are employed or employed on any day preceding 12 months. Scope extends to whole of India.

# Wage Laws

Legislation	Aim	Coverage
Payment of Wages Act, 1936	Ensures regular and prompt payment of wages and preventing exploitation of wage earners by prohibiting arbitrary fines and deductions from wages.	Extends to whole of India and primarily to manufacturing establishments using power and employing 10 or more workers or employing 20 or more workers without use of power. An employee under this act is any person employed at a not more than Rs. 1,600.
Minimum Wages Act, 1948	Protect labour from exploitation in those industries and localities where the wages are likely to be very low for lack of organisation of workers or for want of proper arrangements for effective regulation of wages by fixing minimum rates of wages in certain specified employments.	Extends to whole of India. Covers workers in the unorganized sector.  Appropriate government (Central or State) to fix minimum wages. The appropriate government is empowered to extend the application of the act to other sectors of employment. Presently 45 central scheduled employments and varying number of employments recognised by the State Government are listed under this law.
Payment of Bonus Act, 1965	Provides for payment of bonuses to persons employed in certain employments and for matters connected therewith.	Extends to whole of India. An employee under the act is any person (other than an apprentice) who is employed at a monthly wage of not more than Rs. 1,600.
Equal Remuneration Act, 1976	Provides for payment of equal remuneration of both men and women and prohibits discrimination only on ground of sex in matters related to employment.	Extends to whole of India.

# **Social Security Laws**

Legislation	Aim	Coverage
Workmen's Compensation Act, 1923	Requires employers to compensate in case of accidental injury, physical disablement, or death of worker arising out of or in course of employment.	Extends to whole of India and applies to certain categories of workers like factories, mines, plantations, railways etc. and in certain hazardous employment. It also covers certain employment in unorganized sector who are not covered by ESIA, 1948.
Employees' State Insurance Act, 1948	A social security scheme under which both employer and employee contribute to insurance corporation which runs dispensaries and hospitals in working class localities to cater to their health needs.	Extends to whole of India except Sikkim and applies to all factories employing 10 or more persons (using power) or 20 or more persons (without the use of power) and services like hotels and shops employing 20 or more persons.
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provides for setting up of compulsory provident fund for employees in factories and other establishments with equal contribution from both employer and employee.	Extends to whole of India except the state of Jammu and Kashmir which instituted a separate provident fund scheme. The Act extends to all establishments employing more than 20 workers.
Maternity Benefit Act, 1961	Aims to regulate employment of women in both organized and certain unorganized enterprises for pre and post child bearing period and benefits arising thereof.	Extends to whole of India and applies to every factory, mine and plantation except factories and establishments to which provisions of ESIA, 1948 are applicable.
Employees' Pension Scheme, 1995	Provides for payment of monthly pension in case of contingencies like superannuation, retirement, permanent total disablement or death during service.	Extends to all persons who are members of Family Pension Scheme, 1971. It is also compulsory for persons who became members of provident fund after 16 November, 1995.
Payment of Gratuity Act, 1972	Provides for payment of gratuity to employees in factories and establishments. A worker who has put atleast 5 years of work may receive on retirement or termination of employment, a lump sum equal to 15 days wages for every completed year of service	Extends to whole of India except Sikkim and plantations in Jammu and Kashmir. It applies to every factory, mine, oil field, plantation, port, oil company, and shop or establishments where more than workers were employed on any day of the preceding 12 months.

# **Welfare Laws**

Legislation	Aim	Coverage
Factories Act, 1948	Aims to ensure adequate safety measures and to promote health and welfare of the workers.	Extends to whole of India and applies to all manufacturing establishments employing 10 or more workers (for establishments that use power) or 20 or more workers (not using power).

# **Category-Specific Laws**

Legislation	Aim	Coverage
Contract Labour (Regulation and Abolition) Act, 1970	Regulates the employment of contract labour in certain establishments and provides for certain establishments and provides for its abolition in certain circumstances.	Extends to whole of India. The act applies to (i) every establishment in which 20 or more workmen are employed or were employed as contract labour on any day of the preceding 12 months and (ii) every contractor who employs 20 or more workers on any day of the preceding 12 months.
Bonded Labour System (Abolition) Act, 1976	Provides for abolition of bonded labour system with a view to prevent socio-economic and physical exploitation of weaker section of people and matters connected therein.	Extends to whole of India.
Interstate Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979	Regulates employment of interstate migrant workers and provides for their conditions and terms of employment and matters connected therewith.	Extends to whole of India and applies to (i) every establishment in which 5 or more inter-state migrant workmen are employed or were employed on any day of the preceding 12 months. (ii) every contractor who employs or employed 5 or more inter-state migrant any day of the preceding 12 months.

Legislation	Aim	Coverage
Child Labour (Prohibition and Regulation) Act, 1986	Prohibits the engagement of children (below 14 years of age) in hazardous employment and regulate terms of work in other employments.	
Shops and Commercial Establishments Acts	Regulates the conditions of work (daily and weekly hours of work, payment of wages, overtime etc.) of employees engaged in shops and commercial establishments.	Includes shops and commercial establishments, restaurants, hotels and places of amusements in specific notified urban areas.

Source: Summarised from different records, published by the Gol.

### **6.2.1. Factories Act of 1948**

The purpose behind Factories Act was to consolidate the labour laws regulating labour in the factories and ease the conditions of work. This act (later amended in 1987) aims to secure the health and ensure safety of the workers and provides for elaborative provisions regulating the health and safety at workplace.

Access to various provisions to ensure decent work are measured in qualitative terms where the workers were asked to list or rank the degree to which various amenities to facilitate work are maintained by the workers. The workers were asked to rank the facilities according to good, medium and bad. A detailed assessment of various provisions is listed below (Table 6.2a)

.

**Table 6.2a: Degree of Compliance of Factories Act** 

Factories Act (1948) (Provisions)	Extent To Which Followed/ Violated
	Gurgaon – Most of the workers (75.2 percent) reported maintenance of comfortable temperature at place of work and 73 percent of the workers states humidity control measures were taken.  Okhla – Around 60 percent of the workers reported maintenance of comfortable temperature and humidity at workplace. But several workers from a particular company (name withheld) complained of uncomfortable work conditions and high
Adequate temperature and ventilation and humidity control	heat in workstations. Despite repeated complaints to the human resource personnel, no steps were taken to regulate temperature of room —heat and lack of cooling facilities has resulted in prickly heats all over the body and also prevented the worker from concentrating in his or her work. It must be noted that despite high temperature the workers are expected to meet every day targets of production.
	NOIDA – Majority workers reported inadequate temperature and humidity control inside factory unit which affected their concentration. Repeated complaints failed to address the issue. Only 23 percent of workers reported comfortable temperature and artificial humidification at workstation.
	Domestic Units – Only one unit (of 15 units surveyed) had an air cooler installed. The factory units are small and humid.

With respect to cleanliness within the factory premise or work premise most of the workers across all export locations confirmed that the factory management are attentive towards maintaining hygiene at workplace. Gurgaon, Okhla, NOIDA – Across all the three locations more than 60 percent of the workers confirmed to have hygenic workstations. But most of the workers reported they are not provided with safety equipments like masks and needle guard (Plate no. 9).

Cleanliness at the factory and disposal of wastes and effluents

Though export factory management swore they maintain clean and sustainable production practices, dark fumes released from chimneys were noticed in Gurgaon and this happens to be huge production house. This raises a cause of concern that if the large production houses do not adhere to the environment norms then the investment in clean technology by the small and medium sized firms can be expected to be nothing more than minimal.

Domestic Units – The factory units are usually very small and unorganised. Cleanliness is almost nil. Raw material along with scrap material from production is scattered all over the units. The flyaways (minute threads and garment particle) made the air heavy with high chances of inhaling them. The photo plate number 15 and 18 shows the filthy and cluttered condition of the domestic units.

Sufficient work space and lightning facility – both natural and artificial at the place of work

Gurgaon, Okhla, NOIDA – Workers in all the three export locations reported that they their factory offered them sufficient workspace. However, since the work of stitching in particular (compared to the work of helper on one end and supervisor/Human Resource personnel on the other end) required serious attention and daily long hours of strenuous work takes a toll on the health the observation of the researcher is that the workers should be provided with a little more leg space so that their work can be ergonomically sustainable. Photo plate number 9 shows that workers arranged in assembly line which offers little leg room and many workers reported back pain and fatigue. It must also be noted that the workers (tailors and helpers) who work in the garment industry form a young population with the average cohort of worker being young which indicates that work in garment industry demands physical strength.

Domestic Units – As far the domestic units are considered the workspace is very cluttered with production process taking place mostly in a single unit. If the factory size is moderate then the production unit may include two units. However, most of the domestic production units are in form of three or four storied (sometimes even more) building with each floor housing a separate factory. Stitching and checking (dhaga cutting) of the product mostly arranged in the same room. Sometimes pressing and packing may also be taking place within the same room depending on the size of production. (Photo plates number 18)

Compensatory holidays	Though the factory act provides for compensatory holidays the workers hardly are aware of such provisions. However, workers at the level of supervisor and above indicated that they are allowed paid leave (though not compensatory holidays in its strict sense) in case of any necessity.
Atleast half an hour of	Gurgaon, Okhla and NOIDA - Workers usually get half hour break for lunch and 15 minutes for tea break, however in compensation they have to work an additional hour to maintain their break of nearly an hour. Instead of 9 a.m. or 9:30 a.m. to 5:30 p.m., they usually work from 9:30 a.m. to 6:30 p.m. or 6:45 p.m. Striking is that workers seem to accept it well that since they are given tiffin break they must cover it well with additional hours of work.
interval everyday	One important observation was that female workers in the export sectors hardly leave the factory during the break hours. Patriarchal influence on the notion of space seems to be quite evident. For instance, the factory which represents the work space of the female work and which is enclosed in some form females feel free. However, their restricting themselves within the boundary of factory even during break hours indicates their mental inhibition which is the societal perspective on gender and space.
	Though the women are working and financially empowered this is not reflected in their freedom of movement. When probed that whether the factory management restricts their movement even during tiffin breaks the answers were diverse. Many women stated that their factory management does not allow female workers to leave the factory during the break period while others expressed that the women do not leave factory gates consensually.
	Domestic Units – They usually get a lunch break of one hour duration. Working hours is from 10 a.m. to 8 p.m. There is no specific tea-break.
Worked more than nine hours without overtime pay	Gurgaon, Okhla and NOIDA – Piece rate workers do not get any separate overtime rate.  Domestic Units – Usually they do not work overtime but in peak seasons where they need to work for more hours even then they do not get any overtime payment.
Overtime work should be at the rate of twice the ordinary rate of wages	Gurgaon – Only 6 percent of the tailors and helpers confirmed getting double rate of overtime. In many cases double rate is paid only for first two hours, after that single rate is paid (85 percent of workers who worked in large firms reported getting double rate, rest who worked in medium sized companies reported single rate).
, ,	Okhla – 35 percent of the workers reported to get overtime at single rate. None of the workers reported overtime at a rate higher than the 'normal' or single rate.

	NOIDA – No worker reported getting double rate of overtime. Though few workers in NOIDA reported earlier they got overtime at a rate of 1.5 times but now the provision is withdrawn.
	However, 59 percent of the workers (tailors and helpers) in NOIDA are entitled to some form of overtime compared to 40 percent in Gurgaon and only 35 percent in Okhla. Also it is to be noted that NOIDA has the highest proportion of salaried workers (89 of the tailors and helpers and 90 percent of all the workers).
	Most of the workers are unaware of their rights. Most of them are unaware that according to government regulation they are entitled to double rate of overtime. However, this degree of awareness varied according to the location of the firms. For example, workers in Gurgaon Region seemed to be aware of the overtime rates. This is because many large sized companies like Gaurav International offered overtime at the double rate for the first two hours. Hence workers engaged in the neighbourhood production houses have some idea about the legalised rates.
	Domestic Units – No overtime even for salaried workers.
	Gurgaon, Okhla and NOIDA - Though none of the workers received payment in advance before going for a paid leave as provided in the act but few workers (around 6 percent in Gurgaon) confirmed that their employers provide them with some advance payment in case of financial need.
Payment in advanced before the paid leave	Domestic Units – In domestic sector majority of the workers are piece-rate workers. Though not technically the workers are entitled or given any advance payment, the employer usually pays a part of their earning every week, so that the worker can bear his expenses. In many cases, the employer even pays the amount equivalent to the work done every 15 days rather than paying the full remuneration at the end of the month.
Maintenance of register containing details of employment of every adult	Gurgaon – Though management reported that they maintain details of every adult worker but the rise of the contractor system has partially outsourced this job to the contractor who maintains all the details of the piece-rate workers and daily workers. With the increasing incidence of informal employment this responsibility of managing the employment details has considerably shifted from the manager to the contractor.
worker by the manager	Okhla – Situation here is similar to that of the Guragon where the system of contactor is quite dominant. When labour inspection or compliance survey is scheduled then the non-salaried workers that is the piece-rate workers and the daily wage earners are either given a day off (as in case of Gurgaon) or these informally employed workers are asked to report themselves as salaried workers

with their stipulated monthly salary of Rs. 15,000 (which is 25 percent more than their average monthly salary). All these have resulted in quite discontentment among the workers.
NOIDA – Most of the workers being salaried the manager maintains detailed employment data. The system of contractor is not profound in NOIDA.

## 6.2.2. Contract Labour (Regulation and Abolition) Act, 1970

This act was aimed to regulate the contract labour in establishments and provides for its abolishment in certain forms. With the increasing informalisation of jobs and employment being more in the nature of assignment rather than appointment, the contract labour act assumes more importance. This act forbids employment of the contract labour in core activity or rather states that contract labour can only be used in the production of intermittent nature and does not clearly forbids use of contract labour in the core production. Taking advantage of this clause several companies have tweaked the legislation by understating the nature of production. In case question arises about the nature of production the government will settle the issue after consultation with the central or state board (Conract Labour Act, 1970).

Awareness about the legal rights is a pre-requisite towards their realisation. Therefore, an attempt to assess the knowledge about their rights is made. Awareness about various provisions of contract labour are measured as mentioned in Table 6.2b. In domestic units of production the system of contract is not present in a profound manner (atleast not in the sample population surveyed). Hence, only the domestic units are considered while

Table 6.2b: Degree of Awareness of the Contract Labour Act (Regulation and Abolition) Act, 1970

Contract Labour Act, 1970 (Provisions)	Degree of Awareness
Provisions that regulates health and safety of contract labour and other conditions of payment of contract labour	Gurgaon – 60 percent of the workers are aware of the provisions of the act.  Okhla – Only 12 percent of the workers reported to be aware of the details of the act. In general the awareness among the workers about their right in Okhla is very low.

Notice showing the wage period and the place and time of disbursement of wages shall be displayed at the place of work and a copy sent by the contractor to the Principal Employer	NOIDA – 95 percent of the workers stated they are aware of the CLA.  Gurgaon – Around 87 percent of the workers are aware about the provision.  Okhla – Since contratualisation is deeply entrenched in the this part of NCR the workers are well aware (87 percent) that the contactor settles the wage and payment details with the principal employer.  NOIDA – 90 percent of the workers are aware about this provision.
Presence of principal employer's representative at the time of disbursement of the wages of the contractual workers	Gurgaon – Only 56 percent of the workers here are aware of the fact that principal employer has the final responsibility of disbursement of the wages.  Okhla, NOIDA – None of the workers in both the locations are aware that the onus of the wage and other arrangements finally lie with the principal employer. They are of the view that their sole responsibility lies with the contract and the contractor will settle their terms and conditions.
Wages shall be paid without any deductions except specified by the Central Government by general or special order in this behalf or permissible under the Payment of Wages Act, 1936 (4 of 1936).	Gurgaon – Around 10 percent workers were not aware of that wages should only be deducted as allowed by the government regulation. However, majority of the workers were not aware of the terms between the factory owner and the contractor.  Okhla, NOIDA – Across these locations most of the workers were not aware of the terms and condition of the settlement between the factory owner and the contractor. However few workers reported misappropriated of wages and 'wage theft' by the contractor. This issue is dealt in detail in the main body of the text below.
Wages of every contract labour in an establishment or by a contractor where less than 1000 such persons are employed shall be paid before the expiry of the seventh day and in other cases before the expiry of tenth day after the last day of the wage period in respect of which the wages are payable	Gurgaon – Around 36 percent of the workers were not aware about the government regulation about the latest date of payment. However, most of the workers confirmed that they get the monthly payment by 7 <sup>th</sup> of the preceding month – at the most by 10 <sup>th</sup> .  Okhla, NOIDA – All the workers confirmed to receive payment by 10 <sup>th</sup> .

Payment of wages of terminated worker must be paid before the expiry of the second working day from the day on which his or her employment is terminated

Gurgaon – 80 percent of the workers were not aware of this provision. However, in most cases they reported that in case of termination payments are made immediately. However, two female workers harassment.

Women workers however reported that the incidence or probability of their termination is greater than male workers. Though in case of minor mistakes male workers generally are not penalised women workers are differently treated. They are verbally abused by the supervisor and the contractor more often. Case studies of Madhu and Megha are given below.

As already mentioned Vijay (name changed, of age 29 years) who is a helper in one of the firms of Okhla reports serious misappropriation of wages and other emoluments in the firm. Undercounting of pieces by the contractor is a very common tool to deprieve the workers of their due remuneration.

Similarly, Nazneen (age 26 years) engaged a young helper in an export firm in Gurgaon for a monthly salary of Rs. 7,500. She has been recruited in the firm through a contractor who hands over to her only Rs. 5,800 per month. The contractor gives no explanation for deducting Rs. 1,700 per month. Even her husband working as a fabricator in the same company could not help her over this issue.

Women workers are often ill treated for minor errors in work which is not likely the case with male workers. Manju (age 30 years) came out of the factory crying and on intervention by the researcher (who tried to soothe her) and stated she had been thrown out of the factory (a little while ago) on pretext of minor mistake. According to her she pleaded but to no help. She requested to re-do the sample but the supervisor didn't listen to her and verbally abused to her and cleared all her dues. Megha (both workers are migrant from Nalanda, Bihar) confirmed such instances of rebuke only to female workers are not rare.

## 6.2.3. Interstate Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

This act applies to establishment and contractor where atleast five migrants workers are working. This act was introduced to restrict some ill traditional practices initially identified in Orissa. This practice is known as the 'Dadan Labour' System. In Orissa dadan labour are recruited by contractors locally known as 'sardars' or 'khatadars' who employed or supplied (inter-state or migrant) labour to other states in labour intensive employment like construction projects without maintaining details of the migrant labour. Even the terms of work were very exploitative with often the promised wage being not paid by the contractor, and no extra allowance is paid to the migrant labour (only the railway expense is paid for). Moreover, they were made to work tirelessly for long hours (Chief Labour Commissioner, www.clc.gov.in). To put an end to this exploitative system the Interstate Migrant Workmen Act. As the name suggests, the act regulates the employment and condition of service of the migrant workers. This law mandates the contractor to register all the migrant workers and maintain details of employment.

Since majority of the workers working in both export and domestic sector are migrants, this law is of crucial importance to ensure welfare and security of the migrant workers. However, none of the workers engaged in the garment industry are aware of this regulation.

Though this act was progressive and is an umbrella act for establishments employing inter-state migrants, however it must be mentioned that its provisions were quite repetitive in nature when compared to the Factories Act. One of the major problems with labour legislation in India is the duplicity of legislations which are often elaborative making the process of justice quite delayed and cumbersome.

### 6.2.4. Employees' State Insurance Act, 1948

ESIC is the first post-independence legislation that is related to social security. This provides for contribution of certain percentage of monthly salary from both the employer and employee to an insurance corporation that has dispensaries and hospitals in working localities. This act is necessarily designed to ensure the health of the worker in case of employment related injury or disease that amounts to loss of productive or earning capacity. This applies to all organized sector and covers a wide range of medical facilities – like medical benefit, sickness benefit, maternity benefit and a host of other benefits.

The act covers all employees having a monthly salary less than Rs. 15,000 (www.esic.nic.in/coverage.php). The limit is recently revised and the income bar has been raised

to Rs. 21,000 per month. However, at the time of survey the limit was Rs. 15,000 (w.e.f. 1.5.2010 to 31.12.2016) and this that limit is considered for analysis purpose.

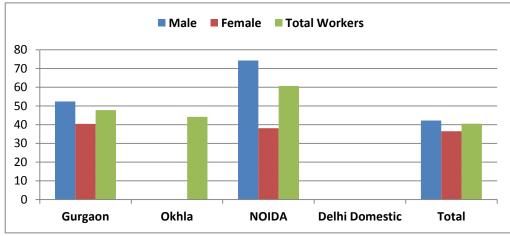
Table 6.2c: Percentage of Workers who are Beneficiaries of ESI

	Gurgaon	Okhla	NOIDA	Delhi Domestic	Total
Male	52.4	41.5	74.3	0.0	42.2
Female	40.4		38.1	0	36.5
Total Workers	47.8	44.2	60.7	0.0	40.5

Source: Field Survey, 2016.

Since, income forms the basis of determination of beneficiaries of such scheme all of the workers irrespective of their nature of work are taken into consideration. But it needs to be mentioned that most of these beneficiaries are tailors and helpers only whose per month basic salary is less than Rs. 15000 (Table 6.2c and Figure 6.1). Greater proportion of males in NOIDA (74.3 percent) receives ESIC benefit compared to the other two export production locations. However,

Figure 6.1: Percentage of Workers who are Beneficiaries of ESI



Source: Field Survey, 2016.

Table 6.2d: Percentage of Workers who are Beneficiaries of ESI

		Salaried Workers	Non – Salaried Workers
Gurgaon	Frequency	52	13
Gurgaon	Percentage	67.5	22.0
Okhla	Frequency	17	2
Okilla	Percentage	68.0	11.1
NOIDA	Frequency	32	2
	Percentage	64.0	33.3
Delhi Domestic	Frequency	0	0
Deini Domestic	Percentage	0.0	0.0
Total	Frequency	101	17
	Percentage	60.5	13.7

Source: Field Survey, 2016.

in case of females, Gurgaon fares well with 40.4 percent of the female workers being entitled to benefits. In case of Okhla, gender based analysis is not done as the number of female workers who could be interviewed were quite limited (as in many cases separate analysis is not done). Also, lesser proportion (36.5 percent) of women workers (as a homogenous group) receive the benefit of ESIC scheme compared to their male counterpart (42.2 percent).

Further dissociation on the basis of method of payment, greater proportion of salaried workers are entitled to ESIC compared to minimal proportion of piece-rate workers. In a way, piece-rate workers are engaged to meet the adhoc production targets. The nature of production being very seasonal these workers are therefore engaged at beck and call of the firms and are not continued after the peak production season gets over (this phenomenon is detailed in Chapter V). Therefore, to avoid all these onuses the contractor is hired who supplies the 'contract labour or piece-rate workers and daily wage earners' to the factories. Hence, the firms very conveniently sideline the social responsibility of the employer (though the Contract Labour Act, 1970 recognises the firms as the principal or ultimate employer). Therefore, as witnessed only around 14 percent of the non-salaried workers are benefitted by ESIC. NOIDA though has a environment which is bit favourable for these non-regular workers with almost one third of the them being benefitted from the scheme (Table 6.2d).

However, it is to be noted that even those workers who are formally employed with a regular monthly salary are not wholly covered by the ESIC scheme. Infact, proliferation of the

mandatory scheme is quite low with only 60 percent of the total salaried workers across all the locations under its coverage. NOIDA lags behind in this respect.

Table 6.2e: Percentage of Beneficiaries of ESI in the Export Units across Firm Size

Factory Size	Location of Export Firms	Frequency	Percentage
	Gurgaon	49	56.3
Large	Okhla	3	50.0
Large	NOIDA	25	62.5
	Total	77	57.9
	Gurgaon	16	31.9
Medium & Small	Okhla	15	44.1
& Workshops	NOIDA	9	56.3
	Total	39	40.2
	Gurgaon	65	48.1
Total	Okhla	18	43.9
iotai	NOIDA	34	60.7
	Total	118	50.4

Source: Field Survey, 2016.

To see whether the factory size has any connection with the coverage of the scheme the following table 6.2 e is generated and it reveals that factory size has strong connection with these benefits covered. Around, 58 percent of the workers in large factories are covered under ESIC compared to only 40 percent of the workers engaged in medium firms and workshops. In Gurgaon there is stark difference between the degree of coverage of large firms vis-à-vis M&SFs and workshops on the other hand (with the difference being around 25 percentage points). However, an interesting observation that arises from here is that backgrounds check of the piecerate workers those who get benefitted under this scheme have some common revelations. Raju, age 32 years states he has gradually improved his skill and he started his career as a helper, slowly he learned the trade of tailor and started working in Radhnik Exports in Gurgaon for the last five to six years. He has now gained the experience of skilled tailoring which he has been into for last 10 years. Though originally engaged through contractor, as piece-rate worker he states he is now entitled for PF and ESIC. However, he prefers not deducting his salary for PF and ESIC.

Priyanka Kumari, whose case has been cited several times throughout this thesis, though a daily wage earner states she is benefitted from the PF and ESIC schemes. As already mentioned she is

well versed with the use of computer and had the experience of working in data entry. Additionally, she posses certificate in skill training programmes.

Salim (age 58 years) working as piece-rate worker and states that the rate of the piece hardly increases and even if it does, the increase is so minimal that it falls short of the inflation rate and hence fulfilling even the bare minimum necessities becomes difficult. This is not only the story of Salim but he relates to lakhs of piece-rate workers who working in the garment industry across different part of the nation. However, he considers himself to be 'lucky enough' to have got the benefits of PF and ESIC and is among the very few piece-rate workers who are entitled to such benefits.

Misappropriation with ESIC data is not ruled out. For instance, Nawazuddin (name changed, 48 years) a migrant worker from Bengal in a factory at Gurgaon of age displays his ESIC card issued by the factory which reads the location of the factory as Palam instead of Gurgaon. Such dirty tricks are often devised by the factories to evade ESIC coverage. Workers reported aversion to visit ESIC hospitals and dispensaries because of long tiring queues and non-availability of doctors and proper medicines. Most of the workers reported that the hospital they are provided are usually far from their residence or workplace which means a visit for check up there would 'ruin their whole day and they have to take leave from the factory' which is often not allowed.

Therefore, a weak link that is indicated is that if a worker is able to sustain himself (that depends on several factors) in a particular company and has the required skill to maintain personal relation with the management he or she may be able to gain benefits of employment which are due rights of the workers but are otherwise not recognized by the employers.

In the domestic industry none of the workers are entitled to formal ESIC scheme but few workers confirmed that since they share cordial relation with their employer in case of dire medical emergency the employer may informally contribute to the medical expenses of the worker. But the proportion of such helpful intervention is very less.

## **6.2.5.** Employees Provident Funds and Miscellaneous Provisions Act 1952 (Amendment Act 2015)

This Act provides for institution of provident, pension and deposit linked insurance fund for employees in the factories and other establishment. It covers three schemes employees – Employees Provident Fund Scheme 1952, Employees Pension Fund 1995, Employees Deposit Linked Insurance 1976. However, in the context of the garment industry we will only discuss the issue of EPF.

Every worker joining an establishment of 20 workers or more and having a monthly salary of less than Rs. 15,000 is liable to be covered by PF from the very first day in employment with equal contribution from employer and employee and the contribution is fixed at 12 percent of the basic salary.

The deduction for PF and ESIC taken together is around 13.75 percent of the basic salary of the employee. Few workers (around 7 percent) said they didn't opt for deduction of either one of them or both.

Provident Fund provides a sense of security to the worker and is the resource that the worker earns with his or her sweat and labour. However, most of the employer perceives PF as burden.

Table 6.3a: Percentage of Beneficiaries of PF in the Export Units

	Gurgaon	Okhla	NOIDA	Total
Male	48.2	41.0	71.4	51.6
Female	42.3		38.1	42.7
Total	45.9	43.9	58.9	48.7

Source: Field Survey, 2016.

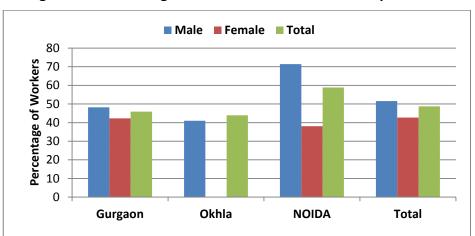


Figure 6.2: Percentage of Beneficiaries of PF in the Export Units

Source: Field Survey, 2016.

Of all the locations, like in the case of ESIC, NOIDA fares well with around 61 percent of the workers covered by the Provident Fund (Table 6.3 a and Figure 6.2). Gurgaon and Okhla follow close to each other with with 46 and 44 percent of coverage. However, in the context of gender wide gap exists in NOIDA with 38 percent of the female workers being covered by the scheme compared to almost 72 percent males. In Gurgaon the gender gap is smaller being around 6 percent. None of the workers in the domestic sector are covered under PF scheme.

Table 6.3b: Percentage of Workers who are Beneficiaries of Provident Fund

		Salaried Workers	Non – Salaried Workers
Gurgaan	Frequency	53	9
Gurgaon	Percentage	68.8	15.5
Okhla	Frequency	17	1
Oknia	Percentage	70.8	5.9
NOIDA	Frequency	31	2
NOIDA	Percentage	62.0	33.3
Total	Frequency	101	12
	Percentage	66.9	14.8

Source: Field Survey, 2016.

Strikingly, the PF coverage of workers is better in Okhla compared to NOIDA and Gurgaon. Remarkably, around one-third of the non-salaried workers in NOIDA are covered by PF. In Gurgaon the same figure strands at around 16 percent and in Okhla, only 6 percent of the non-salaried workers are covered (Table 6.3b).

Table 6.3c: Percentage of Beneficiaries of PF in the Export Units across Firm Size

Factory Size	Location of Export Firms	·   Frequency	
	Gurgaon	48	63.2
Large	Okhla	3	3.9
Large	NOIDA	25	32.9
	Total	76	
	Gurgaon	14	36.1
Medium & Small	Okhla	15	41.7
& Workshops	NOIDA	8	22.2
	Total	37	
	Gurgaon	62	54.9
Total	Okhla	18	15.9
Total	NOIDA	33	29.2
	Total	113	

Source: Field Survey, 2016.

In both NOIDA (32.9 percent) and Gurgaon (63.2 percent) the proportion of beneficiaries covered by PF is greater in large firms compared to those in medium and small firms and workshops (M&SFs) – with only 36 percent in Gurgaon and 22 percent in NOIDA. However, the coverage of PF is very low across all firm size and all locations. The coverage of ESIC is better than the PF coverage. The obvious reason being the employer's contribution in monetary terms towards PF is much greater than ESIC and many employers perceive ESIC as a necessity but their perception towards PF is not so (Table 6.3 c).

However, strikingly the M&SFs in Okhla offer better coverage (41.7 percent) compared to large firms (3.9 percent). However, limited sample from large firms in Okhla can be a probable reason behind this trend. In Okhla, most of the size of the firms are medium hence the sample size.

Another, important issue that came up is that though employer's contribution to PF must be made from the very first date of employment most of the tailors and helpers in Gurgaon stated that it is only after 7 months in the employment that they are entitled to double rate of PF. Likewise, workers in NOIDA who are eligible for PF reported that only after continuing in the

same employment for a year they are entitled to PF. Lack of awareness about legal rights is one of the main reason behind deprivation.

But few huge establishments like Radhnik export in Gurgaon provided PF coverage from the very first month to workers who are educated at the level of graduation and above. There may be two reasons for this. One the more optimistic, companies do recognize the level of education of a worker and hence the educated ones (inspite of being at the level of tailor) gets better acknowledged. The second reason being more practical, they do not want to displease the educated workers who might be aware of his or her legal rights, hence such tokens of appreciation.

### 6.2.6. Payment of Bonus Act, 1965 (Amendment Act 2015)

The recent amendment provides for payment of bonuses to persons employed in specified establishments and whose monthly salary is not more than Rs. 21,000.

Almost all the workers are aware of the terms and conditions of the Bonus Act. But only a few benefited. Even then they are not entitled to full bonus across all months. Most of them reported to get bonus only during the month of festival i.e. 'diwali or dusshera'.

Table 6.4: Percentage of Beneficiaries of Bonus in the Export Units

	Aware of Entitlement	Benefitted
Gurgaon	94.6	15.1
Okhla	100.0	9.1
NOIDA	100.0	50.0
Total	96.3	19.3

Source: Field Survey, 2016.

Only 15 percent and 9 percent of the workers in the export firms of Gurgaon and Okhla reported to have received bonus. Many workers confirmed that they receive bonus upto Rs. 1000 in a month. In NOIDA the coverage is quite well, with 50 percent of the workers receiving bonus to a maximum of 8 percent of their basic salary (Table 6.4).

None of the workers engaged in the domestic sector gets bonus expect for a 'mithai ka dabba' (box of sweet) during the 'eid or diwali'.

#### 6.2.7. Casual Leave and Paid Leave

Casual leave refers to the time allowed from work for holiday, illness or any unforeseen events but for which normal payment is received by the workers. In case of casual leave a company may allow maximum of three days of casual leave in a month (www.paycheck.in, accessed on 3/7/2017, 5:00 A.M.). The quantum of leave may vary from state to state.

The proportion of workers receiving casual leave varies widely between 46 percent (in Okhla) to 70 percent in NOIDA. The gender difference is quite high in Gurgaon with the women beneficiaries being around 16 percentage points lower than male beneficiaries (Table 6.5a and Figure 6.3). However, female workers in NOIDA receive strikingly better coverage (77 percent) than male workers (66 percent).

Table 6.5a: Percentage of Workers Entitled to Casual Leave in the Export Units

	Gurgaon	Okhla	NOIDA	Total
Male	57.0		65.8	51
Female	40.4		77.3	46.8
Total	51	46.8	70	70

Source: Field Survey, 2016.

In the domestic sector since the workers are mostly paid on the basis of piece-rate there is no formal provision of casual leave. But supervisors are allowed informal casual leave in case of emergencies.

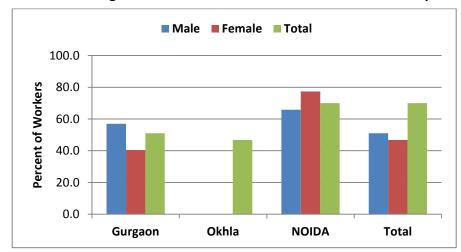


Figure 6.3: Percentage of Workers Entitled to Casual Leave in the Export Units

Source: Field Survey, 2016.

Paid leave or earned leave are leaves that are earned in the previous year and enjoyed in the preceding years. These are also known as privilege leaves and can be carried forward to maximum three years and vary as per state laws (www.paycheck.in, accessed on 3/7/2017, 5:00 A.M.)

The proportion of workers receiving earned leave is very low with all the regions following close to each other in the range of 0 percent to 2 percent. Only workers at the level of supervisors and above are entitled to paid leave simply because a majority of the workers are not continued for a continuous period of two years – tailors and helpers being more vulnerable. Workers at this level who are working at companies for a period of atleast two years are also not considered for paid leave.

## 6.3. COMPOSITE INDEX OF ADHERENCE TO CRUCIAL LABOUR LEGISLATIONS IN THE EXPORT GARMENT FIRMS

The various provisions of the crucial labour laws are discussed above. It is important to know the location of each region with respect to adherence of legislation. Six most crucial provisions of Factories Act and three provisions of Contract Labour Act and ESIC and PF coverage are used to construct the composite index. The provisions considered are

- ➤ Maintenance of comfortable temperature
- ➤ Moisture or humidity control measures
- ➤ Maintenance of cleanliness
- Proper disposal of Wastes
- > Provision of sufficient Work Space
- > Provision of double rate of overtime
- ➤ Notice regarding wage period and other details of wages shall be displayed at the place of work and a copy sent by the contractor to the Principal Employer
- ➤ Presence of principal employer's representative at the time of disbursement of the wages Presence of principal employer's representative at the time of disbursement of the wages of the contractual workers onus of the contractor labourers lie ultimately with the principal employer.
- ➤ Deductions from the wages of the contractual workers only as per government regulation

Contract Labour Act, 1970

Factories Act, 1948

Composite Index shows Gurgaon having better adherence to crucial labour welfare provisions compared to NOIDA and Okhla. The composite index for Okhla stands only at 7.85 compared to 11.29 in NOIDA and 16.87 in Gurgaon. The relative difference between and NOIDA is mainly because of the infrastructure in Gurgaon which has relatively new emergence and is better than NOIDA (Table 6.6a and Table 6.6b). Interviewing the representative of the management in NOIDA and Okhla revealed many of their desire to relocate the base of their production to

Table 6.6a: Adherence to Crucial Labour Legislations in the Export Garment Firms

			Factories Act	of (1948)			Cont	ract Labour Act (1	1970)						
	Temperature	Humidity	Cleanliness	Waste Disposal	Sufficient Work Space	Double Overtime	Notice of Wage Period	Presence of Principal Employer	No Unexplained Deduction	ESIC Benefit	PF Benefit	Casual Leave			
Gurgaon	75.2	73.1	69	57.2	95.2	6	87	56	10	47.8	45.9	51			
Okhla	68.1	68.1	68.1	21.3	68.1	0	87	0	0	44.2	43.9	46.8			
NOIDA	23.3	23.3	23.3	0	23.3	10.9	90	0	0	60.7	58.9	42			
Mean	55.53	54.83	53.47	26.17	62.20	5.63	88.00	18.67	3.33	50.9	49.57	46.6			

Source: Field Survey, 2016.

Table 6.6b: Composite Index of Adherence to Crucial Labour Legislations in the Export Garment Firms

	Temperature	Humidity	Cleanliness	Waste Disposal	Sufficient Work Space	Double Overtime	Notice of Wage Period	Presence of Principal Employer	No Unexplained Deduction	ESIC Benefit	PF Benefit	Casual Leave	Composite Index
Gurgaon	1.35	1.35	1.29	2.19	1.53	1.07	0.99	3.00	3.00	0.94	0.93	1.09	18.73
Okhla	1.23	1.23	1.27	0.81	1.09	0.00	0.99	0.00	0.00	0.87	0.89	1.00	9.38
NOIDA	0.42	0.42	0.44	0.00	0.37	1.93	1.02	0.00	0.00	1.19	1.19	0.90	7.89

Source: Field Survey, 2016.

Gurgaon because of better infrastructure (also partly due to late emergence of Gurgaon the infrastructure is better and also Haryana has been on economically well off state with one of the highest State GDP – GSDP).

However, when salary and only employment related variables are considered the performance of NOIDA is far better. Table 6.6c shows the position of NOIDA (3.28) to be slightly better off

Table 6.6c: Composite Index of Payment Related Benefits in the Export Garment Firms

Location	ESIC benefit	ESIC/ Mean	PF benefit	PF/ Mean	Casual Leave	CL/Mean	Composite Index
Gurgaon	47.8	0.94	45.9	0.93	51	1.09	2.96
Okhla	44.2	0.87	43.9	0.89	46.8	1.00	2.76
NOIDA	60.7	1.19	58.9	1.19	42	0.90	3.28
Mean	50.9		49.57		46.6		

Source: Field Survey, 2016.

to Gurgaon whose composite index is valued at 2.96. Okhla lags behind (only marginally lower compared to Gurgaon) in case of payment related benefits.

## 6.4. GENDER SPECIFIC LEGISLATIONS

A separate section is designed in the questionnaire to effectively understand and address the gender specific issue. This included questions on dignity and self-respect as comfortability at the work environment for women is related to her security.

Most of the women stated that they are respected by their fellow workers but their opinion differed on the matter of the employers. They are often rebuked by supervisors and managers for minor errors unlike their male counterpart. The cases of Madhu and Megha cited above. This can be granted as sexual abuse in a way because they are discriminated because of their gender. Contractor Sunil (name changed) states it is easier to work with females are 'they are more sincere and less troublesome and they hardly leave factory premise even during break. Around 59 percent of the workers confirmed that they are discriminated on such grounds by the representatives of the management. Though 27 percent of the women reported to have complained such matters to higher authority, not all the cases are addressed (Table 6.7). With respect to physical harassment though any woman did not report herself to be a victim (this

may be the effect of social taboo with respect to such issues) but 10 percent of females confirmed to have heard of such cases in their company and almost in all the cases though not legal action but the accused have been thrown out of employment. Rita (age 18 years – name changed), a young worker, confirms that younger women are targeted more.

**Table 6.7: Variables Assessing Gender Sensitivity** 

Respons e of Female Workers (in percent)	Discriminate d by Co- Employers	Harassmen t Faced	Report Harassmen t	Heard of Physical Harassmen t	Addresse d	Factorie s Allow Night Shifts	Desir e to Work At Night
Yes	58.3	26.3	26.3	10.0	10.0	0	57.1
No	41.7	73.7	73.7	90.0	90.0	100	42.9

Source: Field Survey, 2016.

In India, the patriarchal 'values' are so intertwined in a person's upbringing that often the victim is marked as the main cause of attack. Mita Devi (age 48 years) working as tailor in an export company states, that 'aurte khud bi zimmedar hote hain aise ghatna ke lie, unko sambhal ke rahna chahiye' ('women themselves are also responsible for such cases, they should be aware to avoid harashment') reflects nothing but outcome of patriarchal society. She has three daughters in her home. In none of the companies women are aware of existence of Internal Complaint Cell which every organization having office or branch with more than 10 employees has to mandatorily set up as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, popularly known as Vishakha Guidelines (GoI, 2013). The cases of sexual exploitation of workers engaged under Sumangali Scheme in Tirupur factories have grabbed the national attention (ICN – Somo, 2011; Ravi and Madeswaran, 2013).

With respect to night shift though women are not allowed to work at night but around 57 percent of the women stated they are interested to work at night as it will help to supplement their household income. They stated that though they requested the management to provide them extra hours of work. Actually only in the state of Karnataka, the Contract Labour Act and Factories Act have been amended (labour is a concurrent list subject) to provide for employment of women in the night shifts. But no such provision exits either at the national level or for the state of Haryana (as the most of the women from Gurgaon stated they are

interested to work at night). The amendments though provide for employing women at night in certain enterprises enlists detailed measures to be conformed by the enterprises to ensure safety and security of the female staff.

Other facilities to ensure health of the women workers like providing separate and clean washroom are mostly provided for across all the locations.

However, the <u>Maternity Benefit Act</u> is the last gender welfare act to be adhered to. Women workers working in the private enterprises are often penalised for life – events which are out of their control. Of all the 76 female workers engaged in the export units only three persons confirmed that their company provides maternity benefit. Of these three women, only one received the benefit and the two other heard some other women in their company got the benefit. The act prescribes 12 weeks of rest to the woman – with the distribution of leave being 6 weeks of pre-natal and 6 weeks of post natal paid break from work (recent amendments have increased the leave period to 26 weeks – March 2017) [GoI, 2017].

However, women at least in the garment industry as reported are not allowed sufficient maternity break. The maximum leave allowed (as reported) is of 3 weeks pre natal and two to three weeks of post natal period; just the half of the stipulated period by the government. As understood that in most of the cases expecting mothers are forced to take break from their employment with no guarantee to be re-absorbed into the same company after initial period of child rearing.

The Maternity Benefit Act also provides for establishment of crèche in all establishments employing more than 50 or more female workers and also provides for feeding time of infant. However, these are only in words. Only 4 female workers in Gurgaon and 17 women in NOIDA were aware of such provisions at establishment. Bringing child at the workplace is not allowed (despite provision in law) for the obvious reason that employer's donot want any intervention during work hours which might compromise with the daily target levels.

Visit to some factories caught attention to the type of crèche facility provided there. Mostly it is a <u>very small room</u> 10 feet by 12 feet in dimension <u>without proper ventilation</u>. One or two cradles are kept with few toys scattered here and there. These rooms are only set up to exhibit before the compliance survey team.

The domestic sector which is predominantly male hardly offers any gender specific benefit.

#### 6.5. THE ROLE OF THE TRADE UNIONS - LABOUR UNIONS

The declining role of the labour union in the labour market has been well quoted in literatures (discussed in Chapter I). Emergence of private companies along with it a system of employment which is highly flexible and maintenance of bouncers by such companies, nexus of employer-contractor, over supply of labour – cumulatively deteriorated the importance and role of the trade or labour unions.

Though the <u>Trade Union Act</u>, 1926 seeks to confer legal status to registered trade unions and also provides immunity from civil and criminal liability of trade union executives and members engaged in bonafide trade union activities. However, only 1 percent of the workers surveyed in Gurgaon and nil in NOIDA said to have been member of union. Most of the workers said that 'they are not allowed to participate in trade unions', little did they have knowledge that unionism is their right provided in the Constitution of India.

In Okhla though workers confirmed presence of trade union, however they complained that some unions are (allegedly) compromised with the companies there. Several times, workers have placed their cause of grievance before unions but after the union leaders visited the factory site, they were bribed to hush up the matters of concern.

Interaction with the representative from two leading trade unions of the country: CITU (Centre of Indian Trade Unions) and BMS (Bharatiya Mazdoor Sangh) focused attention on few important issues:

- The increasing flexiblisation of employment associated with the 'growth or influence of capitalism in India' has leaded to 'insecure jobs'. They state that in last four years the casualisation of employment has increased.
- ➤ The sub-human conditions of work long work hours, lack of rest room, 10 -12 hours of work sitting in the same posture, the time may shoot upto 16 to 20 hours (during the peak seasons of production) especially for the piece-rate workers (confirmed by the workers surveyed).
- ➤ Since the piece rate workers are out of employment for an average period of three to four months they work inhumanely or like machines during the main working or production period.

- ➤ Tweaking and wide spread violations of labour laws (Chapter VI bears testimony to this).
- Many workers are 'illegally terminated' according to them (reminds the way Madhu was terminated).
- Labour inspectors 'never visits factory sites' even if they do they hardly report the reality. The unions and the workers accused inspectors of producing forged reports that do not reveal the grievances of the workers (confirmed by the workers' statement) as they are often bribed to write good review about the companies.
- Even in case of compliance survey the workers are taught 'what to speak and what not to reveal' before the survey team (confirmed by the workers surveyed).
- ➤ Efforts to prevent unionisation among workers so as to circumvent the complaints of the workers and their addressal (Author's observation conforms to the statement). The union leaders stated that because of 'shifting nature of employment' unionisation of the workers become difficult. Infact, the probable reason behind not continuing the same set of (non-salaried) workers every year is to prevent bonding, empathy and therefore unionization of workers.
- ➤ Minimum Wages are hardly adhered to (computation of wage deviation statistically shown in the sample surveyed Chapter IV).
- Minimal awareness among the workers about their right (this is observed and tested in Chapter VI).
- ➤ Though workers are not asked about their castes while providing employment but the high skilled workers (supervisors and managers) are usually drawn from the upper castes (as also observed through statistical analysis of the sample selected Chapter III).
- Though sufficient number of workers has PF identification number, the coverage is quite low (as also observed in Chapter VI that even the regular salaried workers are not fully covered by ESIC and especially PF scheme). Though the Government of India has started the initiative of PF portability through issuing of Universal Account Number but still the rolling out of UAN has been rather slow.

One of union leader said that according to some government notification in 2015 unskilled labour with an experience of 5 years and above should be treated as semi-skilled and hence gets the salary hike while semiskilled (A) workers working for atleast 3 years should be

recognized and granted the salary of semiskilled (B). However, according to him this has still not been implemented. But this validity of this notification could not be checked.

However the efficiency on the part of the labour union is also doubted. For instance, in Okhla the worker's complaint of the inefficiency of the trade union that already has a weak existence in the region reveals that fraction among the philosophy and deed of the unions made it easier for the employers to curb the influence of the worker and delink the worker's from union. This culture has been prominent at the national level also. In Okhla and NOIDA, the presence of union is minimal. Also the workers fail to realize 'unionisation is their right guaranteed by the Constitution of India' rather they are under the impression that their companies 'donot allow unionisation'.

In the domestic garment sector, certain Non-Governmental Organisations take care of the welfare issues of the workers; however the workers could not mention the name of the organization. The organization also arranges for regular health check-ups for the workers.

#### 6.6. SUMMING UP

The labour legislations in India have a colonial origin and the political economy of the Britain was the architect behind the legislation. The most crucial labour legislation in the precolonial era was the Factories Act, which was subsequently amended to adjust to the requirement of time. Probably 200 years of subjugation under the foreign rule, led the then leaders of the country adopt a very protectionist attitude towards the labour, the result of which was several central legislations. The temporal context of these legislations should also be kept in mind. This was also the period of emerging communism in India and the young leaders of India (Jawaharlal Nehru, Subhash Bose, Bhagat Singh) were very much influenced by the ideals of communism and this idea is also reflected in the socialist welfare nature of our state and also in the constitutional guarantee of right to form association or union under article 19 which also guarantees six other fundamental laws among which the right to freedom of speech and expression is one.

However, the over intervention of the state has led to several litigations with over 13,000 cases pending in the labour courts till date. Post 1980s witnessed gradual emergence of the state as a key employment provider and the emergence of the private sector which preferred labour flexibility – hence the casual nature of the jobs emerged. To protect the casual workers and regulate the increasing casualisation of jobs, the Contract Labour Act was initiated.

Though the wages of the labour increased due to increase in private sector investment in the economy, the wage inequality also increased. To give further boost to the economy of the country the New Economic Reforms were introduced in 1991 and India became leading exporter in several fronts – like in the garment industry.

It is expected that as the income of the nation increases through export these benefits would also be translated to the well being of the workers and in these export units the welfare of the workers would be ensured and the welfare legislations will be better adhered to. However, contrary to expectation even the most crucial legislations are not always adhered to. The degree of adherence may vary from firm to firm, but a general picture that arises that most of the workers (especially at the level of tailors and helpers) suffer from multi-dimensional insecurities and the conditions of decent work are grossly missing. Any worker at the level of tailor and helper has been working in a company for not more than 5 years at a stretch (the average of NOIDA taken separately is slightly better) inspite of the fact that he or she might had started as a very young worker and now is almost middle-aged. The possible intention behind such arrangement of the firms is that association and bond between the workers are less formed hatch will automatically prevent unionization of the workers. As far the role of the union is concerned a general weakening in their role and efficiency is noticed.

When the performance of the regions are considered with respect to the work conditions provided to the workers, Gurgaon stands out and most of the workers reported comfortability at the workplace. But when emolument related variables are considered the performance of NOIDA is far better than the other two regions. In Okhla the discontent among the workers is high for various reasons discussed above. In the domestic sector, the adherence to any labour legislation is minimal. The seasonal nature of recruitment of the workers and otherwise very small size of the unit keeps the domestic units outside the ambit of the Factories Act which makes the position of the workers even more insecure.

## **CHAPTER VII**

# CASE STUDY ON CHILD LABOUR IN THE DOMESTIC GARMENT FACTORIES

"Child labour and poverty are inevitably bound together and if you continue to use the labour of children as the treatment for social disease of poverty, you will have both poverty and child labour to the end of time."

**Grace Abbot** 

"Child slavery is a crime against humanity. Humanity itself is at stake here."

Kailash Satyarthi

#### 7.0. CHILD LABOUR – A MAGNUM PROBLEM

An issue of grave concern observed in the domestic garment units is that of engagement of the child labour. Most of these children are brought here to the factory through 'bhaiya' who usually is the owner of the factory who provides food and lodging (within the factory shed) to the child. The child usually performs the function of a helper but almost with very little or no pay.

Most of the factory owner was apprehensive about allowing the child for interview. However, this task was successfully performed on the condition that neither the child's, nor the name of the factory or its owner will be revealed.

Child labour is a menace to India where lakhs of poverty ridden children are often foced into labour by their households. Several legislations have been introduced in the country along with either restricts the use of child labour especially in hazardous establishment like 'Child Labour (Prohibition and Regulation) Act, 1986 or regulates the engagement of child labour through welfare rights and provisions like the 'Right to Education'.

The magnitude of child labour in India is huge with more than 12 million of children in India are forced into labour (UNICEF) as per 2011 census, of which 80 percent of them are Dalits and 20 percent are from Backward Classes.

Kailash Satyarthi (Nobel Laureate and Child Rights Activist) states that the children are replacing the jobs of adult workers and the number of the child labour employed is approximately equivalent to the proportion of unemployment in the country. UNICEF lists various causes of child labour – proverty and illiteracy of parents of the children, family's social and economic position, lack of wareness of the fallouts of child labour, lack of access to basic education and skill training, high rates of adult unemployment and underemployment etc. are the prime reasons of households sending their children for earning. In India, bonded labour due to family's indebtedness is also a major reason. Also large number of children is victim of illegal human trafficking. According to UNIC EF and Satyarthi, "children are employed because they are cheap and pliable to the demands of the employer and not aware of their rights" (talks of Satyarthi on 'National workshop on total abolition of bonded labour system: the way forward', arranged by V.V. Giri National Labour Institute and ILO, on 4<sup>th</sup> – 5<sup>th</sup> August, 2016). The risks that are involved are irreversible emotional, physical and psychological damage to the child laboureres (www.unicef.in, accessed on 8/7/2017, 11PM.).

#### 7.1. LEGISLATIVE PROVISIONS RELATED TO CHILD LABOUR

<u>Article 24</u> (under the Fundamental Rights) of the Constitution prohibits the employment of children only in hazardous activities like factory, mines, construction, railway etc.

The Child Labour (Prohibition and Regulation) Act, 1986 is the most important law in this direction. In addition there are similar acts like Employment of Children Act 1938; the Factories Act1948; the Mines Act, 1952; the Merchant Shipping Act,1952; the Plantation Labour Act, 1951, the Motor Transport Workers Act, 1951; Apprentices Act, 1961; the Bidi and Cigar Workers Act, 1966 which prohibits use of child labour under certain age.

In 1996 the Supreme Court directed to establish the 'Child Labour Rehabilitation Welfare Fund' in which the offending employer should deposit Rs. 20,000 per child employed. The court also issued directives to improve education, health and nutritional status among children.

The 'Commissions for Protection of Children Rights Act, 2005' was enacted to provide for the establishment of a *National Commission and State Commissions for Protection for Child Rights* and Children's Courts for providing speedy trial of offences against children and violation of child's rights.

Also, in 2006, the government banned employment of children from engaged as domestic servants, or workers in business establishments like hotels, dhabas, restaurants, shops, factories, resorts, spa, tea-gardens and so on. Anyone employing child labour would be liable for penal action.

Recent amendments are also made to the Child Labour (Prohibition and Regulation) Amendment Act, 2016 (discussed later in the chapter) and also recently (June, 2017). India has ratified also crucial ILO conventions to put an end to this menace and revive the lost childhood. India has

In a major step forward besides the above legislative provision, <u>Article 21 A</u> (a recent inclusion through 86<sup>th</sup> Constitutional Amendment Act of 2002) is included as Fundamental Rights under the Constitution. Under this article, <u>the State shall provide free and compulsory education to all children of the age of six to fourteen years.</u> This makes elementary education for all, a fundamental right. Associated with it a *new duty for the parents of children below this age group of 14 years is added to the list of Fundamental Duties*. <u>Article 51 A</u> states that "it shall be the duty of every citizen of India, to provide opportunities for education to his children or ward between the age of six and fourteen years". In 1993 itself, the Supreme Court recognised the Fundamental Right to primary education in the Right to Life under article 21 (Laxmikanth, 2013).

India has recently (June, 2017) ratified two core conventions (138 and 182) of ILO to define the admission of age to employment and the worst forms of child labour respectively (www.ilo.org, accessed on 9<sup>th</sup> July, 2017, 11:30 A.M.). Despite, every step the danger of children being drawn to employment is looming high.

## 7.2. CASE STUDYING THE CHILD LABOUR IN THE CONTEXT OF RECENT AMENDMENTS TO 'THE CHILD LABOUR ACT'

Discussions regarding the recent amendments to <u>the Child Labour (Prohibition and Regulation) Amendment Act, 2016</u> needs to be confirmed by a revisit to the ground level situation helps realise the gory situation of the children of India. The case study of child labour in the garment industry is done to support the above statement.

Garment factories that cater to the domestic market hardly comply with any of the rules designed to ensure the health and safety of workers under Factories Act of 1948. Another dimension to the problem is added by the definition of the factory under this act. Basically

factory refers to a unit where 10 (with power) or 20 workers (with or without power) are engaged in production. Most of the domestic units in Gandhi Nagar, Seelampur and Karol Bagh employ less than 10 workers thus directly not being regulated by the Factory Act. However, in Karol Bagh several units employ more than 10 workers. These factories and workshops (employing less than 10 workers) are mostly unorganised in nature and thus the workers working here largely remain outside the safety net. These unorganised units employ a considerable proportion of child labour mainly working as helper whose job consists of dhaga cutting, pressing, relocation of products etc.

These child labourers often are instructed by their employers to over-report their age when inquired by some outsider. Many of them reported that though their identity or employment card mentions their age as 18 they are actually much younger. Most of these child labourers are migrants from the neighbouring states of Bihar and Uttar Pradesh. They have been sent, to earn some extra pennies, by their families who are usually landless rural labourers working mainly as agricultural labourers or daily wage earners. The employer usually is an acquaintance or relative living in the same village. A striking feature of the domestic garment industry is that most of the workers working in any particular unit are from the same district and several times they are even from the same village which highlights that village (kin or friendship) based relations often form the ready source of labour supply to these units.

Children engaged in these production units usually migrate along either with some relative working in the same unit or with the employer himself. There is a general consensus that the employer usually being village based friend or relative would take care of the initial needs of the child. The child usually is provided shelter and lodging in the factory unit which often lack proper ventilation and sanitation facilities. It should be noted that most of the children who are sheltered in the factory units are usually male. It does not however mean that these units do not employ female child labourers. Female child labour usually is roped in through some family members who are already working in the same unit and has settled in some neighbourhood. Puja (age 16 years) for example has migrated from Arah district in Bihar, with her family and she has joined the factory as a quality checker (Q.C.) with a monthly remuneration of Rs. 7,000. Her elder sister who works in the same factory as quality checker has introduced her to the job.

However, the plight of the male child and adolescent workers engaged in the garment factories are worse. They mostly migrate to the city along with some relative or friend who is

already working in the factory or else the child's family knows the employer who is also from the same village. Mostly, the child is provided shelter in the factory unit and the initial six months he is usually trained to become a helper in the units. In these initial six months most of the child labourers donot get any formal payment. They are entitled only to food and lodge. Ramu Kumar Yadav (name change, age 17 years), an adolescent migrant from Madhubani district of Bihar reports that he has been introduced to this occupation through some village relatives and though Ramu has been working in this unit for last four months he has not still received any formal payment. His father is an agricultural labour and his brother works in some garment factory as piece-rate worker. Similar is the plight of Manish (name changed) who is from Gaya district of Bihar. He is only 12 years old and had been working in the unit as a child labour since he was of 9 years. He resides at factory only and is entitled to a meager amount of Rs. 4,000 per month and he is able to remit only around Rs. 500 to his home in Bihar. His siblings work in brick kiln as daily wage earners. Rahman Ansari from Banka district in Bihar mentions that his father has a shop in village but it hardly earns him between Rs. 500 – Rs. 1000 per month. His brother works as daily wage earner in village. He is still learning his trade and his emoluments include only food and shelter.

This is the general picture of any child labour working across any factory in the country. They usually come from very poor, landless rural households and from depressed caste groups with intergenerational debt bondage. Poverty and social inequality pushes them towards selling their labour at such a tender age and they are forced into a bonded labour situation with no or very little formal payment in the first six months of their training in garment industry. At such a juncture, amendments to the Child Labour (Prohibition and Regulation) Act, 2016 and Bonded Labour System (Abolition) Act, 1976 are of critical importance and must be seen in integration. An overhaul of legislation is required to effectively curb the menace of child labour. However, the recent amendments tweak the law in a manner that makes child labour available for employment. Section 3 in clause 5 allows child labour in 'family or family enterprises'. This provision is problematic as it may be difficult to determine that whether a particular family is running an enterprise or some anonymous owner coercively elicits the loyalty of a child to circumvent the law. Most of the employers engaging child labourers in the domestic garment factory have their ties in village which help them procure cheap labour.

An interaction with a worker household in a factory site at Karol Bagh revealed that their children had come from the village during their summer vacations to help the parents in their work of *dhaga-cutting* and the entire family is participating to meet the demands of the contractor who pays them on piece-rate basis. Such a proviso in law may actually increase the dropout rates and may have serious impact on the physical and mental health of the child worker.

Mere compliance with ILO's convention and legislative initiations are not enough and the root cause of child labour needs to be addressed. Therefore, regulations and their implementations need to be sincere and whole hearted so as to provide the children of India an enabling environment to realise their potential.

## **CHAPTER VIII**

### **CONCLUSION**

"Development consists of removal various types of unfreedoms that leave people with little choice and little opportunity of exercising their reasoned agency. The removal of substantial unfreedoms, ....is constitutive of development"

Amartya Sen, Development as Freedom (Anchor Books, 1999)

#### 8.0. THE RELEVANCE OF THE STUDY

Though literatures abound in Garment Industry, most of them deal with specific issues within the industry – contract labour (Neethi P., 2008; Deepita Chakravarthy, 2002), women workers (Deepita Chakravarthy, 2005), cluster arrangements of the firms (Vijayabhaskar, 2008) etc. An overall description of the labour and work arrangements in the industry across the line of production and the legislative framework guiding these arrangements is lacking. While literature mainly focuses on government policies that promote the business, little space is provided on the impact of these policies on the workers engaged there.

This thesis therefore tries to cover up this gap – the policies that promote export so as that country's GDP and growth rate improves – do these promotions have translating effect on the labour market.

It is already well - established that India's labour market is segregated in terms of caste, religion and gender - the central question that this thesis takes up is that - do large export firms overcome this social dictates and discriminatory practices or rather do they use these grounds to keep low on wages as do the other firms in the domestic market. Another related question, is that does firm size improve the quality of employment generated i.e. do large firms offer better emoluments compared to medium and small sized firms.

The study is initiated at several levels:

➤ Intra firm behaviour – Do firms treat workers differently based on their caste, religion and gender even if they possess similar level of skill?

- ➤ Inter-firms based on size Comparisons between the large firms on one hand and medium and small firms on the other in the export sector
- ➤ Across Space Influence of space on the work conditions of those engaged in the industry. Since, labour is a concurrent list subject in the Constitution, the implementation of legislations may vary according to location.

The study is based on primary survey and carefully tries to represent all the stake holders involved – the employee, the employers, the labour welfare institutions. At the level of workers analysis is based on two categories – 1. the helpers – tailors 2. the workers at the level of checkers, supervisors and above.

# 8.1. DETERMINANTS OF OCCUPATIONAL POSITION – IS SKILL THE NECESSARY REQUIREMENT?

Garment industry is a key industry in the Indian economy employing around 10 million people in the industry – a large number of them being female workers (around 40 percent) and hence the well being of the workers in this sector are crucial to understand the overall situation of the labour in the country.

Globalisation premiums on skill and it was believed that post Liberalisation - Privatisation - Globalisation, movement of labour and trade would be eased which would ensure fair and higher wages for all. The garment industry in India has been able to edge a special mark in the world market and contributes significantly to the export at international level along with Bangladesh, Pakistan and South Africa. Bangladesh offers a stiff competition to India at global market.

Despite having a considerable share in the export the life of the workers in garment industry is not translated to a level it could have been (expected to) because of being engaged in the export sector. There exists strong occupational segregation based on castes and gender. The workers at the level of helpers and tailors are predominantly from the depressed caste groups – especially from the Other Backward Castes (OBCs). The supervisors and workers at higher levels are drawn from the general castes though neither special skill nor high educational level is required for the job of the supervisor. Seemingly, caste based distinction is absent, but in-depth analysis shows that the good positions are essentially reserved for the 'upper castes'. Even neither of the supervisors interviewed is Muslim. Only one supervisor in NOIDA was Christian. The export sector also exhibits strong reservations with respect to religion where a

minor proportion of the workers are Muslims though this community is traditionally believed to have best of the tailoring skills. Peer network is a strong factor for securing the position of supervisor. Many of the supervisors reported they either knew the employer directly or at least someone at the level of Human Resource. Success stories where the person started as helper and reached the position of the supervisors are very few.

In India, peer network is also very much based on caste and status of a person. The workers at lower occupational category are mainly drawn from lower castes who have migrated mostly from villages and have relations and form association with the people at the same financial and caste level. Hence, peer network at this level may at first instance may prove beneficial regarding divulge of information about job vacancy, but after that it does not take helper to alleviate his or her location in the firm. This misery is juxtaposed with the situation that the skills required by the supervisors are maximum administrative in nature. Probably the 'higher castes' gives them some sense of authority above the others. According to workers, though they are not asked about their castes at the time of recruitment, the caste consciousness seems to be well present at time of distribution of positions which are not essentially based on skill. However, it must be noted at the level of the manager, human resource personnel and product developers—education and skill are the foremost requirements.

The tailors and helpers may be termed as the 'wheels' and 'links/ chains' that drive the garment industry. However, the quality of employment they are offered are often insecured. Only half of the workers are regular workers and the huge remainder is non-regular and often hired at piece-rates. The insecurities that the piece-rate workers suffer are multi-dimensional. From living in an alien city (many times without family, a huge proportion of male migrants are individual migrants, the trend is more visible in Gurgaon) and being subjected to the whimsical atrocities at the hands of the landowners (as in the case of Kapashera), only being employed for a period of nine to ten months (they are hired only during the peak season of production and thereafter withdrawn from the employment) without any subsidiary income or employment, the piece-rate workers are the worst sufferers.

Biasness gets complicated in the context of gender. Women are essentially recruited at the position of helpers and at the most as tailors but hardly at the level of supervisor and above. Interviewing the employers and managers resonated the above claim. At the most they are recruitment to the position of the sample cutters (in certain enterprises) as it requires precision and patience which the women are believed to naturally possess.

### 8.2. THE ROLE OF GENDER AND GENDER JUSTICE

The factor of gender is differently played at different location. However, the baseline being they are always exploited. In Gurgaon, most women tailors reported they are not usually included in the higher pay group of tailors as they do not usually perform the work done by men like 'stitching of collars and cuffs' which are considered to be tough and require higher skill. This is despite the fact that higher proportions of the female workers (25 percent) have formal skill training (see appendix, Table 8.1A) compared to their male counterpart (9 percent). Therefore, the question arises that despite women having formal skill, division of labour and wages persist across the same occupation (tailoring). The gender dictate of the society bears implication for keeping low on wages.

Similar situation is in NOIDA where larger number of female tailors has on-job and formal skill. Actually, there are several government skill training programme operating throughout the country to ensure gender empowerment. For example, in Gaurav International and Richa Global women workers are trained in the trade of the tailor for certain period of time and during the training period they are given around Rs.5,000 and later usually recruited in the same firm. Though several women have benefitted from the scheme, it is far from full realisation as the 'gender factor and gender stereotyping' limits the women workers only to low skill jobs and salary. Despite, giving the same 'man hours' rather 'woman hours' to the job as their male counterpart they are earning less.

Another question that arises is that in the process of garment making where the production takes place in 'assembly-line', hardly any room is left for the worker to showcase his or her skill – therefore from where the question of high skill and tough work reserved for male arises? It is largely a game of the patriarchal structure of the society which leads the women to believe that some tasks are tougher which can only be executed by the males.

Though some firms actually prefer female workers as they are 'diligent, efficient and hardly leave the factory premise during tiffin break and argue less', they still populate the female workers at the lower spectrum of skilled jobs. The firms in NOIDA behave very heterogeneously. While a larger proportion of all the workers in NOIDA are regular salaried yet, the gender disparity here is glaring. None of the female workers engaged in the medium and small sized firms in NOIDA receive even at least the minimum wages. This is blatant

violation of not only Minimum Wages Act (1948) but also Equal Remuneration Act (1976) which provides for equal pay for equal work across gender.

The component of firm size shows perplexing behavior across all locations with respect to the helpers. While in case of tailors, larger the firm size, higher is the probability of a tailor getting better salary (both male and female). However, in case of helpers a larger proportion of workers in the medium and small have salaried income compared to large firms in Gurgaon. The probable reason may be that large firms sub-contract a portion of their assignment to the smaller and medium sized firms and hence they maintain a considerable regular helper size. Also in a large factory there are usually 35 - 40 operations and at each of the operations a large number of helpers are required. However, at the level of helper gender differences are even more blatant, with more than half of the women workers deprived of their prescribed minimum pay. In NOIDA, though the gender differences at lower level of salary is not significant, the differences at higher levels of wage within the same category are stark.

Therefore, what evolves is that women workers are mainly concentrated at the lowest spectrum of occupation and wages. Despite having similar levels of skill, they are not provided the opportunities to improve their occupational position and wages.

Therefore, the first and the second objectives are realized through this study. The export firms do not overcome the market discrimination of caste, gender and religion; rather they take the advantage of these discriminatory practices located in the societal structure to keep low on wages.

The size of the firms however does not hold special significant at least with respect to wages and other emoluments. But the infrastructure of firm certainly improves with its size and location.

The domestic industry engages pre-dominantly male workers. Most of the workers are recruited mainly by the owners of the factory who usually source the labour from their native villages; hence, the pre-dominance of the male workers in the domestic garment sector. Surprisingly, the average income of the tailors is much higher compared to all the three export locations. Therefore, working in export does not necessarily ensure higher and fair wages.

# 8.3. SOCIAL PROTECTION OF THE WORKERS AND GAINS FROM THE EMPLOYMENT

However, neither of the workers in the domestic industry have social security protection. In fact, even the salaried workers engaged in the export sector do not get full social security coverage. Only 50 percent of the workers who are eligible for ESIC are covered by the scheme and around 49 percent of the eligible workers are beneficiaries of Provident Fund. Around 67 percent of the salaried workers only get the protection of provident fund. In case of ESIC and PF NOIDA provides better coverage to the workers, while with reference to providing PF to salaried workers, the coverage of Okhla is strikingly better.

There is complete absence of social security in case of the domestic sector. In this particular context the workers engaged in the domestic sector are much more vulnerable when compared to the salaried workers in the export firms. However, the piece-rate workers in the export sector are as vulnerable as those engaged in the domestic sector, if not more. Workers in the domestic sector stated that in most of the cases they are retained in employment because the employer and employee shares village ethos – often they originate from the same caste and same villages. They may not earn much during the lean season of production but they are never thrown out of employment as in the case of the export firms where the piece rate workers and the daily wage earners are withdrawn from the employment during lean seasons of production.

Unemployment typically lasts for two/three months between the months of July-September (may extend upto four/five months, till October, as in case of Okhla) and they are <u>forced to take 'holiday'</u> from their employment with no promise to be absorbed back in the same company as the production revamps. Most of these workers are migrants from rural areas and are the sole earners of their family. *During this break they either share helping hands in the little land they have (if they have it all) or sit unemployed. Meager savings are the only support which ends up soon.* The savings is mostly in form of cash with little accessibility to banking facilities (in case of tailors and helpers, more so) and their source of financial help are their immediate relatives and friends. Availing of banking services is not a trend among the workers as they lack the asset or securities against which they could have taken financial help. *Mostly, it is a vicious circle of poverty, with little promise for the future generation (despite working 12 hours – 16 hours a day). They are largely vulnerable. This explains the third objective that 'employment cut' is the foremost strategy of the firms towards financial* 

management and secondary data evidences that financial crisis in 2008, actually led to a major loss of employment in garment manufacturing. Most of the unemployed worker tries to bear the household expenses out of his or her little savings which are mostly eroded even before the completion of the term of seasonal unemployment.

The quality of the workers employed at lowest levels (helpers and tailors) in the export units are not significantly different from those employed in the domestic units. Workers from both the sectors live in one room rented houses with usually common bathrooms. For example, the workers engaged in the export units of Kapashera live in filthy neighbourhood (Photo Plate No. 12 - 14) with overflowing drains and waterlogged streets. Around 100 households share 10 bathrooms. If this is the quality of life of a worker engaged in 'giant export firms', then the returns from globalisation employment needs to be relooked.

#### 8.4. LEGISLATIVE PROTECTION

Though there is plethora of labour legislations in India, the evasion is high. There are around 47 central labour legislations and over 200 state legislations. Several legislations like the Factories Act, 1948 and the Contract Labour Act, 1970 have several issues in common. Then each social security is covered under separate legislations. The result is whole-hearted implementation of them.

The employers stated that business in India is difficult because of multiplicity of labour laws. Labour Market reforms are much needed. Despite, a large number of legislative protection for contract or informal labour and women, they are the most vulnerable and the laws seeking to protecting are hardly adhered to.

Multiplicity of labour legislation have created mainly four types of effects in the economy –

- Employment Effect labour market rigidities induced by labour laws that effectively guarantee job security, have hindered employment growth since firms have strong disincentive to hire additional labour which cannot be laid off easily (Fallon and Lucas, 1991, Khan 2005 and Nath 2005)
- **Labour Substitution Effect** Capital Intensive Production Process. Artifically induced substitution of abundant labour with scare capital (Datta Chaudhuri, 1996)
- Industrial Disputes Effect By strengthening the bargaining power of the formal sector or by increasing the discretion given to the government in deciding industrial

disputes, India's labour laws can make industrial dispute more likely (Besley and Burgess, 2004)

#### • **Informalisation of labour** – Invisible labour.

The very first suggestion is simplification of labour legislation and creation of sector specific umbrella legislations – for example manufacturing sector should be covered by a different legislative organ than the service sector. The aim of this legislations should not be 'induce flexibilisation of workforce' rather secure the work force in a way that may 'prove to be beneficial for the employers'.

Definitional issues in contract labour act has actually induced contractualiation of the workforce as a gross level, so much so that India has 66 percent of workforce in the informal sector, with 'developed and rich states' like Gujarat having 77 percent of the workers employed in informal sector (the figure would be even more if informal employment is considered). We must revisit the idea that 'development for whom?', 'growth for whom?'

India can't be breeding ground for investors and export at the cost of labour welfare. Labour laws must be reformed to equally ease the labour and the employer. The Contract Labour Act, is severely violated for example, in Okhla where *incidents of wage thefts are very common*. The contract labourers across all the three locations are unaware of the fact, that their ultimate onus lies with the 'principal employer' who has to ensure that the disbursement of wages and other details much be carried out in a manner in accordance to law. *Lack of legislative awareness especially those informally employed makes their exploitation easier*. The role of the trade union and the workers union can bear special significance to educate the workers about their rights. (though several strategies are adopted by the employer and the contractor to prevent unionisation among workers).

The laws to be least adhered to are those related to gender welfare. The Minimum Wages Act (1948) and the Equal Remuneration Act (1976) are blatantly violated, leave aside the benefits under Maternity Act (1961). Most of the female workers are terminated during their pregnancy and child birth – only one female reported to get the maternity benefit. ILO's Report 'Women and Work', 2016, the gender wage gap in India, is among the highest in the world at 26 percent which is significantly higher than the average of Asian countries (at 23 percent) and the gender wage of developed countries stand at 15 percent.

There exists wide variation between the de-jure and de-fact implementation in labour legislations.

#### 8.5. THE ROLE OF SPACE OR LOCATION

Since, labour is a concurrent list subject the state laws have considerable influence on the nature and characteristics of labour market. From, the viewpoint of state level legislation, the Minimum Wages Act is the most important. The minimum wages vary according to states and are usually revised from time to time by the labour department and the Ministry of Labour of the State. The adherence to minimum wages is varies according to firm size as observed. Medium and small sized firms in both NOIDA and Gurgaon have greater proportion of workers deprived of the minimum wages compared to large firms. Also in large firms of NOIDA much less proportion of females are deprieved of minimum wages compared to the same in Gurgaon. However, further comparisons are limited as the wages are essentially statutory regulated.

Overall, the emoluments related variables perform better (as indicated by the composite index) in NOIDA compared to Gurgaon and Okhla. But if the overall comparison across regions is to be made, Gurgaon stands out in context of both physical and economic infrastructure (largely because of its late start and also high investment and income of the state). In fact, owners of several firms in Okhla and NOIDA to some extent are considering relocating to Gurgaon for its competitive advantage. The job satisfaction index turns out to be better in Gurgaon followed by NOIDA.

#### 8.6. CONCLUDING REMARKS

Dualism is deep rooted in Indian labour market. The organised sector functions with elaborative legislative mechanism but slow growth in employment. The unorganized sector generates largely insecured and unprotected jobs. But even the most organized forms of industry has informally employed workers like the case of garment industry (and also the automobile industry) where the production takes place 'just-in-time' and across 'global value chains'. It is supposed that jobs offered here should have some minimum amount of security and adhere to the provisons of the decent work. The humanitarian face of globalization must be implemented and justified.

This does not however mean India does not need labour reforms. Reforms should be initiated in a way so that it does not hinder the business environment. In several instances, it is seen that labour laws are repetitive and overlapping – some rationality must be drawn to make legislation simple. Equally important is its enforcement. Most of the workers as in the garment industry are insecured and suffer because of lack of proper implementation and tweaking of labour legislation – along with it corruption at the level of trade organizations (which are already weak existence) and labour inspections make the workers even more vulnerable. 'Floor Wages and Social Protection Floor' as propagated by ILO needs to be implemented with some heterogeneity of wages across states should be brought in so as to reduce the inter-regional disparity (the migrants mostly are short-term migrants). This needs to be supplemented by designing of a 'national labour market'. India still lacks a comprehensive 'national employment policy' (though several initiations were made, work got stalled due to many reasons).

The most vulnerable are those informally employed in the formal sector. They are neither recognized as in formal jobs nor as a part of the unorganized sector which limits them from taking the advantage of the schemes meant for unorganized sector. Therefore, coalescing the existing labour laws into a unified legislation with specific sections on employee-employer relations, wages, social security etc. This may be adopted according to specific sector.

Developing of national policy on internal migration is of utmost importance. The Class I cities in India are subject to 'push' and 'pull' of huge proportion of migrants. A national migration policy would have safeguard the interests of migrant workers and address the issues of domicile requirements, portability of benefits within and across states. Another area that needs to concentrate on is that education of children of the migrants workers do not suffer.

Therefore, as understood that export sector does not necessarily overcome the market rigidities of castes, gender and religion rather they use these social fractions to exert downward pressure on wages. The quality of life of the export unit workers when compared to the workers in the dometic sector is not much different. A large proportion of the export workers are informally employed, insecured and vulnerable. There exists huge gap between dejure and defacto implementation of legislative protection designed to safeguard their interests.

If the gains from employment and the quality of life offered from work in the globalised units are not much different from the lives engaged in the domestic alleys – reassessment of the employment in the export sector is needed. Gaining of contracts by means of 'gated globalisation' where the people from certain castes, religions and gender face discriminatory wages because of social arrangements cannot continue and is not capable of translating the lives of millions those in the 'demographic dividend'.

'Better Work' like flagship programmes of ILO and Work Bank (currently active in eight countries, in more than 1,300 garment factories and covering 1.3 million people) can be initiated in India also as their experience show that investing in decent work in global supply chains brings real rewards.

The last thing which needs to be understood is that 'skill alone cannot generate employment at mass level'. The high claims of post- Fordism - of multi-skilling, greater democracy, realisation of worker's rights, is more on an ideological front rather than ground reality. In the process of 'assembly line production' and 'part-piece production' the worker hardly gains any skill. New avenues of job creation must be investigated by the government to gainfully channelize the 'demographic dividend'.

#### 8.7. SCOPE OF FUTURE STUDY

The average age of the workers engaged in the garment sector is quite low with around 39 percent of the population below 25 years and only 1.7 percent above the age of 50 years (as stitching requires good eye-sight). It is important to trace the life-cycle of those workers in the garment industry, both the economic and non-economic aspects of the lives of the workers whose profession do not permit a prolonged work life. What is the alternative economic path they choose after exiting this profession and their new struggle (if any) and adjustments for sustenance - offers good scope for future study.

A more detailed perspective of the employers and management through interviews should be attempted to understand their view point about labor legislations, worker, and their view point on competitiveness challenge so that a more reasonable labour laws be evolved.

Technological change is an indispensible truth - technology has been fast replacing the nature and role of human labour. Introspective and innovative study to use technology for employment creation can open up huge arenas for social cause.

The role for globalisation in shaping a nation's economic future cannot be denied but care should be maintained that the fruits of globalization translate the life at the lowest tiers of society – the promise it once made.

#### **PHOTO PLATES**

## **Inside Export Factories**



Plate No. 1 – Female Workers
Sampling Department –
Process of Production Begins
with Precisely Measuring and
Cutting of Sample;

As detailed in Chapter III the process of production takes place in different workstations along an elaborative assembly line. Female workers precisely measure the sample which is then send to be precisely cut on machines



Plate No. 2 – Male Sample Cutters on Machine - The machine for sample cutting is mainly operated by male workers; it is then send to the stitching or tailoring department (go to Plate 3)



(Go to Plate No.3)

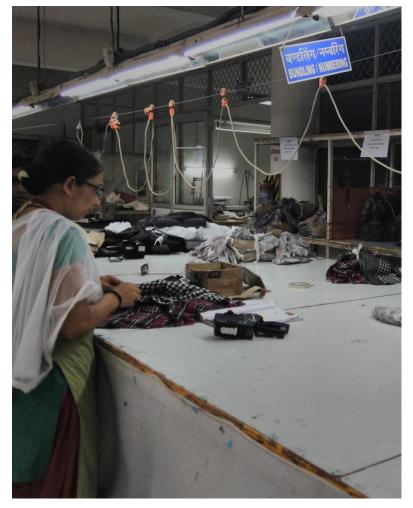


Plate No. 3 - Numbering or Bundling of Sample - After cutting every sample is denoted with a tag number, so as to keep a track of its progress or making





Plate No. 4 - Stitching Department - (Line 1) The stitching takes place *in line* with each worker sewing a particular portion of the garment

(Go to Plate No. 5)



Plate No. 5 - Stitching Department (Line 3) -The stitching takes place *in line* with each worker sewing a particular portion of the garment





Plate No. 6 - Finishing or Packaging Department - finished garment sorted to be packed.



Plate No. 7 - Automated or Computerised Embroidery Machines



Plate No. 8 – Handcrafted Embroidery Work done by Skilled



Plate No. 9 - Violations of Health Safe Guards

No Masks, No Needle Guard - Violations of Factories Act provisions regulating health and safety. In several cases workers are not provided with these safeguards, at other times they are not utilised by the workers and also the leg space provided is inadequate.



Plate No. 10 – Dwelling Units of Workers Engaged In Export Sector



Plate No. 11 – Metered Water at Kapashera at Worker's Residential Units



Plate No. 12 – Common Toilets – 100 household may have to share only 10 toilets



Plate No. 13 – Filthy Washrooms – For Common Use



Plate No. 14 - Clogged Drains - it is a common sight at Kapashera, most of the workers have residence unit beside the landmark 'nalewali gali' (alley with drain) which is severely unhealthy

## **Inside Domestic Units**



Plate No. 15 – A Typical Domestic Garment Unit – Small Workspace-Workers work without any protection have danger of inhaling tiny pieces of thread or *dhaga* which might affect their respiratory tract

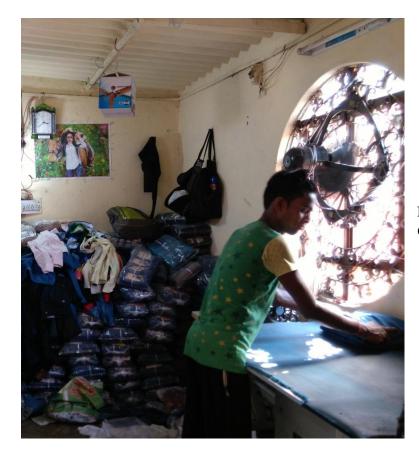


Plate No. 16 – Pressing of Garment by Helper



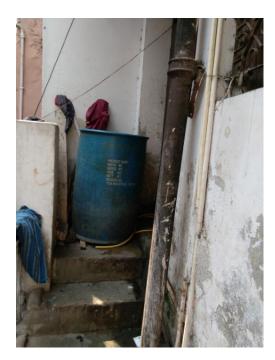
Plate No. 17 – Dhaga Cutting - (Removal of Excess Threads) of Garment by Helper. She is working without any protection has danger of inhaling tiny pieces of thread which may affect her health.



Plate No. 18 – Cluttered Work Space – Packaging of Finished Products



Plate No. 19 – Staying at Factory Units – Individual Male Workers (and also employers) may stay at the factory unit itself. Cooking and Washing usually takes place in a small space like narrow balcony inside the factory building



**Plate No. 20 – Water Stored** - for Washing of Clothes and Bathing within the domestic unit



Plate No. 21 – Male Child Labour – Inside a domestic unit is common sight



Plate No. 22 – Female Child Labour – working as helper along with her sister in the domestic garment factory

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# **APPENDIX**

## **CHAPTER III**

Table 3.1A: Gap between Education and Employment

Gap (in years)	Frequency	Percent	Cumulative Percent
.00	11	3.2	3.2
.25	1	.3	3.5
1.00	33	9.6	13.1
2.00	34	9.9	23.0
3.00	20	5.8	28.9
4.00	11	3.2	32.1
5.00	15	4.4	36.4
6.00	2	.6	37.0
7.00	8	2.3	39.4
8.00	1	.3	39.7
9.00	1	.3	39.9
10.00	2	.6	40.5
12.00	1	.3	40.8
Don't Remember	203	59.2	100.0
Total	343	100.0	

Table 3.8A: Listing all Districts of Out-migration

Migrants to NCR				
Districts	Frequency	Percent	State	
Bijnor	18	5.2	Uttar Pradesh	
Motihari	16	4.7	Bihar	
Gaya	15	4.4	Bihar	
Nalanda	14	4.1	Bihar	
Etawah	13	3.8	Uttar Pradesh	
Patna	11	3.2	Bihar	
Muzzafarpur	11	3.2	Bihar	
Gorakhpur	10	2.9	Uttar Pradesh	
Mainpuri	9	2.6	Uttar Pradesh	
Saran	7	2.0	Bihar	
Siwan	7	2.0	Bihar	
24 Parganas	7	2.0	West Bengal	
Deogarh	7	2.0	Jharkhand	
Hathras	7	2.0	Uttar Pradesh	
Etah	6	1.7	Uttar Pradesh	
Ghaziabad	6	1.7	Uttar Pradesh	
Banka	6	1.7	Bihar	
Madhubani	6	1.7	Bihar	
Auraiya	6	1.7	Uttar Pradesh	
Sitamarhi	5	1.5	Bihar	
Supaul	5	1.5	Bihar	
Badaun	5	1.5	Uttar Pradesh	
Moradabad	5	1.5	Uttar Pradesh	
Aligarh	5	1.5	Uttar Pradesh	
Hardoi	4	1.2	Uttar Pradesh	
W. Champaran	4	1.2	Bihar	
Jaunpur	4	1.2	Uttar Pradesh	
Buxar	4	1.2	Bihar	
Madhubani	4	1.2	Bihar	
Jehanabad	4	1.2	Bihar	
Kanpur	4	1.2	Uttar Pradesh	
Bareilly	4	1.2	Uttar Pradesh	
Allahabad	4	1.2	Uttar Pradesh	
Mughalsarai	4	1.2	Uttar Pradesh	
Bhagalpur	4	1.2	Bihar	
Amethi	3	0.9	Uttar Pradesh	
Deoria	3	0.9	Uttar Pradesh	
Jhanshi	3	0.9	Uttar Pradesh	
Balia	3	0.9	Uttar Pradesh	
Saharsa	3	0.9	Bihar	
Darbhangha	3	0.9	Bihar	
Aurangabad	3	0.9	Bihar	
Champaran	3	0.9	Bihar	
Faizabad	3	0.9	Uttar Pradesh	
Nainital	3	0.9	Uttarakhand	
Lakhimpur	3	0.9	Uttar Pradesh	

MIGRANTS TO NCR			
Districts	Frequency	Percent	State
Jamui	3	0.9	Bihar
Bhojpur	2	0.6	Bihar
Pilibhit	2	0.6	Uttar Pradesh
Rohtas	2	0.6	Bihar
Samasthipur	2	0.6	Bihar
Aligarh	2	0.6	Uttar Pradesh
Nawada	2	0.6	Bihar
Aurangabad	2	0.6	Maharashtra
Jaipur	2	0.6	Rajasthan
Mirzapur	2	0.6	Uttar Pradesh
Jehanabad	2	0.6	Bihar
Rai Bareli	2	0.6	Uttar Pradesh
Mathura	2	0.6	Uttar Pradesh
Munger	2	0.6	Bihar
Gonda	1	0.3	Uttar Pradesh
NOIDA	1	0.3	Uttar Pradesh
Balrampur	1	0.3	Uttar Pradesh
Varanasi	1	0.3	Uttar Pradesh
Unnao	1	0.3	Uttar Pradesh
Agra	1	0.3	Uttar Pradesh
Sultanpur	1	0.3	Uttar Pradesh
Midnapur	1	0.3	Bengal
Meerut	1	0.3	Uttar Pradesh
Gwalior	1	0.3	Madhya Pradesh
Muzzafarnagar	1	0.3	Uttar Pradesh
Chandigarh	1	0.3	
Gautam Buddh	1	0.3	
Nagar			Uttar Pradesh
Shahjahanpur	1	0.3	Uttar Pradesh
Basota	1	0.3	Madhya Pradesh
Chitrakoot	1	0.3	Uttar Pradesh
Ramgarh	1	0.3	Jharkhand
Bulanshahr	1	0.3	Uttar Pradesh
Hisar	1	0.3	Haryana
Bhinde	1	0.3	Madhya Pradesh
Jalaun	1	0.3	Uttar Pradesh
Dausa	1	0.3	Rajasthan
Sheikhpura	1	0.3	Bihar
Vaishali	1	0.3	Bihar
Begusarai	1	0.3	Bihar
Ramgarh	1	0.3	Jharkhand
Murshidabad	1	0.3	Bengal
Dehradun	1	0.3	Uttarakhand
N.K.	2	0.6	

## **CHAPTER IV**

Table 4.8 A: Determination of Method of Payment – The Salaried and Non-Salaried Workers Working The Export Firms

Reference	В	Sig.	Exp(B)
(Ref: Hindu)			
Non-Hindus	-0.584	0.044	0.558
(Ref: General / Other Caste)		0.643	
OBC	-0.287	0.366	0.75
SC & ST	-0.276	0.474	0.759
(Ref: Male)			
Female	-0.509	0.147	0.601
(Ref: Secondary & Higher Secondary)		0.447	
Primary	-0.207	0.543	0.813
Middle School	-0.217	0.507	0.805
Illiterate	-0.853	0.113	0.426
Graduate & Above	0.448	0.423	1.565
(Ref: Formal Training)		0	
No Training	1.675	0.001	5.34*
Informal Training	0.215	0.614	1.239
On Job Training	0.972	0.036	2.643
(Ref: > 5 years of experience)			
Less than 5 years	-0.055	0.842	0.947
(Ref: Large Firms)		0	
Medium Firms	-0.927	0.004	.396*
Small Firms & Workshops	-1.918	0	.147*
(Ref: Helpers & Tailors)	_	_	
Excuding H&T	0.433	0.219	1.542
Constant	1.041	0.058	2.833

Cox & Snell R	Nagelkerke R
Square	Square
.214	.286

## **CHAPTER VI**

Table 6.1A: Current Status of Cases Pending in Labour Courts

States	No. of Pending Cases*
Bihar (Jharkhand)	2229
Gujarat	2194
Madhya Pradesh (Chattisgarh)	1914
Uttar Pradesh	1111
Maharashtra	1031
Andhra	915
Delhi	870
West Bengal	807
Punjab (Haryana)	720
Karnataka	524
Orissa	390
Rajasthan	354
Tamil Nadu	303
Kerala	100
Assam	63
TOTAL	13,525

## **CHAPTER VIII**

Table 8.1A: Skill Training of Workers across Gender (Percent of Workers)

		Formal Training	On Job Training	Informal Training	No Training
	Gurgaon	9.1	10.9	74.5	5.5
Male	Okhla	5.9	11.8	67.6	14.7
iviale	NOIDA	5.6	33.3	61.1	
	Total	7.5	15.0	70.1	7.5
	Gurgaon	25.0	43.8	31.3	
Female	Okhla				
remale	NOIDA	20.0	80.0		
	Total	27.3	50.0	22.7	
	Gurgaon	14.9	23.0	58.6	3.4
	Okhla	11.1	11.1	63.9	13.9
Total	NOIDA	10.7	50.0	39.3	
	Total	13.2	25.2	56.3	5.3

# WORKER'S QUESTIONNAIRE

FACTORY NO.	
TYPE	
SIZE	

STATE	
LOCATION	
LOCATION	

[0] Descriptive Identification Of Sample Unit	
1. state/u.t.:	
2. district:	
3. ward /inv. unit /block:	
4. name of informant:	

# MODULE 1: INDIVIDUAL WORKER AND HOUSEHOLD CHARACTERISTICS

[1.1] Individual Characteristics	
Name of informant/ Worker	
2. Age	
3. Sex	
4. Religion (Hinduism -1, Islam -2, Christianity -3, Sikhism -4, Jainism -5, Buddhism -6, Zoroastrianism -7, others -9)	
5. Social group (scheduled tribe -1, scheduled caste -2, other backward class -3, others -9)	
6. Marital Status	
7. Highest level of education attended	
8. Subject in which highest level of education attended	General (Mention subject): Technical ((Mention subject):
9. Status of current attendance in any educational institution (for persons aged between 15 – 29 years of age)	
10. Type of institution (for row 9) (private -1, public -2, PPP – 3, local body - 4)	
11. Gap between completion of education and employment, if any (mention in years)	
12. Mother Tongue	
13. Birth Place	
14. Place of last residence	After Migration: Immediate Last:
15. At the time of migration Rural Urban	
16. Duration of stay at this city since migration	
17. Livelihood earning previous to migration	
18. Individual income before migration (if applicable)	
19. Reason for migration (Code) (work/employment – 1, business -2, education -3, marriage -4, moved after birth -5, moved with household -6, any other -7)	

20. Did you know anyone in the city when you migrated?	
21. Experience at the time of migration	
20. Decision to migrate (Individual -1, Household/ Family –	
2)	

**Note**: 1 acre = 0.4047 hectare, 1 hectare=10, 000 sq. metre

[1.2] Household Characteristics – Economic				
1.	Household size			
2.	Principal industry	description:		
3	Principal occupation	description:		
4	MREGA job Card			
5.	Work from MREGA (No. of days if possible please spec	cify)		
6.	Land possessed/ operational as on	the date of survey (0.000 hectares)		
7.	Land cultivated (including orcha survey (0.000 hectares)	rd and plantation) period (a year) preceding		
8.	Monthly income of the household			
9.	Monthly savings of the household			
10.	Ownership Status of the house			
	(own -1, rented – 3, any other -3)			
11.	If rented, rent paid			
12.	Location of the House from workp	lace		
13.	Mode of transportation (public -1, two-wheeler -2, four -w	vheeler- 3, bi-cycle – 4)		
14.	Do you avail banking facilities ( yo			
15.	Do you avail credit card facilities (	(yes - 1, no -2)?		
16.	Mode of credit	2, moneylender -3, others, please specify – 4)		
17.		iage -1, business -2, household expenses -3,		
18.	Re-payment of loan ( yes – 1, no -	2, in process -3)		
19.	Effect of Loan (Tangible/ Intangib	le)		
20.	Mode of savings (savings account – 1, RD -2, FD -3, others, please specify – 7)	3, MF – 4, shares/bonds – 5, gold -6,		
21.	Do you have (bike/motorcycle -1,	, car- 2, bi-cycle – 3)?		
22.			Grocery	
		) B	Bills	
	Gross Monthly Expenditure (in Ru	ipees) Ks	Education Medicine	
			Miscellaneous	

## [1.3 Demographic Characteristics of Household Members]

Srl.	Name of member	Relation to head (code)	Sex (male-1, female - 2)	Age (years)	Marital Status (code)	Literate (	Highest educational level (code)	Occupation	Income
(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	(9)

## MODULE 2: CONDITIONS OF WORK AND WORK ARRANGEMENTS

[2.1Work Arrangements]				
1.	Duration of work in present employment / factory (in years or months)			
2.	How did you get this job (Code)? (interview – 1, written – 2, peer – 3, factory gate - 4, contractor - 5, Any other, please specify)			
3.	Type of job performed (Code)			
4.	Do you usually perform this activity ( $yes - 1$ , $no - 2$ )?			
5.	If no, then what other type of activities do you perform (please specify)			
6.	Occupational position (Code)			
7.	To whom you report your work ?			
8.	How do you report your time to the company (time-clock/ swipe card -1, sign-in sheet -3, other – 3)			
9.	Any penalty for work not done properly ( $yes - 1$ , $no - 2$ , $if yes$ $please specify)$			
10.	Do you have your name in the master roll ( yes – 1, no -2)			
11.	When do you sign your name (with ref. to col. 9) (at the time of entry to the factory—1, at the time of exit from the factory)			
12.	Do you have PF – UID no.? ( yes – 1, no -2)			
13.	Do you have employment card ( yes – 1, no -2)?			
14. details)?	Do you work for more than one shift (if yes, please specify			

2.2 Hiring Process and Work Arrangements]	
Please detail the hiring process of firms and arrangements there of?	

[2.3 Work Conditions]	
1. Nature of job (permanent - 1; temporary -2)	
2. Type of job contract (code)  (no written job contract -1; written job contract: for 1 year or less -2, more than 1  year to 3 years -3, more than 3 years -4).	
3. Availability of social security (code) (eligible for: only PF/ pension (i.e., GPF, CPF, PPF, pension, etc.) -1, only gratuity -2, only health care & maternity benefits -3, only PF/ pension and gratuity -4, only PF/ pension and health care & maternity benefits -5, only gratuity and health care & maternity benefits -6, PF/ pension, gratuity, health care & maternity benefits -7; not eligible for any of above social security benefits -8, not known-9)	
4. Entitled for paid leave (yes – 1, no -2)	
5. Do you get any casual leave (yes – 1, no -2)	

6. Method of payment (regular monthly salary -1, regular weekly payment -2, daily payment -3, piece rate	
payment -4, others – 5)	
7. Mode of payment (cash -1, cheque -2, transferred to bank account -3, others please	
specify -4)	
8. Gross monthly salary/ income (please specify if piece-rate basis)	
9. Total hours of work in a day	
10. Do you get overtime? (if yes, please specify amount in Rs. rate)	
11. Period of seeking / available for work during last 365 days	
(sought/available for: less than 1 month -1, 1 month & above but less than 3 months -	
2, 3 months & above but less than 7 months -3, 7 months & above but less than 10	
<i>months -4, 10 months to 12 months - 5; did not seek/ not available -6.)</i> 12. Do you get tiffin break ( <i>yes - 1, no -2</i> )? Mention the duration	
13. Do you have a canteen ( $yes - 1$ , $no - 2$ )?	
14. Do they provide cheap food?	
15. Does your factory have safe drinking water facility? (yes- 1, no -2)	
16. Do you have rest room ( <i>yes</i> – 1, <i>no</i> -2)?	
17. Do you get crèche facilities ( <i>yes</i> – 1, <i>no</i> -2)?	
18. Do you have first-aid facility ( <i>yes</i> – 1, <i>no</i> -2)?	
19. Do you have proper washing facilities at factory ( <i>yes</i> – 1, <i>no</i> -2)?	
20. Does your factory provide washroom facilities ( <i>yes</i> – 1, <i>no</i> -2)?	
21. Does your factory provide proper tools for your work ( <i>yes</i> – 1, <i>no</i> -2)?	
22. Do you get proper safety equipment to protect you from injury or accident at work ( yes –	
1, no -2)?	
23. If yes, mention details	
24. In case of medical emergency what facilities do you get	
(government hospital - 1, private hospital -2, government dispensaries - 3, private	
dispensary – 4, no facility -4)	
23. With respect to environment of the workplace and safety therein as per Factories Act	
(1948) how do you rate the following conditions (good -1, medium -2, poor -3 for subquestions a to k)	
a. Cleanliness at the factory from effluvia arising from any drain, privy or other nuisance	
b. Disposal of wastes and effluents	
c. Adequate temperature and ventilation	
d. Effective measures for removing dust and fume from the workplace environment	
e. In case of artificial humidification, sufficient humidity control measures	
f. Sufficient working space to every worker (atleast 14.2 cubic metre) so as to prevent overcrowding	
g. Lighting facility – both natural and artificial at place of work	
h. Sufficient fencing of machinery in motion	
i. Operating of machine in motion only by specially trained adult male worker	
j. Sufficient arrangement for cutting off power from machine in case of emergency	
k. Maintenance of hoists and lifts and complying to the allowed load	
1. Do you have a weekly holiday? (yes – 1, no -2)	
m. Do get compensatory holidays? (yes – 1, no -2)	
n. Do you get atleast half an hour of interval everyday? ( $yes - 1$ , $no - 2$ )	
o. Do you work for continuous five or six (in certain cases) hours without an interval in a	
(vas - 1, no - 2)	
(yes-1, no-2) p. Have you ever worked more than nine hours without overtime pay? $(yes-1, no-1)$	
2)	
q. Overtime work should be at the rate of twice his ordinary rate of wages ( $yes - 1$ , $no -$	
2)	
r. Maintenance of register consisting details of employment of every adult worker by the	
manager $(yes - 1, no - 2)$	
( 100 1, 110 2)	

s. Issue of certification of fitness of young worker in case of employment $(yes - 1, no -$	
2)	
t. In your factory does every worker who has worked for a period of 240 days or more in a factory during a calendar year is allowed during the subsequent calendar year paid leave	
for a certain number of days?	
yes – 1, no -2)	
u. Does your factory gives payment in advanced before the paid leave? ( $yes - 1$ , $no - 2$ )	
2)	
v. Maintenance of fire extinguishing system ( $yes - 1$ , $no - 2$ )	
2)	
24. Duration of spell of unemployment in last year, if any	
(duration of spell of unemployment: only one week -1, more than one week to two	
weeks -2, more than two weeks to one month -3, more than one month to two months -	
4, more than two months to three months -5, more than three months to six months -6,	
more than six months to twelve months -7, more than twelve months -8).	
25. Whether engaged in any work in subsidiary capacity (yes -1, no -2)	
26. Type of enterprise (with respect to col. 17)	
(proprietary: male -1, female -2; partnership: with members from same hh3, with	
members from different hh4; Government/public sector-5, Public/Private limited	
company-6, Co-operative societies/trust/other non profit institutions -7, employer's	
households(i.e., private households employing maid servant, watchman, cook, etc8,	
others -9).	
27. Type of activity (with ref. to col. 17)	
28. Reason for seeking/available for additional work:	
to supplement income -1, not enough work -2, both -3, others - 4	
29. How many hours spend in subsidiary activity?	
30. Income from subsidiary activity	

## **MODULE 3: SKILL AND TRAINING**

1 **** 1			
1. Whether receiving/ received any vocational training ( yes – 1, no -2)			
2. Field of training (please specify)			
3. Any on-job training ( yes – 1, no -2)			
4. Languages known	Speak	Read	Write
5. Experience in this job			
6. Experience of similar job in previous employment			
7. Previous job experience ( yes – 1, no -2), please specify			
8. Specify reasons for change of job			
9. Any increase in wage or other facilities due to change of job (please specify)			
10. Computer Literacy ( yes – 1, no -2)			
11. Computer Proficiency (please specify)			
12. Use of computer at job ( $yes - 1$ , $no - 2$ )			
13. If yes, please specify use			
14. Designation			
15. Job details (please specify)			
16. Last promotion (yes – 1, no -2, if yes, specify)			
17. Last increment in salary (in Rupees)			
18. Increment in any other facilities (please specify)			

## MODULE 4: JOB SATISFACTION AND CRISIS MANAGEMENT

Γ 1	4.1 Job Satisfaction of the Worker]	
	Are you satisfied with your present job?( yes – 1, no -2)	
1. 2.	If no, state reasons	
3.	How satisfied are you with your immediate supervisor	
٥.	3.1 leadership skills	
	3.2 conflict resolution skills	
-		
	3.3 communication between him and employees 3.4 his trust in his fellow co-workers	
4.	How well does he listen to you?	
	4.1 Knowledgeable about to your work	
	4.2 Takes time to listen to you	
	4.3 Provides you sufficient information related to your work	
5.	How satisfied are you with your management about	
	5.1 conflict resolution	
	5.2 grievance redressal	
6.	How satisfied are you with the	
	6.1 available opportunities for improving your skill and knowledge in course of your work	
	6.2 the clients/ management respect for competence of employees	
	6.3 career advancement opportunities	
7.	How satisfied are you with the on-job training opportunities	
/.	7.1 Not had the opportunity to participate	
	7.2 Helped improve your work efficiency 7.3 Will help in career advancement	
8.	How satisfied are you with the physical work conditions the	
0.		
	8.1 access to equipment necessary for performing tasks 8.2 current maintenance	
_	8.3 hygiene maintenance	
9.	How satisfied are you with the	
	9.1 salary compared to the work you perform	
	9.2 the current model for rewarding the overtime	
10	9.3 your salary compared to the external comparable groups	
10.	How satisfied are you with the	
	10.1 respect from your co-workers	
	10.2 possibilities to receive assistance from co-workers when necessary	
	10.3 teamwork in the institution	
11.	What is in your opinion on the	
	11.1 current working hours	
	11.2 workload pressure	
	11.3 sanction for errors committed	
12.	What is your opinion regarding the (question only to higher level	
	workers)	
	12.1 trust in the director/owner	
	12.2 head of the department/ section	
N	ote: Questions 3 to 12 use code for satisfaction level: high/full -1, media	um 2 low -3

Note: Questions 3 to 12 use code for satisfaction level: high/full -1, medium 2, low -3

[4.2 Crisis Effect]	
1. In the last 5 years did you face the problem of unemployment ? (yes- 1, no -2)	
2. If yes, (with ref. to col. 1), did you search for employment?	
3. Did you manage to get employment? Where? At what remuneration?	
4. Duration of unemployment	
5. In the last 5 years did you sought/were available for alternative work during the	
days you had work: (yes: on most days -1, on some days -2; no -3).	
6. Reason for seeking/available for alternative work:	
(present work not remunerative enough -1, no job satisfaction -2, lack of job	
security -3, workplace too far -4, wants wage/salary job -5, others -6).	
7. Whom do you approach for financial help?	
(bank -1, friends/relatives -2, employer -3, moneylenders – 4, others -5)	
8. Do you get the help needed? (yes- 1, no -2)	
9. Is there any association or union in the unit? (yes- 1, no -2)	

10. Are you member of the association or union? (yes- 1, no -2)	
11. Have you ever approached them (with ref. to col. 9,10)? (yes- 1, no -2)	
12. Did they solve your problems? (yes- 1, no -2)	
13. What are the general matters they look into?	
13. What are the general matters they look into?	
14. Is there any NGO that looks into the labour issues ? (yes- 1, no -2)	
15. If yes, please mention details	
13. If yes, please mention detains	
16. Have you ever approached them (with ref. to col. 9,10)? (yes- 1, no -2)	
17. Did they solve your problems? (yes- 1, no -2)	
18. What are the general matters they look into?	
19. When labour inspector/ welfare officers visit the factory do they interact with	
you (the workers)? (yes- 1, no -2)	
20. Do they listen to your problems ? (yes- 1, no -2)	
21. Were your complaints addressed? (yes-1, no-2)	
22. In case of accidents / injury does the employer pay compensation? (yes- 1, no - 2)	
23. If yes, please detail	
[4.3 Effect of economic crisis on employment]	
1. Do you think that the recent economic crisis (2008-09) had any effect on employme	ent. Please share your
experience and view	
(and how did you manage the crisis if applicable to you)?	
MODULE 5: AWARENESS ABOUT THE LAW AND LEGAL RIC	GHTS

1. In your factory are male and female workers paid the same wage rate for same work? (yes- 1,	
no -2)	
2. If no, please provide details of wage rate differences	
3. Are you aware of the fact that male and female workers should be paid the same wage for	
similar work according to the Equal Remuneration Act, 1976? (yes-1, no -2)	
4. Do you think that caste based discrimination of wage exists in your factory? (yes- 1, no -2)	
5. If yes, provide details	
6. Are you aware of the fact that all (social groups of) workers should be paid the same wage for	
similar work?	
(yes- 1, no -2)	
7. What is the minimum wage rate that you get? (yes- 1, no -2)	
8. Are you aware of the fact that there is a Minimum Wage Regulation (1976) prescribed by the	

GoI?	l
(yes- 1, no -2)  9. Are you aware of the Payment of Bonus Act, 1965 (Amendment Act 2015) that provides for	
payment of bonuses to persons employed in certain employments (with an average income of not more than Rs. 21,000 per month)? (yes- 1, no -2)	
10. Do you get such bonus facility? (yes- 1, no -2)	
11. Are you aware of the <i>Industrial Employment</i> (Standing Orders) Act, 1946 that provide job	
security among workers?(yes-1, no-2)	
12. Are you aware of the Payment of Wages Act, 1936 that provides for regular and prompt payment of the workers?(yes- 1, no -2)	l
13. Are you aware of the Employees' State Insurance Act, 1948 that social security scheme under which both employer and employee contribute to insurance corporation which runs dispensaries and hospitals in working class localities to cater to their health needs? (yes-1, no -2)	
14. Do you get benefit under the above Act? (yes- 1, no -2)	
15. Are you aware of that the Employees Provident Funds and Miscellaneous Provisions Act 1952 (Amendment Act 2015) that provides for setting up of compulsory provident fund for employees (with average monthly salary not more than Rs. 15,000) in factories and other establishments with equal contribution from both employer and employee?	
16. Do you get benefit under the above Act? (yes-1, no -2)	
17. Are you aware of the Payment of Gratuity Act, 1972 that provide gratuity to the person who has put atleast 5 years of work may receive on retirement or termination of employment, a lump sum equal to 15 days wages for every completed year of service? (yes-1, no-2)	
18. Do your employers compensate in case of accidental injury, physical disablement, or death	
of worker arising out of or in course of employment? (yes- 1, no -2)  19. Are you aware that such compensation is mandatory under Workmen's Compensation Act,	
1923? (yes- 1, no -2)	Ì
20. Are you aware of the Contract Labour (Regulation and Abolition) Act, 1970 that regulates	
health and safety of contract labour and other conditions of payment of contract labour? (yes-1, no-2)	1
21. Are you aware of the following provisions under the Contract Labour (Regulation and Abolition) Act, 1970?  (yes- 1, no -2):	
a. The contractor shall fix wage periods in respect of which wages shall be payable.	
b. No wage period shall exceed one month	l
c. A notice showing the wage period and the place and time of disbursement of wages shall be displayed at the place of work and a copy sent by the contractor to the Principal Employer under acknowledgement	
d. The principal employer shall ensure the presence of his authorized representative at the place and time of disbursement of wages by the contractor to workmen and it shall be the duty of the	
contractor to ensure the disbursement of wages in the presence of such authorized representative  e. Wages shall be paid without any deductions of any kind except those specified by the Central	
Government by general or special order in this behalf or permissible under the Payment of Wages Act, 1936 (4 of 1936).	1
f. The wages of every person employed as contract labour in an establishment or by a contractor where less than one thousand such persons are employed shall be paid before the expiry of the seventh day and in other cases before the expiry of tenth day after the last day of the wage period in respect of which the wages are payable.	1
g. Where the employment of any worker is terminated by or on behalf of the contractor the wages earned by him shall be paid before the expiry of the second working day from the day	
on which his employment is terminated.	i
h. All payments of wages shall be made on a working day at the work premises and during the working time and on a date notified in advance and in case the work is completed before the expiry of the wage period, final payment shall be made within 48 hours of the last working	1
day.	<u></u>
22. Are you aware of the Bonded Labour System (Abolition) Act, 1976? (yes- 1, no -2)	
23. Are you aware of Factories Act, 1948 that provides for health and safety of the workers? (yes-1, no -2)	
24. Are you aware of the Interstate Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 that regulates employment and related terms and conditions of interstate migrant workers?	
(yes- 1, no -2)	
25. Is there any child worker in the factory (below 14 years of age)? (yes- 1, no -2)	

26. Are you aware of the fact that child labour below the age of 14 years should not be	
employed? (yes- 1, no -2)	
27. Are you aware that the Workmen's Compensation Act, 1923 requires employers to	
compensate in case of accidental injury, physical disablement, or death of worker arising out	
of or in course of employment?	
(yes- 1, no -2)	
28. Do you know that the Trade Unions Act, 1926 seeks to confer a legal status to registered	
trade unions and provides immunity from civil and criminal liability of trade union	
executives and members engaged in bonafide trade union activities? (yes- 1, no -2)	
29. Do you know that the Right to Freedom/ Right to form Association or Union, Article 19, is	
guaranteed under Fundamental Rights, Part III of Constitution? (yes- 1, no -2)	

Any other issues you need to mention:

# MODULE 6: QUESTIONS SPECIFIC TO FEMALE WORKERS

1. Do you get due respect from your fellow workers? (yes- 1, no -2)	
2. Do you feel discriminated by fellow workers for being woman? (yes-1,	
no -2)	
3. Do you feel discriminated by employer for being woman? (yes- 1, no -	
2)	
4. Do you feel safe at workplace? (yes- 1, no -2)	
5. Have you ever faced sexual harassment? (yes- 1, no -2)	
6. If yes, Whom do you report such cases? (yes- 1, no -2)	
7. Do your factory has sexual harassment grievance cell? (yes- 1, no -2)	
8. Have you ever heard of such cases at your workplace? (yes- 1, no -2)	
9. Whom do you report to your problems/ grievances? (yes- 1, no -2)	
10. Are your grievances addressed? (yes- 1, no -2)	
10. Does your factory provide separate washroom facilities? (yes- 1, no -	
2)	
11. Does your factory provide crèche facilities? (yes- 1, no -2)	
12. Does your factory provide feeding time for the children? (yes- 1, no -	
2)	
13. Are you entitled maternity leave? (yes- 1, no -2). Give details	
14. Do you work night shifts? (yes- 1, no -2)	
15. Do the female workers in factory has separate rest room? (yes- 1, no -	
2)	
16. Are there separate washroom facilities for female? (yes- 1, no -2)	

Any other issues you need to mention: