



GARMENT WORKERS IN INDIA'S LOCKDOWN

Semi-starvation
and De-humanization
Lead to Exodus



GARMENT WORKERS IN INDIA'S LOCKDOWN

Semi-starvation
and De-humanization
Lead to Exodus



GARMENT WORKERS IN INDIA'S LOCKDOWN

Semi-starvation
and De-humanization
Lead to Exodus

First Published June, 2020

Some rights reserved



This work is licensed under a Creative Commons Attribution Non Commercial-ShareAlike 4.0 International License. Provided they acknowledge the source, users of this content are allowed to remix, tweak, build upon and share for non-commercial purposes under the same original license terms.

Research Team: Purushottam Kumar, Immanuel Dahaghani and Dev Nathan

Contributors: Amarnath Sharma, A.K Gautam, Tauqueer Warsi, Purvi Baranwal

Edited by: Sonia Wazed

Designer: Nabajit Malakar



🌐 www.sld-india.org 📧 @sldtrust

📍 C-23, (First Floor, Rear Portion) Hauz Khas, Delhi - 110016

☎ +911-11-26525806

INTRODUCTION

Buyers Impose Severe Burdens on Indian Exporters

The story of the losses suffered by Indian garment exporters due to buyers' cancellation of orders and demands for discounts on already supplied goods before the country wide lockdown is well known. The Apparel Export Promotion Corporation (AEPC) conducted two surveys of garment exporters, with 105 and 88 exporters respectively (AEPC, May 2020). 83% of exporters reported that orders had been wholly or partially cancelled. For orders cancelled, 72% said that their buyers had not taken responsibility for materials already purchased. Almost 50% indicated that buyers are asking for discounts on goods already shipped; 72% of them said they were asked for more than 20% discount, and 27% had been asked for discounts of above 40%.

The AEPC report also highlighted that 88% of exporters felt "challenged" in paying wages to workers. Being challenged can be understood as being a euphemism for not paying wages to workers. Having visualized the impending crisis, the AEPC had requested the government to provide funds to exporters to pay wages to workers for "six weeks or until the situation became normal". Surprisingly, the exporters did not even get Goods and Services Tax (GST) and other refunds that they would have expected to receive from the government even in normal times.

COVID 19

Garment Workers locked-down in crisis

“No one came forward to help us during the COVID outbreak. No factory owners, contractors, politicians.”

(Garment worker, Tiruppur).

This short note on the sufferings, coping mechanisms and reactions of garment workers is based on a telephonic survey of 100 garment workers from the National Capital Region (NCR) and Tiruppur in Tamil Nadu. Besides the survey, field investigators also carried out telephonic discussions with workers who had returned to their source villages.

Of the 100 workers, 57 were women and 43 men. Overall, 54% (54 out of 100) were permanent workers, 44% were contractual workers, while two women were homeworkers, most of them being inter-state migrants. 28 workers in Tiruppur were intra-state migrants from other parts of Tamil Nadu. In all, 69% of inter-state migrant workers were from the Northern belt of India, with 49% from Bihar alone.

The survey sample included 54 permanent workers (31 women and 23 men) and 44 contractual workers (24 women and 20 men). Only one contractual worker received some payment and a meager 15 of them received extra subsidized food grains from the government. But in terms of food consumption, women seem to have fared better than men by virtue of the fact that more women in the sample were with their husbands, while there may have been more single men in the sample. But, what stands out is that only one contractual worker received any payment from the employer, whether it was the contractor as direct employer, or the factory owner as principal employer, is difficult to ascertain. As we know from numerous media coverage and stories, contractors and factory owners both abandoned the contractual workers and some of them were not given their dues of more than 3 months. Unfortunately, the

governments should have provided them with income support also failed to protect them in this crisis.

The first lockdown was declared on 24th March, so workers had already completed three weeks of work by then. But of the 100 workers, only 19 received any payment either in the form of encashing earned leave or advance payments, where the advance payment was given on condition that the payment will be deducted from the overtime work that they will do in future. The payment too was quite meagre ranging from Rs.1,800 (US\$24) to about Rs. 10,969 (US\$146) per worker. Labour contractors, as would be expected, had abandoned the workers and had even switched off their mobile phones. But it needs to be noted that even the majority of permanent workers, whose dues were from the exporting firms were also not paid.





Starvation

“I am clueless about my next meal. We will walk home – if not given food.”

(Migrant garment worker, Tiruppur).

When workers are not paid their dues and factories close down, one expects the government to step in and provide income support to the laid-off workers. The Indian Government, however, failed to provide meaningful income support (Rs.500, about US\$7, a month was provided to women with digital bank accounts). Elementary economic theory tells us that when private incomes collapse, the only way to stave off starvation is for the government to provide income support as an entitlement. The government has set up digital payment systems, supposed to reach almost all households but there has been uneven coverage even in the setting up of digital payment systems due to operational challenges. Alternately, and in order to meet their immediate monetary needs, immediate payments could have been made to laid-off workers and those working in the unorganized sector. Supply chains of food stuffs were working and with income support, workers could have, in some manner, managed their families.

With exporters not paying wages and the government refusing to undertake a minimum income support, how did workers and their families manage? This was the central question behind the survey of 100 workers undertaken by the Society for Labour and Development (SLD) in the second half of May. The survey was conducted over mobile phones in the garment clusters of National Capital Region (NCR) with 72 workers and in Tiruppur, Tamil Nadu with 28 workers. Of the workers surveyed, 57 were women and 43 men. 44 of the workers were contractual workers, i.e. workers who were employed

not directly by the exporting suppliers but indirectly through contractors or labour brokers. 54 were permanent workers, who were on the direct payrolls of the companies and 2 were home-workers.

Only 20 of the 100 workers said that they got extra ration (subsidized food grains) from the government. Given that migrant workers usually do not have any proof of local residence – factories do not give identity cards and room owners do not give any rent receipts – they do not get ration cards for subsidized foodgrains in destination areas. Recently, the Central Government has taken steps to make a ration card valid in any part of the country. But since many migrant workers leave part of their household behind in the villages of origin, this will not solve the problem of being able to access subsidized foodgrain in both locations.

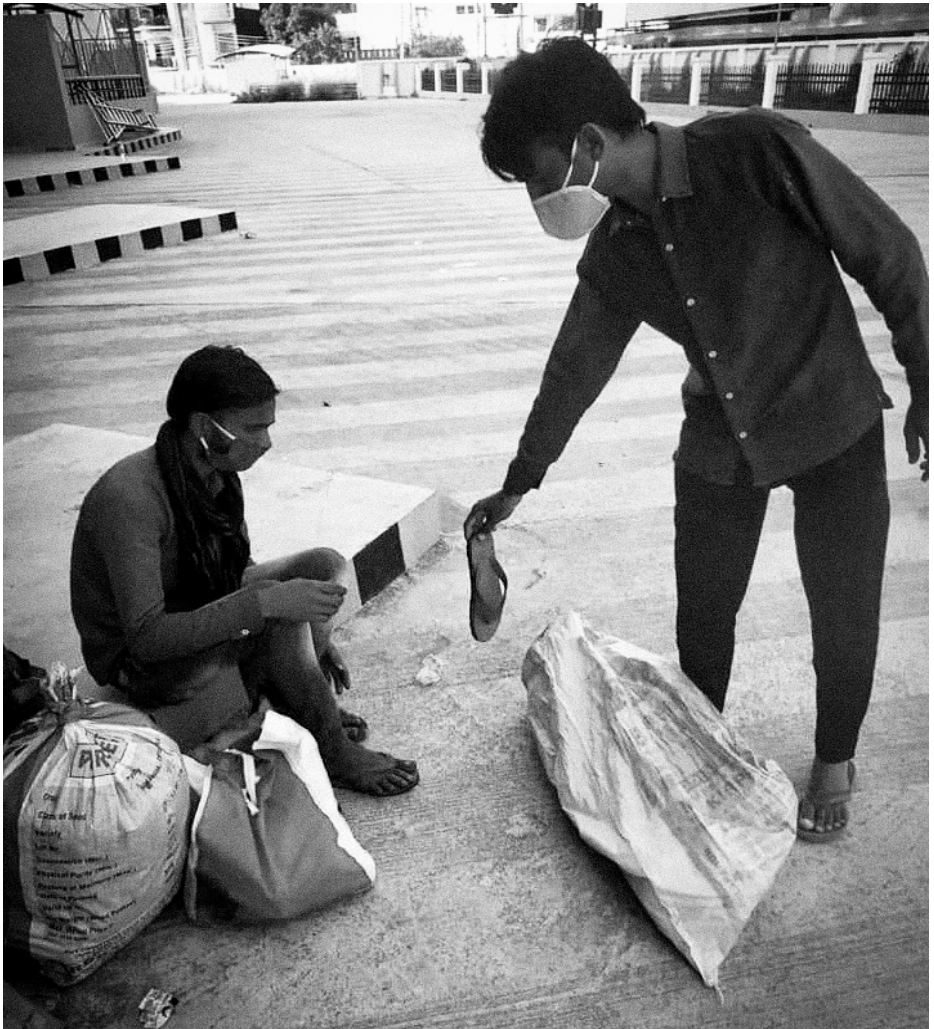
Some NGOs and trade unions have been providing cooked food for workers. As you travel around urban spaces women, men and children are seen queuing up for food. From their clothes one can make out they are workers, most likely in the unorganized sectors in the areas. A little less than one-third of garment workers reported getting some cooked food from some NGOs or unions.

But the number of meals that workers and their families could eat in a day is depressingly low. Out of 97 responses, 6 of them barely had one meal, 69 managed two meals, and two workers managed 1 or sometimes 2 meals a day. This means that as many as 82% of workers could eat just two or fewer meals per day in this crisis situation.

What have been described above are workers and their families living at semi-starvation levels. They have been using their savings, which they had saved from working their bodies to exhaustion. The savings would usually have been remitted to their families in their home villages. The lockdown was announced with no preparedness for this section of population, it forced them to use up their savings meant for their rural households.

The brief survey did not ask whether workers had withdrawn money from savings in their Employees Provident Fund (EPF) accounts, but newspaper reports show that 3.6 million, mainly low-wage workers (those earning less

than Rs.15,000 per month) had withdrawn a total of Rs. 11,540 crores (roughly US\$1.5 billion) from their EPF savings. Workers usually earmark these savings for children's educational and marriage expenses. The lockdown with no social security support, has forced these workers to jeopardize their children's future in order to stay alive.





Returned Migrants

“We have been walking for 18 days at a stretch; we are tired now and have no food to eat. We just want to reach home.”

(Migrant garment worker returning from Bangalore to Kanpur).

Most workers in the garment industry are migrants. They have come from other areas and, in addition, do not think of settling down in the industry clusters. An important feature of these migrant labour households is that they are multi-locational households. They live in semi-slum urban spaces. Single men may be 10 or 15 in a room. The local owners/landlords of the buildings often force their worker-tenants to buy groceries from their own shops, charging 20% or more than the market prices. There are also workers who come in by bus from surrounding villages, as is often the case in both Tiruppur and Bengaluru. This latter category would not be considered as migrants.

When the lockdown was announced, many intra-state migrants quickly went back to their nearby villages. The inter-state migrants, however, were stuck in the garment clusters; of course, without work and thus no income. As noted earlier, not even 20% of workers were paid by the factory owners. Over time, many migrants went back to their home villages. Many hired expensive private transport. Newspaper and TV coverage have reported migrant workers paying thousands of rupees to get a place in a cramped truck or even a cement-mixer. Many used the last of their savings or borrowed money to finance their return.

Field investigators spoke to some of these migrant garment workers who had returned to their villages in Bihar and Uttar Pradesh. They reported having to

borrow money from local moneylenders, again, often paying interest rates of 20% per month. A study by SEWA Bharat also showed that women in the unorganized sectors had borrowed money at interest rates ranging from 5% to 18% per month. These are the kind of interest rates one has not seen for decades in India. This is the return of the *sahukar* - the moneylender, with a vengeance. These returned migrant workers fear that they will be unable to repay these loans and might end up losing their meagre lands or even their houses. The refusal of the Indian Government to accept its moral and economic responsibility for keeping people out of starvation has pushed these workers and their families into destitution.

In Tiruppur it is estimated that some 40% of inter-state migrants have gone back. Many of those that remain are kept, rather confined, in company-run dormitories and perhaps completely exposed to infections. The exporters fear that if these workers go away, then they may face an acute shortage of workers when work returns to normal.

Workers in Tiruppur have complained that they have been kept in these dormitories, against their will. The Hindu of May 20, 2020, reported a worker on his way back to Bihar, saying that workers were being held in these dormitories against their will, and provided poor quality food. Most of them are contractual workers. Earlier they were the most disposable of workers, now they are being cajoled and forced to remain. There have been protest incidents in Tiruppur. Many workers from the dormitories in the Nethaji Apparel Park (NAP) were arrested in one such incident. There was another protest incident at the Tiruppur Railway Station.

While in Tiruppur there were incidents of factory owners trying to detain workers in dormitories, in the state of Karnataka, in which the Bengaluru garment cluster is located, the state government opposed the running of trains to take back migrant workers. Garment and other workers are being treated as bonded labourers. This should be contrasted with the quick arrangements made for middle and upper-class students, very likely from the upper castes too, to return from their educational centres from various parts of the countries to their home states. Finally, continuous adverse publicity on TV forced the central and state governments to relent and allow trains and buses to take back migrant workers to their home villages. This service was offered to those migrant workers who wanted to return to their state of origin due to lack of food, shelter and income support in the destination states.



Dehumanization

“We have not received any support, we crossed borders at night.”

(Migrant garment worker returning from Gujarat to Kanpur).

The widespread return migration of workers exposed the failure of governments to provide income support to workers. The central government which has the means to provide income support refused to take this path. Faced with a government-induced starvation, the only way the migrant workers could survive was by trying to get back to their home villages. The central government failed to provide a safety net which triggered the mass reverse migration, often on foot or a young girl cycling 1200 kilometres with her injured father riding at the back. There have been many and bizarre ways of being killed, such as while sleeping on railway tracks; or, even collapsing just when they were near their homes. Reports in newspapers and on television point to the frequent harassment they faced from the police along the way. Those on trains were often not provided food or even drinking water. Only in the first week of June, the Supreme Court finally asked the governments to make arrangements for the return migrants and not to take any money for their homeward journey.

Those who have reached home are destitute. What they feel is helplessness and fear in terms of how they will survive and take care of their families.

Will the migrants come back to the garment clusters? Some have said that they will not return, but will seek some paid work, however little the earnings might be at their state of origin. Many, however, said that there are few opportunities

in their home villages. But they are scarred by their experiences under the lockdown with no social protection in place. The risks to migrant workers in the garment clusters have increased. What if there is another lockdown and the brands, suppliers and governments all abandon them again?





Exodus

Now when some work has started in garment factories in NCR and Tamil Nadu, many of the migrant workers are still trying to return to their home villages. For one they know that they have no security in another downturn. Garment workers in India get around Rs.10,000 to 12,000 (US\$ 133 to 160 per month), while the living wage, as calculated by the Asia Floor Wage Alliance (AFWA) is Rs.29,323 per month (or US\$ 386). With this low wage, garment workers are forced to maximize their earnings through overtime work, so that they may be able to survive and send money to the household members left behind in their home villages. The migrant workers think that there will not be much chance of getting enough overtime work in the current scenario. Thus, they still feel that it is better for them to go back.

It looks quite certain that there will be some shortage of labour in the garment clusters when business returns to its earlier levels. This could result in wages going up. Will it also increase the ratio of permanent to contract labour? There will be price pressure on the exporters. To manage the new price range, there is likely to be a need to reduce costs by increasing the level of mechanization and automation, which, together, would increase the demand for more skilled labour. If exporters need to retain skilled labour, then that could lead to an increase in the proportion of permanent workers. The possible increase in the proportion of skilled and permanent workers would be the result of an unprecedented collective bargaining by exodus. But the question remains about what is going to be the fate of the unskilled workforces and mostly women both in the organized and the unorganized sector and where will they find themselves in the collective bargaining process.



Society for Labour and Development, SLD is a labour rights and a labour support organization. We will be publishing reports on the impact of COVID 19 on low wage workers, working in different supply chains in India. Our next report will specifically highlight the status of women garment workers in the pandemic.

REFERENCES

Apparel Export Promotion Corporation (AEPC). 2020 May. Impact of COVID on Apparel Exports. www.aepc.org, last accessed June 1, 2020.

SEWA Bharat. 2020. Gendered Precarity in the Lockdown. May.



🌐 www.sld-india.org 📌 @sldtrust

📍 C-23, (First Floor, Rear Portion) Hauz Khas, Delhi - 110016

☎️ +911-11-26525806