



Global Financial Crisis and India's Informal Economy: Review of Key Sectors



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Trash has Crashed: Impact of Financial Crisis on Waste Pickers of Ahmedabad City

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1. INTRODUCTION

The International Labour Organization (ILO) estimates that 28 million jobs have been lost globally due to the ongoing financial crisis (www.ilo.org). The crisis has not only caused job losses, but has also decreased the availability of work. The impact on the informal sector has been far more severe, especially among daily labourers, as a majority of them are poor, uncounted and invisible, lack assets, are poorly educated and possess no legitimate employment-related documents. All these factors have increased exploitation manifold, with workers competing among themselves to retain their job. Therefore, it becomes imperative for the government, especially in India (more than 90 percent of the working population is in the informal sector), to measure the impact of the ongoing crisis on the informal sector. This assessment will help the government to formulate and take appropriate steps to safeguard the interest of this sector. The Self Employed Women's Association (SEWA), the largest union of women in the informal economy and the 'Central Trade Union' of the country, selected a few sectors to assess the impact of the financial crisis on its members working in those sectors. The study, besides assessing the impact, aims to (1) draw inferences from the findings and (2) recommend policy measures (short term as well as long term) accordingly.

1.1 The Global Scenario

The waste recycling industry has collapsed globally. Across the US, waste is accumulating in tonnes in junkyards and warehouses (New York Times, December 7, 2008). Similarly, in the UK, the sudden crash of the recycling industry has adversely affected local warehouses (www.letsrecycle.com). According to an Association of Recyclers in Bogota (ARB) report, in Columbia, while polythene prices have fallen to zero, ferrous and non-ferrous metal prices have dropped 70 percent and 60 percent, respectively (www.weigo.org). According to the Irish Waste Management Association (IWMA), waste product prices have collapsed in Ireland¹, "effectively closing markets for these materials" (irishtimes.com, June 27, 2009).

The collapse of the recycling industry can be attributed to the financial crisis. A reduction in consumer demand due to low purchasing power has forced industries to cut production levels, which, in turn, has lowered the demand for raw materials. In addition, scrap/waste/discarded products often act as substitutes for raw materials. For example, China, the biggest importer of recycled iron and many waste materials, imports waste paper from the US, and processes it into packaging materials, which are then shipped back to the US. However, a drastic drop in consumer demand in the US has broken the chain (guardian.co.uk). According to the Chinese official

¹ Ireland exports over 1.5 million tonnes of materials for recycling each year.

media, about four fifths of the country's recycling units closed down. Scrap prices have halved or dropped even further in a matter of months (guardian.co.uk). The closure of China's recycling industry has compelled many countries which import wastes, including the US and the UK, to increase their total waste shipments to India. So, there has been a surge in dumping of waste materials in the country, which is affecting the domestic suppliers of waste materials. The bulk and regular supply of cheap and comparatively better quality waste (internationally) has reduced the prices offered to the Indian waste suppliers. This in turn has a larger impact on the poor waste collectors at the micro level. Moreover, the collapse of this industry has hit not only the processors, but also waste pickers², largely in developing countries, including India.

1.2 Crisis and Recycling industry in India

Waste pickers render an important service to urban society by removing the waste, thereby contributing to public health and sanitation and environmental sustainability while providing a cheap source of raw materials to industry. Although no reliable data regarding the number of people engaged in the trade and the total income generated is available, about 1-2 percent of the world's urban population sustain their livelihood by collecting and recycling paper, cardboard, plastic, and metal waste (www.weigo.org). Before assessing the impact of the financial crisis on waste pickers, let us understand the recycling industry value chain.

1.2.a Value Chain of Recycling Industry

India produces recyclable wastes worth Rs.20,280 crore a year (The Economic Times, 18 December 2007)³, of which only 40 percent is utilized by the recycling industry. The recycling industry sources waste mainly from waste traders (case 1) and through imports (case 2)⁴.

Case 1: Waste from waste traders

Waste⁵ disposed of by residential and non-residential units are collected by traders/contractors directly or supplied by *kabadiwalas* and waste pickers⁶. Households usually dispose of two types of waste:

-
- 2 Various terminologies are used for the people involved in collecting wastes from streets, neighbourhoods, industrial areas, offices and dumping grounds, including waste pickers, waste collectors, rag-pickers, etc. The term being used here is waste pickers.
 - 3 'Dig deep into solid waste management' by Sasidhar Chidanamari
 - 4 Some of the recycling industry also receives waste directly from large enterprises.
 - 5 Here, the waste includes only solid waste disposed by the residential and non-residential units.
 - 6 Many waste pickers are not only picking up waste but also purchase it from the households.

1. Priced waste (also called fresh waste): Households collect this waste and sell them to *kabadiwalas* at the prevailing market rates (linked to the international metal markets to an extent). This type of waste includes newspapers, magazines, bottles, carton boxes and metals.
2. Unpriced waste: Unpriced wastes are those which households dispose every day, such as wet waste, soiled/torn paper and plastics. Waste pickers collect these wastes from houses, streets, neighbourhoods, industrial areas, offices and dumping grounds.

Priced, as well as unpriced, wastes are sorted and then sold to waste traders/processors. Processors then transport the stock to a small scrap yard, where glass bottles and plastic bags are segregated by colour, and metals by composition (brass, zinc, aluminium, copper, etc.), given their different prices.

Metal scraps are often sold to metal merchants locally, who sell the segregated brass, copper and zinc scrap to handicraft manufacturers in south and north India; aluminium scrap is often sold to the 'secondary industry'. Steel and iron scrap is often re-melted by small foundries, and newspapers are segregated by grade, colour, etc., and are sold to paper mills for re-processing. Glass beverage bottles are often sold back to beverage companies for refilling and broken glass goes to bottle makers for making new ones (refer Appendix I).

Case 2: Waste through Imports

India imports scrap aluminium, copper, ferrous, plastics and paper and pulp (refer Figure 1). The US leads the list of countries that export scrap steel, followed by Germany, France, Sweden, Italy and Belgium (www.nlsenlaw.org). However, according to the Department of Commerce, barring ferrous and paper waste, waste imports fell in during 2008-2009.

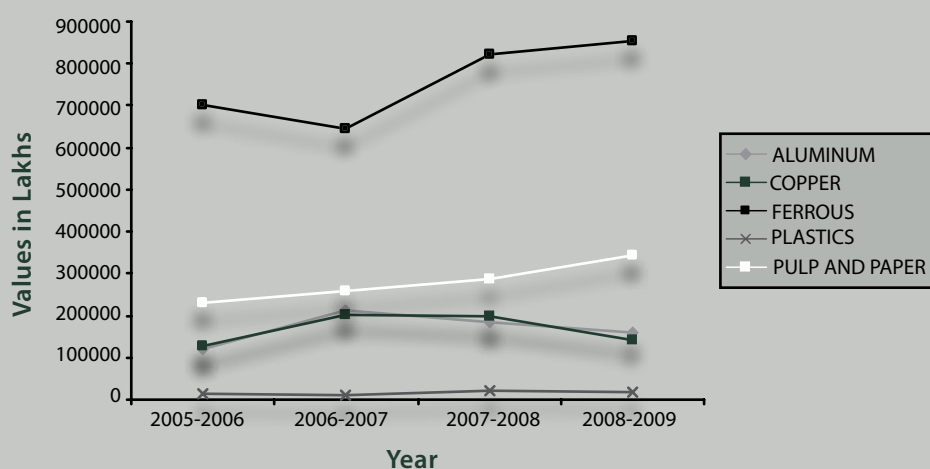


Figure 1 Import of Waste Commodities

Source: Department of Commerce, Government of India

1.2.b Crisis in Waste Industry

As mentioned earlier, the collapse of the recycling industry has reduced the demand for waste and, in turn, their prices. China, one of the major importers of recycled waste, has reduced its imports, which has forced major recycled waste exporters to increase shipments to India. Indian traders imported more waste to take advantage of cheaper prices. According to the Ministry of Commerce and Industry, waste paper imports increased 7.26 percent, while price per tonne fell from Rs.14650.10 to Rs.12594.20 between February 2008 and February 2009.

“Increased waste paper imports have led to a decline in waste paper prices in the country. The paper mills are refusing to take soiled paper.”

– *Habibhai, a waste trader from Ahmedabad city, purchases waste from kabadiwalas as well as from waste pickers. He supplies waste paper to paper mills in Surat and Punjab.*

Higher paper and iron waste imports⁷ resulted in lower prices of waste products in the country. Due to increased import of waste paper, along with a decreased per unit cost, paper mills⁸ are not consuming soiled paper (usually picked up by waste-pickers). Thus, most traders have stopped taking soiled paper or have halved its price (refer Box 1). Along with the increase in waste imports, there has been a decrease in demand for products from the recycling industry, such as iron and steel. Almost all major iron and steel consumers, such as the engineering and construction industries, have lowered production levels in response to the financial crisis.

Thus, the increased supply of waste, coupled with decreased demand for recycled products, has reduced the price of waste collected by waste pickers, and consequently their income. To support the fact, we interviewed 14 scrap traders - 12 males and 2 female scrap shop owners - (dealing with waste pickers) from eight different locations of the city (refer Box 1).

Many respondents claimed that scrap traders themselves were finding it difficult to sell their items in the wake of lower demand for waste products from the recycling industry.

This is, however, not the first time when waste materials collected by waste pickers are fetching lower prices. In late 2002, a ban on the use of plastic and plastic recycled products resulted in a drop in plastic waste prices; paper waste prices also fluctuate with paper prices (Chen, 2006). The impact is much higher (more than 50 percent) as prices of all waste products have declined in the last few months (October 2008 to March, 2009).

7 It has been found in our study, varieties of paper and iron constitute about one third of the total varieties of waste collected by the waste pickers.

8 Paper waste from abroad are usually of better quality than the paper waste supplied by our traders.

Box 1: DISCUSSIONS WITH SCRAP TRADERS

All the owners interviewed said that the volume of their business had decreased by 50 percent after Diwali (festival celebrated in India in October–November). On an average, the owners had been doing a business of 22.9 tonnes a month before Diwali, which fell to just 11.75 tonnes a month (down 50 percent) after Diwali. Most owners said that their stocks remained unsold for months and whatever was sold was sold at reduced prices. This drop in business was the result of a decrease in demand from waste traders. Many scrap traders also added that they themselves were unable to sell their stocks and that their own reduced income had compelled them to reduce the prices they were paying to waste pickers. This compelled many waste pickers to break ties with these traders and look for alternative avenues. The number of waste pickers, who were selling products to scrap traders, fell. On an average, 14 to 15 waste pickers had been selling waste to scrap traders before the crisis, which fell to just 6 to 7 waste pickers during the crisis.

Also, many owners were finding it difficult to run their businesses, as traders had not cleared their previous bills. Four of the owners had to take loan at higher interest to pay waste pickers. Another setback to their business has been the reduced availability of loans required for their business. More than 90 per cent (13 out of 14) of the scrap shop traders said that it was becoming increasingly difficult for them to secure loans for their businesses, as moneylenders were aware of the status of their business and were reluctant to extend loans. The interviewed traders were planning to increase their volume of business to reduce losses; however, two traders were even thinking of shutting shops, while the remaining had not thought about anything to tide over the situation.

2. METHODOLOGY AND STUDY AREA

2.1 Methodology of the Study

SEWA's grassroots research team conducted 30 focused group discussions (FGDs) in the months of February to March, 2009, with waste pickers across the city. The information collected through these discussions was used to prepare a small report, which SEWA shared with UNDP. Thus, with the sponsorship from UNDP, a micro-level survey on the sector was initiated and a detailed questionnaire was prepared. SEWA also added a small questionnaire related to the sector. To get the comparative figure on impact of financial crisis on the waste-pickers, the questionnaire enquired about their status between a period of March-September, 2008 (before crisis) and October-March, 2009 (during crisis). All these questionnaires were translated into Gujarati

and grass-root researchers from SEWA's urban union were trained to understand the questionnaire and collect data accordingly. The Household (HH) survey was conducted between April-May, 2009. With the help of SPSS, the data collected was analyzed and presented in the report. Apart from FGDs and household surveys, the study also acquired information through:

- *Case studies:* The questionnaires were supplemented by a few in-depth interviews, conducted in the month of January-February, 2009. The findings are presented in various boxes as 'Case studies'.
- Interviews of employers (scrap traders): Fourteen scrap traders from different areas of the city were interviewed with the help of questionnaire prepared separately for them to assess the consequences of the financial crisis on a larger scale (refer Box 2). These questionnaires were also filled along with the HH questionnaire in the month of April-May, 2009.
- *Discussions:* FGDs were held in different areas with waste pickers and other people concerned, that is, the organizers of SEWA, to understand the issues and make recommendations accordingly.
- *Secondary information:* The literatures/studies on waste pickers were referred to analyze the status of waste pickers before the financial crisis. The reports/articles published in the websites of Women in Informal Employment: Globalizing and Organizing (WIEGO) and ILO on the current financial crisis were referred to understand the global scenario of the recycling industry. Websites of the Department of Commerce were visited to extract data on the import and export of various scrap materials. Also, websites of the Ministry of External Affairs, and various articles on newspapers/journal were also referred to understand the view of various people engaged with the sector.

2.2 Sample Selection

Ahmedabad city was selected for the study. Since no census data was available on the waste pickers of Ahmedabad city, the information collected through SEWA members (waste pickers) about the settlements and population involved in waste collection was used to select the sample area. According to SEWA, waste pickers are settled in more than 62 different locations of the city. Of these areas, 17 were randomly selected for the study (excluding areas with less than 10 waste pickers). Besides Vadaj, the selected settlements of waste pickers are located in the old part of the city (5 are in the walled city) and many are close to textile mills (refer Appendix II).

The population/number of waste-picker households in each area was estimated from the discussions held with the waste pickers of the area concerned. Since our sample was limited to 100 HHs, the sample selected was directly proportional to the total number of HHs in the area (higher the number of HHs, larger the sample selected). The following criteria were followed to select samples from the area under study:

1. The subject should be a woman, as most waste pickers are women, and
2. She should have worked in the waste collection industry for more than three years, which will help her assess the state of the sector before and after the onset of the financial crisis.

2.3 Ahmedabad City: The Study Area

SEWA came to know about the plight of waste pickers in its 'trade committee meetings', 'area meetings', 'campaign meetings' and 'workers education classes' that they hold regularly with these workers. FGDs and personal interviews held by SEWA also indicated the huge impact of the current financial crisis on the life and livelihood of these workers. To quantify the qualitative data collected through FGDs and interviews, SEWA carried out a household level survey of waste pickers. Assuming that the impact is universal among waste pickers in the country and due to time constraints, the study is based on the waste pickers of Ahmedabad city⁹.

SEWA is the largest trade union of informal women workers in the country and has been organising waste pickers in Ahmedabad city since 1974. SEWA estimates that the city had about 40,000 waste pickers in 2008, of which 30,265 (75.7 percent) were SEWA members. Everyday about 2400¹⁰ tonnes of waste are accumulated in the city, of which about 900 tonnes (37.5 percent) are picked up by waste pickers.

BOX 2: A DAY IN THE LIFE OF A WASTE PICKER

Waste pickers pick, sort and recycle several tonnes of the city's waste products every day. Their day starts well before dawn when they begin to scour the streets and waste dumpsters for recyclables, walking five to eight kilometres every day. By noon on a good day, women would have had collected a large and heavy sack full of recyclables. They carry those heavy sacks home on their head, again walking for several kilometres. Then, they sort the recyclables by category such as paper and cardboard, plastics, glass and other items. If their morning haul is not large or if they have the time and energy, the women go on a second round of collection in the afternoon. At the end of each day, they deliver and sell the sorted goods to waste traders who live nearby. Their daily income does not exceed Rs.50–60, and for most waste pickers' families, this is the only source of income.

9 The study on the waste pickers of Delhi has found that other than some variation in percentage, the waste pickers of Delhi are facing similar consequences of the current financial crisis (www.chintan-india.org).

10 As per the data provided by the Solid Waste Management Department of the Ahmedabad Municipal Commissioner's Office

Waste pickers are *Harijans*¹¹ by caste; most of them belong to the *vankar* (weaver), *bhangin* (sweeper) and *chamaar* (leather worker)/*mochi* (cobbler) communities. The *vankar* community was lured to Ahmedabad city by the prospect of employment in the textile industry. Later, the crisis in the textile industries led to the expulsion of most of these workers from textile factories and forced them to look for alternative jobs, whereby many turned to collecting waste, as it does not require any particular skill (Bentley, 1988). It is important to mention again that most waste collectors are women.

In the mid-1990s, on an average, waste pickers earned less than Rs. 15 per day (Jhabvala, 1999). According to another study by SEWA conducted at the beginning of the decade, waste pickers earned about Rs.500 per month. In fact, 72 percent of the waste collector families covered in the study had a combined family income of less than Rs. 1,000 per month, well below the poverty line (Raval, 2001).

Waste pickers work for more than 12 hours a day in extremely hazardous conditions. Also, they are often chased by security guards, chased or bitten by watchdogs and subjected to regular abuse or harassment by home owners, shopkeepers and others (Chen, 2006).

There is no regulatory authority to control the recycling trade or facilitate linkages between waste pickers and the recycling industry. However, the relationship between waste pickers and local scrap traders are generally long term, often spanning over two to three generations. Waste pickers usually sell waste to particular scrap traders, who often extend credit. Women generally look up to these scrap traders as a source of employment and other support, though they are becoming increasingly aware of the exploitative nature of the relationship (Chen, 2006).

3. FINDINGS

This section discusses the major findings of the study based on household survey, case studies and FGDs.

3.1 Profile of Respondents and their HHs

3.1.a Profile of Respondents

Hundred HHs of waste pickers were selected from different parts of Ahmedabad city. The respondents were women and their primary occupation was waste collection.

11 A section of society who were formerly considered untouchables under the Indian caste system.

About 87 percent respondents were in the 30-59 years age group. Since waste collection does not require any skill, initial capital and physical strength (except for the ability to walk and collect waste), 7 percent respondents were aged 60 years and above. Further, it was observed that waste picking as a form of employment was not preferred by young women, as only 31 percent of the selected women were below 40 years. Unskilled young women usually prefer to join the higher paying sectors, such as construction, and resort to waste collection only if they fail to find work in other sectors.

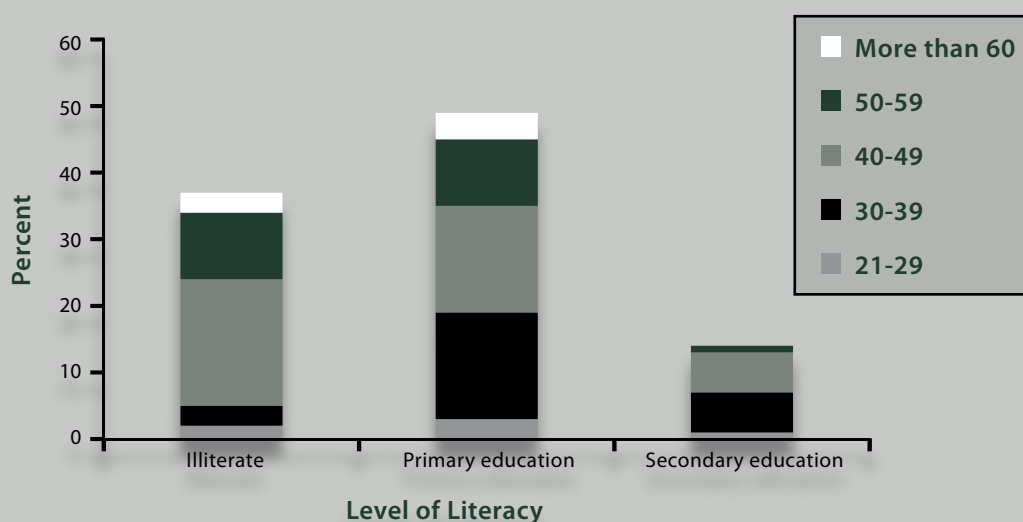


Figure 2 Educational Status of Respondents by Age Groups (in %)

Source: SEWA Study, April-May, 2009

Only 63 percent respondents were literate, while 49 percent had not even entered secondary classes. In general, literacy levels among Scheduled Castes (SCs)/ Scheduled Tribes (STs)/Other Backward Castes (OBCs) are lower than that of general categories, and as all the respondents belonged to the former group (refer to the next section), characterized by an extremely poor economic condition, the literacy rate among them was low. The data also revealed that no respondents had passed higher secondary. Only 14 percent respondents had secondary education. However, illiteracy was more prevalent among the older generation, as more than 46 percent respondents above the age of 40 years were illiterate, while only 16 percent were illiterate in the age group below 40 years.

3.1.b Profile of Respondent Households

About 56 percent of the selected HHs were living in a nuclear **family structure**, 42 percent in a joint family structure and the remaining 2 percent were living alone. The average **HH size** of the selected families was 5.49, ranging from as low as one to as high as 10 members per family. More than one third of the selected HHs (76

percent) had number of members ranging between five and eight. The selected HHs had a total of 185 male members as against 184 female members, and 86 boys as against 94 girls (children aged below 14 years).

Religion and caste: More than 98 percent of the selected HHs were Hindus, while the rest were Muslims. Waste pickers have to leave their house to comb streets, dumpsites, etc., to collect waste; and as women from the Muslim community are usually not allowed to leave their house alone for work, very few are found in the sector. Usually, waste collection as a profession is looked down upon by a larger section of the society, and it has been observed that people largely from the lower income strata join the sector. Our study revealed that most of the sampled households were SCs (93 percent), followed by STs (4 percent) and OBCs (3 percent). No sampled HHs belonged to the higher/general category.

A majority of the HHs (75 percent) were original **residents** of the city¹², while the rest (25 percent) had migrated from other parts of the Ahmedabad district (5 percent) or from neighbouring districts (20 percent). Besides one HH (which had migrated after their house collapsed), all the migrant families had migrated to the city in search of work. However, all the migrant families had migrated a decade ago.

About 53 percent of the HHs were living their **own houses**, while the rest in **rented** premises and paid an average monthly rent of Rs. 347. Only 21 percent were living in *pucca* houses, 37 percent in semi-*pucca* houses and 42 percent in *kuccha* houses.

Of the total population (excluding children aged below 14 years) of the selected HHs, 68.8 percent were working. Such a high percentage of **working population** implies that most members of the selected HHs engage themselves in various economic activities to meet household requirements. About 43 percent of the total working population of the selected HHs were engaged in waste collection, 18 percent were working as casual labourers, 14.5 percent were working in local factories/mills, and the rest were working as construction workers, rickshaw drivers, security personnel, cleaners and workers in scrap shops.

The **average income** of the selected HHs before the onset of the financial crisis was Rs. 3,798.50 per month, which fell to Rs. 2,864.80 per month after the onset of the crisis. The steep fall in income clearly explained the magnitude of the impact on the informal economy.

12 These respondents who:
 i. came to the city after being married to a person who is a resident of the city,
 ii. are born and brought up in the city only but their parents had migrated to the city more than 20 years ago
 are not considered migrants.

3.2 Impact of Financial Crisis

3.2.a Decreased Prices of Waste Items and its Effect on Income

All the respondents complained about lower waste prices, which fell sharply after the onset of the financial crisis due to weak demand for waste products. On an average, waste prices (other than plastic bottles) collected by waste pickers fell 35 percent. Waste products that were hit the hardest include plastic toys (53 percent), hair (51 percent), burnt wood (50 percent), bronze (47 percent), iron (44.6 percent), paper (42 percent) and small iron particles (40 percent)¹³. Table 4 (in Appendix III) indicates the prices of some items collected by waste pickers before and during the financial crisis.

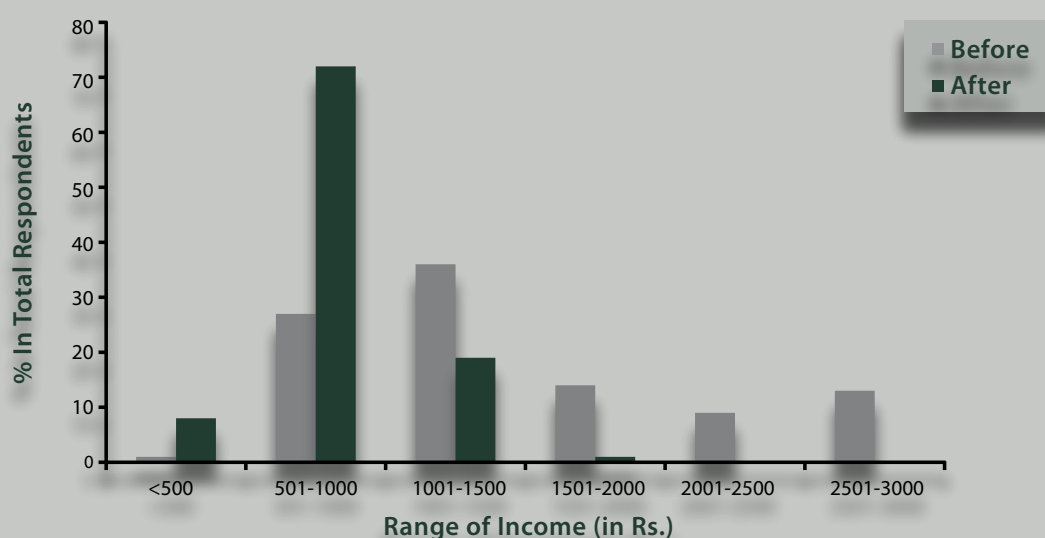


Figure 3 Total Income of Waste Pickers - Before and After the Crisis

Source: SEWA Study, April-May, 2009

Since the price of waste is directly proportional to the income of waste pickers, lower waste prices weighed heavily on their income. The study further revealed that the mean income of the respondents before the onset of the financial crisis was Rs. 1,572.5 per month, which fell to Rs. 888.8 per month, down 43.48 percent. As per the findings only 1 percent of the sample was earning less than Rs. 500 per month before the financial crisis, this percentage increased to 8 during the ongoing crisis. About 22 percent respondents were earning more than Rs. 2,000 per month before the financial crisis, and this decreased to none during the crisis.

13 The figures in brackets indicate the extent of price reduction suffered by each of these products.

3.2.b New Dimensions in Trade

Eleven respondents said that one to three scrap traders had shut shop after the onset of the crisis. Seven respondents linked it with recession. Other reasons given for closing scrap shops were expansion of roads (3%) and competitions from neighbouring shopping malls (1%). Other 89 percent respondents did not observe any change in the number of scrap shops.

Lower income and increased working hours developed new dimensions in work, as well as in the home front of waste pickers. It is a tradition in the recycling industry to distribute **bonus**¹⁴ in kind and/or in cash to waste pickers in October/November (during Diwali or Eid). However, reduced income in recycling industries made the scrap shop owners to reduce the amount of bonus, in some cases, scrap traders did not even hand out bonus to waste pickers. The study revealed that last year (2008 – recession period) only 17 waste pickers had received bonus, down from 61 in 2007. In 2007, the average bonus (excluding bonus received in kind by four waste pickers in 2008 and 27 in 2007) paid to waste pickers was Rs. 139.3, with a standard deviation of Rs. 130.72, whereas it was Rs. 209.8 with a standard deviation of Rs. 190 in 2008. Higher amount of average bonus in 2008 than 2007 was due to the asymmetrical distribution of the amount received by waste pickers in 2008 – one waste picker had received Rs. 700 as bonus in 2008, while the rest had received between Rs. 11 to Rs. 300. In 2007, waste pickers had received bonus between Rs. 11 and Rs.500.

3.2.c Extended Working Hours

Waste pickers took various steps to deal with falling waste product prices. One major step was to extend the **total working hours** in a day to increase the quantity of waste collected. On an average, waste pickers were working for 5.9 hrs in a day before the onset of the financial crisis, which increased to 7.5 hrs. The study revealed that about 61 percent respondents were working for four hours to six hours a day; however, during the financial crisis, about 65 percent were working for more than seven hours a day.

Meanwhile, lower prices and extended working hours intensified **competition** among waste pickers, as 4 percent respondents complained about the same; 5 percent added that now they had to walk extra miles to collect the same amount of waste as before the crisis. According to the survey, on an average, waste pickers used to walk 6.8 km per day before the financial crisis, but after the crisis they were walking 10.8 km per day.

As many scrap shops had closed down or as many scrap dealers was reportedly not interested to buy products from waste pickers, they were looking for other scrap shops. Most of the times these scrap shops are in other areas. Thus waste pickers were walking on an average 1.9 km more to sell their collected items.

14 For the last five years, SEWA has also been doing a campaign to provide bonus to waste pickers.

On an average, waste pickers were travelling 6 kilometres more to collect and sell the collected items to scrap traders. This implies that after the onset of the financial crisis, waste pickers had to spend more time and energy in their work.

Mostly, the older people in the household had pitched in to look after the children (71%) when waste pickers went out to collect waste. In some cases, daughter-in-law (1%), elder daughter (1%) and neighbours (3%) also were looking after their children. The children of 23 respondents were staying alone at home. With the extended working hours of waste pickers, the responsibility of the members, who looked after their children, had also increased.

3.2.d Waste Items Retained: Status and Associated Problems

Before the financial crisis, about 31 percent respondents did not maintain any inventories¹⁵. However, of those 31, 28 percent said that lower prices compelled them to maintain inventory. The remaining 3 percent said that since the scrap traders were not buying cardboards thus they were now storing cardboards in their houses.

Box 3: ITEMS RETAINED BY RESPONDENTS

S. No.	Items	No. of Respondents
1	Cardboard	5
2	Iron	19
3	Plastic	23
4	Copper	30
5	Brass	16
6	Milk bags	6
7	Jarman	5
8	Hair	3
9	Plate of metal	1
10	Paper	3
11	Miniya	1
12	Plastic Strips	1
13	Toys	1
14	Books	2
15	Glass	2
16	Bottle	2
17	Steel	1
18	Iron sheets	1

Rest 69 percent of the respondents, who were not selling all the items collected by them to scrap traders, were mostly stocking their waste within the complex of their houses. A few waste pickers were also stocking items outside their chawls, in the scrap shop or next to the tea stalls in their areas. The practice of stocking scraps within their houses resulted in some problems at the household level, like decrease in space within their small residing area (18 percent) resulting in inconvenience at home and problem of shifting things within the home, emanation of foul smell (1 percent) and filth (4 percent), resulting in an increase in mosquitoes (3 percent). In addition, respondents had to take proper care, especially during the monsoons, so that their collected waste did not go to waste (1 percent).

¹⁵ Waste pickers usually maintain an inventory of certain varieties like iron, copper and brass, as these fetch better prices when sold in bulk.

3.3 Consequences of Financial Crisis

3.3.a Impact on Children's Education

Waste pickers, despite their below poverty level (BPL) incomes, were making extra efforts to make their children literate. Certainly, the facilities provided by the government to promote education have also played a major role in this. As it is found in our study, the children of waste pickers aged between 6 and 12 years had attended school. About 63 percent of the children aged between 13 and 15 years had attended school. Among the children aged between 16 years and 18 years, only 53 percent attended school. Among all the children, only 2 were illiterate (Aged 16-18 years).

However, waste pickers were compelled to reduce expenditures, including that on education. Our findings indicate that about 35 percent of the HHs either took their children out of school or shifted them to cheaper institutions; 18 percent of the households shifted their children to cheaper schools (from private to public schools). While another 4 percent took loans to tide over the financial crisis, 2 percent were unable to pay the requisite fees. Children from 9 percent of the selected HHs had dropped out of the school/college.

3.3.b Change in Food Intake

The study revealed that before the economic crisis, the HHs had been buying food grains for the entire year (19 percent), consuming quality food (78 percent), even eating out (2 percent) and taking breakfast regularly (1 percent).

However, the situation changed considerably after the onset of the financial crisis (refer Table 12). About 77 percent respondent HHs cut down 'luxury' food, which, according to them, includes milk, meat, eggs and even vegetables. About 29 percent of the HHs stopped or reduced eating meat/chicken/eggs and approximately 48 percent reduced or stopped purchasing vegetables/milk. About 7 percent curtailed eating out and 13 percent skipped breakfast completely; while 12 percent informed that they started skipping one meal a day. Another 2 percent revealed that instead of purchasing food items in bulk (which reduces the total cost of purchase), they had started buying in small quantities. Only 5 percent of the HHs reported that they have not change in the pattern of food intake.

3.3.c Impact on Payment of House Rent

Among the respondents, 47 percent lived in rented premises. Of the total HHs residing in rented premises, 10 percent expressed their inability to pay rent; about 3 percent had shifted to low-rent houses; 3 percent shifted to free facilities; 1 percent were able to pay rent once in every two months.

Box 4: UNSTABLE ECONOMY LEADS TO FINANCIAL INSTABILITY AT HOME

Nanduben Ishwarbhai, 40, resides in Odhav with her two daughters and a son. After the death of her husband, her sister, who lives in Mehsana, took the responsibility of her son's education. Moreover, to run her own house, she started rag-picking. After a few years, her two daughters also joined her. The three of them used to earn Rs. 175-200 per day, which was sufficient to meet their household requirements.

However, she said that their total income after the onset of economic crisis decreased to Rs.100 per day, as the prices of all waste products decreased 35-40 percent. Thus to make both ends meet ends, the three increased the total number of working hours in a day. They even decreased their food intake and also stopped attending social functions. As a result, Nanduben started suffering from high tension and decrease in blood pressure. She even had to be hospitalized for a few days. Her daughters also started suffering from decreased self-esteem. Her son left his studies and started working in a factory.

3.3.d Impact on Healthcare

In order to reduce healthcare expenditures, about 82 percent of the HHs shifted to public facilities, while in 14 percent of the cases medical care was given at home. 2 percent of the HHs revealed that they had stopped or reduced consulting doctors due to financial constraints. Only 5 percent of the respondent HHs reported no change in healthcare expenditures.

3.3.e Increase in Working Population

The financial crisis forced many non-earning members of the 26 waste-picker HHs to start earning or to extend working hours to help augment the overall income. The study (refer Table 16 in Appendix III) revealed that 12 non-working people had started part-time work while 21 non-working people had started working full time. About 49 working people, of them 46 were women, also extended their working hours.

3.3.f Increase in Conflicts/Tensions in HHs and its Consequences

The decrease in family incomes also had another adverse effect—increase in conflicts or tensions within many HHs. The survey revealed that before the financial crisis, 93 HHs had no or fewer conflicts in their homes, but after it, 57 HHs complained of a rise in tensions or conflicts within their homes due to a decline in income. Some women even complained of domestic violence from their spouses after the onset of the crisis.

The increase in conflicts/tensions at the HH level was also affecting the mental state of a significant number of waste pickers, as 25 percent respondents started

complained about instances of depression after the onset of the crisis, as against just 3 percent before the onset of the crisis.

Conflicts/tensions and the resultant cases of depression among waste pickers also led to an increase in spending on alcohol and tobacco consumption, as reported by 25 percent respondents. A respondent even claimed that a member of her household took to alcohol after the crisis. Smoking also increased among nine HHs. On the positive side, a few reportedly lowered alcohol consumption due to financial constraints.

3.3.g Transportation

As mentioned by 39 percent respondent HHs, their expenditure on transportation increased after the crisis as they were commuting longer distances to increase their incomes. Thus to reduce their expenditure on transportation, about 34 percent waste pickers claimed that they had started walking to their destinations while 13 percent had shifted to low-cost public transportation.

3.4 Impact on Financial Status of HHs

Since waste pickers work in the informal sector and have no legal contract with scrap traders, no waste pickers received any notice regarding loss of work/decrease in prices or retrenchment compensation. Neither did they receive any assistance in cash or in kind from any external sources, such as the government and scrap traders. Thus, many HHs had taken debts and liquidated their dis-savings.

3.4.a Debts and their Purposes

The study revealed that 45 percent HHs had entered into new debt cycles after the onset of the financial crisis. A majority of the waste picker HHs had taken loans primarily from relatives or friends, and from money-lenders, with a few taking loans from financial institutions such as banks and self-help groups (SHGs). However, about 8 HHs had taken loans from SHGs/MFIs, up 5 percent over the period preceding the economic crisis. Similarly, the number of HHs taking loans from banks increased marginally (about 1 percent) while the number of HHs borrowing from scrap traders rose 4 percent.

Earlier, the selected HHs used to borrow money to meet costs for special occasions such as festivals and social functions¹⁶ (11 percent) and healthcare needs (12 percent). A small percentage (10 percent) of the HHs also borrowed money to meet daily needs. However, a huge change was observed in the trend of borrowing after Diwali. HHs were now borrowing to meet costs entailed in daily consumption (36 percent), and healthcare (20 percent), besides festivals and social functions (14 percent). Even the incidence of loans taken for educational purposes had increased by 2 percent.

16 Social functions in this context mean marriages, ceremonies after birth and rituals after death.

Note that HHs usually do not approach a bank or other financial institutions for loans to meet daily consumption or healthcare expenditures.

However, since many HHs were borrowing after the financial crisis to meet their basic needs such as education and healthcare, rather than to meet the costs entailed in the case of special occasions (wherein large amounts are usually required), the average amount borrowed after the crisis—amounting to Rs. 13,778.75— was less than that before the crisis—Rs. 16,665.70—even though the number of borrowers had gone up after the onset of the crisis. Moreover, there was no change in the average rate of interest for the loan taken from various sources, which remained at 3.75 percent per month.

3.4.b Dis-savings

Of the total respondent HHs, 22 percent had liquidated household savings for an average amount of Rs. 6,996. On an average, assets (gold, silver or other valuable items) worth Rs. 7357 were mortgaged by 23 percent, while another 15 percent had sold off assets worth about Rs. 14,164 to tide over the financial crisis.

3.5 Coping Strategy Adopted by Co-Workers

The respondents were also asked about the coping strategies adopted by other waste pickers in their areas. Of the total respondents, 14 percent said that their co-workers had extended their working hours, while 13 percent said that their co-workers had taken up alternative work. Seven percent revealed their co-workers had attempted suicide, unable to make ends meet. Two percent their co-workers 'donated' blood in exchange of money. A very small percentage of the respondents said that their co-workers were thinking of taking loans to start new ventures (1 percent) or were exploring alternative employment opportunities (1 percent). However, 54 percent respondents said that their co-workers either did not take any steps, or they were unaware of it.

3.6 Suggestions for Various Organizations

3.6.a Suggestions for Various Government Bodies

Most waste pickers sought alternative work and an increase waste item prices, besides provision to meet expenses incurred on healthcare and accidents, old-age pensions and funds for their children's education. The following is a list of suggestions for the government to help them combat the current financial crisis (numbers in parentheses indicate the percentage of respondents who gave that suggestion)¹⁷:

17 The numbers in parentheses will add up to less than hundred as some of the respondents have not given any suggestions.

- Provision of social security (food, health, education, work and income), and special provision for elderly, widows and separated women (79);
- Provision of houses for those residing in rented premises (7); and
- Increase in waste item prices (22).

3.6.b Suggestions for Scrap traders

The following is a list of suggestions for scrap traders (numbers in parentheses indicate the percentage of respondents who gave that suggestion)¹⁸:

- Increase in waste item prices
- Permanent work/job security (64); and
- Provision of bonus (4)

3.6.c Suggestions for Respective Communities

Waste pickers are usually looked down upon by local residents. This is a widespread perception among waste pickers, as many urged fellow community members to respect them and their work. Waste pickers also urged for cooperation from fellow community members to deal with the ongoing crisis. The following is a list of suggestions for community members and fellow residents (numbers in parentheses indicate the percentage of respondents who gave that suggestion)¹⁹:

- Lower expenditures on social customs (31); and
- Accord respect (10)

II.6.d Suggestions for Development Organizations

Most waste pickers sought alternative work to deal with the ongoing crisis. They are also demanding loans and training to initiate alternative work. The Saundraya Cooperative, initiated by SEWA, was cited as a model that development and social organizations could emulate—liaison with various offices and organizations, and provision of cleaning jobs to its members²⁰. The following is a list of suggestions for development organizations (numbers in parentheses indicate the percentage of respondents who gave that suggestion)²¹:

18 The numbers in parentheses will add up to less than hundred as some of the respondents have not given any suggestions.

19 The numbers in parentheses will add up to less than hundred as some of the respondents have not given any suggestions.

20 Saundraya Cooperative of SEWA is linked with various institutions to clean their complexes.

21 The numbers in parentheses will add up to less than hundred as some of the respondents have not given any suggestions.

- Provision of work/employment/livelihood security (31);
- Assistance for increasing the total output of waste picking (2);
- Provision of training for enhancing income (4); and
- Provision of loans to initiate alternative work/employment (6)

4. STUDY HIGHLIGHTS

As per the findings of the study, waste picking, mostly women, is the primary and only source of income for most of the waste-pickers and their HHs, and about 87 percent of them are in the age group of 30 to 59 years. About half the selected HHs were living in rented premises.

4.1 Decline in Economic Status of HHs

The following factors indicate a decline in the economic status of the surveyed households since the onset of the global financial crisis:

- Prices of almost all waste items collected by waste pickers had fallen 35 percent, and consequently their monthly income had declined by 43.5 percent.
- Only 17 waste pickers received bonus in 2008 as against 61 in 2007.
- About 45 percent HHs had entered into a new debt cycle. A majority of them had taken loans from relatives or friends, followed by loans from local moneylenders. Very few HHs had taken loans from financial institutions such as banks and SHGs. Unlike earlier, when loans were taken to meet expenses for special occasions, the loans taken after the crisis were intended to meet expenses for the basic needs of the HH like food, education and health.
- More than 60 percent HHs reported erosion in their long-term savings; about 22 percent had liquidated their savings, 23 percent had mortgaged their assets and 15 percent had sold off their assets.

4.2 Steps Taken to Lower Household Expenses

The following measures were taken by the HHs to lower their expenses:

- Children were shifted to cheaper schools while some HHs had taken loans to support their children's education. Many HHs had even taken their children out of school.
- Many households had started skipping one meal per day or had stopped/reduced the intake of nutritious food items such as vegetables, milk, meat, chicken and eggs.

- Many HHs, who were living in rented premises, were not able to pay the rent, and either defaulted on the payment or shifted to low-rent houses.
- Most HHs shifted from private to public medical facilities to reduce the expenditure on medical treatment. Alarming, many of the HHs stopped or reduced consulting doctors during episodes of ill-health, thereby causing serious health concerns.
- In order to reduce transportation costs, many waste pickers started walking to their destinations or shifted to low-cost public transportation.

4.3 Consequences of Reduced Income

The decline in family incomes led to the following consequences:

- Increased conflicts/tensions within the HHs, as reported by 57 percent HHs. Some women have also complained about increase in domestic violence due to decreased income of the HH.
- Increased instances of depression were reported by 25 percent respondents
- Increased alcohol and tobacco consumption among male family members, as reported by 25 percent respondents

4.4 Strategies Adopted by HHs to Weather Crisis

The HHs resorted to the following strategies to deal with the crisis:

- In order to compensate for the decreased family income, the waste pickers extended their working hours to increase the volume of waste collected by them in a day. This consequently increased the total distance covered by the waste picker in a day. The study reveals that the waste pickers had, on an average, started walking 4 kms more than earlier to collect more waste, which would fetch them an equivalent price to what they were getting before the crisis by covering smaller distances to scour for waste. This also led to increased competition among the waste pickers.
- Scrap shops closed down permanently or their owners started either delaying the purchase of waste items or completely stopping the purchase of certain items like cardboards. This compelled many waste pickers to seek new scrap shops, and in many cases, they even started piling up their stocks within the premises of their houses, leading to a decrease in space within their small houses, emanation of a foul smell, and increase in mosquitoes and filth.
- Non-working or part-time working members of HHs had taken up full-time work.
- Family members had pitched in to look after the children, as their parents were out picking waste for longer periods than before.
- Children were the worst affected by the crisis, as many of them were taken out of the school and some of them even had to join their other family members in picking waste.

4.5 Strategies Adopted by Co-Workers of Selected HHs

Most co-workers of the selected HHs adopted strategies similar to those of the selected HHs, such as extending working hours and opting for alternative employment in lower paying sectors. Many co-workers had even attempted suicide after failing to make ends meet. A few also had 'donated' blood in exchange of money.

4.6 Assistance from Various Sources

The affected HHs did not receive any assistance from any agency.

- Workers in the informal sector usually do not receive any retrenchment compensation; even remittances received by some HHs earlier had stopped after the onset of the financial crisis.
- The HHs did not receive any assistance in cash or in kind from any external sources such as the government and scrap traders.

4.7 Suggestions for Various Organizations (as Delineated by Waste Pickers)

For government bodies: Most waste pickers sought alternative work and higher waste prices, along with the provision of health and accident insurance, old-age pension, and fund for children's education.

For scrap traders: Most waste pickers demanded job security as well as higher waste product prices.

For their respective communities: Waste pickers are usually looked down upon by their neighbours, and the decline in their economic conditions further worsened their status. Many waste pickers urged fellow residents and community members to respect them and their work, and offer help to deal with the ongoing crisis.

For development organisations: Most waste pickers sought alternative employment options. 'Cooperatives', initiated by SEWA, which liaises with various offices and organizations, and provides cleaning work and facilitates 'door to door' collection of waste for its members, could well be a model that can be replicated by development organizations.

5. SEWA AND WASTE PICKERS

Although waste pickers are among those affected the most by the ongoing financial crisis, SEWA's dual strategy of organizing and development has not only given these workers a platform to voice their demand, but has also given them the opportunity to acquire new skills.

Organizing: One of the most essential and initial steps of SEWA's campaigns is organizing, which helps bring all the issues and problems concerning the workers to the fore, while simultaneously providing them the bargaining power. SEWA conducts trade committee meeting every month wherein the leaders of all the areas participate and discuss the problems faced in their trades. It is in these meetings that the future campaigns and strategies to be undertaken by SEWA officials in conjunction with workers are decided. The campaigns are based on the main issues/problems facing workers engaged in a particular trade. During area meetings, which are based on campaign strategies, awareness is created among members regarding issues concerning them and their rights.

Towards Secure Employment: SEWA works on the dual strategy of struggle and development. Organizing and fighting for the rights of these workers signifies 'struggle', and in order to ensure their 'development', that is, to achieve its goal of full employment and self-reliance, SEWA promotes **cooperatives** of waste pickers so that they can secure decent work for waste pickers. Currently, there are four cooperatives of waste pickers, namely, Karyasiddhi Sahakari Cooperative Limited, Shri Gitanjali Audhyogik Stationary Udpadak Sahakari Mandali Limited, Shree Saundarya Safai Utkarsh Mahila SEWA Sahakari Mandali (Cooperative) Limited and Trupti Nasta Udyog SEWA Sahakari Mandali. All these cooperatives have helped to increase the total income of waste pickers through diversifying their activity.

Capacity Building: SEWA undertakes capacity building exercises to make its members self-reliant and to solve their problems and issues, by organizing training programmes for promoting workers' education and awareness about legal issues. The training is imparted in easy and simple language, and has helped many members to solve their problems pertaining to undue retrenchment, workmen's compensation, compensation at the time of layoff, injury compensation, bonus gratuity, and even collective bargaining for an increase in wages.

Strengthening Livelihoods: Waste pickers are among the most downtrodden and vulnerable sections in the informal economy. Their work is seen as being demeaning and of the lowest grade, and they are not generally accepted by the society. Thus in order to ensure that they have the right to dignified and decent work, SEWA strived for providing them livelihood through door-to-door waste collection (refer Box 5).

A, B, C, D²² (grades of waste papers) of Waste Collection: SEWA lobbied with the government and municipal offices that the D category waste should be given to the cooperatives of waste pickers free, and that they should be allowed access to all other categories of waste at nominal rates. SEWA was successful in its efforts and the government passed a resolution/circular directing government offices to give waste to the cooperatives of waste pickers. Thus waste pickers won the right to access good

22 Grades of Waste papers, where A is considered the best category of waste paper, and D is considered the worst.

Box 5: DOOR-TO-DOOR COLLECTION OF WASTE

The work of door-to-door collection of dry and wet waste from each and every household and commercial centre, first initiated by SEWA in the Vejapalur ward, has been successfully going on for the past four years. Under this scheme, 366 waste pickers called 'Arogaya Bhagini' (Sister of Health) by SEWA, collect dry and wet waste from more than 44,802 households and commercial complexes. Each Arogaya Bhagini covers 100-125 houses or commercial complexes, and is paid Rs. 7.30 per house/office. After collecting the dry and wet waste from the houses/offices, the Arogaya Bhaginis segregate it there and then dump the collected wet waste on the allocated dump site while selling the dry waste to the scrap shop to earn their dues. In this way, each Arogaya Bhagini works 3-4 hours a day and is able to earn Rs. 700-800 per month from the collection of waste, and an additional Rs. 400 by selling the dry waste picked up from houses/offices in designated areas. This is far more than what they earn from picking waste from the roadside.

quality of waste rather than having to spend valuable time in the indecent work of sorting the waste collected.

Striving towards Saving Livelihood of Waste Pickers: Waste pickers working on sewage farms, who are also members of SEWA, were denied the opportunity to collect waste from farms by the Ahmedabad Municipal Corporation (AMC) few months back. These waste pickers had no other skill or option as to shift to alternative work for their livelihood. SEWA leaders immediately met the person concerned at AMC to resolve the issue, and learnt that waste pickers had been evacuated from the sewage farm on the notice of the Environment department. SEWA leaders then met the official concerned from the 'Environment and Pollution' Department and explained the issues concerning waste pickers and the pattern of work. The officials eventually relented and told the AMC to permit waste pickers to collect waste from the sewage farm.

Skill Upgrade Programmes: SEWA conducts training programmes, both on its own and through linkages with other expert institutes, to help generate more livelihood opportunities for waste pickers and to equip them with skills for alternative livelihoods. These training programmes cover a gamut of activities from sorting waste to making paper plates and bowls from waste.

Lobbying and Advocacy: SEWA lobbies at local, state, national and international levels to provide visibility and representation. The issues for which SEWA undertakes lobbying and advocacy include ensuring uniform prices in all scrap shops, preventing undue deduction in waste disposal, and disbursement of bonus to the workers, and at the macro level, the drafting of a national policy for waste pickers and provision of social security benefits to these workers.

Urban Informal Welfare Economy Board: SEWA's efforts to improve the condition of workers in the informal sector led to the creation of the Gujarat Urban Informal Economy Workers Welfare Board on 6 February 2007. The preliminary activities of the Board include the provision of identity cards, medical benefits, tools and equipment required in their respective trades, and skill-related training to workers. The issuance of identity cards is the most important as it not only imparts an identity to the workers but also serves as a source of information whereby the government comes to know about the various trades being practiced under the informal economy and the number of workers engaged in each of these trades.

Support Services: These services include provision of healthcare (including water and sanitation facilities), childcare, insurance, housing and banking services to SEWA members, as also imparting education to their children.

6. RECOMMENDATIONS

SEWA has provided a safety net to all the poor women in the informal sector through banks, health and insurance services, and cooperatives, and above all, by organising them in the form of a Union. However, support from the government in the form of policy reform and programmes for the welfare of waste pickers are still needed to reduce the impact of the financial crisis on waste pickers. The proposed welfare package should, in fact, provide long-term safeguards for waste pickers to cushion them against any similar crisis that may beset the sector in future too. The following is a list of recommendations to ensure the social and livelihood security of waste pickers, which is based on the findings of the study, and generated by SEWA along with the members of the waste picking sector.

6.1 Regulate Prices of Collected Waste

Usually, scrap traders pay waste pickers as per the amount she or he receives for the same waste from the traders (after deducting expenses and profit). Thus there is no fixed price for the waste collected by waste pickers, as the prices of waste products fluctuate as per the market conditions (a finding that has been reinforced by the ongoing financial crisis). This makes the income of waste pickers erratic. Thus in order to regulate the income of waste pickers, SEWA recommends that

1. The government should declare minimum support prices for major waste items collected by waste pickers. This will help waste pickers demand the payment of regulated prices from scrap traders, which, in turn, will prevent exploitation by scrap traders and safeguard waste pickers from price fluctuations.

6.2 Increase Production Capacity of Waste Pickers

The most direct way of coping with the economic slowdown, adopted by 49 percent of the respondents, was to increase the quantity as well as quality of waste collected in a day in order to increase the income. Thus, a strategy to increase the quantity and quality of waste collected should be formulated to help waste pickers enhance their productivity.

1. About 70 percent waste pickers store some varieties of the waste collected by them in their homes, and later on sell it in bulk to bargain for better prices. However, as discussed in the study, storing the items causes many health hazards as well as other problems. Thus, in order to prevent this problem, the government should provide storage facilities in every ward (the area where waste pickers live) or near every scrap trading shop. This will also encourage other waste pickers, who are not storing any waste at present, to store some of their products to facilitate better bargaining of prices later.
2. Unsorted waste fetches low prices than sorted waste. Many waste pickers sort the waste before selling it to scrap traders to earn more. However, due to lack of space (their houses are very small), many of them end up selling the waste collected without sorting it. Also, the sorting of waste materials in residential areas causes many health hazards due to the toxic nature of many waste items. Thus, sorting sheds should be set up near waste/dumping grounds and in every ward, which would help waste pickers increase their productivity.
3. Waste pickers collect waste from various areas of the city, for which they have to travel to that area through any available local transportation and then comb those areas for waste. As revealed by the survey, waste pickers walk for more than 10 km per day to collect waste. In order to help them reduce their commuting expense, the government should consider providing them a subsidy on travel in any mode of public transport. Further, monetary help should also be provided to organizations associated with waste pickers to enable them to purchase rickshaws and motorized vehicles for transporting the collected waste to dumping grounds.

6.3 Ensure Employment

Waste pickers are usually illiterate and do not possess any other skill. Market fluctuations (like the present one) and sometimes even government regulations restrict or restrain them from pursuing their work, thus further shrinking their below poverty level income. Actually, waste pickers are doing the work of the municipal corporation in keeping the city clean. But due to their poor economic and social status, they are not welcomed in society. The government should take a holistic view of their economic as well as social status, and accordingly formulate policies to facilitate their work and ensure their income. SEWA suggests the implementation of the following steps to ensure unimpeded income for waste pickers:

1. The municipal corporation floats tenders from interested persons or organizations for door-to-door waste collection in its municipal limit. This should be abolished, as tenders are usually grabbed by large traders. The government should instead give work to unions/organizations associated with waste pickers. The following criteria should be followed by the Municipal Corporation before selecting the organization for the work:
 - The organization should be registered under an Act of the Union of India or State Government;
 - It should have been in existence for more than three years;
 - It should be directly working with waste pickers;
 - It should be able to produce audited accounts;
 - It should have a track record of solving the problems and issues faced by waste pickers; and
 - It should adhere to any other criteria decided by the Authority.

The municipal corporation should also pay similar prices for all the waste collected in their municipal limit. The government should also direct the Municipal Corporation to provide the necessary equipments to waste pickers to enable them to carry on their door-to-door collection work. The municipal corporation should also ensure that the work of door to door collection is not given to the private companies.
2. The government should ensure that all the stationery required in the government offices should be made by the waste pickers' organizations. This will promote decent livelihood as well as encourage alternative livelihood options among waste pickers.
3. The government should pass a resolution to the effect that all the categories of waste are given to organizations/unions of waste pickers free of cost. The criteria mentioned above related to door-to-door collection of waste can be made applicable here also for selecting the organizations concerned.
4. The government should provide working capital, revolving fund and the requisite tools and equipment to membership-based organizations/cooperatives. Related training should also be provided to ensure proper functioning of the cooperative/organization along with the proper linkages.

6.4 Acknowledge Waste Pickers Contribution to Society

Women waste pickers play an important role in fighting climate change through their efforts towards recovering recyclable materials from waste. Women engaged in door-to-door waste collection segregate wet waste from dry waste. Recycling helps the climate by way of reducing emissions through incineration of waste. Women waste pickers support the idea of recycling various items found in trash.

1. Identify and acknowledge the significant and dynamic role played by waste pickers in arresting and mitigating the adverse effects of climate change
2. Create and implement the use of technologies/systems that supports the idea of three Rs—reuse, reduce and recycle—without affecting and integrating the livelihoods of traditional waste pickers
3. Currently, waste pickers are not allowed to pick waste from the sewage farm, these wastes are recycled to produce methane gas. The central/state governments should pass a resolution to save the livelihood of these traditional waste pickers in Refuse derived fuel (RDF).

6.5 Promote the Welfare of Waste Pickers

1. The coverage of Employees State Insurance (ESI) Corporation should be broadened to include waste pickers.
2. Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and the National Rural Employment Guarantee Scheme (NREGS) should be extended to include waste pickers in urban areas, especially to provide employment during the lean periods. The projects undertaken under JNNURM should be implemented in the participatory process with the unions/associations of waste pickers.
3. There is a need to strengthen the existing welfare boards like the Urban Informal Economy Welfare Board, Gujarat and to introduce the following welfare schemes:
 - Scholarship, uniform and books for the school-going children of waste pickers;
 - Maternity benefit along with nutritious food for mothers and children for three months; remuneration of Rs. 2,500 per month should also be provided for these three months;
 - Like the Bidi Welfare Board, the medical benefits should be provided to waste pickers, like the opening of dispensaries/mobile dispensaries in the areas populated by waste pickers.
4. A National Board for Waste Pickers should be constituted and representatives of the stakeholders from the recycling industry should be included.
5. Since waste pickers have to remain outside their homes for more than six to eight hours a day, childcare centres should be opened in their areas to take care of their children.
6. The survey revealed that most workers live in rented homes. This year the central government has emphasized on housing the poor in the budget. In urban areas, the cost of housing is very high. Therefore, the government should provide subsidies to the tune of Rs. 250,000 to Rs. 300,000, and downpayment for waste pickers should be capped at Rs. 20,000. These housing schemes should

be implemented in the participatory process with the unions/associations of waste pickers. This housing scheme should be implemented through the state level labour department. For this, the funds should also be disbursed through the state level labour department.

8. Currently, waste pickers are exposed to a lot of occupational health hazards, as they use traditional and obsolete tools. The central/state governments should allocate funds to the unions/association of waste pickers to design, produce and distribute the tools according to their needs.

6.6 Including their Voice

Waste pickers fall in the lowest strata of the economic and social structure of the society. The government should help develop a forum, wherein issues concerning them can be raised and resolved. The government should ensure that union/association having the largest membership should be involved in the process of decision making. SEWA suggests the following measures:

1. A national policy for waste pickers should be drafted and implemented at both the central and state levels with immediate effect, and funds should be allocated the budget.
2. There should be representatives of waste pickers in all the urban local bodies to highlight their issues.

APPENDIX I

Informal Recycling Sector in India²³

Recycling in India is largely undertaken by a huge mass of workers involved in the informal sector. This sector includes waste pickers, small *kabaris* (small dealers in waste), *thiawalas* (collectors) and big *kabaris* (larger dealers in waste). The World Bank estimates that 1 percent of the population in the cities of the developing world is engaged in recycling. The linkage among the workforce is best understood through the following figure.

It has been seen that while the urban poor produce the least amount of waste, they live in areas that have limited, or no waste handling facilities, as well as inadequate service delivery. Additionally, waste is generally dumped on the outskirts of the city where the poor also live. Almost all of the recycling is achieved through the informal sector, which comprises waste pickers, small buyers, a host of agents and finally, the recyclers. Hence, while recycling is carried out by the poor and offers them a livelihood, it is fraught with risk. The immediate burden of the toxic waste is borne by them since there are no satisfactory systems or facilities in place, which can handle waste generation.

Although waste pickers constitute the backbone of the waste collection process in Delhi, small *kabaris* are among of the most critical components in the chain. They buy the waste from waste pickers and sell it to big *kabaris* who deal with specific items and materials.

The informal sector of recycling works like a pyramid [Figure 2]. The first layer comprises several hundred thousand men, women and children in urban pockets who mine garbage heaps, landfills and bins for recyclable wastes like plastics, paper and metals. Most waste pickers do not use any implements, and often sift through heaps of garbage with their bare hands. The recyclable wastes are put into large High-density polyethylene (HDPE) sewn bags (that waste pickers make at home), and loaded onto cycles, cycle-rickshaws or even on their backs. The waste that they collect is then segregated near junk shops, in *dhalaos*, or local dumpsites. The second layer is made up of the small middlemen, often poor themselves, who buy waste from waste pickers. Their payments determine the earnings of waste pickers. They, in turn, sell the waste to the third layer, comprising large buyers who own huge godowns and deal with only one material. Finally, at the top, devouring all the labour and materials from below are the actual recyclers themselves. Most of the city interacts with the first and the second layers, whose labour actually propels recycling in India. These are also the repositories of knowledge and information

23 This text is fully extracted from the study of Chintan on 'Scrap Crash' (www.chintan-india.org)

about waste at the local level, and have no inhibitions—caste-based or otherwise—about handling waste. Many of them work in groups based on family bonds, kinship and simply companionship borne out of living in the same area. These bonds are critical for their working.

Since the sector is not formally recognized, the people involved in it do not have access to social security, medical benefits or housing. Their work is also considered illegal by the police, as the sector has not been officially appointed for this task or is not employed by anyone.

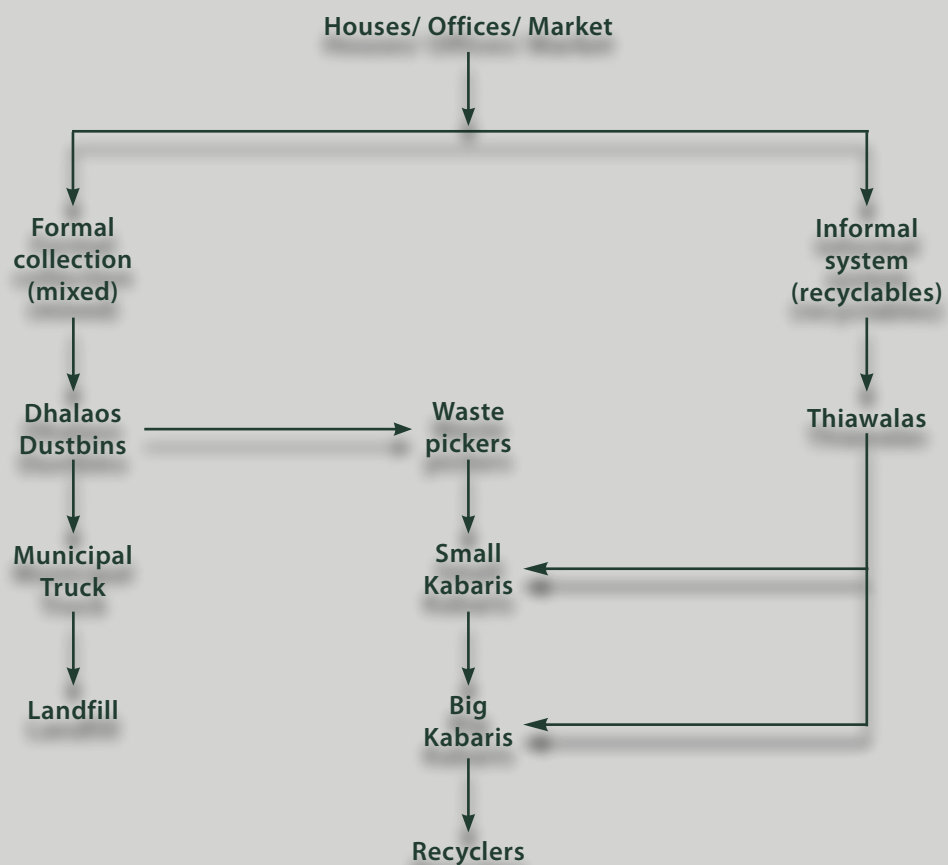


Figure 4 The Waste Processing Chain

APPENDIX II

List of Sample Selected for the Study

S.No.	Area	Walled/Old/New Part of the City*	Area Having Textile Mills Or Not**	Sample Selected
1	Rajpur-Gomtipur	Old City	Yes	21
2	Amraiwadi	Old City	Yes	19
3	Behrampur-Danilimda	Old City	Yes	4
4	Dariapur	Old City	Yes but closed	9
5	Gheekanta	Walled city	No	4
6	Girdharnagar	Old City	Yes	5
7	Geetamandir	Walled city	No	1
8	Hatkeshwar	Old City	Yes	6
9	Jamalpur	Walled city	Yes	4
10	Memko	Old City	Yes	3
11	Odhav	Old City	Not Known	8
12	Raikhad	Walled city	No	1
13	Rakhial	Old City	Yes	3
14	Saraspur	Old City	Yes	3
15	Shahpur	Walled city	No	1
16	Sewagefarm	Old City	No	2
17	Vadaj	New City	No	6

* Old city includes the walled city. New city is on the eastern side of the Sabarmati River.

** Most of the textile mills in these areas have closed (63 out of 70 textile mills of Ahmedabad city are closed) However, in these areas small textile units are working.

APPENDIX III

Tables

Table 1 Respondents' Age (in %)	
Age Group (years)	No. of Waste –Collectors
21-29	6
30-39	25
40-49	41
50-59	21
60-69	6
More than 70	1
Total	100

Source: SEWA Study, April-May, 2009

Table 2 Status of Education (% in total respondents)				
Status of Education				
Age group	Illiterate	Primary educa- tion	Secondary education	Total
21-29	2	3	1	6
30-39	3	16	6	25
40-49	19	16	6	41
50-59	10	10	1	21
60-69	3	3	0	6
More than 70	0	1	0	1
Total	37	49	14	100

Source: SEWA Study, April-May, 2009

Table 3 Demographic Characteristics of the Sampled HHs (in % of total HH)*		
Parameters		Percentage
1. No. of sample HHs		100
2. Type of Family	i. Joint	42
	ii. Nuclear	56
	iii. Alone	2
3. Family size	i. 1-4	22
	ii. 5-8	76
	iii. 8-12	2
4. Religion	i. Hindu	98
	ii. Muslim	2
5. Caste	i. Scheduled Caste (SC)	93

	ii. Schedule Tribe (ST)	4
	iii. Other Backward Classes (OBC)	3
6. Migration	i. Non-migrants	75
	ii. Intra-district migration	5
	iii. Intra-state migration	20
7. Type of House	i. Own	53
	ii. On Rent	47
8. Structure of House	i. Pucca	21
	ii. Semi-pucca	37
	iii. Kuchha	42

Source: SEWA Study, April-May, 2009

*The number of HHs and percentage are the same as the sample also includes 100 respondents.

Table 4 Change in Prices of Waste Received by Waste Pickers

	Items	Rates (in Rs./kg)		% Decrease
		Before the Financial Crisis	After the Onset of the Crisis	
1	Paper	2.95	1.72	41.56
2	Brown paper	5.35	4.05	24.30
3	Letter paper	3.29	2.71	17.63
4	Newspaper	4.8	3.8	20.83
5	Soft plastic pieces	9.91	6.08	38.65
6	Bones	4.05	2.63	35.06
7	Plastic	10.38	6.42	38.15
8	Cardboard boxes	5.51	3.53	35.93
9	Book covers	2.65	1.70	35.64
10	Polythene	11.13	7.61	31.60
11	Hair	849.72	413.61	51.32
12	Metal plates	42.68	28.37	33.54
13	Iron	16.18	8.97	44.57
14	Small iron particles	9.62	5.72	40.49
15	Bronze	279.38	147.08	47.36
16	Small pieces of ornaments/vessels	27.11	18.65	31.19
17	Steel	27.38	17.26	36.94
18	Glass/bottles	2.67	1.65	38.13
19	Burnt wood	1.00	0.50	50.00
20	Plastic water bottle	15.00	15.00	0.00

21	Aluminium	100.00	70.00	30.00
22	Plastic toys	15.00	7.00	53.33
23	Jarman	100.00	70.00	30.00

Source: SEWA Study, April-May, 2009

Table 5 Problems Faced by Waste Pickers while Selling Waste (% in total HH)

Problems in Selling Waste	Percent
Decrease in rates, thus selling at lower prices	53
Scrap shop closed	7
Scrap traders refused to take all the waste	8
Scrap traders was delaying purchase	9
Have to walk extra miles to find waste	5
Competition in work has increased	3
Difficulty in getting waste	1
Not facing any problem	14
Total	100

Source: SEWA Study, April-May, 2009

Table 6 Place to stock waste (% in total HH)

Place to stock items	Percent
Front of the house	9
Verandas of the house	22
Loft of the house	23
Roof of the house	4
Under the bed in the house	7
Outside the chawl	1
In the Scrap shop	2
Beside the area tea stall	1
Not stocking any waste	31
Total	100

Source: SEWA Study, April-May, 2009

Table 7 Change in Earnings of Waste Pickers (in Rs.) (% in total HH selected)

Earnings/month before the financial crisis (in Rs.)	Earnings During the Financial Crisis (in Rs.)				Total
	Up to 500	501 to 1000	1001 to 1500	1501 to 2000	
Up to 500	1	–	–	–	1
501 to 1000	3	24	–	–	27
1001 to 1500	3	30	3	–	36
1501 to 2000	1	9	4	–	14

2001 to 2500	–	2	7	–	9
2501 to 3000	–	7	5	1	13
Total	8	72	19	1	100

Source: SEWA Study, April-May, 2009

Table 8 Change in Number of Working Hours/Day (% in total HHs)

Number of hours per day (before)	Number of hours per day (after)					Total
	1 to 3	4 to 6	7 to 9	10 to 12	13 to 15	
1 to 3	–	7	–	–	–	7
4 to 6	–	22	36	3	–	61
7 to 9	1	5	9	12	–	27
10 to 12	–	–	–	4	1	5
Total	1	34	45	19	1	100

Source: SEWA Study, April-May, 2009

Table 9 Status of Education among the Children (between 6 and 18 years) of Selected HHs (% in total children in the respective age group)

Level of Education	Age of Children (years)		
	6-12	13-15	16-18
Illiterate	0	0	3.6 (2)
Primary	93.6 (73)	36.7 (18)	36.4 (20)
Secondary	6.4 (5)	61.2 (30)	52.7 (29)
Higher secondary	0	2.0 (1)	5.5 (3)
Graduate	0	0	1.8 (1)
Total	100 (78)	100 (49)	100 (55)
<i>Still attending school</i>	100 (78)	63.3 (31)	52.7 (29)
<i>Not attending school</i>	0	36.7 (18)	47.3 (26)

Source: SEWA Study, April-May, 2009

Table 10 Impact of the Crisis on Children's Education (% in total HH)

Measures Resorted to	Boys	Girls	Both
Dropped out from school/college	4	1	4
Changed to cheaper school	8	1	2
Changed from private to public schools	3	1	3
Loan for education	3	–	1
Have not paid fees	1	1	–
Reduced expenditure on education	–	–	2
Not purchasing school books	–	–	1
No change in education		63	
Not applicable		2	

Source: SEWA Study, April-May, 2009

Table 11 Food Intake before the Crisis (% in total HHs)	
Food Intake Before the Crisis	Percentage
Purchased food in more quantity	16
Ate good quality food	78
Purchased and stored grains for a year	3
Sometimes buying food from hotels/restaurants/larries	2
Having breakfast regularly	1
Total	100

Source: SEWA Study, April-May, 2009

Table 12 Change in Food Intake due to Financial Crisis (% in total HH)*	
Change in Food Intake	Percentage
Stopped/reduced eating meat/chicken/eggs	29
Stopped/reduced eating out	7
Stopped eating breakfast	13
Stopped/reduced eating vegetables/ milk	48
Skipped a meal a day	12
Purchasing in small quantities	2
No change	5

Source: SEWA Study, April-May, 2009

*The total is more than hundred due to multiple answers by the respondents.

Table 13 Payment of House Rent (% in total HH)	
	Frequency
Shifted to a house with reduced rent	3
Left the rented house and shifted to free facility	3
Not able to pay rent	10
Pay rent after 2 months	1
No change	30
N.A. (they have their own house)	53

Source: SEWA Study, April-May, 2009

Table 14 Change in Medical Treatment (% in Total HH)*	
Change in Medical Treatment	Percentage
Shifted from private to public facility	82
Stopped/reduced going to outside facilities	2
Medical care given at home	14
No change	5

Source: SEWA Study, April-May, 2009

*The total is more than 100, as many of the respondents gave multiple answers

Table 15 Change in Working Patterns (% from total HHs)

Working Status		Boys	Girls	Men	Women
The Financial Crisis					
Before	After				
Non-working	Taken up part-time work	3	4	2	3
	Taken up full-time work	7	4	2	8
Working	Increased the number of working hours	1	1	1	46
	No change in working pattern	1	–	–	42

Source: SEWA Study, April-May, 2009

Table 16 Conflicts/Tensions at HH Level (% in total HH)

	Before the Financial Crisis	After the Financial Crisis
Tensions/conflicts due to low income	1	57
Tensions due to men's drinking habits	1	6
Domestic violence	0	3
No conflicts/less conflict	93	15
No change	–	19

Source: SEWA Study, April-May, 2009

Table 17 Change in Addictions (% in total HH)

Change in Addictions	Percentage
Increase in smoking	9
Started drinking	1
Increase in drinking	25
Decrease in drinking	4
Increase in smoking and drinking	2
No change	59

Source: SEWA Study, April-May, 2009

Table 18 Change in the Use of Transport (% in total HH)

Use of Transport	Frequency
Commuting longer distances leading to increase in cost	39
Shifted from private to public transport to reduce cost	13
Started walking to destinations	34
Commuting shorter distances	1
No change	13

Source: SEWA Study, April-May, 2009

Table 19 Source of Borrowings (% in total HHs)

Source	Before the Financial Crisis	After the Financial Crisis
Relatives and friends	21	46
Moneylenders	8	17
Banks	1	2
SHGs/MFIs	3	8
Scrap traders	2	6
SEWA	0	1
Total	35	80

Source: SEWA Study, April-May, 2009

Table 20 Purpose of Borrowings (% in total HHs)

Purpose of Borrowing	Before the Financial Crisis	After the Financial Crisis
Consumption (for food, day-to-day needs)	10	36
Health-related reasons	12	20
Children's education	4	6
Festivals and social functions	11	14
To repay old debts	0	3
Other reasons (specify)	1	6
Total	35	80

Source: SEWA Study, April-May, 2009

Table 21 Dis-savings (% in total HH)

Nature of Dis-saving	Yes	Average Amount (in Rs.)
Liquidation of HHs savings	22	6995.45
Pawning of assets	23	7356.52
Selling of assets	15	14164.29
Any other means	1	1000

Source: SEWA Study, April-May, 2009

Table 22 Coping Strategies Adopted by Neighbours (% in total HH)

Coping Strategy	Percentage
Attempted suicide	7
Sold blood	2
Increased the number of working hours	14
Started casual labour work like cooking, embroidery, tailoring, making spoon bundles	13
Negotiating with scrap traders to increase the rates of their items	1

Looking for alternative work	1
Thinking of taking loans and start new trades	1
Skipping a meal	1
Don't know/No steps taken	54

Source: SEWA Study, April-May, 2009

Endnotes

- i. The informal economy comprises the self-employed who run small unregistered business or small-scale production activities as well as wage workers who do not have access to secure contracts, worker benefits or labour protection.
- ii. The slowdown of foreign trade in China has been aggravated further as Chinese buyers in the US are finding it difficult to get a 'letter of credit' due to the 'lockup in the credit markets'. And, without a letter of credit, a seller in US has no assurance of getting paid (www.timesworld.com).
- iii. Most of the waste pickers or their family members had been working in the textile mills. They got settled near the mills when they came to the city to work in these mills.
- iv. As used here, a nuclear family consists of one married couple and their unmarried children. A joint family comprises two or more married couples (with one couple consisting of the parents of the other couple), their unmarried children and/or their other relatives.
- v. As per the FGDs conducted with waste pickers in different areas, it was found that a few women were also resorting to offer themselves for clinical experiments (if their bodies were suited for these experiments) for amounts ranging from Rs. 500 to Rs.1500.

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Stitching is Not Paying: Impact of Financial Crisis on Home-based Garment Workers

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1. INTRODUCTION

1.1 Rationale of the Study

The proportion of working population (excluding the population engaged in agriculture) in the informal economy of the country is about 83 percent; after including agriculture, the proportion rises to 93 percent (www.weigo.org). While the current financial crisis has severely affected the employment situation globally, very few studies have been undertaken to understand its impact on the informal sector. Policymakers and media have primarily focused on the formal sector, which means that the issues affecting 83 percent of the working population have largely been ignored while drafting policies to deal with the current crisis. The Self Employed Women's Association (SEWA)ⁱ, a union of women in the informal economy, has published several articles on its websites/journals and other international websites (www.weigo.org) on the impact of the financial crisis on various sectors in informal economy. This study, basedⁱⁱ on a household survey of home-based garment workers, is aimed at understanding the impact of the crisis on them.

The study conducted during April-May 2009 had multiple objectives. Apart from assessing the impact of the crisis on home-based garment workers, the study highlights the strategies the affected workers adopted to cope with the ongoing crisis. Based on the inferences drawn from these assessments, the study outlines short and long-term interventions needed to address the adverse impact on the workers concerned.

SEWA surveyed 200 households (HHs) (refer Heading II)—100 from Ahmedabad and 100 from Indore. The present paper discusses the findings in Heading III, while the major findings are presented in Heading IV. In Heading VI, the paper offers suggestions, especially to the policymakers, to safeguard the interests of home-based garment workers.

1.2 The Global Crisis and the Indian Garment Sector

The Indian garment industry is the largest export industry of the country, one of the largest employers among the manufacturing sectors globally, and the fifth largest source of foreign exchange earnings for the country. However, it has hit a rough patch in the past few years. During 2006-2007, the appreciation of the Indian rupee against the US dollar made Indian goods dearer in the global market, which compelled importers to look for alternative sources/countries. As per the Ministry of Foreign Trade, the contribution of readymade garments in India's total exports fell to 7 percent in 2006-2007 from 11 percent in 2001-2002, and further to 6 percent in April-October 2007¹.

1 www.dgciskol.nic.in/annual_report/book_3e.pdf

Also, after the abolition of the Multi-Fibre Agreement (MFA) in 2005, the Indian garment sector had to compete with other garment exporting countries, such as China, Bangladesh, Cambodia, Srilanka and Vietnam. And India is losing out to them as its goods are over 20 percent costlier theirs than due to higher credit rates, wages for labour and transaction costs (www.aepcindia.com).

According to the Confederation of Indian Apparel Exporters (CIAE), Bangladesh surpassed India as the fifth biggest supplier to the US in 2008, while Vietnam is poised to overtake India by end-2009. Between 2007 and 2008, India's export to the US fell 1.25 percent, while Bangladesh's export by value and by volume increased 11 percent and 6 percent, respectively (Apparel Export Promotion Council)². Low labourⁱⁱⁱ and input costs, along with favourable government policies, have boosted Bangladesh's garment exports³. India's products are priced 30 percent higher than that of Bangladesh, which explains the importers' rising preference for Bangladesh, a trend which is likely to continue (ET, 2009)⁴.

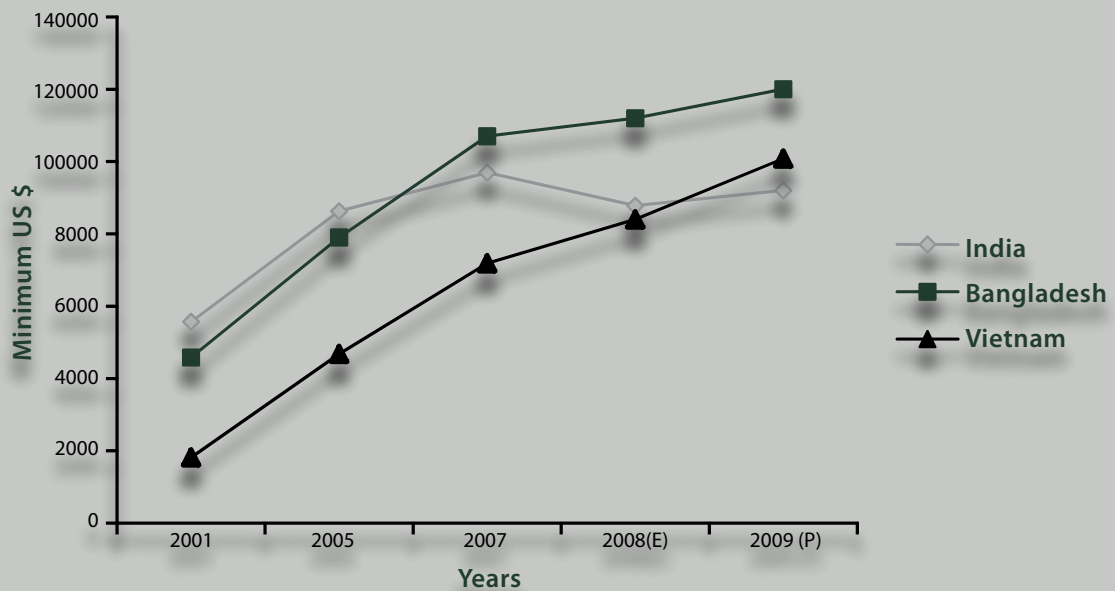


Figure 1 India's Declining Apparel Export vis-a-vis Asian Suppliers

Source: AEPC

The woes of the Indian garment or apparel industry have intensified with the global financial crisis. Decreased income and increased uncertainties have resulted in decreased consumption, leading to weakening import demand, export manufacturing downturns globally and massive retrenchment and/or workforce restructuring.

2 As published in Economic Times of February 11, 2009 – "Apparel exporters to shed 5L more jobs by April 2009"

3 Bangladesh enjoys duty free concession from EU (Indian Express, January 21, 2008)

4 As told to Economic Times (February 11, 2009) by Mr. Rakesh Vaid, Chairman, AEPC

According to Mr. Rakesh Vaid, Chairman, Apparel Export Promotion Council (AEPC), the slowdown in the US, the largest overseas market for the Indian garment industry, rendered about five lakh workers jobless across the garment exporting units in India (as of 11 February 2009); another five lakh workers were expected to lose jobs by March-April 2009. Also, orders received from major importers by February were down 25 percent year over year (ET, 11 February 2009). A sample survey of 50 apparel clusters in India by the AEPC indicates an 84 percent reduction in export⁵ orders. About 13.84 percent workers in those units have lost their jobs. The orderbook position in November 2008-January 2009 stood at 3,464,812 pieces, down from 4,593,582 pieces in the previous year. Recent data published by the Ministry of Trade and Commerce shows that readymade garment (cotton and accessories) exports by value fell 3.05 percent, from Rs. 31,289.51 crore in April 2006-March 2007 to Rs. 30,335.79 crore in April 2007-March 2008⁶.

According to the Centre for Monitoring of Indian Economy (CMIE), in 2006-2007, exports to the US accounted for 32.5 percent of the total readymade garments exports from India, which fell to 29.27 percent in 2007-2008 (Figure 2). Also, the overall exports declined sharply. Data released by the Directorate General of Commerce

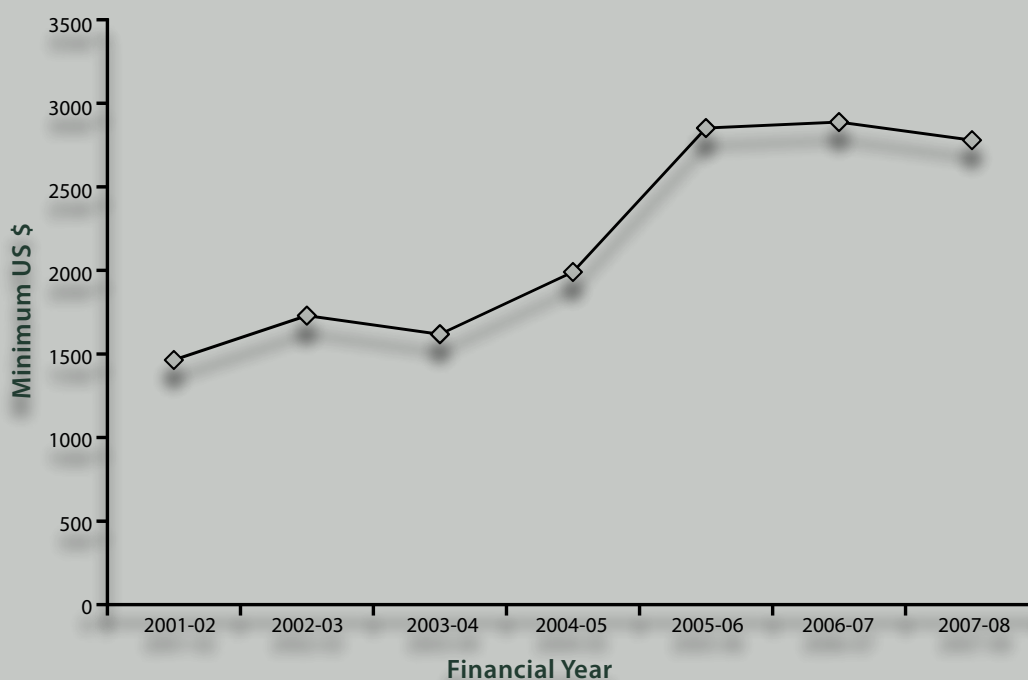


Figure 2 India's Export of Readymade Garments to USA

Source: CMIE, August 2008

5 India's main export markets for readymade garments are the developed western countries such as the US, the UK, Germany, France, Italy and the UAE

6 <http://docnic/ftspcc/com.asp>

Intelligence and Statistics (DGCI&S), Kolkata, indicates that India's apparel exports in October 2008 stood at US\$658 million, down 9.67 percent US\$728 million in October 2007.

As per the AEPC, the unit value realisations have also slipped in recent years. For example, the realisation for garments exported to the United States fell from 3.6 dollars per piece in 2007 to 3.4 dollars in 2008 to 3.3 dollars in January and February 2009⁷.

1.3 Overview of the Garment Industry (with special reference to home-based workers)

The Indian garment (clothing or apparel) industry came up only as late as in the 1970s and has since been growing at a fast pace, driven by apparel exports. It produces about 8,000 million pieces (market value US\$28 billion). It employs about 7 million workers (majority of them are women), and half of them work in exports⁸. India's share in the global garments market shot up in the 1980s and the 1990s. The country exported garments worth US\$30 million in 1970 and US\$200 million in 1976. Exports increased to US\$914 million in 1985 and to US\$2.5 billion in 1990 (Compendium of Textile Statistics, 2004) (Hirway, 2006). It ranks sixth among the top garment exporting countries globally. Nearly 78 percent of garments exported from India are cotton-based. The main products are ladies garments, blouses, skirts, T shirts and trousers (www.aepcindia.com).

Although women workers are predominant in the garment industry, it has been observed that highly skilled tasks within the sector, such as cutting fabrics and stitching garments, especially men's clothing, are often done by men. Women workers in the sector usually stitch children's and women's garments. They work in the factory, as well as from their residence (www.weigo.org).

The garment industry does not require sophisticated machinery. This led to the proliferation of the industry across countries (Gereffi 1994, 1999⁹). Thus, a substantial proportion of production is outsourced to developing countries (www.weigo.org). Since the bulk of garment production is connected to export, operations are concentrated in and around urban centres close to international airports. The industry started as a centralized system with composite units, where all processes or steps were performed under one roof. However, to reduce labour costs and to align with the labour laws, large factories engaged several small competing units (the trend took hold in other countries after the Second World War). This procedure is more commonly known as Modern Putting Out, under which each process or step is

7 'Garment exports from India stumble in current fiscal year' article published in www.aepcindia.com extracted on 31/7/2009

8 Updated from <http://www.aepcindia.com/>, extracted on 31/7/2009

9 cross ref. www.weigo.org

carried out by small independent units (Ray, 2006). Unit owners hire contractors, who in turn distribute work among home-based workers, and subsequently collect it and deliver to unit owners. This system allows unit owners to expand capital investments (space and machinery).

In India, the home-based garment workers usually lack formal training. Based on their working structure, these workers can be categorized into the following segments:

1. **Self-employed workers:** They manufacture and sell products directly to the market or to the wholesaler.
2. **Contractual/casual/regular workers:** They work for a contractor/employer. They are usually paid in piece rate or in dozens. It is not incumbent on the contractor to give them regular work. And in most cases, the two parties do not enter into a legal contract.

On an average, home-based garment workers work for more than eight hours a day; however, they are not included in the working population of the country and are, therefore, ignored by the policymakers. Mostly, policies drafted and implemented for the welfare of workers do not reach these home-based workers. Further, they are usually exploited by contractors, as they do not possess any social or employment guarantees (Chen, 2006). Also, it is difficult for a union/organisation to organize them as these workers are scattered.

2. METHODOLOGY AND STUDY AREA

2.1 Methodology of the Study

About 4 percent of SEWA's total membership in Ahmedabad comprises workers from the garment industry. The members from this sector had been complaining about the decrease in their total income since November 2008 (after Diwali/Eid) during 'trade committee meetings'. SEWA had also been receiving similar complaints from across the country.

SEWA conducted focused group discussions (FGDs) with various workers, including garment workers, and found that although wages had remained unchanged, the number of days of work received in a month had reduced significantly since the global financial crisis set in. Thus, to understand the impact of the crisis on home-based garment workers, SEWA, with the support of UNDP, conducted a survey of the workers concerned at the household level. The following methodology was adopted for this survey conducted in Ahmedabad and Indore:

- *Focused Group Discussions (FGDs):* SEWA's grassroot research team conducted 30 FGDs with home-based garment workers in Ahmedabad in January 2009.

A report was prepared on the basis of the information/findings of the exercise, which was shared with UNDP.

- *Household survey:* In light of the FGD findings, UNDP urged SEWA to conduct a micro-level survey on the sector and prepared a detailed questionnaire. SEWA also added a small questionnaire related to the sector. To get the comparative figure on impact of financial crisis on the garment workers, the questionnaire enquires about their status between March-September, 2008 (before crisis) and October, 2008-March, 2009 (during crisis). The questionnaires were translated into Gujarati/Hindi, and grassroot researchers from the urban union of Ahmedabad and research unit of Indore were trained to understand the questionnaires and collect data accordingly. The HH survey was conducted during April-May 2009 in both the cities. SPSS was then used to analyse the data collected through the household survey (presented in this report).
- *Interviews of employers (contractors):* Five garment contractors (four males and one female) from different areas of Ahmedabad were interviewed to assess the macro-level impact of the financial crisis (refer to Box 1).
- *Case studies:* The questionnaires were supplemented by a small number of in-depth interviews (see Case Studies).
- *Discussions:* Discussions were also held with home-based garment workers from different areas of the two cities. Simultaneously, discussions were held with the organizers of SEWA related to the sector to formulate recommendations accordingly.
- *Secondary information:* Literatures available on home-based garment workers were analysed to assess the status of these workers before the financial crisis. Also, various related reports published on websites of APEC, Ministry of Trade and Commerce, WEIGO and ILO were studied. We also visited the offices of Gujarat Council of Commerce and Industries, and libraries of CEPT University, IIM and CFDA in Ahmedabad, and the Ministry of Trade and Commerce in New Delhi to collect information.

2.2 Sample Selection

About 200 HHs were selected for the study, of which 100 were from Ahmedabad and 100 from Indore. Two different sampling techniques were adopted to collect data from the cities as discussed below. All the respondents were women home-based garment workers.

2.2.a Sampling Technique Used in Ahmedabad

Since there is practically no information available on the population of home-based workers in Ahmedabad, the information collected by SEWA members about the

settlements and population engaged in the garment industry was used for selecting the sample. According to the information available with SEWA, home-based garment workers could be found in 63 areas of the city, with most of them operating from the old part of the city. For the purpose of selecting the areas to be studied, those 63 areas were divided into the following three categories:

1. Category 1: Area having more than 500 HHs of home-based garment workers (Juhapura, Gomtipur and Shahpur)¹⁰
2. Category 2: Area having 100-500 HHs of home-based garment workers (Bapunagar, Dariapur, Odhav, Rakhial, and Saraspur)
3. Category 3: Area having less than 100 HHs of home-based garment workers (Khokhara, Maninagar, Idgah and Nava Vadaj).

From the above-mentioned categories, 12 areas were selected randomly. As most areas have 100-500 HHs, five areas were selected from category 2, followed by category 1 and 3. About 71 percent HHs were selected from category 1, 20 percent from category 2, and the remaining from category 3. All the selected respondents were home-based garment workers working on a piece-rate basis. Refer to Appendix I for the list of selected areas and the number of HHs selected from those areas. As each home-based worker specializes in stitching a particular product (petticoats, tops, etc.), adequate care was taken to include all types of specializations.

2.2.b Sampling Technique Used in Indore

According to the 2001 census, the total population of Indore was about 15.9 lakh, of which, as a rough estimation by SEWA Indore, between 50,000 and 100,000 people were from 150-200 colonies that were directly or indirectly associated with the garment industry (people from the formal as well as the informal sector). As no specific information on the population engaged in the home-based garment industry was available, areas where SEWA/SEWA members are present were selected for the study.

About 2,000 home-based garment workers from 10 colonies (areas) in Indore are members of SEWA Bharat. But, since our sample size comprised only of 100 HHs, we selected only 5 percent of the HHs from those 10 colonies for the study. After having a discussion with few garment workers from each of the selected colonies, the total number of home-based garment workers residing in the respective colonies was estimated. Only 5 percent of the estimated population was included in the sample. Refer to Appendix II for the list of selected colonies and the number of HHs selected from the respective colonies for the study.

10 The areas selected from the respective category are mentioned in parentheses.

2.3 Garment Industry

2.3.a Garment Industry of Ahmedabad

Ahmedabad, known as the Manchester of India, employed 125,000-135,000 workers (Textile Labour Association^{iv} Annual Reports, 1958-62¹¹) in the late 1950s and the early 1960s. However, by the mid-1990s, there were only 30,000-35,000 workers left in the industry (Varshney, 2002, cross ref. Barua, unpublished). The emergence of cheaper synthetic textiles due to the abolition of import restrictions following India's economic liberalization in 1991 and the local industry's inability to compete with automated mills that started mushrooming in the 1980s and 1990s contributed significantly to the collapse of the textile industry. About 22 textile mills closed down between 1984 and 1990 (Bremen, 2004). The year 1984 alone witnessed the closure of 15 textile mills in the city. More mills closed down during the 1990s, and at present, only 15 textile mills are operating in the city (SEWA Academy, 2004).

Simultaneously, economic liberalization also created a boom in the Indian garment industry. The availability of cheap labour in many south Asian countries such as China and India has prompted the garment industries of the developed countries to outsource work. Thus, small garment units have gradually replaced large textile factories. These units, which usually absorb the labourers rendered unemployed by the closure of textile mills, obtain orders from large merchants and operate as sub-contractors.

Today, Ahmedabad's garment industry caters to the international, as well as domestic markets. Although both these markets cater to different clientele, they are interconnected in the production context, sourcing and other factors impacting production, with labour being an important factor¹².

Ahmedabad's garment industry operates in the following three markets:

1. *Large factories:* Large factories constitute the formal or organized segment. Each factory engages 200-800 workers and pays them either on a time-rate or on a piece-rate basis. More than 60 percent workers in these factories are women. These factories are concentrated in Narol, Chandola and in the GIDC industrial estates of Vatva and Odhav. In 1995-96, Ahmedabad had 127 registered units with 3,197 workers (Annual Survey of Industries and Chief Inspector of Factories, Ahmedabad).
2. *Small units and shops:* This segment engages 5-15 workers in each unit and is largely concentrated in the walled city areas in Gheekantha and Mirzapur. Most of these units obtain their orders from large merchants and operate as sub-contractors. The workers, a majority of whom are women, work on a piece-rate

¹¹ Cross ref. Barua, Unpublished

¹² The consecutive paragraphs of this sections are taken from Unni and Bali, 2001

basis. As per estimates, this segment consisted of 2,237 units and employed 5,967 people in 1994-95 (Unni and Bali 2001). Garments manufactured by these units included shirts, pants, midi-skirts, shorts, frocks and gowns. Some units exclusively manufactured school uniforms. These units cater to national, as well as local markets.

3. *Home-based garment workers:* Home-based garment workers form the bottom most layer of the garment industry. This segment operates through contractors, who supply materials to workers and buy the finished product. Almost all home-based workers are women and are spread across various areas including Rajpur, Gomtipur, Shahpur, Khokhra and Manipur. Smaller concentrations of women home-based garment workers can also be found in areas such as Wadaj, Dhudeshwar and Chandkheda. This segment usually manufactures comparatively low-quality products, meant for the local market. The number of home-based workers in this sector fluctuates with market demand—it increases during the festive season (September to February).

According to information available with SEWA Union, garment workers are primarily based in 63 areas. At present, the city houses more than 75,000 home-based garment workers (Sewa Campaign Team, 2008), of which 80 percent are women. Our study deals with this segment of garment workers only.

2.3.b Garment Industry of Indore

The Malwa region of Madhya Pradesh, one of the largest cotton growing areas in the country, has helped establish many textile industries in the region, including those in Indore, Ujjain and Burhanpur. As per the latest available data from the Ministry of Industries, Madhya Pradesh has 51 textile units. The presence of some leading textile players in the state, such as Bhilwaras, Indo-Rama, Bhaskar, Oswals, S. Kumar's, Maikal and Parasrampur, is a testimony to the significance of Madhya Pradesh in the domestic textile industry.

However, the closure of many textile mills after 1975 in Indore paved the way for the emergence of a new segment—home-based garment manufacturing. At present, it is estimated that there are more than one lakh readymade garment workers in Indore; however, no government data is available to validate the estimate. Since these workers operate in the informal sector, they are neither registered under any official/local body nor are accounted for by any owners of the textile units. The unit owners supply materials to the contractors, who, in turn, pass it on to the sub-contractors. The sub-contractors, in turn, pass it on to the home-based workers, who work on a piece-rate basis. There are no additional perks or social security benefits, such as provident fund, weekly leave and minimum wage. Most workers are migrants from other villages, districts and states (SEWA Indore, 2008).

3. FINDINGS OF THE STUDY

3.1 Profile of Respondents and their HHs

3.1.a Profile of Respondents

Hundred home-based women garment workers from Ahmedabad and another hundred from Indore were selected for the study.

In both the cities, most respondents were relatively young – about 69 percent from Ahmedabad and 81 percent from Indore were in the 21-39 years age group. Garment manufacturing is a family business, and home-based garment workers are supported by their family members. They learn and join the profession at an early age. Eight respondents from Ahmedabad and three from Indore were aged below 20 years (refer Table 1 in Appendix IV).

The **level of education** was quite low among the respondents in both the cities. About 27 percent respondents in Ahmedabad and 12 percent in Indore were illiterate. In Ahmedabad, about 40 percent had completed primary education, while 29 percent had completed secondary education. Only 3 percent had completed higher secondary education and 1 percent had completed graduation. In Indore, more than one third of the respondents (31 percent) had studied up to the primary level, 16 percent had completed secondary education and the remaining 41 percent had completed higher secondary education. None of the respondents from Indore had ever reached the college level.

Further, 98 percent respondents from both the cities were skilled labourers, while the remaining 2 percent were unskilled.

3.1.b Profile of Respondent HHs

Over three fourths of the respondent households in Ahmedabad had a nuclear family structure, while the remaining were joint families¹³. The average HH size was 5.4, with the number of family members ranging between 2 and 13. As against 162 males, there were 188 females in the respondent HHs (excluding children below 14 years). With regard to children (0-14 years), the selected HHs had 100 boys and 88 girls.

In Indore, about 70 percent respondent HHs were nuclear families, while the remaining 30 percent were joint families. The average HH size was 5.03, with the number of family members ranging between 1 and 8. The number of males and

13 As used here, the nuclear family consists of one married couple and their unmarried children. A joint family comprises two or more married couples, their unmarried children and/or their other relatives.

females (excluding children below 14 years) in the selected HHs was 254 and 249, respectively. With regards to children (0-14 years), the selected HHs had 103 boys and 97 girls.

Religion and Caste: Garment units are located in the old part of the Ahmedabad city, which is a Muslim-dominated area. More than 89 percent of the selected HHs in the city were Muslims, while the remaining were Hindus. The data revealed that most HHs involved in the sector belonged to the lower income strata, as 63 percent HHs belonged to OBCs, 30 percent to SCs and 4 percent to STs; only 3 percent were from the general category.

On the contrary, in Indore, 99 percent were Hindus, and only 1 percent were Muslims. In Indore also, a majority of the HHs were from the lower income strata, as 63 percent of the HHs belonged to STs and 9 percent to SCs. About 28 percent were from the general category.

About 74 percent of the HHs in Ahmedabad were residents of the city, while 17 percent had migrated¹⁴ from other parts of Gujarat and the remaining 9 percent from the neighbouring states such as Uttar Pradesh, Madhya Pradesh, Maharashtra and Delhi. However, the migrant families had come to the city more than a decade ago.

In Indore, about 80 percent of the selected HHs were non-migrants. Among the migrants, about 12 percent had migrated from different districts of Madhya Pradesh, such as Khandwa, Gwalior, Dhar, Dewas, Burhanpur, Khargaon and Badwani. The remaining 4 percent had migrated from the neighbouring states, such as Gujarat (3 percent) and Delhi (1 percent).

Type of House: In Ahmedabad, about 56 percent had their own house, while the rest were living in rented premises. The average rent paid by the HHs was Rs.131/month. Among the respondents, 32 percent were living in *pucca* houses, 29 percent in semi-*pucca* houses, and the remaining 49 percent in *kuchha* houses.

The status of home-based workers was found to be comparatively good in Indore, as 80 percent were living in their own house, while the remaining 20 percent were living in rented premises. The average rent paid was Rs. 987.50 per month, which is 654 percent higher than the rent paid by those surveyed in Ahmedabad. Of the total HHs selected for the study, about 58 percent were living in *pucca* houses, 24 percent in semi-*pucca* houses and the remaining 18 percent in *kuchha* houses.

About 57 percent of the **working population** of the selected HHs in Ahmedabad were engaged in the garment industry, while the remaining 43 percent were

14 These respondents who

- i. came to the city after being married to a person who is a resident of the city,
 - ii. are born and brought up in the city only but their parents had migrated to the city more than 20 years ago
- are not considered migrants.

engaged in other sectors, such as *rakhi*-making, rolling of *bidis*, as casual labourers in the construction industry, or were working in garages/bakeries/factories, or driving rickshaws, etc. The survey revealed that the average income of the selected HHs before the onset of the economic crisis was Rs. 4,932.60 a month, which fell to Rs. 2,972.85 a month.

In Indore, of the selected HHs, about 230 persons or 46 percent were working. About 53 percent were engaged in the garment sector, while the remaining were working in various private companies (20 percent), self-employed (14 percent) or were either daily wage earners or vendors. The average income of a selected HH before the crisis was Rs. 2,541.63 a month, which decreased to Rs. 2,420.63 per month.

3.2 Impact of Financial Crisis on Home-based Garment Workers

3.2.a Impact on Variety of Work

Home-based workers in the garment industry usually manufacture lower-quality products that are meant for the local markets. They stitch the product as per specification provided by contractors. Usually, garment workers specialize in a particular type of product and develop their expertise in those products. However, at times, market demand compels them to change to explore uncharted territories. The study revealed that each of the respondents was stitching 24 different types of products in Ahmedabad and 12 types in Indore (refer to Table 4a & 4b in Appendix IV for the list of products). However, no substantial change was observed in the situation of home-based garment workers after the onset of the crisis. This can be corroborated by the fact that though the demand for garment products fell, the demand for any particular type of garment product didn't fall.

3.2.b Mode of Payment

Home-based workers are paid either on a per-piece or per-dozen basis. The study revealed that there had been no substantial change in the number of workers receiving their payment in either of these two modes in both the cities. Before the onset of the crisis, about 52 percent in Ahmedabad were paid on a per-dozen basis, while the remaining 48 percent were paid on a per-piece basis; this situation had remained the same even after the financial crisis set in (only one respondent had shifted to another sector).

Similarly, in Indore, about 60 percent were paid on a per dozen basis, while the remaining 40 percent were paid on a per-piece basis before the financial crisis, which remained unchanged even during the financial crisis.

3.2.c Employment Status

One of the major changes observed in Ahmedabad due to the economic crisis was in the employment status of home-based garment workers. Before October 2008, about 55 percent were regular workers^{vii}, while the remaining 45 percent were casual workers. After October 2008, only 20 workers remained regular workers (excluding one, who was unemployed). This shows that due to the irregularity of work received from the contractor/employer after the financial crisis, about 35 percent regular workers had become casual workers.

However, in Indore, 95 percent respondents were casual workers, while the remaining 5 percent were regular workers, which remained unchanged during the financial crisis.

BOX 1: CONTRACTORS FROM AHMEDABAD CITY

Garment contractors are the persons who get orders from shops and other garment dealers/traders, get the work done within the stipulated time from the home-based workers or within their small workshop and supply the finished products to the concerned party. Hence, they are the link between the home-based garment workers and the market. To include their view on the impact of financial crisis on the garment industry, we have interviewed four male and one female contractor from Rajpur and Shahpur areas of Ahmedabad city. All the selected contractors deal with different products, viz. petticoat, frocks, pants and tops, skirts and *chindi ni khol* (local quilt cover).

All the contractors have said that the volume of their business decreased between October 2008 and March 2009. Usually they receive orders from large traders of Rajasthan and Gujarat, but they did not receive any order from the traders of Rajasthan during the period under review; this affected their business a lot. One of the contractors said that products worth Rupees 0.2 million were lying in his store room.

Four contractors said that the price of their products decreased during the period under review. Thus, decreased demand, along with decreased market price of their products, forced them to cut the number of labourers employed by them. On an average, contractors were employing 15 semi-skilled/skilled labourers and six unskilled labourers before the recession, which fell to five semi skilled/skilled labourers and 1 unskilled labourer.

Also, they were not getting the needed credit for their business, which forced two contractors to close their business temporarily.

3.2.d Work Availability

In Ahmedabad, most of the selected garment workers were affected in terms of the work received after the financial crisis. About 92 percent complained about a decline in the availability of work in terms of number of hours of work per day, 4

percent reported no change, while the remaining 4 percent said that the availability of work per day had increased but income had decreased. Between April 2008 and September 2008, workers were getting an average workload of 8.26 hours per day, which fell to 4.6 hours per day between October 2008 and March 2009. Moreover, the average number of working days for the corresponding periods decreased by almost 50 percent from 26.89 days in a month to 13.34 days.

In Indore, about 67 percent respondents said that the quantum of work had been affected during the October 2008 to March 2009 period, while the remaining 33 percent reported no change. Of the 67 percent, 68 percent said that their income had declined; about 30 percent said that they were getting more work but their income had decreased, while the remaining 2 percent said that although their workload had remained the same, their income had fallen. However, on an average, the workload in Indore had fallen by less than an hour (0.49 minutes) in a day after the onset of the financial crisis (from 7.21 hours to 6.32 hours). The average number of work days in Indore had fallen from 23.53 days to 22.23 days in a month.

The results suggest that the impact of the financial crisis was comparatively less in Indore than in Ahmedabad. This also explains why the employment status of regular workers had remained unchanged in Indore, whereas it had changed drastically in Ahmedabad.

3.2.e Reasons for Reduction in Work

During October 2008 to March 2009, about 50 percent respondents in Ahmedabad said that their work had decreased or that they were not getting any work for unknown reasons. About 36 percent blamed the economic crisis, while about 9 percent blamed it on lower market demand.

In Indore, 67 percent respondents said that their work had decreased in the last six months; however, 44 percent among them said that they were not aware of the reasons, and about 19 percent said that higher product prices had lowered product demand, and, in turn, affected employment. Only the remaining 4 percent attributed the decrease in their work to the ongoing financial crisis.

In both the cities, it was observed that most workers were not aware of the reasons that had adversely affected their work.

3.2.f Impact on Income

The situation worsened following a reduction in the per day wage. The study revealed that the average income of a worker in Ahmedabad had fallen from Rs.66.74 per day between April and September 2008 to Rs.39.44 per day between October 2008 and March 2009. The average monthly income of the respondents in Ahmedabad between April 2008 and September 2008 was about Rs. 1,877.4, which fell 67.5 percent to Rs. 615.63 between October 2008 and March 2009. It is evident from Figure 3 that the

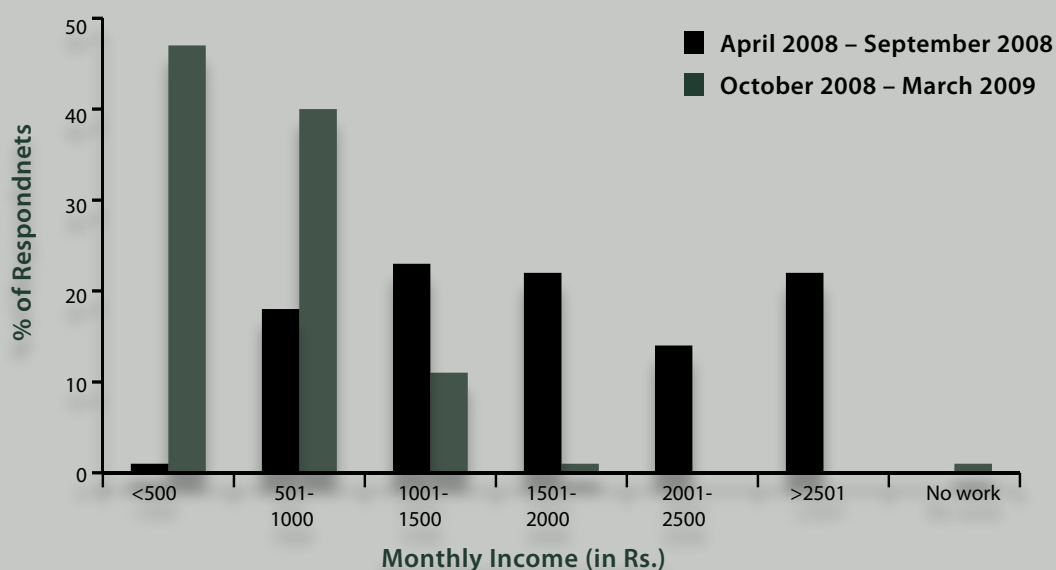


Figure 3 Change in Monthly Income of Respondents in Ahmedabad (in %)

Source: SEWA Survey, April-May 2009

number of respondents earning below Rs. 1,500 per month in Ahmedabad had almost doubled from 42 percent to 98 percent after the economic slowdown set in. Moreover, the number of respondents with income more than Rs. 2,000 per month had gone down to just 1 percent from 58 percent. About 1 percent respondents did not receive any work during the period under review.

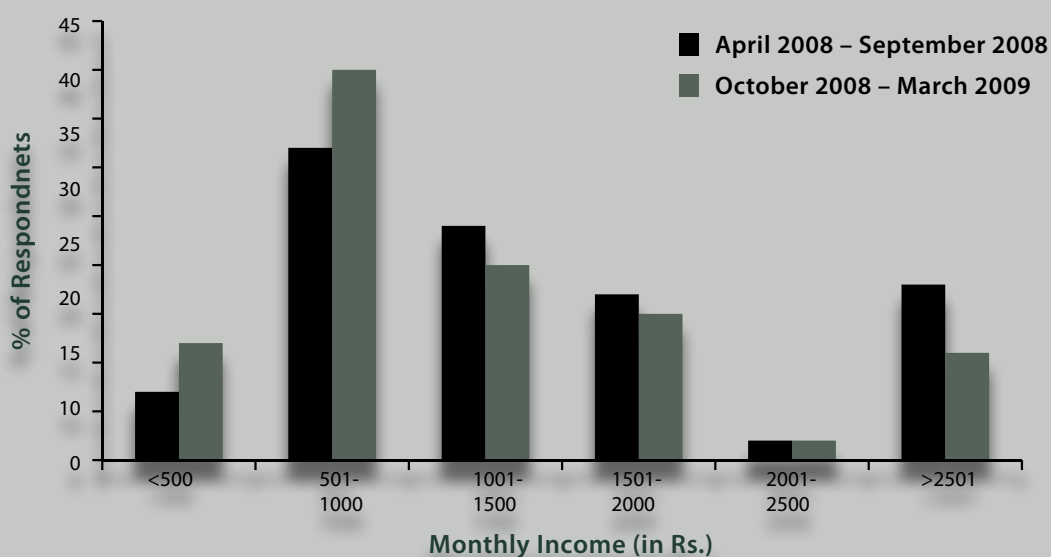


Figure 4 Change in Monthly Income of Respondents in Indore (in %)

Source: SEWA Survey, April-May 2009

In Indore, the average earning of a worker had reduced from Rs. 63.54 per day during April-September 2008 to Rs. 54.34 per day between October 2008 and March 2009. On a comparative basis, Indore had fared better than Ahmedabad on this parameter, as the decrease was about Rs. 27.30 per day in Ahmedabad, whereas it was just Rs. 9.20 per day in Indore. The average monthly income of the respondents in Indore during April-September 2008 was about Rs. 1,514.29, which fell 19.27 percent to Rs.1,222.45 between October 2008 and March 2009. This shows that the average income of the respondents in Indore before the crisis was lower than that of the respondents in Ahmedabad; however, after the onset of the crisis, the income of respondents in Indore also decreased but remained higher than that of their counterparts in Ahmedabad. Figure 4 depicts that the number of respondents earning less than Rs.1,500 per month in Indore increased from 63 to 72.

3.3 Consequence of the Loss of Jobs/Work

3.3.a Current Employment Status of Workers

According to the garment workers in Ahmedabad, one of the major consequences of the crisis was the non-availability of work, as 43 percent respondents were unemployed during the time of the interview. About 25 percent of the regular workers had become casual workers in the absence of regular work from contractors. Another 15 percent had to undertake different work within the garment sector, while 1 percent had to move out of the sector (to work as housemaids). Moreover, they started collecting work from more contractors/employers as the work they were getting from their previous contractor/employer was not sufficient to make both ends meet. This increased their total travelling costs, as reported by 15 percent respondents.

As the workers in Indore were better off than their counterparts in Ahmedabad, no major change was observed in their employment status.

3.3.b Impact on Children's Education

Illiteracy among the children of the respondents in Ahmedabad was not found to be as high as those in Indore. The study revealed that among the 188 children (between 6 years and 18 years) of the selected HHs in Ahmedabad, only 3.7 percent were illiterate. While around 32 percent had dropped out; the remaining were studying.

Moreover, the reduced income of workers in Ahmedabad had forced 54 percent of the HHs to reduce their expenditure on education. Table 12.a shows that 9 HHs had shifted their children (6 boys and 3 girls) to a cheaper school, i.e., from a private to a public school. Another 3 HHs had taken loans to tide over the financial crisis, whereas 40 HHs had reduced their expenditure on education. Also, children from 2

Box 2: IS IT POSSIBLE TO RUN A HOUSE WITH THIS INCOME?

Shamimbanu Iqabalthusaain Saiyad, 46, lives with her husband and six daughters in the Dariyapur area of Ahmedabad. Before her marriage, she used to assist her mother in stitching clothes. After she got married at the age of 20, she started stitching independently.

She lives in a nuclear family in the house given by her mother-in-law. Although she does not have to pay rent, she lives in constant fear of being asked to vacate.

Her husband drives a rented auto-rickshaw and earns about Rs. 1,000 per month, of which half goes towards rent for the auto-rickshaw and remaining towards his addictions. The couple has three daughters, all of whom have dropped out after completing class 8. The eldest daughter got married a year back; the next two helps Shamimbanu with her stitching work. Together, they were earning Rs. 2,000 per month. However, due to reduced work and rates, their income fell to Rs. 1,200 per month. Besides, the cloth variety also changed. They are now stitching knitted varieties, which are difficult to stitch on Shamimbanu's machine.

To reduce expenses, Shamimbanu reduced the expenditure on food. She and her family stopped eating mutton and reduced vegetable intake.

Reduced income and increased expenses increased her blood pressure, for which she had to undergo treatment at the municipal hospital. She had taken a loan from SEWA of Rs. 20,000 for her elder daughter's marriage. Increased living cost and decreased income made it difficult for her to make both ends meet. She even had thought about committing suicide many times, but eventually shelved the idea because of her daughters.

HHs had dropped out. Only 7 HHs said that they had not reduced their expenditure on children's education.

On the other hand, as the income of garment workers in Indore had fallen by less than 20 percent a month, none of the selected HHs had made any reduction in the expenditure on their children's education. Two HHs had taken loans for the education of their children and ten had not paid their children's education fees even before the crisis had set in. Similarly, five HHs had cut their expenditure on education even before the crisis had set in. The income of garment workers was found to be quite low; even if we include the income of their spouses, it barely crosses Rs. 3,000 per month, which makes it difficult to run a household of five people (the average HH size, considering two grown-up working people and three children). Thus, sometimes during a personal emergencies like the marriage of a relative or a medical emergency, many HHs cut their expenditure on education.

3.3.c Change in Food Intake

The study in Ahmedabad revealed that before the economic crisis, the HHs were regularly consuming quality food (or according to them, expensive food) including milk, fruits and non-vegetarian food (93 percent); they were even taking a regular breakfast along with two meals (7 percent). However, after the economic slowdown, the situation had changed considerably among the selected HHs in Ahmedabad, as shown in Table 13 About 28 percent HHs stopped or reduced eating meat/chicken/eggs; 41 percent reduced eating out and 5 percent stopped taking breakfast. As many as 24 percent respondents said that they had stopped or reduced eating vegetables/milk and 5 percent said that they had started skipping a meal.

Box 3: IMPACT OF INFLATION

Tasleembanu Sabirhussain Nagori, age 25 years, lives in the Nagoriwaad area of Shahpur, Ahmedabad. She stitches patterned frocks and lives with her three children and husband. She stays in her mother's house and pays her Rs.500/month as rent; she also has to pay Rs.150/month as rent for the sewing machine.

The table below shows the impact of inflation on her life and livelihood.

	Before	After
Impact of Inflation		
Earning	Rs. 50/dozen	Rs.30/dozen
Volume of work	2 dozens a day	1 dozen a day
Increased input cost	Rs. 2/needle	Rs. 3/thread
	Rs.3/needle	Rs. 5/thread
Measures to decrease expenditure		
Children's education	Private School	Municipal school
Expenditure on food	Children having milk once a day and two meals a day	Stopped purchasing milk; one meal a day
Medical treatment	Referring to a private hospital	Referring to a government hospital
Consequences of inflation		
Work	Stitching clothes	Stitching clothes and working as house maid in neighboring bungalows
Conflicts/tensions	--	increased

Also for her sister-in-laws'marriage,she has taken a loan of Rs. 50,000 from a person with an annual interest rate of 12 percent.

The HHs in Indore had also changed their food intake. About 45 percent HHs had reduced their daily intake of vegetables/milk. Another 3 percent had begun skipping breakfast or one of the meals in a day, and one percent of the HH had said that they had stopped eating out completely. Only 9 percent reported no change in their food intake.

However, note that the reduction in food intake was a combined effect of lower income levels and skyrocketing prices of food articles in the recent past.

3.3.d Impact on Payment of House Rent

As discussed above, 44 percent respondents in Ahmedabad and 20 percent in Indore were living in rented premises, while the rest had their own houses. The survey revealed that despite the financial crisis, there was no change in the percentage of ownership (i.e., about 56 percent in Ahmedabad and 80 percent in Indore).

However, of the 44 percent residing in rented premises in Ahmedabad, 10 percent said that they were not able to pay the rent, while about 2 percent had left their rented house and shifted to free residential facilities. The remaining 32 percent did not take any step to reduce their expenditure on rent.

A minor decrease in the total income of HHs and an exorbitant increase in the prices of basic necessities had forced nine HHs, who are living in rented houses at Indore City (of the 20 living in rented houses) to take some steps to reduce their rent. Three HHs shifted to a cheaper house and two shifted to a house where they did not have to pay any rent (for example, to a house owned by their relatives). Another three HHs had not paid rent for the last few months and one HH was planning to shift to another house with a comparatively low rent. The remaining 11 HHs, who were living in rented houses, reported no changes in their expenditure on rent.

3.3.e Compensation for Loss of Work

Home-based workers in the garment industry work on the materials supplied by contractors and are paid either on a piece-rate or on a dozen-rate basis. No formal/legal contract exists between contractors and home-based workers. Thus, none of the workers received any notice regarding the reduction of work or loss of work. They didn't receive any social security benefits or compensation either.

3.3.f Medical Treatment Sought

The study revealed that 84 percent respondents in Ahmedabad had adopted some strategy to reduce their expenditure on healthcare: 73 percent shifted from private to public medical facilities; 9 percent preferred to avail medical facilities at home; 2 percent HHs had either stopped or significantly reduced medical consultations. Only 16 percent HHs said that they had not reduced their healthcare expenditure.

The survey further revealed that only 47 HHs in Ahmedabad had sought medical treatment during the periods concerned. Among them, the average expenditure incurred by the HHs before the crisis, i.e., between April 2008 and September 2008, was Rs. 602.13, which fell to Rs. 247.34 between October 2008 and March 2009. Among the selected HHs in Indore, only 22 percent said that they had started consulting doctors at public hospitals rather than those at private hospitals. One percent of the HH opted to avail medical care at home. The remaining 77 percent reported no change in their healthcare expenditure.

3.3.g Increase in Working Population of a Family

Due to the financial crisis, many hitherto non-working members of the selected HHs in Ahmedabad had started working and many working members had increased their total number of working hours to augment household income. The study revealed that non-working members of 23 HHs had started working to enhance their total household income. As seen in Table 16, 4 non-working members had started working full time and 19 non-working members had started working part time. Also, 18 working members (9 women, 7 men, 1 boy and 1 girl) had increased their number of total working hours.

However, most HHs said that the garment sector is cyclical, and thus none of them had adopted any strategy to increase their total income.

3.3.h Conflicts/Tensions within HHs and Their Consequences

A decline in family income post the financial crisis also resulted in an increase in conflicts and/or tensions at the HH level. About 64 percent respondents in Ahmedabad and 4 percent in Indore complained about an increase in tension/conflicts due to a reduction in HH income. However, only 2 percent in Ahmedabad complained about an increase in domestic violence at the HH level, whereas the figure stood at 11 percent in Indore. The remaining 34 percent in Ahmedabad and 85 percent in Indore said that the situation was more or less the same.

The increase in conflicts/tensions at the HH level affected the mental condition of home-based garment workers to a large extent, as 57 percent respondents in Ahmedabad and 7 percent in Indore complained about instances of depression.

The rise in conflicts/tensions and depressions within the HHs, in turn, increased the incidence of addiction among family members – 3 percent HHs in Ahmedabad and 2 percent in Indore complained about the increased frequency of smoking. One percent HH in Indore also complained about an increase in the frequency of alcohol consumption among family members. However, many respondents claimed that the reduced HH income had forced members of their families to reduce their expenditure on addictions. In Ahmedabad and Indore, 2 percent and 3 percent HHs, respectively, had decreased their expenditure on smoking. Further,

1 percent in Ahmedabad and 4 percent in Indore had reduced their expenditure on alcohol.

3.3.i Transportation

Usually, home-based workers get the unstitched material delivered to their houses by contractors. Thus, most respondents – 69 percent in Ahmedabad and 65 percent in Indore – said that there was no change in this arrangement. However, 10 percent and 4 percent in Ahmedabad and Indore, respectively, said that their expenditure on transportation had increased as they were covering longer distances to procure or deliver work. Among the latter, about 7 percent in Ahmedabad and 28 percent in Indore had started walking to their destinations while 14 percent in Ahmedabad and 3 percent in Indore had shifted to low-cost public transport to reduce or contain expenditures on transportation.

3.4 Impact on the Financial Status of HHs

3.4.a Debts and Their Purpose

The study revealed that 72 percent HHs had entered into a new debt cycle in Ahmedabad after the onset of the financial crisis. Table 20.a. examines the debt status of HHs in Ahmedabad after the economic slowdown had set in. A majority of the HHs had taken loans from relatives or friends, followed by moneylenders. Few HHs had taken loans from financial institutions, such as banks and SHGs/MFIs. Only 1 percent had taken loans from SHGs/MFIs, a 100 percent increase over the pre-economic crisis period. Similarly, there was a substantial increase (7 percent) in the number of HHs taking loans from banks.

The survey revealed that before the period of economic crisis, the HHs in Ahmedabad had been borrowing money especially for special occasions, such as festivals and social functions¹⁵ (2 percent), and/or for unforeseen incidents, such as healthcare (3 percent). However, this trend changed drastically after October 2008. Firstly, the HHs in Ahmedabad had started borrowing money for personal or family consumption (43 percent), education (2 percent) and healthcare (14 percent), besides festivals and social functions (7 percent). Secondly, some HHs had started borrowing money to clear their old debts (6 percent). As a result of the crisis, the rate of interest on loans had also increased from 3 percent to 3.9 percent per month.

In Indore, as the crisis had not affected the HHs severely, only 24 percent HHs reportedly had entered into a new debt cycle. A majority of the HHs had taken loans from their relatives/friends (8 percent). About 6 percent of the HHs had taken loans from moneylenders, 7 percent from banks and the remaining 3 percent from SHGs/MFIs.

15 Social functions include marriages, celebration after birth and rituals after death of a person.

Unlike Ahmedabad, HHs in Indore had been regularly borrowing from their relatives/friends to meet daily consumption needs. This shows that the total income of the HHs in Indore was not sufficient to meet regular household expenses. However, during the crisis, the number of HHs who had borrowed money for meeting daily expenses increased from 9 percent (before the crisis) to 13 percent (during the crisis). About 9 percent of the HHs in Indore had also taken loans to meet their health expenditure, which was just 3 percent before the crisis. About 2 percent and 1 percent of the total selected HHs had taken loans for their children's education and to repay their old debts, respectively. Despite the crisis, the rate of interest in Indore had remained unchanged at 3 percent per month.

3.4.b Dis-savings

The economic slowdown led to a substantial liquidation of HH savings or 'dis-savings'. With regards to dis-savings, 26 percent HHs in Ahmedabad admitted that they had liquidated HH savings of an average amount of Rs. 4,700. On an average, assets (including gold, silver or other valuable items) worth Rs.9,609 were mortgaged by 23 percent HHs, while 15 percent HHs in Ahmedabad claimed to have had sold off assets worth Rs. 9,100 on an average to tide over the crisis.

In Indore, as the impact was not that severe, none of the selected HHs had liquidated their savings. However, 6 HHs had mortgaged their assets worth Rs. 5,333.33 on an average to borrow money from moneylenders (a common practice in Indore). One HH had even sold off assets worth Rs. 7,000.

3.5 Counter Measures Adopted by Co-Workers

The respondents were also asked about the coping strategies adopted by their co-workers in the respective areas. However, none of the respondents from Indore were able to provide information about the strategy(ies) adopted by their co-workers. Moreover, as the situation was not that grave in the city, most workers were not too concerned about it.

In Ahmedabad, 10 percent respondents said that their co-workers had not taken any action, but were looking for additional work. Another 11 percent from the city claimed that their co-workers had started doing other work, such as bag making or cutting threads. However, about 78 percent respondents said that their co-workers had either not taken any step, or they were not aware of it.

3.6 Suggestions for Various Organizations

As the situation is not that grave in Indore, most respondents from the city were unable to provide any suggestions to the government or any other bodies concerned to deal with the situation. A few HHs suggested that contractors/employers should provide regular work and increase wages. Most suggestions were provided by the

respondents in Ahmedabad (numbers given in the parenthesis refer to percentage of respondents from Ahmedabad only).

3.6.a Suggestions for Various Government Bodies

Most home-based workers sought government intervention and alternative employment opportunities, loans for improving their machines, and social security. The following is a list of suggestions provided by the respondents¹⁶ :

- Ensure appropriate and adequate mechanisms to enhance income and employment opportunities (32)
- Provision of appropriate social security for workers and their family members (35)
- Loans and schemes for enhancing their livelihood skills, i.e., stitching (31)

3.6.b Suggestions for Contractors/Employers

Most home-based garment workers sought higher wages, assurance of regular work, loans, leave benefits and bonus from their employers. The following is a list of suggestions given by the workers to their employers¹⁷ :

- Increase wages and create loan provisions (72)
- Introduce bonus and leave benefits (4)
- Assure regular work and income (16)

3.6.c Suggestions for Respective Communities

During the financial crisis, most respondents asked for a reduction in expenses on social customs and rituals. Since women in most Muslim HHs are not allowed to work outside their homes, many respondents sought permission to work outside to enhance their income. The following is a list of suggestions given by the respondents to their respective communities to help them deal better with the crisis¹⁸ :

- Decrease expenses on social customs and rituals (43)
- Allow women from Muslim HHs to take up work outside (6)

3.6.d Suggestions for Development Organizations

Home-based garment workers demanded loans to upgrade their machinery, alternative employment opportunities and support to cover education expenses

16 The numbers in parentheses will add up to less than hundred as some of the respondents have not given any suggestions.

17 Numbers in parentheses will add up to less than hundred as some of the respondents have not given any suggestions.

18 Numbers in parentheses will add up to less than hundred as some of the respondents have not given any suggestions.

from development organizations. The following is a list of suggestions given by the respondents to NGOs¹⁹ :

- Extend soft loans (21)
- Provide employment opportunities and provide financial support for children's education (37)
- Provide scholarships to children (07)

4. MAJOR FINDINGS OF THE STUDY

On an average, home-based garment workers work for more than eight hours a day, but they are still not counted among the working population of the country, and thus remain oblivious to policymakers. Most often, the policies drafted and implemented for the welfare of workers never even reach them. Being home-based and primarily women with no social and employment guarantee, these workers require policy/ies to safeguard themselves and their family. The study revealed that about 69 percent respondents from Ahmedabad and 81 percent from Indore were in the age group of 21 to 39 years.

4.1 Impact of Financial Crisis

- The respondents stitch 24 and 12 different types of products in Ahmedabad and Indore, respectively, and no substantial change was observed in the type of products stitched by them.
- One of the major changes observed in the status of employment in Ahmedabad was the increase in the number of 'casual workers'. This shows that due to irregularity of work received from contractor/employer, many regular workers had become casual workers.
- On the other hand, no change was observed in the status of employment of home-based garment workers of Indore. Also, it is important to add that most of the workers (95%) were 'casual' workers in the city even before the crisis.
- In Ahmedabad, about 92 percent respondents complained of declining number of working hours in a day due to reduced work availability, while in Indore, such complaints were heard from only 25 percent of the respondents. On the contrary, nearly 14 percent respondents from Indore said that their work had increased between October 2008 and March 2009 (crisis period).

¹⁹ Numbers in parentheses will add up to less than hundred as some of the respondents have not given any suggestions

- In Ahmedabad, the workers got an average work for 8.26 hrs per day between April 2008 and September 2008, which fell to 4.6 hrs per day after October 2008. Even the average number of working days in a month for similar periods decreased by 50%, i.e., from 26.89 days to 13.34 days in a month.
- In Indore, the average hours of work in a day fell from 7.21 hours to 6.32 hours during the crisis. The average number of days of work in Indore city decreased from 23.53 days to 22.23 days in a month.

4.2 Effect on Economic Status

- Earnings of the garment workers had decreased in both the cities; however, the impact was more severe in Ahmedabad. The number of workers earning less than Rs. 1000 per month before the crisis was 19 in Ahmedabad and 39 in Indore, which rose to 87 and 52, respectively, between October 2008 and March 2009.
- On an average, the monthly income fell 67.5 percent in Ahmedabad and 19.27 percent in Indore during the crisis. Garment workers in Ahmedabad were earning about Rs. 1,877.4 before the crisis, which fell to Rs. 615.63 during the crisis. Similarly, the average monthly income of workers in Indore was Rs. 1,514.29 before the crisis, which fell to Rs. 1,222.45 during the crisis.
- In Ahmedabad, about 26 percent HHs had liquidated their savings, 23 percent had mortgaged their assets and 15 percent had sold their assets, i.e., more than 60 percent had lost their savings to tide over the financial crisis.
- In Indore, none had liquidated their assets; however, 6 HHs had pawned their assets and 1 HH had sold of its assets to meet the daily needs.
- About 66% of the selected HHs had entered into a new debt cycle in Ahmedabad, whereas, in Indore 24 HHs had taken loans between October 2008 and March 2009. A majority of the HHs in both the cities had taken loans from their relatives or friends, followed by money-lenders. In Ahmedabad, only 11 percent had taken loans from a financial institution, such as a bank or SHG, whereas in Indore, about 41 percent had opted for financial institutions. The reason for taking loans was similar in both the cities – to meet regular household expenses, such as food, education and health; earlier, loans were primarily taken on occasions like marriages, festivals and other social functions.

4.3 Steps to Reduce Expenses

- About 53 HHs in Ahmedabad and 17 HHs in Indore had taken steps to reduce expenditure on children's education. The respondents from Ahmedabad had either shifted their children to cheaper schools or had taken loans to support children's education. Few respondents had even taken their children out of

school. In Indore, the respondents had either taken a loan to support their children's education or had not paid school fees.

- The quantity and quality of food intake had changed considerably; about 52 HHs in Ahmedabad and 45 in Indore had stopped/reduced taking vegetables, milk, meat, chicken, eggs, etc. Moreover, nearly 10 percent HHs in Ahmedabad and 3 percent in Indore were skipping either a meal or a breakfast.
- Of the total households who were living in a rented house, about 28.5 percent in Ahmedabad and 45 percent in Indore had adopted various strategies to reduce the amount spent on rent. Most of them had either not paid their rent or had shifted to cheaper houses or free facilities.
- About 84 percent HHs in Ahmedabad and 23 percent in Indore had reduced their expenditure on medical treatment. Most of them (73 in Ahmedabad and 22 in Indore) had shifted from private to public facility to reduce healthcare expenditure. Many HHs had also stopped or reduced consulting doctors.
- Due to lower income and increased transportation cost, as many as 14 percent respondents had shifted from public to private transports and another 7 percent had started walking to their destination in Ahmedabad to reduce transportation expenditure. In Indore, 3 percent respondents had shifted to public transport and 28 percent had started walking to their destination.

4.4 Consequences of Reduced Income

- Reduced income, expenditure cuts and loans had increased conflicts/tensions in a house. About 66 percent respondents reported an increase in conflicts/tension at their houses in Ahmedabad and about 15 percent in Indore.
- Many people had increased their smoking and/or drinking habits; however, 3 respondents in Ahmedabad and 7 in Indore had reduced expenditure on addictions due to financial constraints.

4.5 Counter Measures Adopted by Co-Workers of Selected HHs

- In Indore, no respondent was able to point out any measures taken by their co-workers to deal with the crisis. In Ahmedabad, 78 percent respondents were not aware of the strategies adopted by their co-workers. The rest said that their co-workers were stitching low-value products, such as bags, or cutting threads, to deal with the crisis. Most of their co-workers were either not aware of or did not have any alternative strategies to address the challenges posed by the ongoing crisis.

4.6 Assistance from Other Sources

- The informal sector usually does not receive any retrenchment compensation. Remittances received by few HHs in Ahmedabad had stopped after the financial

crisis. Similarly, none of the HHs had received any retrenchment compensation from government bodies or contractors/owners.

5. SEWA AND GARMENT WORKERS

SEWA was established in 1972 to organize women workers in the informal economy under a common umbrella and to provide a platform to voice their issues. In the last 36 years, the total membership of women has reached about 10 lakh across seven Indian states. Today, SEWA is the largest trade union of women in the informal economy and is also the Central Trade Committee. SEWA, through its dual strategy of 'struggle' and 'development', facilitates various training programmes and opportunity of alternative work to these informal workers to achieve full employment and self-reliance. The readymade garment workers have been adversely affected by both the economic meltdown and the global financial crisis. SEWA adopts various strategies, discussed in detail below, to meet its objectives.

1. **Organizing:** The basic and initial objective of all SEWA campaigns is to organize workers, which helps bring issues and problems to the fore while providing bargaining power. SEWA conducts monthly trade committee meetings wherein the leaders of all the areas participate and discuss the problems they face in their respective trade. Through these meetings, SEWA's future campaigns are decided, largely on the basis of the main issues/problems confronting a large majority of workers engaged in a particular trade. The way forward is also discussed and strategies are evolved in these trade committee meetings. Subsequently, area meetings are conducted to create awareness among members on the critical issues.
2. **Capacity Building:** Readymade garment workers mainly work from their homes. They are scattered in pockets throughout a city and are unaware of their rights as workers. SEWA provides them with various types of training, including training on workers' education. SEWA also accords them with a platform to raise their voice against exploitations.
3. **Strengthening Livelihoods:** Being home based, readymade garment workers are vulnerable to the changing trends. To counter this, SEWA implements the following measures to strengthen workers' livelihoods:
 - **Linking workers with employers/contractors:** As these workers are unaware of the source of procurement, SEWA gets in touch with their employers and contractors, and helps workers obtain adequate work.
 - **Wage increase:** There is a long chain of employers/contractors in this trade. These employers/contractors mostly underpay. SEWA periodically lobbies with employers to increase wages.

- **Access to the latest technology:** In trades such as that of readymade garments, it is extremely important for workers to stay abreast of the latest trends. This is possible only if they gain access to the latest technology. SEWA facilitates this process.
 - **Bonus:** One of the major campaigns undertaken by SEWA pertains to the disbursement of bonus to home-based garment workers. This campaign is usually conducted two months ahead of Diwali, when bonus is distributed among employees and factory workers. Although these workers work continuously for a year with the same employer/contractor, at the time of distributing bonuses, they are ignored. As part of its campaign, SEWA functionaries explain the Bonus Act to members of the trade committees, trade councils and area committees. These members are then urged to demand bonus from their employers/contractors. They are also advised not to accept bonus in kind (clothes, utensils or sweets).
4. **Organizing Workers through Cooperatives:** SEWA organizes its members into cooperatives under the umbrella of a state-level cooperative federation. Apart from organizing its members, the federation provides services and support to help members increase their incomes while offering alternative employment opportunities.
All the cooperatives have been able to ensure consistency of income and alternative sources of employment for its members. As a result, SEWA members, who have been organized under SEWA cooperatives, have, to a large extent, been insulated from the ongoing financial crisis.
 5. **Skill Upgrade Training Programmes:** Globalization has severely impacted the readymade garment trade. The machines traditionally used by workers cannot be used to create new designs or patterns on new fabrics. Thus, it is extremely important that workers acquire new skills to sustain livelihood. SEWA uses its community learning centres located in different areas to provide them various types of training, which range from advanced stitching on the latest machinery to new embroidery patterns, and simple stitching, giving finishing touches to the garments to incorporating new patterns on the fabrics. These training programmes are market driven and are followed by linkages with markets, which help the workers to not only produce the goods in demand, but also to market them successfully.
 6. **Lobbying and Advocacy:** SEWA lobbies at the local, state, national and international levels for ensuring voice visibility and representation for these workers. SEWA also lobbies and advocates for its members' rights with the government, employers, contractors and other stakeholders. SEWA's lobbying and advocacy efforts range from providing identity cards to workers to facilitating wage hikes and bonus disbursement.

7. **Minimum Wages:** Home-based workers work on a piece-rate basis. SEWA took out demonstrations and rallies to ensure the inclusion of these workers in the Schedule of the Minimum Wages Act and as a result, the government fixed the wages for these workers on a daily basis, claiming that this was suitable in terms of the type of work being done by these workers. However, this move was also not good enough and after rallies and lobbying, the wages were fixed on a piece-rate basis. However, the government reverted its decision to daily wages.
8. **ILO Convention on Home-Based Workers:** In June 1996, delegates to the 83rd Conference of the ILO voted to adopt a Convention, supplemented by a recommendation on home-based work. SEWA played an active role with like-minded organizations to bring in ILO Convention 177 on home-based work. The Convention was finally passed, which gave an international recognition to home-based work.
9. **National Policy for home-based workers:** SEWA has drafted a policy for home-based workers and presented it to the government. The aim of the policy is to ensure that the country's economic growth reaches home-based workers and to provide them social security, as well as to link them with the market. This national policy aims at providing recognition to home-based workers and addressing various issues concerning them such as low remuneration, poor working conditions, need for skill development and provision of social protection, and access to markets and credits.
10. **Urban Informal Welfare Economy Board:** SEWA's resolute efforts involving advocacy, lobbying and negotiations with the state labour department and the government led to the formation of the Gujarat Urban Informal Economy Workers Welfare Board on 6 February 2007. The home-based informal sector finally has a body to bank on. The board was set up to work for the welfare of informal sector workers. The board primarily aims at providing the following to its members: identity cards, medical benefits, tools and equipment, and training. Disbursement of identity cards is the most important need as it not only gives an identity to workers, but also serves to inform the government about the various trades of the informal economy and the number of workers engaged in such trades. SEWA is negotiating with other state governments as well to initiate a 'welfare board' for informal workers.
11. **Support Services:** These include services such as providing healthcare (including water and sanitation services) and childcare, insurance, housing and banking²⁰, and providing education to children. These services help improve the overall socio-economic condition of informal workers.

20 Refer Appendix III

6. RECOMMENDATIONS

Based on the study findings, SEWA, along with its members from the home-based garment industry, recommends the following to ensure social and livelihood security for workers engaged in this sector:

Identify Home-Based Garment Workers as 'Workers'

1. Currently, the central/state government has no record of the number of home-based garment workers, which makes it difficult to detail the impact of the financial crisis on these workers. Thus, it is recommended that based on exact field data, the government should register all home-based workers and provide them with identity cards.

Ensure Economic Security

2. The union/association supporting home-based workers should be represented at the decision-making forums, such as minimum wages advisory committee and equal remuneration committee. This will help direct the feedback obtained at the grassroot level on the issues and problems faced by home-based readymade garment workers.
3. In its endeavour to enhance social security for the informal sector, the government should ensure the institution of mechanisms through which all state-sponsored stitching and sewing jobs are tendered, e.g., all jobs of stitching the uniforms of government employees and municipal school students should be tendered to member-based associations/cooperatives of home-based garment workers. For implementing this measure, the government should set up facilitating centres in the wards populated by home-based workers or develop mechanisms to maintain direct links with these associations/cooperatives. The government should also provide subsidies to such associations/cooperatives to facilitate better functioning.
4. The central/state government should constitute a tripartite committee consisting of members of the government, unions/associations of readymade home-based workers and their employers/contractors to sort out the issues related to their trade.

Ensure Income through Regular Employment

During the survey, it was observed that most readymade home-based garment workers live in rented homes. The government should provide subsidy on housing to the tune of Rs. 250,000 to Rs. 300,000, while the down payment should be capped at Rs. 20,000. These housing schemes should be implemented in

- conjunction with the unions/associations of home-based readymade garment workers through state-level labour departments.
5. The amount of work for readymade garment workers fluctuates sharply, in line with the changing trends, materials and technology. Training programmes should be organized to upgrade skills in residential areas populated by such workers to help workers stay abreast of the challenges of globalization, changing trends and new technology. Funds should be allocated to the unions/associations of home-based workers.
 6. Government should promote the unions/associations of readymade garment workers to set up thread and other materials store by providing infrastructure, space and subsidies for setting up stores in the vicinity. Government should also subsidize raw materials.
 7. The latest machines and spares should be made available to workers at subsidized rates.
 8. ESIC and JNNURM coverage should be extended to cover readymade garment workers, especially during lean periods.
 9. Home-based workers should be provided electricity either at residential or non-commercial rates or at a subsidized rate.
 10. As an immediate measure, the central and state governments should provide soft loans to readymade garment workers. These loans should be disbursed through the related unions/associations.

Promote Welfare

11. The government should open childcare centres or crèches in areas inhabited by these workers to allow them to work while their children are adequately taken care of.
12. Measures should be taken to strengthen the existing welfare boards such as the Urban Informal Economy Welfare Board, Gujarat, and the following welfare schemes should be introduced:
 - Scholarships for the children of garment workers
 - Benefits in terms of provision of uniforms, books and/or linking up with local government schools/mid-day meal schemes
 - Maternity benefits of up to Rs. 2,500 per month, along with the provision of nutritious food for mothers and children for three months after delivery
 - Medical benefits including the opening of dispensaries in areas populated by readymade garment workers and mobile dispensaries that can benefit mothers and children (similar benefits are already being provided by the *Bidi* Welfare Board and this can be taken as the basis for drafting and enforcing the schemes)

13. A national welfare policy for home-based workers should be drafted and implemented at the central, as well as state levels, with immediate effect. Funds should be appropriately allocated in the national budget.
14. All welfare and development schemes should be made available to garment workers without any discrimination/reservations, such as BPL status. The government should establish links with associations/cooperatives of home-based workers so that more workers can avail these benefits.

Upgrade Skills

15. Training programmes on upgrading skills should be provided through ITIs. The current minimum criteria for participating in the ITI course is a 10th pass; however, most traditional home-based readymade garment workers are illiterate or semiliterate, so these criteria should be relaxed. Moreover, ITIs should adopt a flexible approach in module timing and eligibility. ITIs should remain operational round the clock in three shifts and should be placed in the areas densely populated with the informal sector workers so that it is easier for women workers to gain access to it.

Box 4: COMMUNITY LEARNING CENTRE

SEWA has set up community learning centres through which market-driven training is provided to readymade garment workers. These courses are designed to help readymade garment workers stay abreast of market demands. SEWA also helps link workers with the livelihood market after finishing the course. As per the available information, workers were earning 50 percent more a month after completing the training.

16. The central/state government should set up community learning centres in the residential areas of home-based readymade garment workers to provide them with market-driven training linked with livelihood. These centres can also serve as the place where women can bring their own work and earn livelihood (see Box 4).

APPENDIX I

List of Samples Selected for the Study from Ahmedabad City

	Categories of Areas	Number of Selected HHs
A.	Area with more than 1000 HHs	
1.	Gomtipur	30
2.	Juhapura	10
3.	Shahpur	31
B.	Areas having 100 to 500 HHs	
4.	Rakhial	4
5.	Saraspur	1
6.	Dariapur	8
7.	Sundaramnager – Odhav	3
8.	Bapunager	4
C.	Areas having less than 100 HHs	
9.	Khokhara	4
10.	Maninager	1
11.	Nava Vadaj	3
12.	Idgah	1
Total		100

APPENDIX II

List of Samples Selected for the Study from Indore City

S.No.	Area Selected	Estimated Number of HHs with the Garment Industry	Number of HHs Selected for the Study
1.	Prajapat Nagar	580	29
2.	Adarsh Indira Nagar	205	10
3.	Bholenath	179	9
4.	Chandan Nagar	297	15
5.	Dharamraj Nagar	280	14
6.	Ganga Nagar	80	4
7.	Indra Nagar	143	7
8.	Loknayak Nagar	122	6
9.	Nandlalpura	38	2
10.	Rajnagar	76	4
Total		2000	100

APPENDIX III

Shri Mahila SEWA Sahakari Bank Limited

Shri Mahila SEWA Sahakari Bank Limited (henceforth Bank) was SEWA's first cooperative effort. With a mission to reach poor women workers in the unorganized sector and to provide them with suitable financial services for their overall development through their own management and ownership, the bank provides a variety of services/products to its members. By the end of the 2007-2008 financial year, the bank had 307,558 account holders and Rs. 739,970,000 savings/deposits (SEWA Bank, 2008).

All the clients of the bank are women with an average monthly income of Rs. 1500/month, whereas the average income of their household is Rs. 3000/month (SEWA Bank, 2008). The bank provides a range of services which includes saving options (short and long term, including pension scheme), loans and insurance products, financial counselling, business counselling/advice/literacy for self-employed poor women, training programs on opening and effectively using a bank account. One of the loan products named 'Sanjivani Loans Product' is especially designed and developed for the wives of mill workers who were laid off after the closure of textile mills in Ahmedabad. As most of these families have joined the garment industry, the bank²¹ provided loans along with business counselling to buy or upgrade machinery/equipment required by home-based garment workers.

The saving schemes designed to serve economically poor women are the major help to women in the period of crisis. As per the study, about 26 percent of the respondents have liquidated their savings, which suggests that many women are saving in long-term schemes²² to deal with an unforeseen crisis such as this. If they would not have saved, they would have to loan it from local money lenders where the rate of interest is as high as 120 percent/year. The study also revealed that 23 percent HHs had mortgaged their jewellery. SEWA also provides loan in lieu of gold jewellery²³.

21 The Bank also provides loan under this scheme to those families who have joined sectors other than garment industry.

22 SEWA Bank has initiated many long term saving schemes, like in 'Chinta Nivaran Yojana', member deposits amounts ranging from Rs. 40, Rs. 80 and Rs. 120 per month for five years. In case of emergency and after a year of joining the scheme, the member can access to a loan up to Rs. 5,000 (need based) in lieu of their savings in the Bank. Similarly, 'Mangal Prasang Yojana' for special occasions, 'Ghar Fund Yojana' for renovating/building house and 'Kishori Gold Yojana' for buying gold for the wedding of their children is developed.

23 SEWA also provides loan in collateral of property.

APPENDIX IV

Tables

Table 1 Age of Respondents (in %)

Age Group	No. of garment workers	
	Ahmedabad	Indore
Less than 20	8	3
21-29	19	28
30-39	42	50
40-49	21	16
50-59	10	3
Total	100	100

Source: SEWA Survey, April-May 2009

**Table 2a Status of Education of Respondents in Ahmedabad
(% of total respondents)**

Age group	Status of Education				
	Illiterate	Primary	Secondary	H. Secondary	Graduation
Below 20	-	1	7	-	-
21-29	4	8	7	-	-
30-39	9	18	13	2	-
40-49	10	7	2	1	1
50-59	4	6	-	-	-
Total	27	40	29	3	1

Source: SEWA Survey, April-May 2009

Table 2b Status of Education of Respondents in Indore (% of total respondents)

Age group	Status of Education			
	Illiterate	Primary	Secondary	Higher Secondary
Below 20	0	1	1	1
21-29	4	8	4	12
30-39	6	16	7	21
40-49	2	4	3	7
50-59	0	2	1	0
Total	12	31	16	41

Source: SEWA Survey, April-May 2009

Table 3.a Demographic Characteristics of the Sampled HHs (% of total HHs)			
		Ahmedabad	Indore
No. of sample HHs		100	100
1. Type of Family	i. Joint	25	30
	ii. Nuclear	75	70
2. Family size	i. 1- 4	32	37
	ii. 5-8	62	63
	iii. 9 – 12	5	
	iv. 12 and above	1	
3. Religion	i. Hindu	11	99
	ii. Muslim	89	1
4. Caste	i. SC	30	9
	ii. ST	4	63
	iii. OBC	63	-
	iv. General	3	28
5. Migration	i. Non-migrants	74	91
	ii. Intra-state migration	17	7
	iii. Inter-state migration	9	2
6. Type of House	i. Own	56	80
	ii. On Rent	42	20
	iii. Living with relatives	2	-
7. Structure of House	i. Pucca	32	58
	ii. Semi-pucca	29	24
	iii. Kuchha	49	18

Source: SEWA Survey, April-May 2009 Source: SEWA Survey, April-May 2009

Table 4.a Variety of Products Stitched by Respondents in Ahmedabad		
Products	Before Diwali	After Diwali
Simple frock	18	13
Petticoat	14	14
Pant	8	8
Designed frock	8	8
Punjabi suits	7	7
Simple salwar	4	7
Double frill petticoat	5	5
Gown	4	5

Shirt	4	5
Bags	4	4
Tops	4	4
Simple salwar (plated)	4	3
Skirts/midi	3	3
Cotton male underwear	3	2
Pillow/mattress cover	2	2
Baby-suits	1	1
Interlocking	1	1
Pant & top	1	1
Ladies underwear	1	1
Parallels	1	1
Simple and double frill petticoat	1	1
Simple and plated salwar	1	1
Uniform	1	1
Capri	0	1
No work	0	1
Total	100	100

Source: SEWA Survey, April-May 2009

Table 4.b Variety of Products Stitched by Respondents in Indore

Products	Before Diwali	After Diwali
Blouse	9	9
Coat	2	2
Fall Biding	1	1
Kurti	3	3
Long Skirt	2	2
Panjabi suit	5	5
Pants	25	25
Sheet cover, apron	2	2
Shirt	25	25
Simple Salwar	16	16
Simple Petticoat	2	2
Stitching Old Cloths	8	8
Total	100	100

Source: SEWA Survey, April-May 2009

Table 5.a Mode of Payment in Ahmedabad (% of total respondents)				
Mode of Payment	From October 2008 to March 2009			Total
	0	Piece Rate	Dozen	
From April to September 2008	0	Piece Rate	Dozen	
Piece Rate	-	48	-	48
Dozen	1	-	51	52
Total	1	48	51	100

Source: SEWA Survey, April-May 2009

Table 5.b Mode of Payment in Indore (% of total respondents)				
Mode of Payment	From October 2008 to March 2009			Total
	0	Dozen	Piece Rate	
From April to September 2008	0	Dozen	Piece Rate	
Piece Rate	-	60	-	60
Dozen	0	-	40	40
	0	60	40	100

Source: SEWA Survey, April-May 2009

Table 6.a Change in Employment Status of Workers in Ahmedabad (% of total respondents)				
Employment Status	October 2008 to March 2009			Total
	Not working	Regular worker	Casual worker	
From April to September 2008	Not working	Regular worker	Casual worker	
Regular worker	-	20	35	55
Casual worker (daily)	1	-	44	45
Total	1	20	79	100

Source: SEWA Survey, April-May 2009

Table 6.b Change in Employment Status of Workers in Indore (% of total respondents)				
Employment Status	October 2008 to March 2009			Total
	Not working	Regular worker	Casual worker	
From April to September 2008	Not working	Regular worker	Casual worker	
Regular worker	-	5	-	5
Casual worker (daily)	0	-	95	95
Total	0	5	95	100

Source: SEWA Survey, April-May 2009

Table 7.a Average Working Hours/Day in Ahmedabad (% of total respondents)												
Availability of work for no. of hours/day	October 2008 to March 2009											Total
April to September 2008	0	1	2	3	4	5	6	7	8	12	20	
2	-	-	1	-	-	-	-	-	-	-	-	1
4	-	1	1	-	-	-	1	-	-	-	-	3
5	-	-	1	1	1	6	-	-	1	-	-	10
6	1	-	1	5	4	-	-	1	6	-	-	18
7	-	-	-	4	2	-	1	-	-	-	-	7
8	-	-	-	4	7	4	3	-	-	-	-	18
9	-	-	-	2	3	1	-	-	-	-	-	6
10	-	-	1	4	9	7	-	-	1	-	-	22
11	-	-	-	-	1	-	-	-	-	-	-	1
12	-	-	-	2	1	7	1	-	1	1	-	13
20	-	-	-	-	-	-	-	-	-	-	1	1
Total	1	1	5	22	28	25	6	1	9	1	1	100

Source: SEWA Survey, April-May 2009

Table 7.b Average Working Hours/Day in Indore (% of total respondents)													
Availability of work for number of hours/day	October 2008 to March 2009												Total
April to September 2008	2	3	4	5	6	7	8	9	10	11	12	13	
3	2	5	0	0	0	0	0	0	0	0	0	1	8
4	0	2	3	1	0	0	1	0	0	0	0	0	7
5	0	3	0	7	0	0	0	0	0	0	0	0	10
6	0	1	0	2	10	1	2	0	0	0	0	0	16
7	1	0	0	2	3	6	1	0	0	0	0	0	13
8	0	0	0	0	2	1	15	0	2	0	1	0	21
9	0	0	0	0	1	1	1	1	0	0	0	0	4
10	0	0	0	0	0	0	2	0	7	1	2	0	12
11	0	0	0	0	0	0	0	0	0	1	0	0	1
12	0	0	0	1	1	0	1	0	2	0	1	1	7
15	0	0	0	0	0	0	0	0	0	0	0	1	1
Total	3	11	3	13	17	9	23	1	11	2	4	3	100

Source: SEWA Survey, April-May 2009

Table 8.a Reasons for Reduced Work in Ahmedabad (% of total HHs)		
Reasons of reduced work		Percentage
1	Insufficient work but reason is not known/clear	50
2	Economic crisis	36
3	Reduced demand of product in market	9
4	Post Diwali is a lean period for the sector	5

Source: SEWA Survey, April-May 2009

Table 8.b Reasons for Reduced Work in Indore (% of total HHs)		
Reasons of reduced work		Percentage
1	Work has reduced but reason is not known	44
2	Due to inflation rates of product has increased, which has consequently affected the employment	19
3	Ongoing Financial Crisis in market	4
4	Not Applicable (not affected)	33

Source: SEWA Survey, April-May 2009

Table 9.a Change in Total Income of Respondents in Ahmedabad (% of total HH)		
	April – September 2008	October 2008 – March 2009
Less than 500	1	47
501-1000	18	40
1001 – 1500	23	11
1501-2000	22	1
2001-2500	14	0
More than 2501	22	0
No work	0	1
Total	100	100

Source: SEWA Survey, April-May 2009

Table 9.b Change in Total Income of Respondents in Indore (% of total HH)		
	April - September 2008	October 2008 - March 2009
Less than 500	7	12
501 – 1000	32	40
1001 – 1500	24	20
1501 – 2000	17	15

24 According to a SEWA study on garment workers of Ahmedabad, September to March is the peak period in the sector. The period of concern is October to March, thus it is not lean period in garment sector. (Unni and Bali, 2001).

2001 – 2500	2	2
More than 2501	18	11
No work	0	0
Total	100	100

Source: SEWA Survey, April-May 2009

**Table 10 Consequences of decrease in work availability in Ahmedabad
(% of total HH)**

Consequences of the Loss of Work and Livelihood	Percentage
Unemployed at present	43
Undertook another work in the same or related sector	15
Shifted to another sector/ work	1
Shifted from skilled/ Semi-skilled to unskilled work	1
Change in employment status (regular to casual)	25
Travelling longer distance and higher cost of travel	15

Source: SEWA Survey, April-May 2009

**Table 11 Level of Education among Respondents Children, Ahmedabad
(Between 6 and 18 yrs) (% of total children)**

Status of Education	Percentage
Illiterate	3.7
Discontinued studies	60
Still studying	121
Total	188

Source: SEWA Survey, April-May 2009

Table 12.a Impact on Children's Education, Ahmedabad (% of total HH)								
Impact on Children Education	During the Financial Crisis							Total
	Before the Financial Crisis	Boys	Girls	Expenditure on education reduced	Children not studying	No change		
	Dropped out from school/college	Shifted from private to public school	Took loan	Shifted from private to public school				
Studying in municipal school	1	-	-	-	25	-	6	32
Private school	1	6	3	3	8	-	1	22
Expenses being met comfortably	-	-	-	-	7	-	-	7
Not studying	-	-	-	-	-	39	-	39
Total	2	6	3	3	40	39	7	100

Source: SEWA Survey, April-May 2009

Table 12.b Impact on children education, Indore (% of total HH)							
	Impact on Children Education				Expenditure on education reduced	No change	Total
	Boys		Girls				
	Took loan	have not paid fees	Took loan	have not paid fees			
Before the Financial Crisis	1	8	1	2	5	83	100
During the Financial Crisis	-	-	-	-	-	-	100

Source: SEWA Survey, April-May 2009

Table 13 Change in Food Intake due to Financial Crisis (% of total HH)

Change in Food Intake	Ahmedabad	Indore
Stopped/reduced eating meat/chicken/eggs	28	-
Stopped/reduced eating out	41	1
Stopped eating breakfast	5	2
Stopped/reduced eating vegetables/milk	24	45
Skipped a meal a day	5	1
No Change	-	9

(The total is more than hundred due to multiple answers by respondents)

Table 14.a Payment of House Rent, Ahmedabad (% of total HH)

	Frequency
Left the rented house and shifted to free facility	2
Has not paid rent	10
No change	30
NA (they have their own house)	58

Source: SEWA Survey, April-May 2009

Table 14.b Payment of House Rent, Indore (% of total HH)

	Frequency
Shifted to a house with reduced rent	3
Left the rented house and shifted to free facility	2
Has not paid rent	3
Planning to migrate/ migrated to other city/ village	1
No change	11
NA (they have their own house)	80

Source: SEWA Survey, April-May 2009

Table 15.a Change in Medical Treatment, Ahmedabad (% of total HH)

Medical Treatment Sought Before the Financial Crisis	After the Financial Crisis				Total
	Shifted from private to public facil- ity	Stopped/re- duced going to outside facilities	Medical care given at home	No change	
Going to Private hospital	68	1	7	1	77
Going to Govern- ment Hospital	5	1	2	9	17
No Change	-	-	-	6	6
Total	73	2	9	16	100

Source: SEWA Survey, April-May 2009

Table 15.b Change in Medical Treatment, Indore (% of total HH)					
Medical Treatment Sought		After the Financial Crisis			Total
Before the Financial Crisis	Shifted from private to public facility	Stopped/reduced going to outside facilities	Medical care given at home	No change	
Going in Private hospital	22	0	1		23
Going in Government Hospital	0	0	0		0
No Change	-	-	-	77	77
Total	22	0	1	77	100

Source: SEWA Survey, April-May 2009

Table 16 Change in the Working Status of the HH Members, Ahmedabad (% of total HHs)						
Working Status		Boys	Girls	Men	Women	
Before	After					
Non-working	Taken up part-time work	3	3	-		13
	Taken up full-time work	3	-	-		1
	No change in their participation	16				-
Working	Increased the working hours	1	1	7		9
	No change in working participation	1	--	--		--

Source: SEWA Survey, April-May 2009

Table 17.a Conflicts/Tensions at HH level, Ahmedabad (% of total HH)		
Conflict/Tensions at HH level	March - Sept. '08	Oct, '08 - Mar. 09
Increase in Tension/Conflicts due to low income	25	64
Increase in Domestic Violence	0	2
No change	--	34

Source: SEWA Survey, April-May 2009

Table 17.b Conflict/Tensions at HH level, Indore (% of total HH)		
Conflict/Tensions at HH level	March - Sept. '08	Oct, '08 - Mar. 09
Increase in Tension/Conflicts due to low income	16	4
Increase in Domestic Violence	0	11
No change		85

Source: SEWA Survey, April-May 2009

Table 18 Change in Addiction Pattern		
Change in Addiction	Percentage in total HH	
	Ahmedabad	Indore
Increase in smoking	3	2
Increase in drinking	0	1
Decrease in smoking	2	3
Decrease in drinking	1	4
Not addicted to any thing	69	0
No change	25	90

Source: SEWA Survey, April-May 2009

Table 19 Change in the use of transport		
Change in use of transport	Percentage in Total HHs	
	Ahmedabad	Indore
Longer distances to cover, resulting in increase in cost	10	4
Shifted from private to public transport to reduce cost	14	3
Started walking to destinations	7	28
No change	69	65

Source: SEWA Survey, April-May 2009

Table 20.a Sources of Borrowing, Ahmedabad (% of total HHs)		
Source of Borrowing	April -September 2008	October 2008-March 2009
	Yes	Yes
Relatives/friends	06	48
Moneylenders	-	16
Banks	-	7
SHGs/MFIs	-	1
Total	06	72

Source: SEWA Survey, April-May 2009

Table 20.b Sources of Borrowing, Indore (% of total HHs)		
Source of Borrowing	April - Sept '08	October 2008 - March 2009
	Yes	Yes
Relatives/friends	01	08
Money Lenders	04	06

Banks	14	07
SHGs/ MFI	02	03
Total	21	24

Source: SEWA Survey, April-May 2009

Table 21.a Purpose of Borrowings, Ahmedabad (% of total HHs)		
Purpose of Borrowing	April - Sept '08	October 2008 - March 2009
Consumption (food, day-to-day needs)	1	43
Health-related reasons	3	14
Children's education	-	2
Festivals and social functions	2	7
Repay old debts	-	6
Total	6	72

Source: SEWA Survey, April-May 2009

Table 21.b Purpose of Borrowings, Indore (% of total HHs)		
Purpose of Borrowing	April - Sept '08	October 2008 - March 2009
Consumption (Food, day to day needs)	9	13
Health related reasons	3	9
Children's education	1	2
Repay old debts	8	1
Total	21	25

Source: SEWA Survey, April-May 2009

Table 22.a Dis-savings, Ahmedabad (% of total HH)		
Nature of Dis-saving	Yes	Average Amount (in Rs.)
Liquidation of HHs savings	26	4700
Pawning of assets	23	9609
Selling of assets	15	9100

Source: SEWA Survey, April-May 2009

Table 22.b Dis-savings, Indore (% of total HH)		
Nature of Dis-saving	Yes	Average Amount (in Rs.)
Liquidation of HHs savings	0	0
Pawning of Assets	6	5333.33
Selling of Assets	1	7000.00

Source: SEWA Survey, April-May 2009

Table 23: Counter Measures Adopted by Co-Workers , Ahmedabad (% in total HH)		
Coping Strategy Adopted by Neighbours	Ahmedabad	Indore
Not taken any action but want to do new work	10	0
Started new work–Making bags, dhaga (thread) cutting	11	0
Done nothing/unaware	78	100

Source: SEWA Survey, April-May 2009

Endnotes

- i SEWA, which is also a 'Central Trade Union' of women workers in India, has about 1.5 lakh home-based workers (around 15 percent of its membership) as its members throughout the country, many of these are associated with the garment industry.
- ii The ILO Home Work Convention has defined a home worker as a person who carries out work for remuneration in premises of his/her choice, other than the work place of the employer, resulting in a product or service as specified by the employer, irrespective of who provided the equipment, material or inputs used.
- iii Labour cost in India is 62 US cents per hour, whereas it is 27 in Bangladesh, 29 in Vietnam, 39 in Pakistan, 52 in Indonesia and 57 in China.
- iv TLA is a trade union of textile workers in Ahmedabad
- v Under the Indian Factories Act, 1948 all the factories employing more than 10 workers with power or 20 workers without power have to be registered. Many small units employ more than 20 workers but avoid obtaining registration, and were hence apprehensive to talk about the total number of workers employed by them (Unni and Bali, 2001).
- vi A study conducted by SEWA on garment workers engaged in factories revealed that a majority of the women working in garment factories are Hindu, whereas a majority of the home-based garment workers are Muslims. Obviously, the limited mobility of Muslim women due to their cultural and social norms has prevented them from working in factories, compelling them to seek only home-based work.
- vii A 'regular worker' is one who usually works for a single contractor/employer, and receives work every day from them, whereas a 'casual worker' can work for various employers/contractors and usually receives work for about three days in a week.

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Marginal farmers in India and the global economic slowdown of 2008

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EXECUTIVE SUMMARY

Ever since the global economic slowdown has begun to impact the Indian economy, Self Employed Women's Association (SEWA) has been monitoring its member base and observing changes at the household level. SEWA conducted this survey, with the support of United Nations Development Programme (UNDP) India, to gauge the impact of the global economic slowdown on people belonging to the lowest income strata.

Relying on a combination of focused group discussions (FGDs) and personally administered questionnaires, SEWA reached out to 100 small and marginal farmers across five districts (across a number of randomly selected villages). The sample set had proportionate representation from different religions and social groups. A majority of these respondents were agricultural workers (the rest were farmers with small landholdings).

October (the month of festivals) 2008 was selected as the checkpoint, after which the economic slowdown intensified, and the respondents were asked about various aspects of their life, such as household income, expenses, children's education, and health and nutrition, to compare these indicators prevailing before and after October 2008.

More than 80 percent respondent households reported that their financial condition (household income) worsened between October 2008 and March 2009. While very few of the affected were unemployed, most had either trouble finding the same volume of work or were working under more stringent payment terms.

The reduced household income affected many other aspects. For instance, the number of boys and girls taking up part-time work nearly doubled. Almost no children of the surveyed respondents were studying in private schools anymore; a few had even dropped out.

The number of households who had stopped buying meat and poultry products trebled. A few households were finding it difficult to afford even milk and vegetables. Another aspect that was adversely affected was healthcare expenditure—the number of households relying on private healthcare plunged considerably. In total, the number of households seeking medical help dropped significantly, while the number of people using home-made remedies increased.

Farmers and agricultural workers were coping with the slowdown primarily by working harder and cutting down on expenses.

SEWA's recommendations are based on the insights gathered from this exercise, coupled with its experience in this field for over three decades. The recommendations are based on three primary strategies to sustainable development.

- Initiate measures aimed at marginal farmers, particularly those growing export crops
- Strengthen the vulnerable sections of the society in such a way that they become better equipped to handle future crises (particularly through access to crises relief measures)
- Reduce dependence on agriculture by building necessary skills and creating alternative employment opportunities

Some recommendations are as follows:

1. Micro-enterprises run by poor workers should be granted loans at a low interest rate, as well as a moratorium period of 5 years.
2. A market access fund should be set up to help micro-enterprises sustain, even at reduced capacities, as well as guarantee a market for their products.
3. Agriculture continues to be the major occupation in rural areas, and thus the following steps should be taken to boost it:
 - Farmer groups or collectives should be granted licence to sell seeds and fertilizers.
 - Storage facilities should be made available to small farmers to increase their holding capacity.
 - Employment generation programmes should be launched for skilled, as well as unskilled workers.
 - Community-based organizations and collectives should be strengthened to better equip people to access relief schemes launched by the government and other non-governmental organizations.

SEWA's survey focused on workers and households, and covered the impact of the slowdown and the coping strategies adopted by the affected. This document summarizes the findings of the surveys conducted among small and marginal farmers involved in Gujarat.

WHY AGRICULTURE?

Agriculture is the only means of livelihood for more than two thirds of India's population, though the sector contributes only 18 percent to the country's GDP. Agriculture also has the largest number of informal workers (estimated at 98.4 percent). Further, about 50 percent of all operational holdings in 1980 were less than 1 hectare; 19 percent fell in the 1-2 hectare range. Given that farmers in India primarily cultivate their ancestral land, landholdings would have shrunk further. Given that a significant percentage of the poor in India is made up of farmers with small or no landholdings, agriculture as a sector becomes an automatic choice for such a study. Further, rural households that had shifted their focus to urban factories have reverted to agriculture for support.

CONTEXT & SURVEY METHODOLOGY

Volatility in output prices has made it difficult for farmers to estimate prices and make planting decisions. Marginal farmers are the worst sufferers due to lack of institutional credit, rising input prices and weather fluctuations.

Due to liberalization, farmers are now exposed to price fluctuations in global markets. The financial crisis has intensified price volatility over the past two years. Prices of primary commodities soared in 2007 and in the first half of 2008, before falling significantly. Farmers, who had planted cash crops—cotton and oilseeds, for instance—tracking firm commodity prices, were particularly affected.

Agricultural exports were significantly hit by rapidly falling prices and depressed international demand. For instance, sluggish demand for apparel in the US and Europe forced China to reduce raw cotton imports from India. The total cotton exports between August 2008 and June 2009 stood at 22.86 lakh bales, compared with 85 lakh bales in 2007-2008¹. This plummeting international cotton prices forced the government to increase the minimum support price by 40 percent, resulting in a steep rise in domestic prices and a considerable fall in cotton demand in domestic markets.

Castor seed exports witnessed a significant decline as well. In 2008, 335,000 tonnes of castor seeds were exported, but in the first seven months of 2009, only 60,000 tonnes were exported², with very few orders in the pipeline for the rest of the year. The demand for castor seeds from Europe, Japan and the US fell drastically.

1 <http://www.thehindubusinessline.com/2009/07/03/stories/2009070351971800.htm>

2 As gathered from Jayant Agro, a company exporting castor seeds.

International prices dropped by nearly 40 percent during the April-June period. Falling international prices resulted in cheaper imports, which, in turn, led to a fall in product prices in domestic markets. Traders based in Gujarat, Mumbai and New Delhi imported about 4,000 tonnes of sesame seeds³ between November 2008 and January 2009, which weighed heavily on sesame seed prices in domestic markets.

The table below depicts the price trends of some crops between March 2008 and March 2009.

Table: ⁴ Price trends between March 2008 and March 2009 (in Rs./quintal)

	Castor Seed	Cotton	Cumin	Groundnut	Wheat	Bajra (millet)
Mar-08	2,500	2,875	8,250	2,875	1,050	950
Apr-08	2,475	2,875	7,875	2,800	1,125	825
May-08	2,400	2,925	9,000	2,875	1,025	825
Jun-08	2,475	3,125	9,300	2,775	1,000	700
Jul-08	2,750	3,375	10,250	2,875	1,050	725
Aug-08	2,475	3,125	9,300	2,775	1,000	700
Sep-08	2,875	3,375	10,500	2,500	1,125	825
Oct-08	2,825	2,750	9,500	2,250	1,000	800
Nov-08	2,625	2,875	9,125	2,750	1,000	875
Dec-08	2,700	2,800	8,500	2,250	1,000	900
Jan-09	2,400	2,795	9,000	2,250	1,140	800
Feb-09	2,175	2,600	9,500	2,250	1,150	900
Mar-09	1,990	2,600	8,750	2,125	1,150	990

Prices of castor seeds, cotton, cumin and groundnut witnessed a spike between April 2008 and October 2008, after which prices dropped significantly. The price of castor seeds in March 2009 fell to Rs. 1,990 per quintal from Rs. 2,875 per quintal in September 2008. The price of cotton fell to Rs. 2,600 per quintal from its peak of Rs. 3,375 per quintal in July 2008. The price of groundnut dropped to Rs. 2,125 per quintal in March 2009 from Rs. 2,875 per quintal in May 2008. Wheat and bajra prices showed minor variation in comparison.

Clearly, cash crops were far more affected by the economic downturn than food grains.

Thus, two criteria were employed for selecting regions for further survey and analysis.

3 <http://www.business-standard.com/india/news/high-prices-at-home-force-india-to-import-raw-sesame/353154/>

4 Prices as recorded by Agmark on the first of every month in the Rajkot market; if the prices were not reported on the first, prices from subsequent dates were picked up

1. Regions where cash crops such as cotton, sesame, castor and cumin form a substantial part of the cropping pattern
2. Regions where there are a substantial number of marginal farmers

As a means of reaffirming the hypothesis based on the general trend, SEWA invited a few of its most active grassroots members to attend an FGD in Ahmedabad from across nine districts in Gujarat—Ahmedabad, Gandhinagar, Kheda-Anand, Kutch, Mehsana, Vadodara, Patan, Sabarkantha and Surendranagar. A total of 53 members across different age groups, with equal representation from the nine districts, attended the FGDs.

Two important insights emerged from the FGDs.

- Members were struggling to deal with volatile prices. Planting decisions (last year) that were based on peak prices went terribly wrong, with prices plummeting by harvest time. Continuing low output prices made it difficult to gain a good margin on produce.
- Input prices had risen, along with transportation costs. As a result, marginal farmers often failed to price their produce competitively. For many crops, particularly cash crops and vegetables, farmers ended up dumping their produce in the market.

Five districts were subsequently shortlisted to conduct further research: (1) Kheda-Anand, (2) Mehsana, (3) Patan, (4) Surendranagar and (5) Vadodara. Across these five districts, 100 respondents were interviewed. These respondents were small and marginal farmers or agricultural labourers, and not necessarily SEWA members. An attempt was made to ensure proportionate representation from different communities (by religion, caste and household size).

RESPONDENT PROFILE

The respondents were either agricultural labourers or cultivators. These respondents were further classified by various demographic parameters, as shown in Figures 1 to 7:

The following aspects were apparent from the respondents' profiles:

- A majority of the respondents were agricultural labourers, which points to relatively low levels of household income.
- Over 80 percent of these families were joint families, indicating the reliance of several members on few earning members (though the data did not rule out the possible existence of other contributors). This detail, along with the information that over 60 percent of these households did not have a secondary occupation, indicates that these households depend rather heavily on the income from primary occupation.

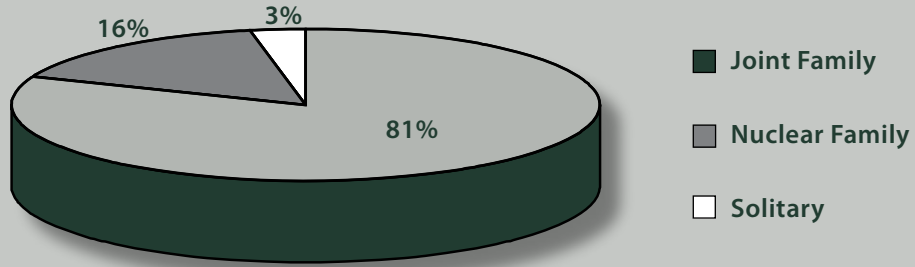


Figure 1 Categorization by Family Type

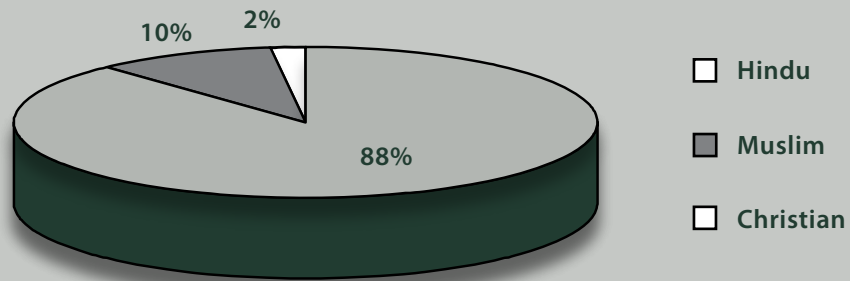


Figure 2 Categorization by Religion

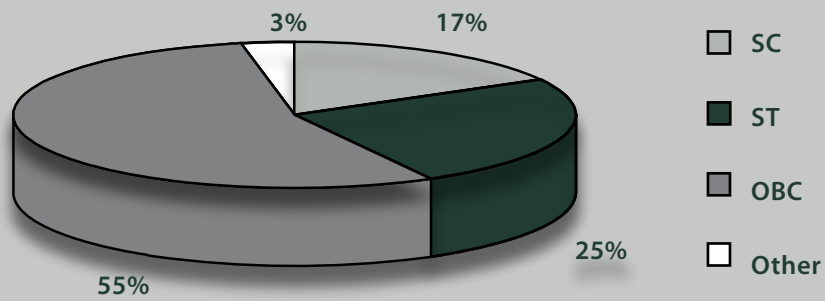


Figure 3 Categorization by Social Group

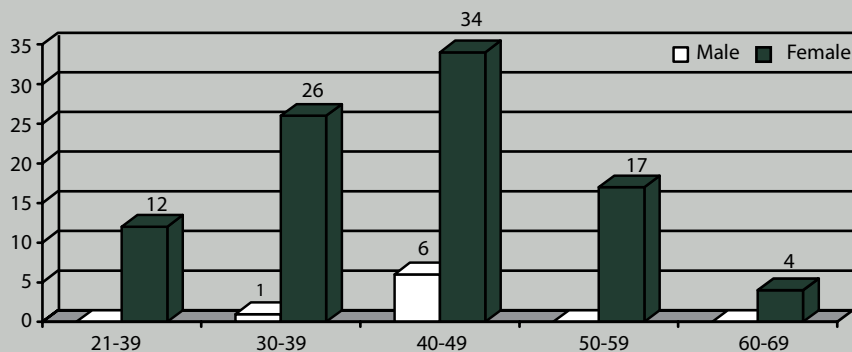


Figure 4 Categorization by Age/Gender

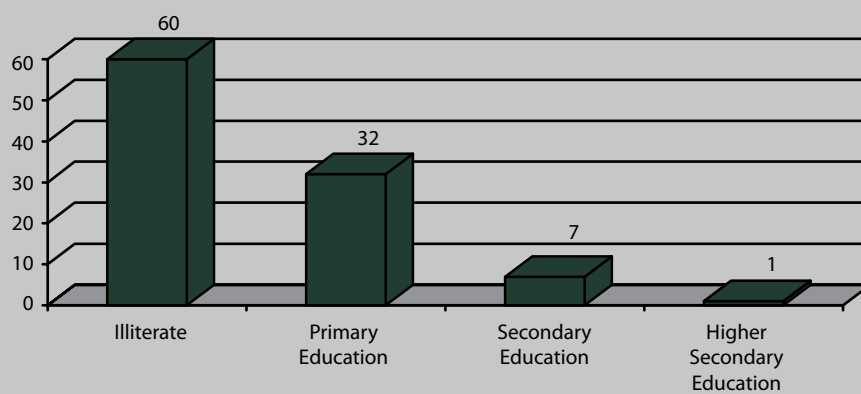


Figure 5 Categorization by Education

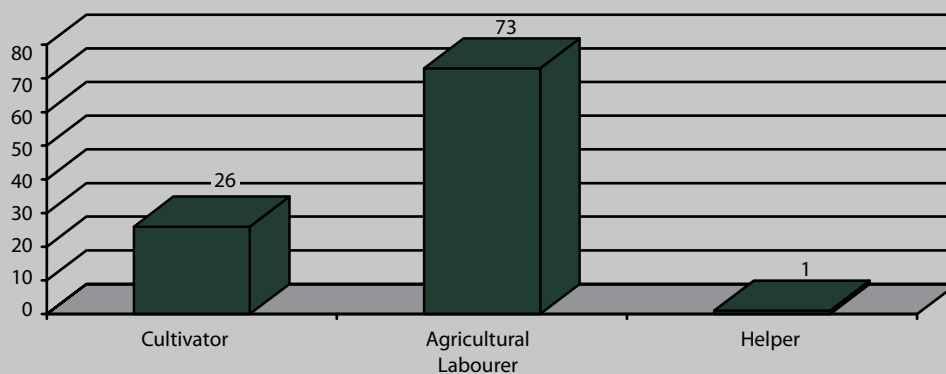


Figure 6 Categorization by Primary Occupation

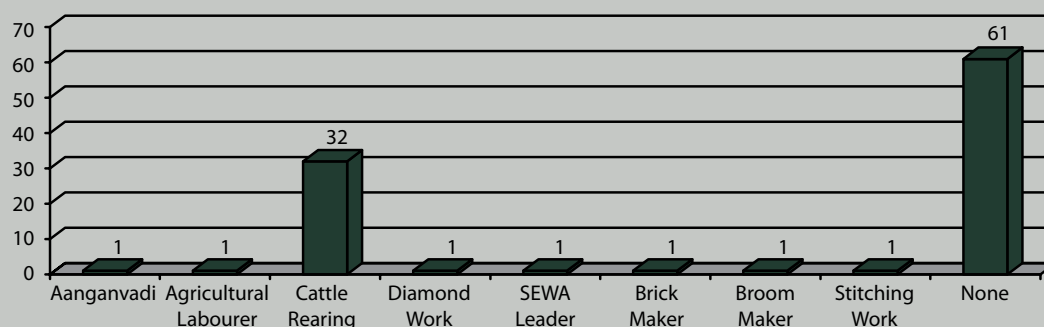


Figure 7 Categorization by Secondary Education

- A majority of these respondents were illiterate, indicating a possible lack of knowledge about the best farming practices and market data, which, in turn, indicates the inability on the part of farmers to generate the optimum level of income.

The following section builds on these insights and compares household situations between the April 2008-September 2008 and October 2008-March 2009 period.

CHANGES DUE TO SLOWDOWN – A COMPARATIVE ANALYSIS

October 2008, the month of the festival of Diwali, was taken as a checkpoint (this is also the time when the economic slowdown intensified), and the respondents were asked to compare their household situation before and after Diwali. Responses to the following questions gave us a picture of the changes in the households before and after the festival.

Impact of Slowdown on Work Opportunities and Income

As is apparent from the Figure 8, 80 percent respondents reported an adverse impact on their occupation after Diwali. The percentage of cultivators who reported that they were adversely affected was marginally higher than the percentage of labourers who reported such an impact.

The occupations/jobs of the respondents were affected as shown in Figure 9. Most respondents had seen changes in some form or the other. Among those who reported an adverse effect on their occupations, over 40 percent (presumably agricultural labourers) reported a decline in the number of opportunities, while over 50 percent reported a change in the work-income ratio, with employers demanding a greater volume of work at the same pay.

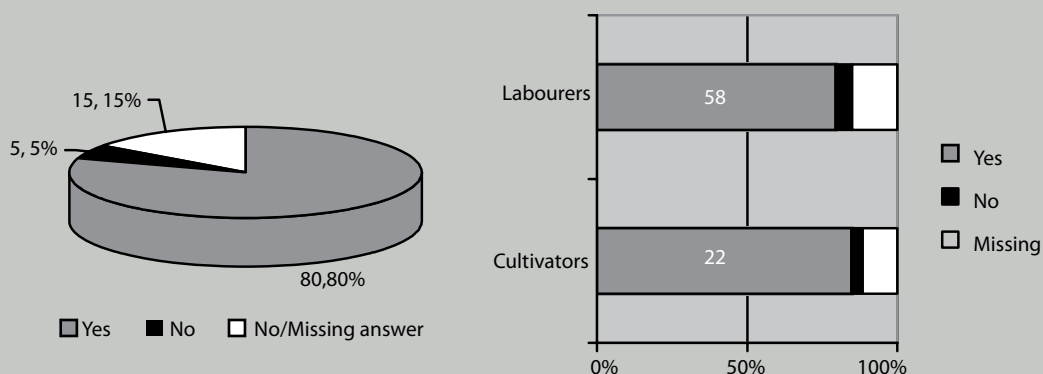


Figure 8 Adverse impact on Occupation

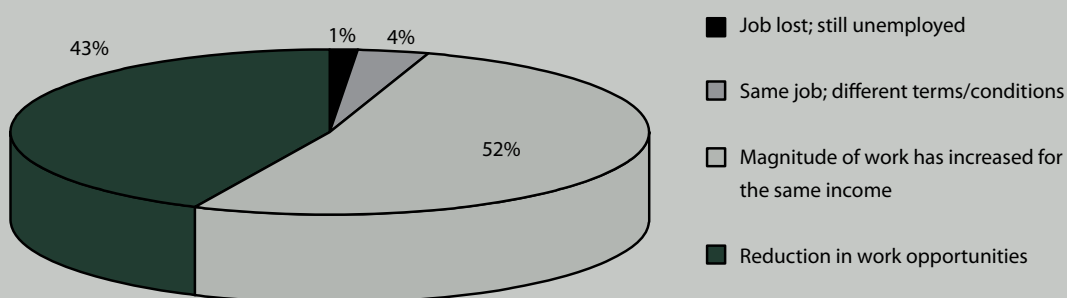


Figure 9 Status of Employment

Figure 10 indicates the relative percentages of responses of labourers and cultivators. For instance, a marginally higher percentage of labourers (43%) reported a reduction in work opportunities as compared to cultivators (40%).

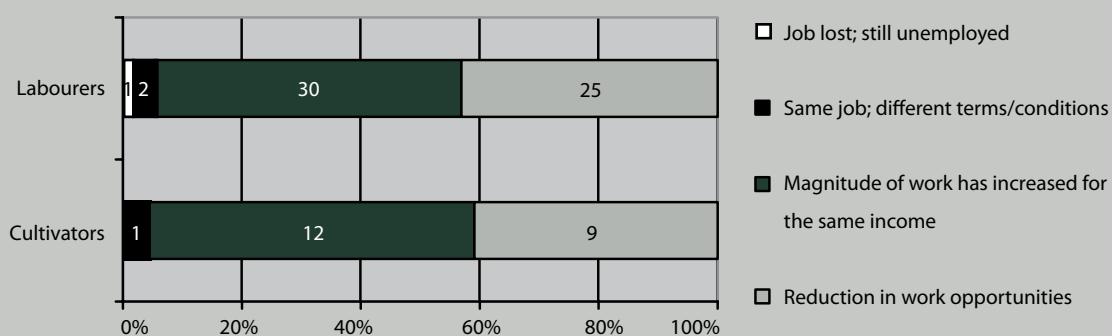


Figure 10 Relative Percentages of Responses of Labourers and Cultivators

The following split of the number of days the respondents worked a month before and after Diwali further corroborates that the number of work-related opportunities had declined for the respondents (particularly agricultural labourers).

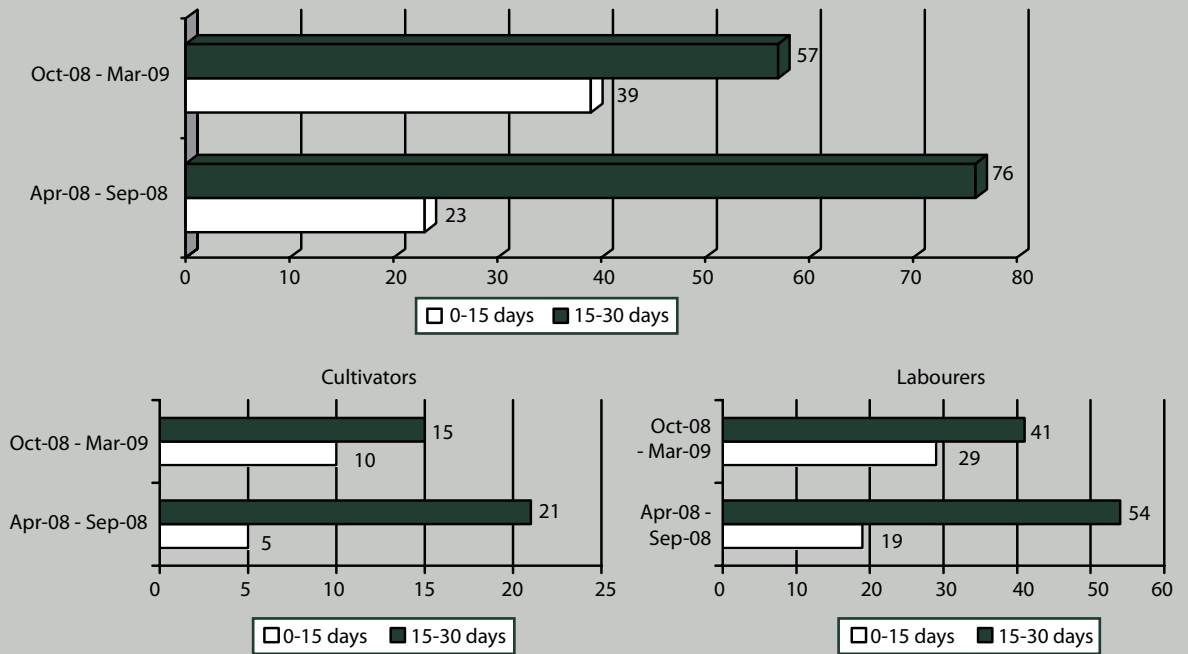


Figure 11 Number of Days the Respondents Worked a Month Before and After Diwali

The number of respondents who was able to find work for more than 15 days in a month dropped 25 percent. As expected, an increasing number of labourers (13) reported a decline in work days (from over 15 days to less than 15 days a month), as compared to cultivators (6).

A comparison of the income levels of the households seemed consistent with the responses to the above questions. The respondents were categorized by income bands, and there was a visible shift in the numbers towards the lower income bands after Diwali.

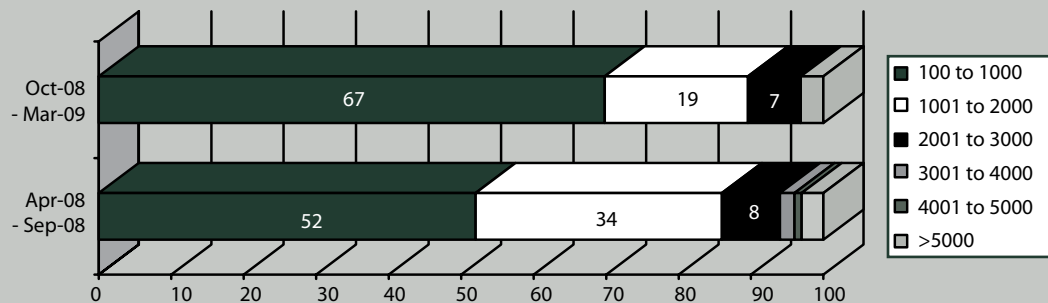


Figure 12 Income figures are in Rs./month

As demonstrated in the Figure 12, the width of the higher income bands shrunk after Diwali, as compared to the period before Diwali. For instance, the percentage of households earning between Rs. 1,001 and Rs. 2,000 per month nearly halved (correspondingly, more households were in the lower income band of Rs. 100 to Rs. 1,000 per month).

Figure 13 shows the change in monthly income for cultivators as a group. It was observed that there was a significant change in the income levels of cultivators. For instance, the percentage of cultivators in the lowest band of income, Rs. 100-1,000 a month, rose from 7 percent to 11 percent.

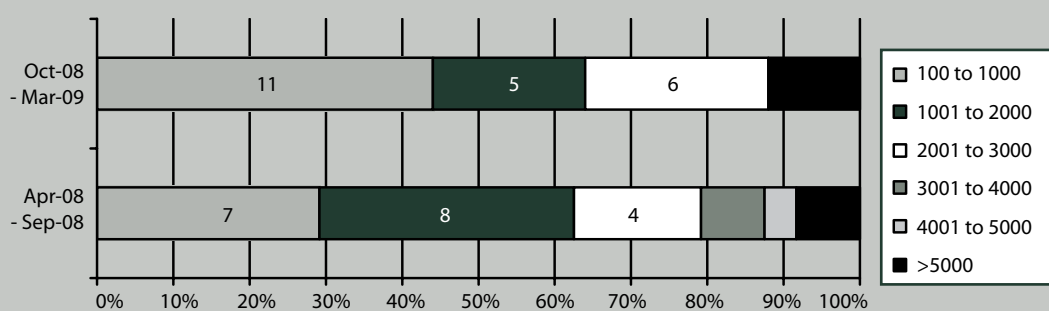


Figure 13 Cultivators: Income in Rs./month

Figure 14 shows the change in monthly income of labourers as a group. The lowest income band (Rs. 100-1,000 per month) was much higher for labourers than that for cultivators. Between April 2008 and September 2008, about 60 percent respondent labourers earned in this range, as against 30 percent cultivators, indicating that labourers were generally worse off in terms of household income.

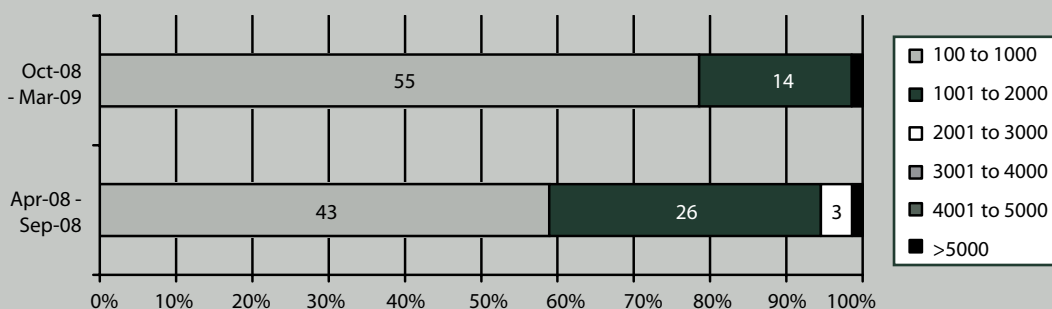


Figure 14 Labourers: Income in Rs./month

Labourers were also more adversely affected in terms of monthly household income. The lowest income band grew by 12 households (as against four among cultivators).

This also suggests that households had been unable to take advantage of the National Rural Employment Gurantee (NREG) scheme to secure employment. The FGDs revealed many issues that had discouraged villagers from joining the scheme. Apart from a general lack of awareness of NREGS, there were issues related to inefficient distribution of job cards and delay in payments. This further worsened the situation.

Impact of the Slowdown on Children

The impact of the economic meltdown on children’s education was significant. The following chart summarizes the trends related to children’s education during the two periods under consideration.

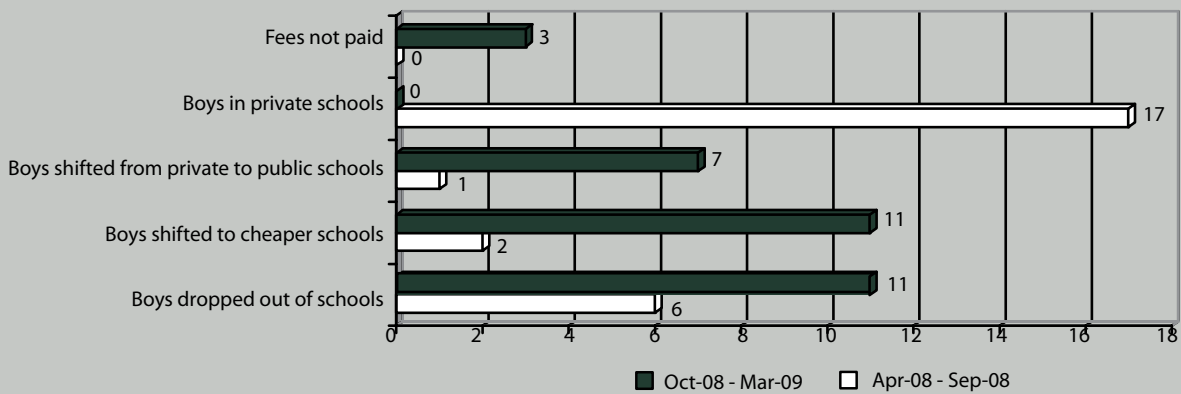


Figure 15 Impact of Slowdown on Children

The dropout rate doubled after the onset of the slowdown. A number of children were shifted to cheaper schools. The period before Diwali had as many as 17 children in private schools, whereas the period after Diwali had no children in private schools from the sample group.

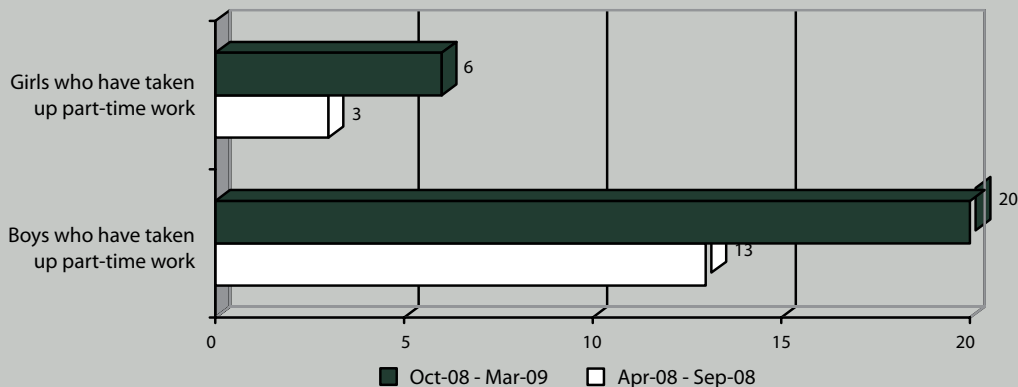


Figure 16 Part-time Work taken up by Children

Further, many children were contributing towards family work and/or income (presumably a few of those who had discontinued education) (Figure 16). The number of girls engaged in part-time work doubled during the period after Diwali. Many children also increased their number of working hours after Diwali.

Impact on Health and Nutrition

Consistent with the reported decline in income, a number of respondents reported a decline in the quality of food intake, as depicted in the chart below.

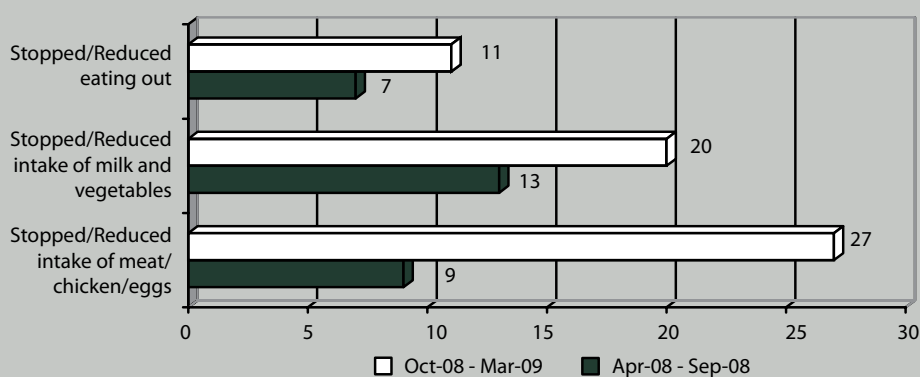


Figure 17 Impact on Food Intake

The sharpest decline was reported in poultry and meat product consumptions, with as many as thrice the number of people reducing their intake after Diwali. The number of people consuming milk and vegetables declined as well.

Healthcare was affected significantly, with households unable to afford private healthcare facilities. For instance, as many as 28 people shifted to public healthcare facilities from private ones after Diwali, as against two before the festival. The number of households relying on home-made medical therapies also increased after Diwali.

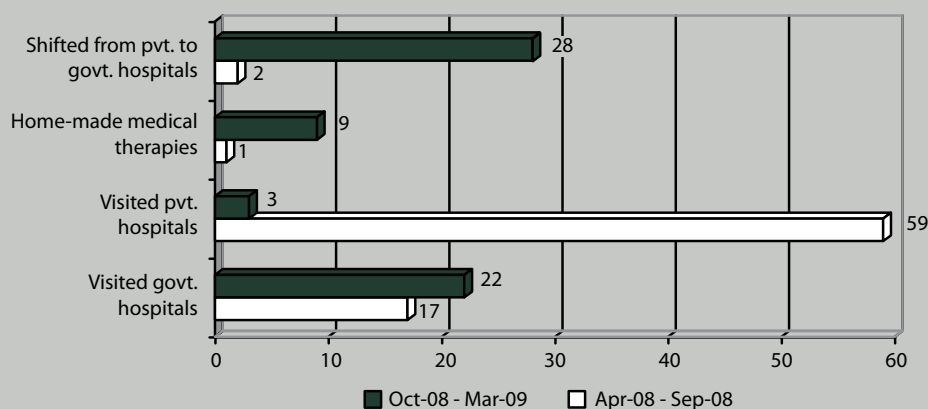


Figure 18 Impact on Health Care Accessed

The reduction in the number of people visiting hospitals, government or private (from 76 to 25), is a case in point.

The number of people reporting instances of depression, and mental and physical illness increased as well.

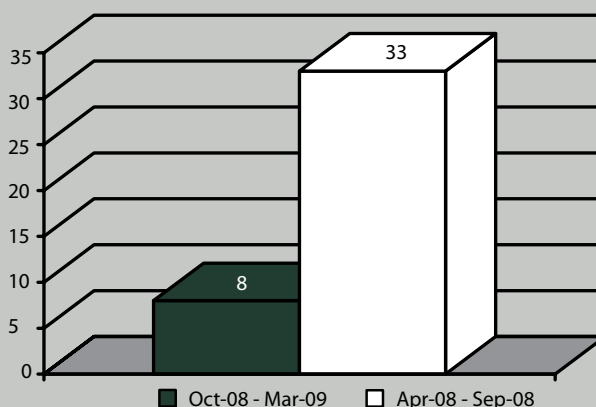


Figure 19 Increase in Illness

Impact on women and domestic affairs

The number of women engaged in full-time work increased substantially, from 12 households before Diwali to 32 after Diwali. As many as 12 women reported an increase in the number of working hours in this period, as against one in the preceding period.

Instances of domestic conflicts/tension increased marginally due to financial difficulties. Fifty-two women reported such instances after Diwali, as against 44 in the preceding period.

Respondents also tried to cut transportation costs by shifting to public transport. As many as 33 respondents reportedly resorted to public transportation after September 2008, as against eight in the period before. Also, more people stopped using transportation and resorted to walking.

COPING MECHANISMS AND RESPONDENTS' SUGGESTIONS

Besides highlighting the impact of the economic slowdown on households, the section also lists some measures households adopted to cope with the changed situation. A few of those measures are

- Working longer hours to maintain the income stream
- Contribution to the family income by women by taking up part- or full-time work

- Shifting children to cheaper schools (or in certain cases, making children discontinue studies to take up work)
- Reducing the quality and variety of food
- Cutting transportation costs

When the households were posed specific questions on their coping strategies, the responses were as follows:

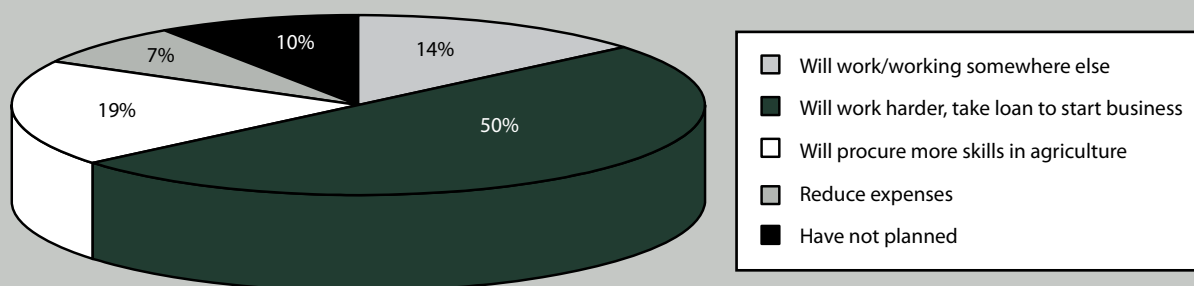


Figure 20 Coping Strategies

Households were also asked to offer suggestions to different entities, such as the government, NGOs and communities. Their recommendations were as follows:

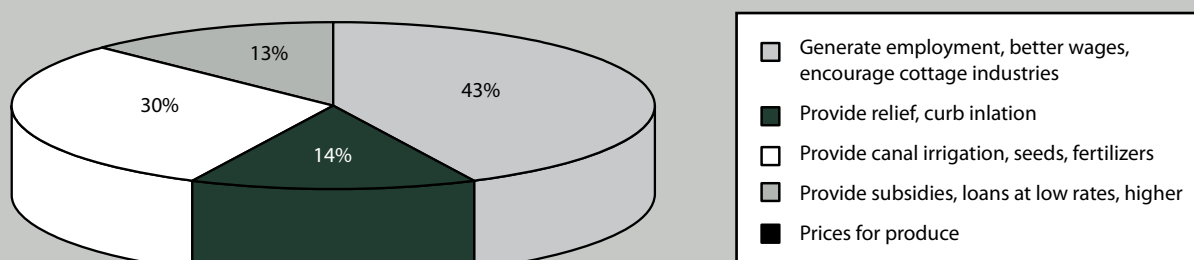


Figure 21 Suggestions to the government

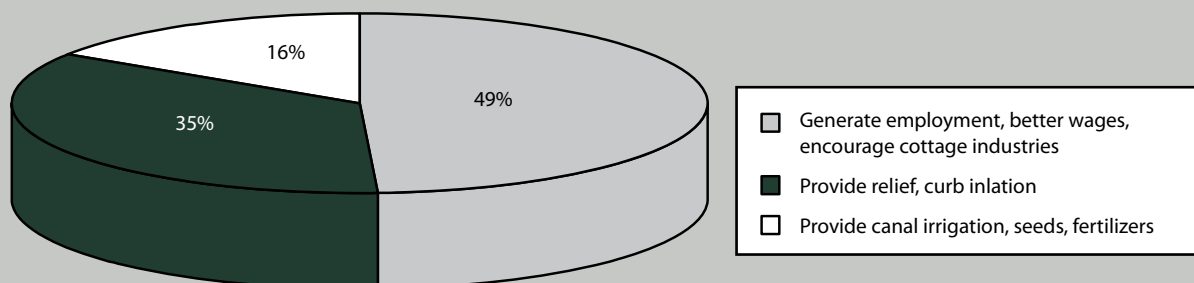


Figure 22 Suggestions to NGOs

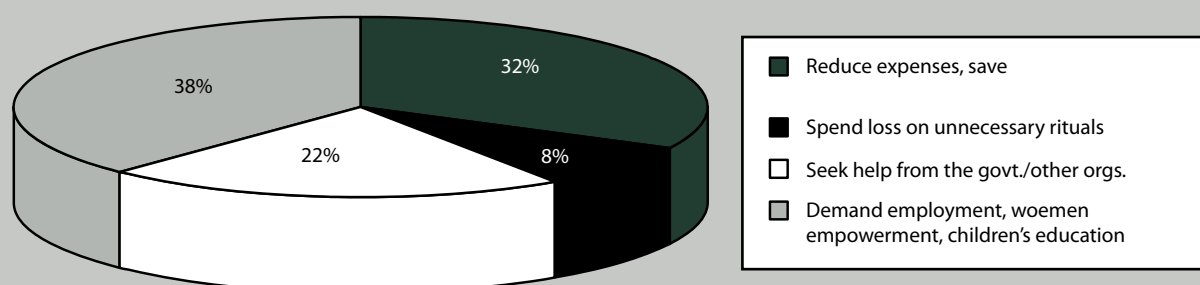


Figure 23 Suggestions to communities

RECOMMENDATIONS

Addressing the economic crisis and its adverse impact requires a concerted effort on part of the government, community-based organizations, multilateral and other donor agencies, and the communities themselves.

The measures highlighted below are a combination of three primary strategies:

- Initiate measures aimed at marginal farmers, particularly those growing export crops
- Strengthen the vulnerable sections of the society in such a way that they become better equipped to handle future crises (particularly through access to crises relief measures)
- Reduce dependence on agriculture by imparting necessary skills and creating alternative employment opportunities

The recommended strategies are

Create and Develop Community-based Organizations and Structures

Existing community structures should be strengthened, and new community structures should be created, wherever necessary. A few specific action points are

- (a) Farmer groups should be recognized and strengthened. This will help farmers to
 - Secure licenses for seeds and avail quantity discounts on purchases
 - Access and implement watershed programmes
 - Gain access to storage spaces; thereby avoiding crop damage

- Gain access to loans and other microfinance instruments, which often affect household income to a large extent in the long run
- (b) Self-help groups and federations (especially women-based institutions) should be recognized and strengthened. This will help members to
 - Access loans, insurance, pensions and other financial instruments
 - Explore avenues of joint marketing
 - Create opportunities for skill building
- (c) Cooperatives (such as those associated with SEWA) and producer-led institutions (the SEWA RUDI initiative, the SEWA trade facilitation centre for craftswomen, etc.) should be strengthened.

Skill Development

A majority of the respondents did not have a secondary occupation, which significantly limited their income generation abilities. This lack of alternative livelihood opportunities also indicates the level of alternative skills among the respondents.

The slowdown may allow the government and other agencies to invest in skill building and organize large-scale skill-building programmes with the provision of stipends for participants. This will be beneficial in the following ways:

1. It will provide cash to participants; their current hardships would be reduced.
2. The energy and time of unemployed workers could be usefully employed to generate products and services of value as part of the programmes.
3. It will help create a pool of multi-skilled workers capable of handling such crises.

SEWA recommends the creation of training programmes in the following areas:

- All types of construction skills
- Information and communication technology
- Skills in services including education, health and domestic services
- Agricultural skills, especially in the areas of seed production and water conservation
- Technical training on agriculture
- Agro and food processing
- Nursery raising, vermin compost and other environment improving skills
- Skills related to green sources of energy
- Skills linked to textiles and handicrafts
- Financial and managerial skills
- Micro-enterprise development

Strengthen Employment Programmes and Micro-enterprises

As the survey indicates, there was a decline in the number of days cultivators and labourers spent working in a month. There was a decline in the wage rate as well. The most direct way of coping with the effects of an economic slowdown is to generate employment. The following aspects should be considered to promote employment opportunities:

- NREGS has emerged as the country's largest employment programme. It could be expanded and made more effective by
 - Increasing awareness of the scheme among communities
 - Ironing out implementation gaps, such as irregularity in providing work to members with job cards, non-payment of work done under the NREGS, inconsistent distribution of job cards to families, and difficulties in procuring job cards and subsequent linkages
 - Introducing schemes to create employment for skilled labourers, since NREGS largely addresses the needs of unskilled labourers; the scope of such schemes may include
 - Agriculture-related activities, agro processing, watershed development
 - Craft and textile work, such as weaving, printing and embroidery
 - Services such as healthcare, childcare, old-age care, hospitality, and travel and tourism
 - Works of public interest, such as nursery raising, tree plantation, cleaning campaigns, recycling, water harvesting and resource maintenance (to be sponsored by the government)
 - The act could provide 100 days of guaranteed employment to every family member instead of one member from every family
- Most enterprises in India are micro-enterprises. These entrepreneurial ventures operate in local markets and provide employment to people. Government schemes that encourage such enterprises should be increased. Particularly, access to finance and credit with a moratorium period of 5-7 years at easier terms (while waiving the due diligence under normal commercial borrowing) should be introduced.

Agriculture Support Activities

Being the primary occupation of a majority of communities, agriculture should be supported by various programmes to make it more productive. A few steps that can be undertaken are

- Continuing with minimum support prices and ensuring that it reaches small and marginal farmers

- Local procurement for government's public distribution scheme
- Widespread distribution of seeds and fertilizers through farmer collectives and member-based organizations
- Widespread programmes for small irrigation schemes
- Large-scale plantation and agricultural activities on wastelands in villages
- Sustainable community development focusing on strengthening rural infrastructure, such as cold storage and warehouses
- Setting up localized procurement and distribution networks

SEWA'S INITIATIVE

Discourage Distressed Sales

Marginal farmers are the most affected by price fluctuations, particularly because their working capital needs for the next season are largely met by the harvest from the previous season. As a result, when market prices are low (either because of a production glut or other external reasons), farmers can't wait until prices increase. They have no other option but to sell their produce at prices prevailing in local markets. SEWA seeks to address this phenomenon through the following initiatives:

Procurement at Market Prices

As much as Rs. 32,096,982 worth of produce (primarily wheat, cumin, cotton and pulses) was procured over the last eight months, and it was sold to either institutional buyers or absorbed by RUDI-SEWA's network of rural producers, processing persons and salespersons involved in procuring, processing and packaging of agricultural produce. Not only did this result in employment opportunities for women at various stages (procuring, processing and packaging) in RUDI's supply chain, but also helped farmers sell their produce at market prices, bypassing exploitative traders.

Microfinance

To meet farmers' working capital needs, SEWA linked as many as 2,736 farmers with various lending institutions, such as Bank of Baroda, Dena Bank, State Bank of India and SEWA Bank. Loans amounting to Rs. 30,763,400 were disbursed to these farmers, meeting their working capital needs and reducing the incidence of distress sales.

Market Linkages

In its bid to eliminate middlemen and empower producers, SEWA has tied up with wholesale buyers to enable direct procurement of commodities, thereby reducing the impact of low market prices. For instance, 12 castor-producing groups have been linked to oil mills, and 727 tonnes of castor have been procured. A number of

contd.

other benefits, apart from farmers being able to sell their produce at market prices (a few received up to Rs. 50 more per kg), have been realized. Farmers are slowly learning to work collectively; procuring the produce from individuals, grading it, packing it and loading it onto transportation vehicles. Farmers, who earlier relied on middlemen's assessment about the grade and price of their produce, and lacked the knowledge to verify it, can now value their produce themselves.

Warehouse Receipt

In a unique initiative that seeks to discourage farmers from going in for distress selling, SEWA, in partnership with the warehousing corporation, has been running a pilot in Mehsana, in which farmers are encouraged to store their produce (castor) in the corporation's warehouse. This stored produce acts as collateral for availing institutional credit. As of now, 17 farmers have utilized this facility, storing Rs. 966,458 worth of produce, against which loans amounting to Rs. 655,360 have been disbursed. A farmer gets cash amounting to as much as 70 percent of the value of the produce stored at the warehouse, which is enough to meet his or her working capital needs for the forthcoming season, thereby ensuring that the farmer is able to take advantage of the subsequent price rise. SEWA intends to expand this initiative to other crops such as cumin, if it proves to be successful.

APPENDIX 1

CROSSTABS

Primary Occupation * Recode Wage Rate (Rs./day) – Apr. 2008 to Sep. 2008 (primary occupation) Cross-tabulation

			Recode Wage Rate (Rs./day) – Apr. 2008 to Sep. 2008 (primary occupation)			Total
			No Answer	25-50	51-100	
Primary Occupation	Agriculture	Count	8	15	3	26
		% within Recode Wage Rate (Rs./day) – Apr. 2008 to Sep. 2008 (primary occupation)	80.0%	19.7%	21.4%	26.0%
	Agricultural Labour	Count	2	61	10	73
		% within Recode Wage Rate (Rs./day) – Apr. 2008 to Sep. 2008 (primary occupation)	20.0%	80.3%	71.4%	73.0%
	Helper	Count	0	0	1	1
		% within Recode Wage Rate (Rs./day) – Apr. 2008 to Sep. 2008 (primary occupation)	.0%	.0%	7.1%	1.0%
Total		Count	10	76	14	100
		% within Recode Wage Rate (Rs./day) – Apr. 2008 to Sep. 2008 (primary occupation)	100.0%	100.0%	100.0%	100.0%

Primary Occupation * Recode Wage Rate (Rs./day) – Oct. 2008 to March 2009 (primary occupation) Cross-tabulation						
			Recode Wage Rate (Rs./day) – Oct. 2008 to Maech. 2009 (primary occupation)			Total
			No Answer	25-50	51-100	
Primary Occupation	Agriculture	Count	7	10	9	26
		% within Recode Wage Rate (Rs./day) – Oct. 2008 to Maech. 2009 (primary occupation)	50.0%	14.5%	52.9%	26.0%
	Agricultural Labour	Count	7	59	7	73
		% within Recode Wage Rate (Rs./day) – Oct. 2008 to Maech. 2009 (primary occupation)	50.0%	85.5%	41.2%	73.0%
	Helper	Count	0	0	1	1
		% within Recode Wage Rate (Rs./day) – Oct. 2008 to Maech. 2009 (primary occupation)	.0%	.0%	5.9%	1.0%
Total		Count	14	69	17	100
		% within Recode Wage Rate (Rs./day) – Oct. 2008 to Maech. 2009 (primary occupation)	100.0%	100.0%	100.0%	100.0%

FREQUENCY

Primary Occupation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agriculture	26	26.0	26.0	26.0
	Agricultural Labour	73	73.0	73.0	99.0
	Helper	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Area					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Anand	20	20.0	20.0	20.0
	Mehsana	20	20.0	20.0	40.0
	Patan	20	20.0	20.0	60.0
	Surendranagar	20	20.0	20.0	80.0
	Vadodara	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

CROSSTABS

Primary Occupation * Land Ownership Cross-tabulation						
			Land Ownership			Total
			Yes	No	NA	
Primary Occupation	Agriculture	Count	14	0	12	26
		% within Land Ownership	28.0%	.0%	27.9%	26.0%
	Agricultural Labour	Count	35	7	31	73
		% within Land Ownership	70.0%	100.0%	72.1%	73.0%
	Helper	Count	1	0	0	1
		% within Land Ownership	2.0%	.0%	.0%	1.0%
Total		Count	50	7	43	100
		% within Land Ownership	100.0%	100.0%	100.0%	100.0%

What kind of crops are you sowing – Based on rain * Area Cross-tabulation

	Area						Total
		Anand	Mehsana	Patan	Surendra nagar	Vadodara	
What kind of crops are you sowing – Based on rain	No	0	1	0	0	0	1
		.0%	5.0%	.0%	.0%	.0%	1.0%
	Paddy	1	2	2	1	1	7
		5.0%	10.0%	10.0%	5.0%	5.0%	7.0%
	Bajra	0	1	1	0	0	2
		.0%	5.0%	5.0%	.0%	.0%	2.0%
	Jowar	1	1	0	0	0	2
		5.0%	5.0%	.0%	.0%	.0%	2.0%
	Castor	1	1	1	1	3	7
		5.0%	5.0%	5.0%	5.0%	15.0%	7.0%
	Cotton	0	1	0	0	1	2
		.0%	5.0%	.0%	.0%	5.0%	2.0%
	Wheat	0	1	0	0	0	1
		.0%	5.0%	.0%	.0%	.0%	1.0%
	Sesame, Moong, Fenugreek	0	0	1	0	1	2
		.0%	.0%	5.0%	.0%	5.0%	2.0%
	Vegetables	1	2	0	0	2	5
		5.0%	10.0%	.0%	.0%	10.0%	5.0%
	Flour, Bajra	1	0	0	0	0	1
		5.0%	.0%	.0%	.0%	.0%	1.0%
	Paddy, Bajra	0	0	0	1	0	1
		.0%	.0%	.0%	5.0%	.0%	1.0%
	Sorghum, Pulses, Cotton, Castor	2	0	1	1	0	4
		10.0%	.0%	5.0%	5.0%	.0%	4.0%
	Sorghum, Pulses	0	0	1	2	0	3

CASE STUDIES

Case Study 1

Narrator: Jamuben Khengabhai Aahir

Name: Ranabhai Khengabhai Aahir

Village: Dhokavada

Block: Radhanpur

District: Patan

I am Jamuben Khengarbhai Aahir. I am an artisan. I would like to share my experience of the impact of the slowdown and how the crisis forced a man to end his life. Ranabhai Khengabhai Aahir of Dhokavada village, Radhanpur district, was a young and intelligent man. He was the only earning member in a family of seven. He was a driver by profession, and earned Rs. 5000-6000 per month.

Life was moving smoothly, but suddenly he stopped getting work from September 2008 and his family struggled to make both ends meet. Seeing this, he contemplated moving to farming, but the family did not have any land of its own. Thus he got a small portion of land on a share cropping basis and started cultivating bajra and pulses. However, his production was not high enough to recover input costs. He incurred huge losses. The losses took a toll on Ranabhai's health, and despite spending heavily on medicines, his health showed no signs of improvement. Ranabhai committed suicide.

The responsibility of running the household fell on his wife, Budhiben, (25), and she didn't know how to overcome the crisis in the absence of any government rehabilitation or relief or an alternative source of income.

Case Study 2

Narrator: Amratben Rameshbhai Rathod

Name: Amratben Rameshbhai Rathod

Village: Boriyavi

Block and District: Anand

I am Amratben Rameshbhai Rathod. I am an agricultural worker who was born in a small village known as Jetpur in Kathlal, Kapadvanj block. We had a small portion of land that we used to cultivate. I have four brothers and four sisters. All of us used to help our parents in agriculture and animal husbandry activities. My sisters and I were never sent to school. We were told to learn household chores as we were not expected to contribute to economic activity.

A small land of 2.5 acres was inadequate to feed an entire family. I was married at the age of 10 to Rameshbhai of Boriyavi village. My in-laws were also agriculturalists and had four acres of land. We are a family of six, and I used to help in farming activities, as well as shoulder household responsibilities, including looking after children.

In our farm, we cultivate herbs and vegetables such as coriander, garlic, potato and turmeric, along with coarse grains such as bajra, wheat and paddy.

I have three daughters and a son. My husband is illiterate; thus he decided to educate our daughters. We have educated our daughters till class seven.

Before joining SEWA, we did not have sound technical knowledge on farming, i.e., the type and quantity of manure, and the time for which and proportion of water to be given. But after pursuing various technical training courses through SEWA, we have learnt to grow our crops in a way that improves both quality and productivity. We also know the appropriate time of harvesting, the types of seeds and fertilizers to be used, the need and amount of irrigation, etc.

Last season, I took a loan from the bank to cultivate wheat in 0.5 acre of land, and garlic and potato in 1 acre of land. However, because of the financial crisis, the market fell and we incurred huge losses. At the time I cultivated garlic, its price per kg was Rs. 15. I was able to produce 15 quintals of garlic. But, prices had fallen to Rs. 5 per kg by then. We incurred a net loss of Rs. 3,000. Similarly, because of the mild winter, the production of wheat was quite limited and its quality was also poor. We used to get 50 quintals of wheat from 1 bigha land. But because of the climatic change, we were able to get only 15 quintals. Thus we incurred a production loss of 35 quintals. In potato farming, we used to produce 200 gunny bags of potatoes. But this time, we could not manage to produce only 100 gunny bags of potatoes, because of pest infestation. Thus this time, we could get only half our regular production of potatoes. In these circumstances, it has become difficult for us to secure two meals a day.

Labour cost for plucking vegetables between 8 a.m. and noon is Rs. 30, and that from 3 p.m. to 7 p.m. is Rs. 60. The financial crisis has severely affected us, as we are not able to cover even labour costs because of the decline in rates and production.

Case Study 3

Narrator: Valiben Mangalbhai Parmar

Name: Valiben Mangalbhai Parmar

Village: Vadu

District: Mehsana

I am Valiben Mangalbhai Parmar. I am an agricultural labourer with four daughters and a son. I have been a member of SEWA for 15 years and currently, I am a representative of SEWA's Vadu Village Development Group.

Last year, our village development group purchased about 2,000 quintals of castor seeds from village members and linked itself with direct marketing, which was facilitated by SEWA. But last year, we also learnt that if we have enough financial support, we can form an association between the castor-seed-growing members and the producing company. Through this, we can help our members in the village secure fair market prices. We underwent a training programme on cash flow conducted by SEWA Manager's School, as well as started preparing a business plan. On the basis of this, we coordinated with nationalized banks for loans, as well as held meetings with bank managers and related officers who were ready to sanction a loan of Rs. 10 lakh. We provided the relevant documents to the bank to get our loan sanctioned ahead of the castor season. However, the bank manager said the bank would not be able to finance our requirements. He did not provide any specific reasons. This demoralized us and made us wonder from where poor farmers like us could access credit facilities. In this situation, SEWA came to our rescue and lent us Rs. 1 lakh. We purchased castor seeds and facilitated direct market linkages to 150 farmers.

In light of the current circumstances, accessing capital is going to be quite difficult for poor and marginal farmers. Apart from these problems, no work has been undertaken in villages under NREGS. When we approach the local government and ask for the available budget, we are not given a proper response.

Ushaben from Surendranagar shared a similar experience.

Case Study 4

Name: Ramilaben Rameshbhai Patel

Village: Kherpur

District: Mehsana

I am Ramilaben Rameshbhai Patel. I have been a member of SEWA for the past five months. For the past 11 years, I have been living in the Bapunagar area of Ahmedabad. My husband sold tea and pan masala. We also ran a diamond polishing business. From this small-scale business, we used to earn Rs. 8,000-10,000 per month, which allowed us to lead a comfortable life.

However, in September 2008, the financial crisis hit the diamond industry hard. The entire diamond market crashed, severely affecting small diamond workers. Since September 2008, my husband has been jobless. My husband is worried about fulfilling our daily needs. His health has deteriorated and continues to worsen.

As we do not have any alternative source of income, we are into a debt of Rs. 40,000. Besides, we have yet to recover Rs. 24,000 from our earlier businesses. Owing to unemployment and lack of sufficient capital, we returned to our village Kherpur in January 2009. My son, who was in Class 11 at that time, had to discontinue his studies to migrate with us.

My son was also diagnosed with a stone in his gall bladder. His condition was serious. When we took him to the doctor, he told us that he had to be operated on immediately. But we did not have the money to bear the expenses. So, I borrowed Rs. 35,000 at an interest rate of 3 percent per month to get the surgery done.

Experiences

At present, I am working as an agricultural labourer. I work in the fields twice a day, i.e., from 8 a.m. to noon and from 3 p.m. to 7 p.m. I earn Rs. 60 a day. My elder son works in a pharmaceutical factory, Torrent Pharmaceuticals Limited, near Mehsana, and earns Rs. 2,400 per month. My younger son takes computer classes at the Nandasan Sanskar Kendra run by the Mehsana District Association of SEWA.

Case Study 5

Narrator: Hansaben Tirathbhai Rajput

Name: Hansaben Tirathbhai Rajput

Village: Chhachhadra

Taluka: Sankheda

District: Vadodara

I am Hansaben Tirathbhai Rajput, a member of SEWA for the past seven years. My family was primarily dependent on rain-fed agriculture. But, earnings from agriculture were not adequate to feed a large family.

My husband migrated to Surat in search of employment. There he worked as a vendor earning Rs. 500 a month. I stayed in the Chhachhadra village with my in-laws and worked at a farm. Later, I joined my husband in Surat. The earnings from vending were not sufficient, and in 1994, we started taking training on diamond polishing, since Surat has a big diamond market. We earned Rs. 3,500 a month from diamond polishing, which was just enough to make both ends meet.

However, the diamond market crashed. My husband stopped getting diamond polishing work from September 2008. We left Surat and returned to Chhachhadra village, where we started working in the fields. Last year, we produced 500 quintals of castor seeds, but this year we managed to produce only 150 quintals. Further, the market price of castor seeds fell from Rs. 500 last year to Rs. 400 this year. However, our association with SEWA facilitated direct market linkages, reducing our losses and helped fetch a fair price of Rs. 430 per quintal.

Case Study 6

Narrator: Sumitraben Bipinbhai

Name: Sumitraben Bipinbhai

Village: Chundheli

District: Vadodara

I am Sumitraben Bipinbhai, a member of SEWA for seven years. I am a small farmer with two acres of land. I and my husband used to cultivate crops such as cotton, castor seeds, maize, wheat, pulses and rice, and earn approximately Rs. 2,850 per month. However, it was difficult to survive on this income, since our family is large. We also took up work as labourers. Later, my husband started working in a sugar factory and used to earn Rs. 2,880 per month.

However, the sugar industry too was badly hit by the financial crisis, and my husband lost his job in August 2008. When he was working in the sugar factory, we borrowed money and purchased daily necessities on credit. But, after the closure of the sugar factory, we had no option but to cut down on our expenses.

This year, we have cultivated cotton seeds, but *sukaara* (a disease in which the crop dries up) has damaged our production. We managed to harvest only 20 quintals, instead of 25 quintals, from one acre of land. Cotton prices have fallen significantly as well. Although the government offered a minimum support price of Rs. 2,850 per quintal, but we didn't get that price. This is because according to the rules, a bank account is required, and to open a bank account, certain documents are required, which we do not have. Thus only the big businessmen who were associated with banks could sell directly. Small farmers earned Rs. 100-150 less per quintal. Owing to low production and prices, our seasonal income from cotton fell by Rs. 14,250.

Our castor production was affected by the infestation of worms, and we could produce only 150 quintals, instead of 500 quintals. Further, castor prices declined from Rs. 500 last year to Rs. 400 this year. However, my association with SEWA helped me fetch a fair price of Rs. 430 per quintal through direct market linkages.

Study 7

Narrator: Sahebkhani Muhammadkhan Malik

Name: Sahebkhani Muhammadkhan Malik

Village: Sedla

Taluka: Patdi

Zila: Surendranagar

I am Sahebkhani Muhammadkhan Malik, an agricultural worker from Sedla village in Patdi taluka of Surendranagar district. I have been associated with SEWA for the past 10 years.

Problems faced because of the financial crisis

The financial crisis left me in dire need of money for agricultural inputs. When I

approached a bank for loan, I was asked to submit certain documents, which I did not have. Finally, I decided to work on a share cropping basis on 2 hectares of land with a big farmer, and received Rs. 15,000 after putting in six months of work.

After working with SEWA, I came to know about many things. We have purchased a water lifting machine by borrowing Rs. 23,000 from SEWA's Surendranagar Mahila Bal Vikas Mandal Association. Using this machine, we cultivated 10 kg of shiyalu mol cumin seeds on 10 acres of land and earned Rs. 70,000-75,000. By running the machine continuously for 35 days, we earned a profit of Rs. 7,000. This helped us weather the crisis.

Case Study 8

Narrator: Nandaben Baldevbhai Parmar

Name: Nandaben Baldevbhai Parmar

Village: Kaiyal

Taluka: Kadi

Zila: Mehsana

I am Nandaben Baldevbhai Parmar, an agricultural labourer who has been a SEWA member for the past seven years. As my husband did not get a satisfactory job, we took up agriculture and animal husbandry to support our family of nine. We have 5 acres of land on which we cultivate castor and coarse grains such as bajra, wheat and mustard, and earn Rs. 10,000-12,000 per month. We also had three buffaloes.

As we are associated with SEWA, we earned a fair market price for castor, between Rs. 550 and Rs. 560, last year. This time, prices have fallen to Rs. 400, but our association with SEWA provided direct market access and helped fetch a fair price of Rs. 430-438. However, the price was not adequate to make profits. Owing to this, my standard of living has fallen and moneylenders are reluctant to lend at reasonable interest rates.

Further, my daughter was selected as a trainee in Mahila Lokrakshak (women security force) but the cost of her training and food would have touched Rs. 12,000, which is quite high in such a crisis period. Thus we had to forgo the opportunity. Generally, we keep our livestock as asset, but we sold one of the buffaloes for Rs. 22,000, instead of the usual Rs. 28,000. My mother-in-law fell ill following the sale, and we had to spend heavily on her medicines.

Case Study 9

Narrator: Dhirajben Bhagwatbhai

Name: Dhirajben Bhagwatbhai

Village: Motaankevadia

District: Dhrangadhra

I am Dhirajben Bhagwatbhai. I am an agricultural labourer and have been a SEWA member for the past five years. I used to help my parents in farming and worked as a labourer on others' farms, where I used to earn Rs. 50 per day, which helped me support my family.

We have 3.5 acres of land on which we cultivate crops such as cotton, castor seeds, wheat, cumin seeds and vegetables. At present, we have cultivated 10 quintals of castor seeds. Every year, we manage to produce 20 quintals of castor seeds from one acre of land, but this time we could manage only 10 quintals. Further, castor seed prices have fallen from Rs. 560-650 to Rs. 300-320. However, having organized ourselves into a farmers' collective and through SEWA's market linkage facilitation, we managed to get Rs. 430-435. However, it was not sufficient to recover even the input costs. Earlier, fertilizers were priced at Rs. 465 per sack, which increased to Rs. 485 this year. Further, because of the non-availability of fertilizers such as urea and DAP, at times, we have to pay Rs. 500 a sack. Further, earlier we could produce 3,000 quintals of cumin seeds. But, production has fallen to 2,000 quintals.

Chikan Craft Industry: Impact of Financial Crisis on Poor & Marginalized Men and Women

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1. HANDICRAFT INDUSTRY

Handicrafts are unique expressions and represent the cultural heritage of a country. The industry is an important productive sector. Handicraft products are made either completely by hand or with the help of tools. Tools may be used as long as the direct manual contribution of artisans remains the most substantial in the finished product. Handicraft products can be utilitarian, aesthetic, artistic, creative, culturally significant, decorative, functional, traditional, and religiously and socially symbolic.

Importance of Handicrafts

Cultural Importance

- Handicrafts play a major role in representing the cultural heritage of any country or region. It is a significant medium to preserve the rich traditional art, heritage and culture, traditional skills and talent, which define the history and lifestyle of the people of a country.

Economic Importance

- Handicrafts play an important role in economic development. It provides ample employment opportunities despite requiring low capital investments and is a major source of foreign exchange earnings.

1.2 Indian Handicraft Industry

India has been one of the major producers and suppliers of handicraft products globally for a long time. Prior to industrial development, the handicraft industry was a major contributor to the country's GDP. Recently, the importance of handicrafts has surged due to its cultural and financial value. Small-scale industries, including the handicraft industry, are playing a vital role in the economic development of India.

2. CHIKAN CRAFT INDUSTRY

Chikan is a fine art of embroidery made with white untwisted yarn with the help of a needle on a fine cloth. It is done on viol, silk, cambric, georgette, and terry cotton. Initially, designs are printed on the cloth with washable colours while different stitches or embroidery work is done on the cloth. *Chikan* craft is a home-based industrial activity, which is mainly performed by women artisans and workers.

2.1 History of Chikan Craft Industry

The East India Company's records dating back to the 17th century reveal that Dhaka (Bangladesh) produced fine embroidery called *chikan*. *Chikan* craft was reportedly brought to Lucknow in the 18th century from Bangladesh (earlier known as East Bengal) by the Nawabs of Oudh. It is believed that Nur Jahan, Mughal Emperor Jahangir's wife, introduced it in Lucknow. It was popular among the Nawabs and rulers of Oudh. The craft was patronized by the Mughal emperors. However, the emergence of the British Raj led to its downfall in the backdrop of super-fine, low-priced mill textile imports from England. The craft remained confined to the homes of artisans and those who were fond of *chikan*.

Six basic stitches are used in combination with a series of stitches for embroidering flowers and leaves. There are many patterns and stitches in *chikan* craft. *Chikankari* is a type of embroidery in which the thread is used on fine white cotton cloth. The design depends on the effect of the variety of stitches and the contrast of different grades of thread to form lace-like patterns of opaque filling and delicate outlines.

Chikan embroidery in Lucknow could be traced back to 1860, since William Hoey (1880) left records that it flourished there for about 20 years. He further said that it was a prosperous trade in central, northern and western India and extended to Calcutta. He mentioned that *chikankari* was done by women to augment family income. *Chikan* trade has taken deep roots in Lucknow and its adjoining areas. Women and children are employed by merchant manufacturers primarily for repetitive work of embroidered *sarees*, *dupattas*, yardage among others, while individual embroidered garments such as *kurtas*, *pyjamas*, *salwar kameez* and *sarees* are embroidered by artisans. The embroidery is usually executed on *tanjabs*, muslin woven locally. The patterns are stamped from small print blocks for embroidery, using red earth colour, which wash out easily after the embroidery is complete. The work done by women as a home craft is prepared by *chikanwalas*, who provide the stamped cloth for embroidery based on demand. However, income from such work is still meagre. It is a home-based craft and women artisans are reluctant to work outside their homes, given the prevailing socio-cultural system.

2.2 The Chikan Craft Process

The *chikan* craft industry is highly labour intensive, cottage-based and decentralized. It is largely concentrated in Lucknow and its adjoining areas of Unnao, Barabanki, Rai Barielly and Sitapur. Most manufacturing units are located in rural and small towns. *Chikan* craft is a major source of income for urban and rural communities in Lucknow, employing over six million artisans, including a large number of women and people belonging to the weaker sections of society.

Chikankari involves a number of processes and agents. The trader is the main agent in the *chikan* industry. The trader decides on what fabric to be used and what is required for the market. The showrooms display the designs and products, while

most manufacturers or traders engage in the manufacturing, retailing and trading of *Chikan* products. They have their own production system—procuring raw materials, tailoring, cutting, embroidery, block making, hand printing, washing, etc., by involving middlemen, cutters, artisans, block makers, washermen and tailors. The trader purchases material—the voiles, rubies, mulmuls and powerloom cloth—in bulk. Chiffons, crepes, silks, nets and georgettes are also used in line with the changing fashion trends. The cloth goes to the cutter for cutting and then it is sent to the printer for hand printing. The tailor stitches different pieces of cloth, while it is given to the *chhapekars* with instructions on what stitches are to be done and accordingly the blocks are placed. Different stitches have different blocks. It should be noted that block-making craft is on the decline. The introduction of computer-aided technology has also adversely affected block-making work.

In the *chikan* industry, wooden block makers play a vital role as they are the people or *tappagars*, who carve out intricate designs on wooden blocks. The *cheepis* or printers transfer these designs onto the fabrics to be embroidered. These blocks are generally made from *Sheesham* wood. The blocks are constantly dipped in dyes so that the fibres of the wood do not get spoilt. The blocks are then dried and the rough sides are smoothed to give it an even finish. One of the oldest block makers is Anwar Husain of Pilkhira. His family has been carving and printing since 1857. He started making blocks in 1945.

It is believed that printing was not used in *chikan* embroidery earlier. The master embroiders made designs from their imagination with great precision. The printer's job is to transfer the designs onto the fabric with the wooden blocks. The printer has numerous blocks of different shapes and sizes. Blue and white dye is usually used in printing. The dye is made from the gum of *babool*; small lumps of gum are soaked in plain water to make a thick liquid. Then the printer pours the liquid gum in a flat tin tray. The dye is poured in three inch deep trays on the bamboo plate, which is like a mat on top of the tray. On top of the mat, a soft pad is placed, which is normally a woollen blanket material that soaks the liquid and keeps it saturated. A fine thin fabric is kept on this soft woollen blanket for printing. Indigo is sprinkled over the fabric and spread evenly with a brush, while white aluminium powder is sprinkled for white printing on dark fabric. The wooden block is dipped into the dye tray and then pressed on top of the fabric for impression. The impressions are embroidered. Embroidery is normally done by women. Embroidery is done by picking up the weft of the fabric while keeping the thread invisible on the reverse side of the cloth. Earlier, white untwisted cotton threads were used. At present, white and coloured threads are used. Anchor, staple and cotton dyed threads, silk, silver and gold threads are common. The use of silver, gold and other coated threads is called Zardozi embroidery.

Earlier, artisans used to stretch the fabric around their index finger and wedged it between the other fingers to hold it in position and the embroidery was done with

the fingers of the right hand. To make the work simpler and quicker, wooden and plastic circular frames are used nowadays. To make *jali*, a 5.5 cm needle is used. For regular *chikan* embroidery, a finer needle is used (3.5 cm). Generally, embroidery is done on a piece rate basis, while the time schedule is fixed. The cloth is then washed. Earlier, finished *chikan* cloth, as well as dyed cloth, was washed with mud and sand called *rehu* in the Gomti river. However, since the river water is now polluted and adequate water is not available, the cloth is washed at home or in the factory, with the aid of automatic washing machines and tube well water.

3. METHODOLOGY AND DESIGN OF THE STUDY

The study is a blend of qualitative and quantitative methods. It has also taken into account secondary sources (government data, previous study reports, literature reviews), as well as empirical data collected through various research instruments.

The study has relied on reports on workers involved in *chikan* craft by various civil society individuals/bodies, government departments, including census and newspaper reports.

It has also attempted to capture both qualitative and quantitative data through multiple instruments and techniques, which are as follows:

3.1 Questionnaires

Separate detailed structured questionnaires were prepared for workers and employers. The questionnaire covered, among others, details regarding the socio-economic status of workers, wages, earnings and expenditure, living and working conditions, health problems and debt burdens. The questionnaire also attempted to capture changes in working conditions and low earnings due to the economic slowdown.

3.2 Interview Schedule

A number of people was interviewed to collect qualitative data for case studies and to corroborate the findings of the survey.

3.3 Focused Group Discussions

The study tried to capture views and perceptions of specific groups to validate qualitative and quantitative data. The focus groups comprise workers directly or indirectly involved in *chikan* craft, including women, youth, unorganized labourers, professionals and elders of the locality.

3.4 Case Studies

The case studies were compiled based on in-depth interviews and open-ended questionnaires. Before documenting the case studies, the views of family members and representatives of NGOs were also considered.

3.5 Sample Design

Chikan craft workers are primarily concentrated in Lucknow, Unnao, Barabanki, Rai Barielly, Sitapur and adjoining areas. Only workers from Lucknow were selected for the sample survey.

Hundred workers and 20 employers (small manufactures) were selected for a detailed primary survey. Samples were selected through stratified purposive sampling methods and proper care was taken to ensure the representation of all types of workers and small employers. The number of samples selected from each area is given in the table below:

Sr. No.	Area	No. of Workers	No. of Employers
1	Daliganj	10	2
2	Kakori	10	2
3	Dilawar Nagar	10	2
4	Sidholi	10	2
5	Khadra	10	2
6	Mohibullapur	10	2
7	Banarsitola	10	2
8	Khushhalganj	10	2
9	Jankipuram	10	2
10	Muslimnagar	10	2

3.6 Data Analysis

A number of well-defined variables was identified covering socio-demographic and economic characteristics, and smaller and relevant tables were produced from the master sheet, with appropriate classes of variation ranges. Details pertaining to *chikan* craft, wage rates and open-ended replies leading to perception aspects were quantified by carefully selecting keywords from the responses. The class intervals were fixed, and then tables were created.

Cross-classification and simple percentage were used to bring out the salient features and capture any emerging trends. Any important annotations or comments provided by the respondents were analyzed separately following the descriptive methodology.

4. SURVEY OF CHIKAN CRAFT WORKERS

The socio-economic condition of *chikan* workers is directly related to the prevailing production system of *chikan* craft, their status as home-based workers, as well as their seclusion from the outside world. Out of an estimated 370,500 workers, 70 percent live in Lucknow and 30 percent in rural areas; of the total, about 70 percent were Muslims and the rest Hindus.

A study undertaken in 1973 revealed that the general status of workers in the *chikan* craft industry was very low due to poverty, deprivation, illiteracy, along with traditional social disabilities. They were severely affected by their work and surroundings; most workers suffered from poor eyesight and spondylitis.

As a result of the global financial crisis, Indian handicraft exports declined 70 percent, further worsening the socio-economic conditions of workers. What has been the impact of the financial crisis on people engaged in the *chikan* craft industry? What needs to be done to mitigate the impact? What kind of social security options can be made available to cope with the crisis? These questions were the starting point of this study.

4.1 Demographic Profile of Workers

4.1.1 Age Group

In the sample, 84 percent were women and 16 percent were men. The combined average age of men and women respondents was 30 years. The average age of women respondents was 29 years and that of men was 35 years.

Age Group	Men		Women		Total	
	No.	%	No.	%	No.	%
<20	3	19	25	30	28	28
21-30	4	25	21	25	25	25
31-40	4	25	27	32	31	31
41-50	2	13	6	7	8	8
>51	3	19	5	6	8	8
	16	100	84	100	100	100

4.1.2 Caste Category

Most *chikan* craft workers belong to Other Backward Classes (OBC). In the survey, 54 percent respondents belonged to this category. Nearly 32 percent respondents

belonged to other communities. Workers belonging to Scheduled Castes and Scheduled Tribes accounted for only 6 percent and 3 percent. Nearly all the respondents belonging to the Muslim community were OBCs.

Sr. No.	Caste Category	% of Workers
1	Scheduled Castes	6
2	Scheduled Tribes	3
3	Other Backward Classes	59
4	Others	32

Source: Primary Survey

4.1.3 Religion

82 percent respondents belonged to the Muslim community and 16 percent belonged to the Hindu community; only 2 percent represented other communities.

Sr. No.	Religion	% of Workers
1	Hindu	16
2	Muslim	82
3	Others	2
		100

Source: Primary Survey

4.1.4 Type of Family

Nearly 62 percent surveyed workers lived in joint families, while 38 percent lived in nuclear families. The percentage of workers living in nuclear families was found to be higher in the Muslim community. The focused group discussion also revealed that more than 50 percent Muslim respondents lived in joint families.

Sr. No.	Caste Category	% of Workers
1	Joint Family	62
2	Nuclear Family	38
		100

Source: Primary Survey

4.1.5 Family Size

The size of the family was large. It was reportedly as high as 15 members in some families.

Sr. No.	Family Size	%
1	2-3	13
2	4-5	35
3	6-7	37
4	8-9	10
5	>10	5
	Average	6

Source: Primary Survey

4.1.6 Housing Status

The housing situation was found to be abysmal. Almost 50 percent of the workers lived and worked in congested, unhygienic and *kachha* houses.

Sr. No.	Status/Type	Kachha		Semi Pucca		Pucca		Total	
		No.	%	No.	%	No.	%	No.	%
1	Own	16	80	18	60	44	88	78	78
2	Rented	4	20	10	33	6	12	20	20
3	Others	0	0	2	7	0	0	2	2
		20	100	30	100	50	100	100	100

Source: Primary Survey

4.1.7 Type of Workers

Chikan craft workers were broadly categorized into three types – *chikan* cloth processor, *chikan* design imposer and *chikan* embroiders. Cloth processing and design imposing is mainly done by male workers while women are involved in embroidery work. These broad categories were further divided into various sub categories. In *chikan* embroidery work, there are eight types of workers depending on skill levels. Different specialists work with different types of stitches. For example, open work or jaali is not done by embroiderers, who do the filling work. Each worker completes his/her own work and then the fabric is sent to the next batch of embroiderers. Among the respondents, 93 percent were *chikan* embroiders, 4 percent were *chikan* cloth processors and 3 percent were *chikan* design imposers.

Sr. No.	Occupation	% of Workers
1	<i>Chikan</i> Embroider	93
2	<i>Chikan</i> Cloth Processor	4
3	<i>Chikan</i> Design Imposer	3
		100

Source: Primary Survey

4.1.8 Monthly Income

The average monthly income of the surveyed workers was reported to be Rs 621. Nearly 63 percent workers earned less than Rs 500 a month. Most of the surveyed workers lived below the poverty line.

Sr. No.	Income Group	% of Workers
1	No income	5
2	Less than 500	63
3	501-1000	21
4	1001-3000	11
5	3001-5000	0
6	More than 5001	0
	Total	100

Source: Primary Survey

4.1.9 Education Status

The educational standard of workers was found to be poor. Nearly 41 percent workers were illiterate while 15 percent were literate without any formal education. The survey revealed that 26 percent workers had studied up to the primary standard and 10 percent had received secondary education; only 8 percent were graduates.

Sr. No.	Educational Level	% of Workers
1	Illiterate	41
2	Literate	15
3	Primary	26
4	Secondary	10
5	Graduate	8

Source: Primary Survey

4.2 Impact of Financial Crisis on Workers

Since 2007, the *chikan* craft workers have been reeling under the financial crisis, initially due to the appreciation of the rupee, which made Indian exports dearer, lowering the demand for Indian products. These workers were only able to secure 20-30 percent of the total work done prior to 2007.

4.2.1 Impact on Employment

Workers were asked whether they had observed any changes in their work between October 2008 and March 2009. Almost all workers said that they were experiencing a major crisis. When asked about the type of changes, 5 percent said that they

were jobless, 27 percent added that the centre in which they were working had closed down and they were working from their home, while 22 percent said that employment conditions changed and they were working for longer hours. Nearly 18 percent said that the workload increased but income decreased. About 28 percent said that they were not getting regular work.

Sr. No.	Type of Impact	% of Workers
1	Unemployed	5
2	Job Changed in Same Sector	27
3	Change in Employment Condition	22
4	Workload Increase & Income Decrease	18
5	Demand Decrease (Less Work)	28

Source: Primary Survey

4.2.2 Reasons for Impact

According to 27 percent workers, the closure of the centres was a major reason and 22 percent workers said that due to lower demand many centres for which they were working had less work. Workers, who were working from home, said that less demand was a major reason. Earlier, they used to get work from one middle person, but now jobs were being sourced from many contractors and middlemen, resulting in exploitation.

Sr. No.	Reasons for Impact	% of Workers
1	Closure of Centre	27
2	Lay off at Centre	22
3	Others	51

Source: Primary Survey

Regarding notice period and compensation for layoffs, all workers, who had lost their jobs due to the closure of their centres and layoffs, said that their employers gave them little or no notice.

4.2.3 Impact on Monthly Income

The financial crisis significantly impacted the monthly income of workers. Prior to the crisis, the average monthly income of the surveyed workers was Rs 978, which fell almost 33 percent to Rs 621. Before the crisis, the percentage of workers earning less than Rs 500 a month was 32 percent, which fell to 64 percent post crisis. The percentage of workers earning between Rs 501 to Rs 1000 a month fell from 48 percent to 21 percent. During the focused group discussions, workers revealed that many of them, who had been earning more than Rs 5000 a month, were earning less than Rs 3000. The decline in income was primarily attributed to irregular work and an increase in the supply of workers, weakening their bargaining power.

Income Group	Before Crisis		After Crisis	
	%	Average (Rs)	%	Average (Rs)
Unemployed	0	0	4	0
Less than 500	32	408	64	338
501-1000	48	763	21	761
1001-3000	15	1677	11	2000
3001-5000	4	4000	0	0
More than 5001	1	7000	0	0
Total	100	978	100	621

Source: Primary Survey

4.2.4 Impact on Working Hours

The financial crisis also forced workers to extend their working hours. Before the crisis, nearly 45 percent workers had been working for six to eight hours a day. After the crisis, the percentage of workers in this category increased to 66 percent. Earlier, only 2 percent surveyed workers worked for more than 10 hours, but post crisis, the percentage rose to 9 percent. During the focused group discussions, many participants said that it was very difficult to increase efficiency overnight in embroidery work. They were taking help from other family members to complete higher volumes of work.

Sr. No.	Hours	Before Crisis (% of Workers)	After Crisis (% of Workers)
1	0 to 6	37	9
2	6 to 8	45	66
3	8 to 10	16	16
4	More than 10	2	9

Source: Primary Survey

4.2.5 Impact on Occupation

The survey did not reveal any shift in occupation. However, the focused group discussions revealed that a substantial number of workers, who had been working in the sector, changed occupation. Some workers shifted to the construction sector, while some joined the transportation sector as casual labourers.

4.2.6 Impact on Social Security Benefit

All the respondents said that they had not got any benefits, before and after the crisis.

4.2.7 Impact on Children's Education

Nearly 60 percent boys and 46 percent girls among school-going children dropped out from school. About 8 percent boys and 15 percent girls were attending cheaper schools. Some children were shifted from private to government schools to reduce expenditure. Participants in the focused group discussions revealed that a significant number of workers was forced to send their children to work.

Impact	Boys		Girls	
	Numbers	%	Numbers	%
Drop Outs	32	60	24	46
Shifted to Cheaper Schools	4	8	8	15
Shifted from Private to Government Schools	3	6	4	8
Fees Not Paid	4	8	4	8
Reduced Expenditure on Education	2	4	1	2
No Change	8	15	11	21

Source: Primary Survey

4.2.8 Impact on Daily Food Intake

The fluctuating income pattern also impacted the daily food intake of workers. Of the respondents, 35 percent said they had either stopped or reduced non-vegetarian food consumption. Twenty two percent revealed they had stopped eating out while 15 percent had to cut down on vegetable and milk consumption. Only 16 percent workers said that there had been no changes in food habits of family members.

Sr. No.	Impact on Food	% of Workers
1	Stopped/Reduced Eating Meat/Chicken/Eggs	35
2	Stopped/Reduced Eating Out	22
3	Stopped Eating Breakfast	4
4	Stopped/Reduced Eating Vegetables/Milk	15
5	Skipped A Meal A Day	6
6	No Change	18

Source: Primary Survey

4.2.9 Impact on Housing

Workers living in rented houses were facing a hard time to pay the monthly rent. Among those residing in rented houses, 68 percent were unable to pay rent on time, while 14 percent had shifted to cheaper accommodation. Close to 9 percent respondents had abandoned their rented houses and moved in with relatives. Another 9 percent said that they had yet to face any problems.

Sr. No.	Impact on Housing (Rented House)	% of Workers
1	Shifted to a house with lower rent	14
2	Left the rented house and shifted to free facility	9
3	Has not paid rent	68
4	No change	9

Source: Primary Survey

4.2.10 Impact on Health and Medical Treatment

The financial crisis compelled workers to stop availing medical facilities. Thirty-five percent respondents said that due to financial crunch, their dependency on home remedies had increased. Nearly 38 percent said that they had stopped visiting private hospitals or doctors, while 27 percent reported no change.

Sr. No.	Impact on Medical Treatment	% of Workers
1	Shifted from private to government facility	38
2	Shift towards Home Remedies	35
3	No Change	27

Source: Primary Survey

4.2.11 Impact on Family Relations

Besides the direct impact, the financial crisis had indirectly increased tension in families, resulting in domestic violence. Nearly 76 percent workers said that due to insufficient monthly income, they were unable to meet the daily expenses, fomenting tension among family members. About 16 percent workers said that due to tension, male members were regularly consuming alcohol. Nearly 8 percent said they were suffering from domestic violence.

Sr. No.	Impact on Family Relations	% of Workers
1	Tension in family due to insufficient income	76
2	Increase in tension due to alcoholism by men	16
3	Domestic Violence	8

Source: Primary Survey

5. SURVEY OF ENTREPRENEURS

A survey of 31 manufacturers, retailers and wholesalers was conducted in Lucknow to understand the impact of the financial crisis on their businesses and on the *chikan* craft industry.

5.1 Impact on Business

Entrepreneurs were asked whether they had observed any changes in business in the last six months. Ninety percent said that business had deteriorated, 7 percent said that there had been no change and 3 percent were of the opinion that trade had improved.

Sr. No.	Type of Change	Entrepreneurs (%)
1	Improved	3
2	Deteriorated	90
3	No Change	7

Source: Primary Survey

5.2 Type of Deterioration in Business

The entrepreneurs were further asked about the type of deterioration in business. Seventy four percent said that demand for production had gone down in the last six months due to a fall in exports. Nearly 13 percent said that prices of the final product had fallen and 8 percent said that they were incurring losses.

Sr. No.	Type of Change	Entrepreneurs (%)
1	Stock piled up	0
2	Credit unavailable	5
3	Less demand for production	74
4	Decrease in prices of final product	13
5	Losses in income	8

Source: Primary Survey

5.3 Change in Unit Workers

Before the onset of the financial crisis, 48 percent units had 21 to 30 workers, which fell to 19 percent due to lower demand. Earlier, units with less than 10 workers were only 13 percent, but after the crisis, units in this category increased to 61 percent, which clearly indicates layoffs.

Number of Workers in Unit	Before Crisis		After Crisis	
	Units	%	Units	%
0-10	4	13	19	61
11-20	5	16	2	6
21-30	15	48	6	19
31-40	5	16	3	10
41-50	1	3	1	3

51-100	1	3	0	0
Total	31	100	31	100

Source: Primary Survey

5.4 Change in Production

Entrepreneurs were also asked about the magnitude of reduction in production and sale in the last six months. Nearly 80 percent said that production had fallen 50-75 percent in the last six months. About 18 percent said that it had declined 75-100 percent.

Sr. No.	Decrease in Production	Entrepreneurs (%)
1	< 25%	0
2	25-50%	2
3	50-75%	80
4	75-100%	18

Source: Primary Survey

5.5 Change in Availability of Raw Materials

Ninety five percent entrepreneurs said that raw materials were easily available, while only 5 percent were of the opinion that procuring good quality raw material had become difficult.

Sr. No	Availability of Raw Material	Entrepreneurs (%)
1	Easily available	95
2	Difficult to avail	5

Source: Primary Survey

5.6 Support from Agencies/Organisations

In the survey, respondent entrepreneurs were asked whether they had received any support in the form of finance, technology transfer, marketing, business development, technical training and tax incentives from the government or any other organization. The respondents said that they had received no help. They were of the opinion that if the crisis continued for the next couple of years, *chikan* craft work would disappear from India.

6. CASE STUDIES

Two case studies of women workers were compiled on the basis of in-depth interviews and open-ended questionnaires by obtaining qualitative data from the selected workers.

6.1 Rukaiyaben Munnabhai Sikdi

Rukaiyaben Munnabhai Sikdi (20) is the fourth among 11 siblings. Her elder brother is married with two children. They have been living in the present house since birth.

Rukaiyaben studied up to the 9th standard in a municipal school. She learnt *chikan* craft work when she was seven, alongside her studies. Her father was a tailor, but could not work due to poor eyesight.

Her brother, who works in a cycle shop, earns Rs 4000 a month. The other two brothers work as casual labourers, one in a book binding shop and the other is into Zardozi work. Whenever they get work, they earn Rs 50 a day. However, their income is uncertain. The ongoing economic crisis had a direct impact on their earnings and has pushed them into a debt trap as they do not have alternative income. Rukaiyaben is a member of SEWA Bank. Earlier, she used to earn Rs 2,000 a month and saved Rs 200 a month. But, now due to the closure of her centre, she is unable to get regular work. She now earns 800 to Rs 1000 on an average per month.

She is finding it very difficult to get work. Earlier she used to work at the centre and was paid on a monthly basis. She got a job offer from another centre, which is far from her house. Her parents didn't allow her to join. She was forced to work from home. Compared to earlier times, she now completes less work and gets paid at a lower rate.

6.2 Kammu Idrishi

Kammu Idrishi is a traditional *chikan* craft worker. Her late husband was a craftsman, who was also into *chikan* craft. She takes up fine work and on order. All general work she hands out to women, who come to her house to collect work. She buys her own material, does cutting along with her daughter, and does tailoring at times. Earlier, she used to do the printing work, a job generally done by men.

According to Kammu Idrishi, a tremendous amount of effort is involved in *chikan* craft work, but the remunerations are comparatively low. She feels that tailoring, packet making or even petty business pay more than *chikan* craft. Kammu has two daughters, who are also engaged in *chikan* work. The elder daughter is married, while the younger daughter goes to college. The younger daughter is, however, more inclined to teach or take up some office job instead of getting involved full time in *chikan* work.

Despite being a seasoned *chikan* craft worker, she has a kachha house with a leaking roof, and a handicapped son to look after. Kammu reiterates that the labour required for *chikan* craft work is not commensurate with the wages. Fine karigari fetches a maximum of Rs. 50 a day, while ordinary work earns Rs. 8-20 a day.

According to Kammu, her economic condition has further deteriorated due to the ongoing crisis. To maintain her monthly earnings, she is forced to work for longer hours. She feels that it is physically impossible to work for more than 5-6 hours a

day, especially at fine and intricate embroidery. She can, normally, work for 2-3 hours a day. Her health is severely affected; her eyesight is bad. She gets continuous headaches, backaches and neckaches. Her fingers are sore and even have holes in them.

Lack of opportunity, corruption in the government support system, non-payment of dues, “plagiarism” of design and even products, are the main reasons for their poor condition, Kammu complained. Even in this crisis, the government is not doing anything to support *chikan* craft workers.

7. FINDINGS OF THE STUDY

1. The *chikan* craft industry is one of the informal sectors in India that suffers from low productivity syndrome. Preliminary surveys carried out to understand the impact of the financial crisis on workers revealed that since 2007, workers engaged in this industry were suffering from lower real wages and poor working/living conditions. Further, due to the financial crisis, which began in October 2008, the economic condition of these workers became critical. They were working on low wages, but due to the economic crisis the amount of work they got declined by nearly 70 percent.
2. A majority of *Chikan* craft workers were going through a major crisis. Nearly 5 percent workers were jobless, 27 percent workers, who had been earlier working at job centres, were working home due to the closure of job centres and 22 percent workers were working for longer hours. Nearly 22 percent workers were undertaking more work to compensate for the decrease in piece rate.
3. The financial crisis severely impacted the monthly income of workers. The survey revealed that prior to the crisis, the average monthly income of workers was Rs 978, which decreased 33 percent to Rs 621 after the crisis. Before the crisis, 48 percent workers were earning Rs. 501-1,000, which fell to 21 percent. Meanwhile, the percentage of workers earning less than Rs 500 increased from 32 percent to 64 percent. The survey also identified two basic reasons for the decline. Lack of continuous workflow and availability of a larger number of workers for lesser amount of work, leading to lower wages and less bargaining power.
4. No shift in occupation was revealed in the survey. Workers said that they were doing the same kind of work they were doing prior to the financial crisis. However, the focused group discussions revealed that a substantial number of workers, who had been working in the sector, changed occupation. Some moved to the construction industry, some joined the transportation sector as casual labourers.
5. Casual and contractual employment predominate the sector. Workers had not received any help or support from the government or any agency.

6. The financial crisis has even had a negative impact on the education of children. The survey revealed that due to the economic crisis, nearly 60 percent boys and 46 percent girls have opted out from school. The prevalent crisis has forced parents to send their children out to earn extra money.
7. Workers living in rented houses were facing a hard time in paying their monthly rent. Nearly 14 percent workers had shifted to other accommodation with low monthly rent. About 9 percent workers had abandoned their rented houses and moved in th their relatives.

The crisis compelled most workers to refrain from using medical facilities. A total of 35 percent workers were relying on home remedies.

The financial crisis indirectly impacted workers by increasing tension in families, leading to an increase in domestic violence. Nearly 76 percent workers revealed that due to insufficient monthly income, they were unable to meet regular expenses, which escalated tension among family members. About 16 percent workers said that due to tension, male family members were regularly consuming alcohol and 8 percent reported that they had become victims of domestic violence.

8. RECOMMENDATIONS

The *chikan* industry, being a household traditional industry, has grown over time, but there is a need for product diversification and craft improvement in line with changing consumer behaviour and fashion trends.

The *chikan* craft industry provides employment to more than 37 million people in India. Although crafts have been an integral part of culture, these traditional skills need sensitive adaptation, proper quality, suitable pricing and improved designs to meet consumer demand. Many workers are facing problems related to finance, technology and skill upgrade, production and marketing of goods. The socio-economic status of *chikan* workers has remained deplorable. They are also exploited by the private sector, since there is no organized effort to develop and promote the *chikan* industry. In the last six months, the economic condition of workers has deteriorated further, due to the global financial crisis. The government should take the following measures to improve the condition of workers.

1. The government should encourage organized manufacturers to set up production centres, where training, craft development, skill up-gradation and technology transfer to *chikan* workers can be carried out. To reduce dependency on exports, these organized manufacturers may establish marketing centres in different parts of India, through networking with other manufacturers.
2. The government should set up a number of training-cum-production centres in areas, where *chikan* work is concentrated. These centres will boost *chikan*

- craft trade as well as empower workers. It will also check exploitation by intermediaries.
3. The government should fix minimum wages. This will also ensure the promotion and development of *chikan* craft as well as financially empower the workers.
 4. Efforts should be made to replace the existing chain, characterized by the presence of multiple intermediaries by an alternative method.
 5. Efforts should be made by the government to launch socio-economic empowerment programmes for *chikan* craft workers.
 6. There exists an urgent need to create and promote structures that organize the weavers to collectively engage with the market; provide them with quality raw materials and other facilities and consequently, enhance their bargaining power in the production process. Identifying existing structures, which can be promoted and initiating new collectives of *chikan* craft workers should be given the highest priority. Such collectives will also improve access to market information. There is a need to create structures that enable workers to gauge market trends and respond accordingly. Value addition in the form of fine embroidery work seems to be providing opportunity for diversification and employment generation.
 7. To strengthen the artisan groups and improve the condition of unorganized workers, especially women, concentrated efforts are required from multi-stakeholders, including civil society organizations, the government, trade unions, media, corporate sector and others.
 8. A dedicated hospital should be set up in Lucknow or in adjoining areas to treat diseases resulting from occupational hazards, such as numbness in the limbs, and deterioration of eyesight.
 9. Crèches, educational and nutritional facilities for children need to be established to ensure the participation of women. Mobile crèches, with personnel experienced in working with children, could be provided for conducting training programmes and running the centres.
 10. For further understanding the needs of women weavers, special enabling mechanisms should be created to help facilitate their role in the industry. A special fund for women weavers could help them attain financial independence.

Global Financial Crisis and India's Informal Economy: Review of Key Sectors

This compilation examines the impact of the global economic crisis on informal sector workers in India and is part of a series of studies that UNDP India has commissioned. Herein, the focus is on daily wage labour, majority of whom are poor, uncounted and invisible, lack assets, are poorly educated and possess no legitimate employment-related documents. The studies explore the reasons for this vulnerability and its impact on incomes, education, health and nutrition of waste pickers, home-based garment workers, marginal farmers and *chikankari* workers in the country.

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