



WORKING PAPER

Working Paper No.18

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THE CASE OF EXPORT GARMENTS

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This paper has three primary objectives. By focussing on the structure of the export garment industry and the diversities in the forms and relations of production it highlights the characteristics of the so-called 'Informal Sector' and the links with the 'Formal Sector' and brings to attention the process of ~~radical~~ informalisation. Secondly it examines the nature of the labour force in the newly emerged export industry and lastly raises crucial questions on unionisation in small industries.

Introduction

The decade of the seventies witnessed a large number of studies on the urban informal sector -- the concept, its role, the links between the formal and informal sector and critiques of such dualistic frameworks.¹ In the Indian context studies of Heather and Vijay Joshi (1976), Jan Breman (1976), John Harris (1980), Streefkerk (1981) directly and Mark Holmstrom (1976) indirectly have examined the nature of the informal sector and its links with the formal industrial sector. However none of these have been industry specific nor do they have significant female industrial workers. The present study fills in that gap. It examines the development and structure² of the export garment industry in Madras city, focusses on the diversities in the forms and relations of production³, highlights the working conditions in the industry and the characteristics of its workforce and raises questions for consideration on unionisation in small scale industries.

One of the consequences of the policy of export-led growth and the vigorous attempts at export promotion in the early seventies was the rise in the share of nontraditional export items like readymade garments and engineering goods.⁴ The exports of mill made garments for instance, increased from Rs.6 crores in 1969-70 to Rs.324 crores in 1978-79.⁵ / In Madras city the number garment factories as reported in the Adminis-

/The period of the seventies saw a rapid development of these industries.

trative Reports of the Inspectorate of Factories increased from 13 in 1971 to 91 in 1980 providing employment to over 8000 workers. While the size of the Non Factory Sector⁶ in terms of both the number of units and employment is not known,ⁱⁿ a study conducted by the Indian Institute of Foreign Trade⁷ on employment generated at the different garment centres, it was found that Madras is the third largest centre after Bombay and Delhi providing employment to 32,000 workers. The employment in the Non Factory Sector is then approximately 24,000.

The structure of the export garment industry

There are two categories of exporters -- Merchant exporters and Manufacturing exporters. A merchant exporter has no production facility but secures orders, purchases the fabric and contracts out the work to other large and/or small units. It was found that some of the merchant exporters also owned manufacturing units in different names. If this factor of ownership is not taken into account, there are twenty seven merchant exporters in the city.⁸ It was pointed out by both the merchant and manufacturing exporters that since the importers prefer manufacturing exporters because of better quality and promptness in delivery, there has been over the years a decline in merchant exporters.

Manufacturing units in the Factory Sector numbering 91 in 1980 include both manufacturing exporters and job workers. For these units the average employment per unit is 100 workers.⁹ 56 per cent of these units employ less than 100 workers. The average capital investment is of the order of Rs.1-2 lakhs, though there are a few units with investment between 9-10 lakhs. The crude capital-labour ratio in the Factory Sector is Rs.1915.¹⁰

In terms of ownership, single units under one management is more common and 69.5 per cent of Factory Sector employment

work in these 'single unit owned' firms. The largest number of units under one ownership is nine and employs 9.4 per cent of the Factory Sector employment.¹¹ The largest 'single unit owned' firm employs 9.7 per cent of Factory Sector employment.

Units also differ in the types of production operations they perform. In some units all operations from cutting to packing is done and in those where 'industrial subcontracting' is prevalent only some operations like cutting, finishing, checking and packing are done while the actual stitching is given out to contractors who are generally small tailors.

For the Non Factory Sector there is no recorded information. Identification of units in the Non Factory Sector have so far revealed two types. Those that are genuinely small and employ less than 20 workers and without power or less than 10 workers and with power, and those which though have to be in the Factory Sector have adopted ingenious methods like leasing out machines to labour contractors to avoid registration with the Inspectorate of Factories.

The nature of the production organisation and its implications for productivity and wage payment systems

The production process is organised on either the piece system, the band system or the assembly/group system. In the Factory Sector the band and the assembly/group system is prevalent while in the Non Factory Sector the piece system is generally adopted.

Under the piece system, the entire garment is stitched by one person and rates are fixed per piece.

On the band system every worker stitches one part but the consecutive parts are stitched serially such that it is possible to see the garment taking shape along the production

line. This is not so on the assembly/group system where groups of workers stitch a particular part and these are attached finally such that it is not possible to see the garment taking shape along the production line. The implications of both the Band and Assembly system for production planning, productivity and wage-payment systems are different.

The Band system is of Japanese origin and is planned in such a way that in between two rows of sewing machines, a sliding box is fixed. Each operator is required to stitch a certain length or part. At the initial stages of production planning, time and work studies are conducted such that each operator stitches for the same time, generally one minute. It was pointed out that on the first day when a Band has been restructured for a particular style and size, each worker generally stitches for about 3 minutes but after two days, there is a progressive time minimisation and the same is then done in a minute. Thus under the Band system, there is no measurement of individual worker's productivity but the group as a whole is expected to achieve a certain target. There is a double check on an individual's work here. Not only is she accountable to the supervisor for any lapse on her part but to the other members of the group whose work also get delayed on her account. If any operator wants to leave the work for a few minutes for going to toilets etc., they are required to find a substitute from one among the helpers around and it is not that they are always available or oblige. Thus under this kind of production organisation, the worker has no autonomy or the limited discretionary powers available under both the piece and assembly systems.

It is then expected that this kind of production organisation that ensures continuity of production and no autonomy to the worker would be preferred to other systems. The field investigation reveal^{ed} that while the band system is in practise and some claim it be superior to the Assembly system, the latter is more common in the Factory Sector. In the Non Factory Sector where work is more seasonal the piece system is the only one prevalent.

It was pointed out that whenever production is on a large scale with a number of styles, sizes and varieties of garment in production, the assembly system where different work operations are divided into various section on the shop floor is more suitable. The organisation of Bands for such a diversity is found to be more difficult and time consuming. Also adjustments and restructuring of Bands on account of high absenteeism prove more difficult than such reorganisations on the assembly system.

On the assembly system every operator's productivity is generally assessed every two hours. Based on prior time and work studies, the production manager fixed production targets for each category of work. Investigations revealed that these production norms are not too demanding because almost every worker indicated that except in exceptional circumstances like machine breakdown, illness or accident, they generally satisfied the production norm. It was only the new and inexperienced workers who initially faltered but both the workers, supervisors and production managers insisted that within a week, the targets were generally attained.

also

There were/inter firm differences in the assembly/group system. Most firms do not have any incentive schemes for production exceeding the target. So if during any two hour stretch they exceeded the target, they compensated it during the next span. So production at the end of the day was always the targeted one. In some units for production exceeding the daily target, the worker is paid on piece rates for that amount, though for both the Band and Assembly system the workers were on a monthly wage.

The extent of errors committed and therefore alterations is highest on the piece system where the motivation is to finish as many garments as possible indifferent to the quality of stitching, followed by the Assembly/Group system

where because of different styles and sizes running concurrently, the likelihood of attaching a wrong collar with sleeve is possible despite the meticulous system of numbering parts with the help of small stickers. To ensure quality stitching, it was found that under all the 3 systems, the number of stitches per inch is generally specified.

Prior to the evolution of the Band and Assembly systems, when production was not so large, the workers were on piece rates. But unlike the piece rate system prevalent in the Non Factory Sector now and explained before, this was a small group system where workers were grouped in ^{four} ~~four~~ ~~four~~. If say a shirt was stitched, one of the workers stitched the collar and the others the rest. Rates were generally fixed per piece and the workers divided it amongst themselves, the collar worker generally getting a little more as it required greater skill. It was pointed out that there were frequent clashes amongst the workers in the group for wage sharing like an absentee worker claiming her wage share for work left incomplete. There was also very little scope for other members in a group to learn collar stitching as it was the monopoly of one person in a group who prevented others for learning it to keep her wages high. Instances where the management forced groups to accommodate a worker whom they preferred to favour and who knew very little or none of stitching, thereby slowing down the entire group were also cited. However this form of production organisation was out encountered during the investigation, though workers who had formerly been under this system mentioned that it was prevalent in the early 70's when export production was not as high. The foregoing clearly illustrates that the labour relations, labour productivity and wage payment systems are not independent of the forms of production organisation.

THE Terms and conditions of employment in the Factory and
Non Factory sector

It is by ^{now} well known that the workers in the Factory Sector are covered by various labour legislation like the Factories Act (1948), the Employees State Insurance Act (1948), the Provident Fund Act (1952) and the Industrial Disputes Act (1947) among others while the Non Factory Sector has no such legal coverage. This has resulted in the Factory sector being termed as a 'citadel' a la Holmstrom (1976) and those inside the citadel as a privileged class, a middle class, a subproletariat, labour elite and an 'aristocracy of labour' (Holmstrom 1976; Heather and Vijay Joshi (1976) among others).

It is our contention that though there might be differences in the socio economic aspects of the labour force in the Factory and Non Factory sector, the terms and conditions of employment varies not only between various industries or even within an industry between the Factory and Non Factory sector but even within the units in these two sectors, that a grouping of such heterogeneous forms and relations of production into Factory and Non Factory sectors (organised and unorganised sectors or Formal and Informal sectors) is misleading and such characterisations as the 'citadel' and the 'privileged class' is fallacious. In what follows we give an account of the conditions of employment and the labour relations in the various units both of the Factory and Non Factory sector of the garment industry in Madras city. This is based on a survey conducted on 1.25 per cent of the Industry's workforce in the city -- (ie) 100 workers from 5 units in the Factory sector and 212 workers from 12 units in the Non Factory sector as well as interviews of some merchant exporters, the manufacturer's associations, the export promotion council and the various trade unions.

The workers are all wage labourers though the nature of wage payment differs. Most units in the Factory sector provides a consolidated monthly salary. Whenever production is organised on the Band and Assembly systems, only women are employed on the assembly line tasks, while men might be on other tasks like master cutter, button hole and button stitching machine operators and in the pressing, packing and electrical maintenance sections. The women on the assembly line tasks are paid monthly wages.

In units where the piece system is prevalent, piece rates are paid. As mentioned already, this is prevalent in the Non Factory sector. In the Non Factory sector units, the scale of operation is not large to warrant the Band or Assembly systems. These units are generally not direct exporters but are subcontractors to other merchant and or manufacturing exporters. Even if peak production warrants such kind of production organisation, fluctuations¹² in orders received are of such a nature that workers are employed on an adhoc basis on piece rates. In certain units in the Non Factory sector where both these reasons -- scale of operation and fluctuations in production do not hold valid, it was found that the piece rates system provides a convenient method of remaining outside the Factory Sector. In these cases, though the unit will show less than 10 or 20 workers as the case may be on its muster rolls, the stitching and other operations are contracted out by nominating contractors either among workers or some family members of the owners themselves; and the workers are then deemed to be the employees of the contractors. These 'subunits' are often in different rooms on the same floor and/or different floors of the same building and/or adjacent buildings. In one unit in the Non Factory sector where the owner had a cutting machine and 65 sewing machines, it was divided into 7 'subunits'-- the cutting, sorting and packing in one, thread cutting and trimming in another, ironing in^a third, finishing operations like button

holing and button stitching into a fourth all in the same building and 3 'subunits' with 65 sewing machines doing stitching in an adjacent building. The contractors in the sewing 'subunits' who act as employers were among the workers - fairly senior in terms of service, who act both as a supervisor as well as do stitching themselves and cooperative with the owners, while in the other 'subunits' they were either family members, relatives, or any of his 'men'.

Such subdivisions was also observed in some units of the Factory Sector though the purpose was different. One unit in the Factory Sector had 6 different units each performing specific operations as above though all these units were registered with the Factory Inspectorate. The reason cited was the lack of space which was true. Paid Managers were hired for each of these units and were not the owners relatives or friends and not all belonged to the same religion and caste of the owners. That by this process of subdivisions, they were able to avoid certain provisions of some of the labour legislations is no doubt true but this does not seem to be the primary reason as is evidenced by the fact that this subdivision of processes was not resorted to in a new garment unit started by the same owners on an Industrial Estate where there was no space shortage.

In other units in the Factory Sector subdivision of units is not so common as 'industrial subcontracting' (ie) certain operations particularly stitching being contracted out. In these cases, apart from the fact that they prefer to keep the labour force to a minimal number to avoid 'labour problems' and some of the labour legislations, it was found that some of them had initially, started off only as 'Merchant Exporters'.

As the quota for 'Manufacturing Exporter' was increased and a 'Manufacturer' was not required to perform all operations in the unit itself, these units started with the cutting,

sample stitching, finishing and packing sections and contracted out the stitching operations there^{by}/also enabling them to maintain better quality than a Merchant Exporter.

Multiplicity of units under the same owners, through legally under different member of the same family, is different from subdivision of units and industrial subcontracting and is common both in the Factory and Non Factory Sector and more so among the former. The reason seem to be primarily for tax minimisation. In our sample of 5 units in the Factory and 12 units in the Non Factory Sector we encountered all these diverse types.

The diversities of wage payments in these units are also striking. The largest unit in the Factory Sector employs around 1000 women workers and 300 men workers. During the 8 hour day-shift women are on the assembly system and there is a mix of both monthly rates and piece rates for workers and it varies among them. For the monthly wage a production norm is fixed. For additional production over the daily norm, rates fixed per piece are given additionally. This production incentive scheme is offered only to those with experience. New recruits are generally on the monthly scale. The men workers on the night-shift are on the piece system and are paid piece rates. Often a worker on the 'production incentive scheme' gets reverted to only monthly salary if they are not regular on the job. This is generally done by shifting the worker to the alteration section where there is no production incentive scheme. The argument put forth by the Labour Welfare Officer is that the scheme is not offered to make the worker get two days wages in one day to enable a day off from work. It is a scheme that would not only ensure the worker additional income but also ensure production to the firm. Particularly on power operated machines, if this incentive scheme is not there, there would be wastage of power she claimed.

In another unit in the Factory Sector where monthly wages were paid, it was found that every worker irrespective of the category of work, training or experience started with Rs.100/- per month with a yearly increment of upto Rs.15/- depending on their 'work efficiency'. A cooperative in the Factory Sector paid a monthly wage of Rs.220/- per tailor, apart from the dividend they were entitled to as shareholders of the cooperative.

A direct exporter in the Factory Sector and with a fairly diversified investment and own fabric base has 55 sewing machines, 2 cutting machines and 3 each of Button hole and Button stitching machines. Only 15 of his workers -- layers and thread cutters are on monthly wages with only ESI facilities. The tailors mostly women and others are on piece system and have the status of casual labourers. Despite the scale of operation being fairly large as to permit assembly or band system, the management claims them to be bothersome because of high absenteeism. This method it was claimed minimises 'labour problems' and ensures production.

Only 2 of the 5 units in the Factory Sector paid the legally stipulated double wages for overtime work. Some units also had an 'attendance bonus' scheme of Rs.15/- per month. If they attended work on all working days in a month except one half day, they were entitled to full attendance bonus. In some units, for absention from work for more than one half day, the complete attendance bonus was forfeited and in some case there were graduated cuts from the bonus.

Of the 12 units in the Non Factory Sector only two were direct exporters. One was small and export orders were not forthcoming throughout the year. Consequently the unit was closed for 3 months last year and for another 3-4 months was producing below capacity. They did not undertake job work for other units. During the slack season the tailors generally work in some other units. The master cutter, packers and a

few others not exceeding 10 are retained on a monthly salary even during the slack season. As orders arrive, word spreads around through these and the former tailors -- mostly all men and some of the women come back. The other exporter has in recent years diversified his export trade to textiles and 'made ups', and are not keen on procuring orders for garments. During the slack season, all the machines are ~~leased~~ out to the 'supervisor' who takes up orders from other units and keeps it going. A rental for the use of the machinery is paid to the owner. The owners when asked as to why they did not undertake the job work themselves indicated that they were not interested in involving themselves in 'those low levels of corruption' that are needed for procuring jobs from other large units.

The rest of the units in the Non Factory sector were all subcontractors to Merchant or Manufacturing Exporters. 4 units were subcontractors to two leading Merchant exporters and one to a large Manufacturing exporter. Consequently they worked throughout the year, though 3-4 months below capacity. To a great extent, the workers in these units have the stability of employment almost as good as those in the bigger units in the Factory Sector.

While in 3 of these 5 units, women tailors were predominant, in 1 unit it was men and the other was mixed. The workers were on piece rates paid weekly. In one unit the weekly disbursement was fixed for Sunday which is a holiday and on going there the docile and submissive women workers were asked to perform unpaid services like sweeping and cleaning.

The other 5 subcontractors had a greater seasonality in their operations. 2 of them therefore combined both export orders and job orders from local customers. These units had predominantly male workers on piece rates. It is not possible to give an idea of the exact number of days a unit worked because a unit rarely closed down completely

but often worked far below capacity. So the stability of employment of one worker was different from another even in the same unit. A characteristic way in which workers described the stability of their employments is that 'If this week there's work, next week there won't be any work and will have to borrow money for beedis and tea!' (Translated from Tamil).

Wage rates

As the wage rates of the workers in different categories of work in the various units are not comparable owing to differences in wage payment, the weighted average daily income of workers in each category is given for the Factory and Non Factory Sector.

The weights used was the period of service in the units. As the increments to wages was based on the period of service, and the current incomes of workers depends both on their period of service in the unit as well as the period since the establishment of the unit, it was felt that the weighted average would minimise this influence and the resultant average would be a true picture of the current daily income levels in the industry.

TABLE I

WEIGHTED AVERAGE OF CURRENT DAILY INCOME IN THE FACTORY
AND NON FACTORY SECTOR

Category of work	Factory Sector	Non Factory Sector	
	Female	Female	Male
Cutter	6.60	6.99	25.10*
Sorter	3.85	5.02	-
Helper	6.44**	4.25	4.00
Tailor	5.12	8.69	12.99
Checker	4.79	6.05	10.08
Ironer	4.88	-	-
Packer	4.12	-	-
Others	7.89	5.69	10.38

Note: * The cutter under males in the Non Factory Sector refers to Master Cutters who are skilled and highly paid whereas among women in the category of 'cutter' refers to those assisting in the cutting section.

** In general a helper gets a lower salary than a tailor. In the above case, the composition of weights in the 2 categories has resulted in this contrary picture.

Between units in the Factory Sector, there were striking differentials for each category of work. For instance, the category of work 'helper' the weighted average for 4 units were Rs.2.15, 2.90, 4.50 and 7.23 and for 'Tailor' category it was Rs.4.00, 4.35, 8.50 and 9.08. The differences between the Factory and Non Factory Sector and in the Non Factory Sector between Females and Males is striking particularly for Tailors and Checkers. But it would be a naive conclusion that the men workers in the Non Factory Sector are better than women workers in both the Factory and Non Factory Sector without accounting for the differences in the hours of work, productivity, work intensity and stability of employment. The lowest and highest current daily income for both the Factory and Non Factory Sector for each category of work is given.

TABLE II

THE RANGE OF AVERAGE CURRENT DAILY INCOME IN THE FACTORY
AND NON FACTORY SECTOR

Category of work	Factory Sector		Non Factory Sector (females)		Non Factory Sector (males)	
	Lowest	Highest	Lowest	Highest	Lowest	Highest
Cutter	3.00	9.62	3.00	13.46	11.54	25.38*
Sorter	3.85	3.85	3.50	5.30	-	-
Helper	2.90	7.69	2.00	5.00	4.00	4.00
Tailor	3.80	12.50	3.85	20.00	3.12	20.00
Checker	3.50	5.38	3.07	8.00	7.69	12.00
Ironer	4.80	5.38	-	-	-	-
Packer	3.00	4.23	-	-	-	-
Others	2.90	11.35	2.50	11.00	4.80	11.70

Note: * Same as under Table 1.

Non wage benefits

Apart from these differences in the wages and the forms of wage payment, firms also differ on matters of non wage monetary benefits like advances from salary, marriage advance, contingency advances in the case of sickness of close relative, death allowance, festival advance, clothing allowance and the exgratia payment over the minimum of 8.33 per cent bonus payment. These are generally available only in units in the Factory Sector where the work force is unionised and have been obtained only after struggles.

Otherwise, Factory Sector unit provide the usual Provident Fund and Employees State Insurance Benefits if both the unit and the worker are eligible. While there have been cases of units in the Factory Sector that have delayed payment of provident fund contributions after they were eligible (after 3 years for units employing 50 or more workers and 5 years for units employing less than 50 workers) it is not a general phenomenon to discontinue the services of a worker (for eligibility of PF a worker has to put in 240 days of continuous service) after the unit is eligible merely to avoid PF contributions, though there have been cases of individual victimisation. A unit in the Factory Sector can delay the enforcement of the PF Act by showing less than 50 workers on its muster rolls or deliberately delay it until apprehended either by the concerned authority or the workers.

Units in the Non Factory Sector apart from being legally outside the purview of the Act seek further protection by changing the names of the establishment once every three years.

Among the nonmonetary benefits are the ESI where every worker from the day of employment in a unit in the Factory Sector is eligible. This is not available in the Non Factory Sector. While units over 30 women workers have to provide a creche, only 1 had done so and that was non functional.

Both the workers and the management claimed it as an 'eyewash' for the Factory Inspector. Similarly only one unit provided subsidised canteen facilities while most others in the Factory Sector did not provide tea though they had two tea breaks.

Regarding coming late for work, overtime work and leave not only were there differences between units but in the same unit at different times depending on the workload. In one unit whenever there was overtime work, a worker coming late by half an hour had to first complete eight hours before taking up overtime work. So if such a worker put in one hour after regular factory hours, only half-an-hour was counted as overtime work and paid double wages. This implies that on days there is overtime work, a worker loses double wages for that period whereas on other days the loss is only single wages. In another unit whenever there was enough work, a worker coming upto half an hour late was let inside the factory while on days with less work the worker was sent away for a whole half day without wages. In yet another unit, a worker doing work on Sunday generally declared to be an off-day got double wages, only if the following day the worker did not abstain from work. If she did abstain, she not only lost the wages for that day but got only single wages for the Sunday work too. In none of the units, did the worker have any choice of doing overtime work.

In the Non Factory Sector undertaking mainly job work the time limit to fulfill an order was stipulated. The daily target was fixed and irrespective of the hours of work, a worker had to do the task to meet the deadline. During peak periods of work, it is not uncommon to work from eight in the morning to eight at night with a short break on the job for lunch.

The employment status of the workers

The Factory legislations themselves are not precise on the concept of permanent, temporary, casual and contract employment. The ESI Act specifies that any worker in the

factory sector is eligible for the benefit from the first day of employment though permanent identity cards are issued after 13 weeks of employment. The PF benefit is extended to those with 240 days of continuous service in the unit while for provisions under the ID Act like lay off compensation an 'employee' has to have one year of continuous service in the unit. The act does not specify who an 'employee' is, and a unit doing job work and employing workers on an adhoc piece rate basis has challenged in the Court that the workers are its 'employees' and the matter is subjudice.

Only one of the 5 units in the Factory Sector provided a certain measure of security of employment to its workers by confirming them after a certain period as permanent. Out of 1000 workers in the unit only 300 were confirmed as permanent. Permanent workers are the last to be laid off, and the scale of operations of the unit being so large, it is unlikely that the operations diminish to such an extent as to lay off permanent workers. So a permanent worker has a far greater security and stability of work than another who gets both ESI, PF and lay off compensation and much more than one who has not completed 240 days of continuous service and gets only the ESI benefit. Casual workers are those on daily wages and are not eligible for ESI too.

Units in the Non Factory Sector are not covered by these legislations though the stability and security of employment, as mentioned earlier depends on the nature of the parent organisations which contracts out work. Thus far, the diversities in the terms and conditions of employment among various units in the Factory and Non Factory Sector were spelled out. It is clear that the labour relations and terms and conditions of employment depends on the nature of the unit whether direct exporter or job worker, the form of ownership, the scale of operation and the nature of production organisation. In what follows, the nature of the labour force in the industry and the differences in the labour force characteristics between the Factory and Non Factory Sector will be highlighted.

The nature of the labour force

As already pointed out the industry employs 32,000 workers in Madras city -- 8000 in the Factory Sector and the rest on the Non Factory Sector. While exact figures on sexwise breakdown of employment in various units is not available and for those available its reliability is in question, it is known from direct field enquiry that the bulk of the workers in the Factory Sector are women where production is organised on the Band and Assembly systems, and in the Non Factory Sector where production is on the piece system both men and women are employed. It was also found that in the Non Factory Sector itself, the sexwise composition of the labour force varies according to the size of the unit and the scale of its operation. Small units employing less than ten or twenty workers and with greater seasonal work employed more men tailors than larger units that have adopted the ingenious methods of avoiding factory legislation and where the work is of less seasonal in nature.

In our survey on 1.25 per cent of the estimated industry's work, 5 units in the Factory and 12 units in the Non Factory Sector were covered. This included 100 women from the Factory Sector, 156 women from the Non Factory Sector and 56 men from the Non Factory Sector. The sample is not random, though the units in the Factory Sector were stratified on the basis of employment and units from various size classes were chosen. The sample size in each unit was in proportion to its employment. Even this stratification was not possible for the Non Factory Sector where the universe was not known prior to the investigation.

It was found that 92.2 per cent of the industry's work force was below 35 years of age and 68.8 per cent below 26 years of age. 4.9 per cent were below 16 years. The bulk of the labour force in the industry is young, with the

Non Factory Sector having a greater concentration of young women workers.¹⁵ 57.1 per cent of the industry's workforce were nonmigrants and the rest were migrants, with the Non Factory Sector having a greater proportion of migrants particularly among men.¹⁶ Migration appeared to be fairly well spread from all districts in the state, though Chinglepet district alone because of its proximity to the city had the largest share of migrants in the Factory Sector. The Non Factory Sector unlike the Factory Sector had Burmese repatriates too.

The Non Factory Sector also had a greater share of unmarried women than the Factory Sector though in both the Factory and Non Factory Sector unmarried women among non-migrants was higher than among migrants.¹⁷

Among the nonmigrants in the Factory Sector, 92.7 per cent had completed secondary school education and 62.7 per cent had done high school also. In the Non Factory Sector 85.1 per cent of the nonmigrants had secondary education while only 36.2 per cent had high school education. While the women workers in the Non Factory Sector have less education than those in the Factory Sector, the men workers in the Non Factory Sector are even less educated than the women. While 85 per cent of women have completed secondary education, only 40 per cent of the men had done so. The percentage of uneducated among women nonmigrants in both the Factory and Non Factory Sector is six times lower than men which is 13.3 per cent.

86.2 per cent of migrants in the Factory Sector and 77 per cent in the Non Factory Sector have secondary education. As in the case of nonmigrants, while those with high school education was 72.4 per cent in the Factory Sector, it was only 28 per cent in the Non Factory Sector. The Factory Sector therefore has a greater concentration of more educated women than the Non Factory Sector. However within the Non Factory Sector, the educational levels of the female workforce was higher than the males.

The basic skill required for the industry is to learn to operate the sewing machine. 34.7 per cent of the workforce is untrained and so work as helpers, layers, sorters, checkers and thread cutters. 11.2 per cent acquired the skill at home, 17 per cent learnt it on their job and 48.4 per cent have had training in some institution. While in the Factory Sector 47 per cent were untrained, 32.9 per cent of women workers were untrained in the Non Factory Sector. The percentage of untrained men workers is much lower being only 17.9 per cent. While there is not much difference in the percentage of women workers trained at home in the Factory and Non Factory Sector being 14 per cent and 11.6 per cent respectively, in the case of men workers in the Non Factory Sector it is as low as 5.4 per cent. In the Factory Sector no women worker in the sample was trained on the job. 75 per cent of men workers in the Non Factory Sector learnt their skills on the job while only 7.1 per cent of women in that Sector learnt it on the job. 39 per cent of women in the Factory Sector and 48.4 per cent in the Non Factory Sector obtained training in Institutions while only 1.8 per cent of men workers obtained such training. This is particularly interesting because it is in the Factory Sector where women are employed that the 'deskilling' owing to the fragmentation of processes necessitated by the forms of production organisation is high. And despite the training the management do not consider them as fullfledged tailors with the capacity to design, cut and stitch a full garment piece.

The social origins of the workforce

81.2 per cent of the industry's workforce in the sample were Hindus, 12.3 per cent Christians and 6.47 per cent were Muslims. While there was no significant difference in the distribution of Muslims in the Factory and Non Factory Sector, the Non Factory Sector had a greater proportion of Hindus and lesser proportion of Christians than the factory sector.

Among Hindus, the dominant castes in the industry's workforce were Mudaliars (17.1 per cent), Naidus (14 per cent), Vannier (13 per cent), Adi Dravida (9.2 per cent), Chettiars (8 per cent), Brahmins (7 per cent) and Nadars (6.4 per cent). These dominant castes accounted for 77 per cent of the workforce in the sample.

The caste composition of the workforce varied between the Factory and Non Factory Sectors. While in the Factory Sector, Adi Dravidas accounted for 17 per cent of its workers, they comprised only 6.1 per cent of the workforce in the Non Factory Sector. Similarly while Brahmins accounted for 14.1 per cent in the Factory Sector, in the Non Factory Sector they were only 3.8 per cent. Nadars in the Factory Sector were 1.4 per cent but in the Non Factory Sector they were 8.3 per cent. Thus the striking decrease in both the 'highest' and 'lowest' caste group the Brahmins and the Adi Dravidas and the less significant decrease among the Mudaliars and Naidus is coupled with an increase in workers from the intermediate caste groups like Vannier and Chettiar and the emergence of other castes like Vanniyakula Khastriya and Nadars. These dominant castes accounted for 81.4 per cent of workers in the Factory Sector and 71.4 per cent in the Non Factory Sector. Thus while in the Factory Sector there is a concentration of certain dominant castes, the caste composition of the workforce in the Non Factory Sector was more diffused.

The occupational background of the fathers' of the workers indicate that they are in Industrial employment (19.1 per cent) as wage labourers followed by the Transport Sector (15.7 per cent), Agriculture (12.4 per cent), Petty Business (9.4 per cent) and other services like coolie, peons, dobis, milkvending, other vending etc., (26.5 per cent).

There are striking differences in the Father's occupation between Factory and Non Factory Sector workers. While fathers with industrial employment are only marginally lower in the

Factory Sector being 17.5 per cent than ^{the} Non Factory Sector (19.9 per cent), those in the supervisory grade are much higher in the Factory Sector (5.1 per cent) than in the Non Factory Sector (0.5 per cent). While Transport workers are 26.8 per cent in the Factory Sector, in the Non Factory Sector transport workers are only 10.2 per cent. Even within the Transport Sector, while 15.4 per cent are Railway Employees in the Factory Sector, only 4.4 per cent are Railway Employees in the Non Factory Sector. So is the case with Port Employees who constituted 4.2 per cent in the Factory Sector and 1.4 per cent in the Non Factory Sector. This implies that even in the same sector, jobs that are better and have a greater degree of permanence or prospects for betterment like Railways and Port Employees than cleaners, lorry coolies and cartpullers are to be found among fathers of Factory Sector workers.

Similarly while fathers with jobs as stenographers, typists, clerks, accountants and teachers account for 8.2 per cent in the Factory Sector, in the Non Factory Sector they comprise only 2.4 per cent. However Petty Business, tailors and other services are higher in the Non Factory than Factory Sector.

Among married women, the husband's occupation offers interesting variations between the Factory and Non Factory Sectors. Husbands with Industrial employment dominate both the sectors, though the Factory Sector has a higher percentage than the Non Factory Sector. The Transport Sector accounts for 16.5 per cent of husband's employment in the Factory Sector and 12.5 per cent in the Non Factory Sector. While Railway employment is 5.5 per cent in the Factory Sector, there is none in the Non Factory Sector. Construction constituted 8.3 per cent in the Factory Sector but only 2.5 per cent in the Non Factory Sector. 19.4 per cent of the workers' husbands were engaged in 'Other Services' in the Factory Sector while 30 per cent were engaged in the Non Factory Sector. Unemployment among husbands in the Factory Sector was 5.5 per cent while none in the Non Factory Sector reported their husband as unemployed.

Among male married workers in the Non Factory Sector, 91.6 per cent of their wives were unemployed and 4.2 per cent each were engaged in Agriculture and Petty business.

73.4 per cent of the workforce sample responded on the work status of the mother. Of those, only 16.2 of the mothers were employed in any income earning economic activity while 83.8 per cent declared their mothers as unemployed and performing only household duties. The bulk of the industry's women workforce are therefore first generation women workers in the family. The mothers of the workers in the Factory Sector were engaged in such occupations as agricultural labourers, leaf sorter in a tea factory corporation clerk, a hospital ayah, petty business and cook, while a little under third of working mothers in the Non Factory Sector were in some form of factory employment like garment and bidi. They were also found in such household industry as palmyra, petty retailing and service occupations.

The economic status of the workers' households

69 per cent of the Factory Sector's workers' have an annual household income of Rs.6000/- and less and 86 per cent below that of Rs.10,000. Among women workers in the Non Factory Sector 56.5 per cent have an household income less than Rs.6000 and 90.2 per cent less than Rs.10,000, and among men workers in that sector, 60.7 per cent have an income below Rs.6000 and 89.2 per cent below Rs.10,000.

Caste wise, it was found that in the Factory Sector the percentage of Chettiars, Adi Dravidas (Hindu) and Vannier Households with income below Rs.6000 was over 80 per cent and those of Muslim and Brahmin households was 50 per cent and 30 per cent respectively. In the Non Factory Sector 80 per cent of Muslims, Adi Dravida (Hindus) Brahmin and Chettiar households have an annual household income less than Rs.6000, while less than 50 per cent of Christian, Vannier, Mudaliar, Naidu and Nadar households

have less than Rs.6000/- annual household income. Among male workers in the Non Factory Sector, over 80 per cent of the Adi Dravida (Hindu), Chettiars and Vannier households have incomes below Rs.6000 and less than 50 per cent of Muslim, Christian and Nadar households have less than Rs.6000/- annual household income.

We have already observed the changes in caste composition between between the Factory and Non Factory Sector particularly the significant fall in the Brahmins and Adi Dravidas and the increase in the intermediate castes in the Non Factory Sector. It is seen that the fall in the number of Brahmins in the Non Factory Sector is also accompanied by a greater number of poorer Brahmins in the Non Factory Sector. Among all these Hindu 'intermediate castes' like Vanniars, Mudaliars, Naidus and Nadars the percentage of families with incomes less than Rs.6000/- per annum is lower in the Non Factory Sector. The rise of 'intermediate' castes in the Non Factory Sector is coupled with a fall in the percentage of those with lower incomes.

34 per cent of the workers in the Factory Sector contribute to over 50 per cent of the household income. Of these 17 per cent are the sole earners in the family. 66 per cent of male workers in the Non Factory Sector contribute over 50 per cent of household income and 44.6 per cent are sole earners. Among women workers in the Non Factory Sector, 30 per cent contribute over 50 per cent of the household income and 13 per cent are sole earners.

Both in the Factory and Non Factory Sector 80-85 per cent of workers have upto 4 dependents per working member. The highest dependency ratio is between 7-8 members and 1 per cent ^{of} women workers in the Factory Sector and 3.6 per cent of men workers in the Non Factory Sector have 7-8 members dependent on each working member in the family. In general, the households of male workers have more dependents per working member than female workers in the Non Factory Sector

The general characteristics of the women workforce in the industry can be listed as young, educated upto atleast secondary school, from diverse caste groups and occupational backgrounds and first generation women workers in the family. The differences between the Factory and Non Factory Sector is particularly striking in respect of age composition, educational and skill level, caste composition and occupational backgrounds of the parents.

Job search, labour recruitment and labour mobility

It appears that employment in garment units is not difficult if the requisite skills are possessed, though employment in large units was claimed to be more difficult. In fact, some of the workers in small Non Factory Sector units enquired us on the possibility of getting recommendation as we had already acquainted ourselves with the managements of large Factory Sector units.

58 per cent of those in the Factory Sector and 58.5 per cent of men and 68.9 per cent of women in the Non Factory Sector claimed that they did not search for their current job for any long period of time. For those who searched, owing to recall bias, the data obtained on the search period did not seem quite valid, though the search period ranged from anywhere between a fortnight and a quarter.

Labour recruitment was done in a variety of ways depending on the nature and scale of operations of the unit. Whenever a new unit was started in the Factory Sector, it appeared to be common to get a few highly skilled workers like master cutter or the production manager from other established units by offering a higher salary. When these came, they generally brought along a few machine operators and other workers - 'their preferred ones' with the offer of marginally higher wage rates. These workers in their turn spread word around through informal processes by talking to others at bus stands or suburban trains.

However, the bulk of the recruits to a new unit are generally through advertisements in tamil newspapers. Some units in the Factory Sector also contact those running sewing schools particularly the missionarries.

For those working in small Non Factory Sector units with great instability due to seasonality, they generally go around to nearby units seeking work. As a large number of small Non Factory Sector units are concentrated in the business areas of North Madras city, they are aware of a fairly large number of such units.

For others, both trained and untrained searching for a job, it is generally a friend or a neighbour working already in a unit who provides the necessary introduction.

What was strikingly absent in matters of labour recruitment is a contractor or any other money making intermediary.

There also did not appear to be any discrimination in recruitment based on caste though a Muslim and Nadar management seemed to show some 'concern' for Muslims and Nadars seeking work. They however pointed out that it was not a regular policy to take only such workers. In one large unit in the Factory Sector employing 1300 workers, a striking feature that surfaced while scanning the service cards of permanent workers as well as the schedules from 1.25 per cent of its workers was that none of them had any previous jobs in garment units or if they did, did not report it. The officer in charge however claimed that workers from nearby unit that had closed down had in fact joined there.

It appears that once they get a job, they do not actively seek out better alternatives which reflects perhaps the non-availability of such alternatives than their complacency. 80 per cent of those in the Factory Sector reported that they ~~were~~ not actively searching for other jobs. In the Non Factory Sector 95.5 per cent of women and 80 per cent of men reported that they were not actively searching for other jobs. Among

those who were searching, there was a preference for stable employment like government jobs and most of those whom we interviewed asked us if we had anything to do with the government and could consider them for such jobs.

An analysis of labour mobility indicated that for 71 per cent of workers in the Factory Sector the job in the present unit was the first job and for 16 per cent their second job. Of these 16 per cent, 94 per cent had their previous job in the garment industry and 73.3 per cent of them in Factory Sector units. The striking phenomenon in the Factory Sector is that for a majority of them it was their first job and for those it was not, the movement from units within the Factory Sector is significant than movement from units in the Non Factory Sector. In the Non Factory Sector, only 59.7 per cent of workers reported that it was their first job. For 20 per cent it was their second job and all their previous jobs were in garment units only and 42 per cent of them had worked in Factory Sector units. The striking feature in the Non Factory Sector was that unlike in the Factory Sector there were more for whom it was not their first job and the movement from units both in the Factory and Non Factory Sector were significant.

Perhaps a limited explanation for this high labour mobility -- for the movement from the Factory Sector units can be sought from the high closure rate of units, closures being facilitated by the nature of the industry. In what follows, we give an account of the state of unionisation in the industry, the nature of the struggles and their reasons, the outcome of such struggles and the stand of the unions on various issues. Such a detailed investigation would not only throw light on the closure rate, but more importantly, help to draw conclusions about the role of organisation of workers in small scale industries and of women workers in particular.

Struggles, closures, struggles, closures?

Unionisation in this industry started around 1975, though as of now, only a small section of the 32,000 odd workers are organised.¹⁸ But units where unions have been formed and struggles conducted does not portend a bright future for workers organisation in female intensive small industries. In Madras City itself among the newly emerged industries like garment, electronics, food processing particularly marine products and pharmaceuticals, the garment industry has the record in terms of unionisation and struggles. An analysis of unionisation in the industry and the outcome of numerous struggles would highlight the hurdles encountered and the prospects of further activity in this and similar industries.

The earliest union in this industry was started in Unit 1 -- a limited company with the majority of shares held by a large industrial house and the largest unit in the city employing over a 1000 women and 300 men workers as early as 1973 and was affiliated to the trade union of the Congress-I -- the Indian National Trade Union Congress (INTUC). The union was a party to all decisions relating to Bonus and matters on 'Industrial Employment Standing Orders'. Dissatisfied with the functioning of the INTUC leaders, the workers voluntarily approached the 'Anna Pothu Thozilalar Sangam' -- the Anna General Workers Union -- the trade union wing of the ruling regional party 'The All India Anna Dravida Munnetra Kazhagam' -- (AIADMK).

Initially 120 workers out of 350 permanent and 650 temporary workers joined the union and two-thirds of the members were women. As the management instigated by the rival INTUC union refused to recognise the AIADMK affiliated one, the workers staged a 15 day struggle in the form of Dharnas and gate meetings. With the intervention of the concerned minister the union was recognised. Now almost all the 350 permanent and 370 of its non-permanent workers have joined the union.

On its settlement of the last charter of demands in April 1980, the union was able to secure a wage increase of Rs.45/- per month for its permanent workers, certain commitments on increments, the terms of employment of non-permanent workers and their absorption to the permanent cadre, modification of 'production incentive scheme', allowances of marriage, death and clothing, enhancement of canteen token value and an exgratia payment of 5.67 per cent in addition to the 8.33 per cent annual bonus.

The striking absence of any prolonged struggle in this unit is perhaps due to the fact that the size of the unit being large and having been established since 1966, the terms and conditons are far better than the other units that were started due to the export boom in 1975. Also while it is true that the management resisted the overthrow of the INTUC union and the penetration of the AIADMK one, it does not find the union as a threat to its existence as in other units. In fact given the size and nature of the organisation it finds the union a necessity and the general manager pointed out that he resisted the rival union as he was for the principle of 'one union in one organisation' as it did not divide the workers and more importantly made bargaining easier.

Another Unit 2 where the 'Anna General Workers Union' of the AIADMK initiated and organised the workers had a membership of 130 workers of which 10 were men. When the union was started in 1978, the services of 4 workmen were terminated on the grounds that the period of their temporary appointment had expired. The workers then went on a strike for a period of seven days after which it was settled that the workers would resume their duties and no disciplinary action would be taken for involving in the strike. The 4 suspended workmen however made a settlement with the management. Later in the year the union negotiated a bonus of 8.33 per cent and an exgratia payment of 1.17 per cent and agreed to render greater cooperation on production. The latest charter of demands of December 1980 included the

following twenty six points -- That the existing facilities should continue, an increment of Rs.50 per annum, casual leave of 14 days, sick leave of 15 days and festival leave of 12 days, 3 sets of high quality uniform, 4 lifebouy soaps per month, two cups of coffee and bread everyday, full attendance bonus of Rs.25 per month, House Rent allowance of Rs.60/-, travelling allowance of Rs.30, washing allowance of Rs.10, emergency loan of one month's pay, marriage loan of Rs.1500 to be deducted in 36 monthly instalments, festival advance of 2 months pay to be deducted in 10 instalments, or death allowance of Rs.500, lunch allowance of Rs.30, promotion based on seniority, permission for three hours of off-duty per month, provision of first aid, expansion of lunch room, recreation allowance of Rs.50 and two days of leave per annum, conferment of permanent status on completion of 240 days of continuous employment, working hours from 8.30 ~~AM~~ to 5 PM and a DA increase of Re.1/- per point increase in the price index. As no settlement was made on this charter of demands till March 1981, it is ^{not} known as to what is conceded or not. The above list of demands is shown, merely to indicate the nature of non statutory demands and the statutory rights denied. As would be clearer in due course, the nature of demands varies from one union to another.

Unionisation in a significant way started only after the initiative of the Centre of Indian Trade Unions (CITU) - the trade union of the CPI(M). The earliest case was in Unit 3 established in 1974 and employing 480 workers of which only 12 were men. The main point of contention between the management and the workers was the manner in which workers were retrenched and taken back at their own willingness with prejudices and personal opinions without consideration of any law and compulsory overtime work with only single overtime wage.

In the middle of 1975, 60 workers including 4 men who refused to do overtime work were dismissed from work. The workers approached the CITU and formed a union, though the management encouraged the INTUC workers to form a union. Initially the management refused to recognise the CITU union, the matter was taken to the labour Commissioner and it was settled that all the 60 workers would be taken back, overtime work would be paid double wages and women would not be asked to work after 6 PM.

Again in 1976, 125 women workers were dismissed from service without any prior notice or showing any cause. The workers struck work for 12 days inside the factory. When the strike was called off and work resumed, almost every month about 50 workers were sent out, that by the beginning of 1977, there were only 100 workers. Despite the emergency and the inability of main union leaders to effectively intervene, the workers took out three processions in the city. After the emergency, it was found that only 46 workers were retained. The unit was finally closed down and some time later the same management started another unit that is still functioning. Unit 4 established in 1974 with 200 men and 100 women workers suffered the same fate as Unit 3 when they formed a union with CITU affiliation to claim their statutory rights.

The case of Unit 5 raises interesting legal points on the nature of the wage-labour-capital relationship under piece rate system of payment for contract work. The unit was started in 1972 and all statutory rights were denied to the workers. In January 1978, a union was formed with CITU affiliation and 70 members on its roll. It was reported that the management threatened the union office bearers, urged them to dissociate from the union and withdraw the charter of demands. In November 1978 an illegal lockout was declared and the union raised an industrial dispute. At the conciliation meeting, the management agreed to reinstate all workmen victimised for joining the union and on request of the Labour Officer the union withdrew the charter of demands.

However when the workers went to the factory for work, the management refused to reinstate them falsely alleging that they are not willing to work. The union represented the case in the labour court that as the management was carrying on business with the help of other workmen, the wages and other benefits should be paid to them for the period of the illegal lockout. The management then denied that these individuals referred as workmen are 'employed' by it. It claimed that as the unit carried on order-oriented work, the workers are employed on an adhoc basis and are therefore not 'workmen' as defined in the Industrial Disputes Act as there was no relationship of 'Master and Servant' or 'Respondent and Workman'. They are therefore not entitled to bonus, provident fund etc., nor was it a case of 'lockout' or 'closure'. The labour court decreed that as sufficient evidence was not produced that it is only order oriented subcontracted work and as the management does not claim the unit has closed down, the lockout was illegal. The management obtained a stay order from the High Court and the matter is under further adjudication.

Unit 6A and 6B under the same management were functioning since 1970. In 1978 with the union activities in other nearby units, the workers approached the CITU and started a union. In Unit 6A out of 100 workers, 92 joined the union of which only 10 were women and in unit 6B out of 120 workers, 100 joined the union of which 30 were women. For the first four months there was no activity on the union side. Then on the May Day of 1978, the union hoisted the flag. Two days later the management asked them to down the flag and thereby hangs the tale!

The management declared a lay-off the next month for 45 days under the pretext that it had not received export orders. After the period of lay-off the management closed down the units for the same reason. Further investigations revealed that the management leased out its machines to another Unit 6C belonging to them and carried out the work there.

Unit 6B that was closed from November 1978 to September 1980 showed for the accounting year ending Diwali 1980 contracting charges of Rs.9,17,058 in its Profit and Loss Accounts. The matter in the Labour Court was adjudicated in favour of the management and since September 1980 all three units 6A, 6B and 6C are functioning.

Workers in Unit 7 were perhaps more fortunate. Finding the work load heavy and wages low, they formed a union with CITU affiliation in January 1978. The settlement on the first charter of demands resulted in a pay rise of Rs.10 per month, double wages for overtime work and confirmation of 75 workers. When the union presented a second charter of demands in May 1979 for a Rs.100 increase in monthly wages, the management suspended seven workers. The workers gave a strike call and the relentless struggle went on for 56 days. The management's deadline of a month for resumption of duty went unheeded. It then decided to resort to persuasion and went to the workers houses requesting them to join duty. As a result about 20 workers joined. As the days wore out with no prospect of a settlement, groups of workers resumed duty having given a written undertaking that they will not join a union for next three years and also 'signed on six blank sheets'. The unit is still functioning with the union successfully smashed up.

The workers in Units 8A, 8B and 8C faced closure in May 1980. The ostensible reasons were the decline in orders, high cost of raw materials and competitive international market that had priced out the firm. Strangely these were not applicable to its subcontractors or to the Bombay units under the same management. The truth is that because of denial of statutory rights and inhuman treatment, the workers formed a union under an INTUC leader. Later finding the leader promanagement, they opted for CITU affiliation. When the management declared a lockout and later issued a closure notice, they in private talks with the workers, with persuasion blended with threat, asked them to accept a contract

system for a daily remuneration of Rs.4/- and to forego the rights of an employee. Also after declaring a lock-out the management quickly removed the machines and raw materials stealthily at midnight to continue work with different people. Efforts to get the government intervene failed and the units that were in existence for over 12 years closed down.

500 workers of Unit 9 suffered the same for the same reason. Their attempts in 1975 to form a union was foiled by the management by taking a declaration from the workers that they will not join any union in the Madras Chingleput area and then had its own bogus union for which deductions of £.25 paise per month per worker was made. In December 1979 an enquiry by the Labour Department, the management put up a notice that the workers themselves can form a union. Acting on this, the workers elected their office bearers. The management responded by asking all the girls living in their rented house (hostel) and ^{who} were specifically brought from Kerala as cheap labour to work at all times of the day to vacate the hostel and cut off both the electricity and water supply. The workers then sought the assistance of the CITU in January 1980. By March 1980, 63 workers were suspended and since then all work has stopped, though export orders are obtained and given out to subcontractors. Despite the assurance given by the ruling AIADMK Ministry to run the unit as a cooperative, not much progress has been made so far. In the last one year, 150 of its 500 workers have made settlement with the management and the others have been sanctioned a relief payment of Rs.200/- so far by the state government.

These numerous cases of closures have caused panic amongst the workers that union implies closure. The workers in Unit 10 have decided to have a non affiliated union though they seek the guidance of the CITU leaders. In fact the Deputy Labour Commissioner at the time of registration advised them not to go on a strike at any time or to include minimum wages in the charter of demands as these would lead to the closure of the unit.

Unit 11 has been functioning, as the management claims since 1975. In 1979, the workers formed a union with affiliation to an independent union 'Working Peoples' General Workers Union' whose leader is a Dravida Munnetra Kazhagam (DMK) partyman. Their first charter included among others a differentiated monthly salary for men and women tailors -- For men tailors over 5 years experience a monthly salary of Rs.450, for women tailors over 5 years experience Rs.250, for women tailors less than 5 years experience Rs.200 and for sorters Rs.225 per month. Settlement on this charter of demands ensured an upward wage revision of Rs.25/-, attendance bonus scheme, an 8 hour working day and double wages for overtime work.

When the union demanded 20 per cent bonus, the management suspended 12 workers and the union raised the issue of non employment in the court along with the claims of arrears on overtime payment to the extent of 5 lakhs. Dissatisfied with this union, particularly the DMK partyman who was generally believed to be corrupt and playing a dual role with the workers, they approached the nearby All Indian Trade Union Congress (AITUC) office -- the trade union of the CPI and started a union with 25 members. This union was however not recognised by the management, and both the unions differed on the bonus question.

When union activity started, the management closed one of their units under the pretext of deficiency of orders in August 1980. With the formation of the rival union in Unit 11 they issued a closure notice on the same pretext. When the AITUC union countered this, the management in its letter to the Labour Officer stated that it "has absolutely no fear of starting a union". It also stated that there was no orders from foreign buyers and "inspite of it has been good enough to give a time of two months for the closure of the unit".¹⁹ The union however insisted that the threatened notice of closure was only a pretext of lockout and an illegal device to victimize the workers.

Out of these struggles emerged the 'City Garment Workers Union' initiated by and affiliated to the AITUC in February 1981. Among the problems it intends to tackle are the enforcement and implementation of the Minimum Wages Act notified by the state government in November 1980, a fair annual bonus and annual increments, contributions to Employees Provident Fund to be notified to the workers, an 8 hour work day, ESI benefit to all workers, confirmation, legally stipulated wages for overtime work, illegal layoffs, retrenchment and lockouts, victimisation of workers and enforcement of payment of gratuity Act. Attempts were being made at the time of this enquiry to get more units to join the union.

The CITU since its numerous struggles have taken up the issue of garment workers in general. They have been urging the state government to take over all the garment units even without examining the feasibility of such a suggestion and even when the promised take over had so far not materialised. Needless to say, it is these numerous struggles conducted by the CITU that the notification on 'Minimum Wages for Tailoring Industry' was issued by the state government in November 1980 with a two month time for managements and unions to raise issues, failing which it was to become enforceable.

The managements through the 'Clothing Manufacturers Association' and the 'Apparels and Handloom Exporters Association' have represented to the government both through direct communications²⁰ as well as the media²¹ that "the minimum need for the industry is a free trade zone and not the minimum wage legislation" and that given the seasonal nature of the industry and the widely prevalent piece rate based wages "the minimum wages act will surely not be beneficial either to the workers or the employers" and that it "will surely cause much havoc on the garment manufacturing units and heavy unemployment among thousands and thousands of lady employees and also cause much loss in international markets and foreign exchange earnings. Not only the garment

manufacturing units will suffer due to this but also the weaving industry in the state to a very great extent which is already under great suffering" -- remarkably gloomy foreboding indeed! These are infact quite unwarranted when it is clear that minimum wages in other industries are rarely implemented unless the workers organisation is strong enough. The accounts above clearly indicate that it is possible to subcontract out to other units even under the same management and thus disperse the labour force.

Except for the CITU, no other union has represented to the government their stand on the minimum wage notification. It pointed out that in certain categories of work and in certain units the existing wages were higher than the minimum wages. Also while the notification categorises workers into skilled and unskilled with 'skilled' meaning those with diploma certificates in tailoring from government recognised institutions, the CITU has suggested a three fold classification into 'Super skilled' comprising not only diploma holders but also 'power machine double needle operators'. It has also suggested enhancement of wages for each category than those stipulated. While in the notification the wages range from Rs.210 per month for unskilled operators to Rs.330 per month for skilled operators, the CITU revised wages range from Rs.400 for the unskilled to Rs.600 per month for the super-skilled. It has also suggested a dearness allowance with 1960 as the base year price and an allowance of Rs.1.30 paise per point increase. As information on this was collected before the government finalised the decision on the minimum wages, the exact rates that were agreed upon is not given.

Lessons from the struggles

It is clear from the above accounts, that most of the struggles were conducted merely to secure the statutory rights denied to the workers, ensure some amount of work security and some marginal improvements in wages. That demand for statutory rights figured largely in the most of the CITU

organised struggles is a reflection on both the enforcement machinery of the factory legislations and the powers of the management.

That the enforcement machinery is slack is obvious from the following instances. In the initial round of discussions, one of the Factory Inspectors confessed to us that such a study as ours would be useful but requested us not to blame them, because they have far too many units to inspect and with transport available for only 3 days in a week only cursory inspection was possible. That even such a cursory inspection cannot miss the lack of creches, nonfunctional toilets nor can violations of statutory benefits like double wages for overtime work, contributions to PF and ESI go unchecked, unless they are all in league in the conspiracy is obvious. That it was so, was also disclosed by the same Inspector who pointed that in one of the units where the struggle was then going on, the Factory Inspector had in the previous year instituted 5 cases against the management for violation of various factory legislations but ultimately the government had to withdraw the cases owing to certain 'pressures'. It is also true that the enforcement machinery does cause uneasiness in most cases and panic in some, was clear by the behaviour of most managements, who initially thought that our work was linked in some way with the enforcement machinery.

Most managements after some amount of convincing on the academic nature of the work and our attempts to establish good rapport with them listed out some of the provisions they violated. Among them was one unit in the Non Factory Sector who had started operations on a fairly large scale in September 1980 and had not registered till February 1981, was intending to register with the Factory Inspectorate with a retrospective date of January 1981. In another unit where children below 16 years were employed, the management asked us to inflate the ages.

It is also clear from the foregoing that not only are the managements as in other cases too, were powerful but the nature of the industry and the organisation of the production being as it is, it provides the managements considerable scope from manoeuvring out of these factory legislations.

These numerous struggles clearly indicate that while there are differences in the various unions tactics and capacity at bargaining depending on the leadership, the issues tackled are merely legal than ideological. Perhaps then a single union for the industry as a whole should be organised with representatives from each existing union on the Industry Union Committee. While the organisation of the workers at the unit level could be left to the individual unions, the matters calling for union intervention could be tackled by the Industry Union. While such a federal organisation is not easy given the political differences, atleast in the garment industry, it does not seem to be impossible with the CITU and the AITUC being the most active. The 'City Garment Workers Union' seem to be good start if it could be expanded into an Industry Union.

Such an industry wise federal organisation apart from its greater strength, might enable them to take up concrete steps to ensure better conditions. As many of the CITU pamphlets on the industry indicate, the main problem is the 'unorganised' nature of the units and the consequent lack of statutory benefits, the denial of such rights to workers in 'organised sector' units, the wide prevalence of subcontracting and piece rate system. It is clear that the abolition of the piece rate system and subcontracting thereby reducing the size of the Non Factory Sector is as important as enforcing factory legislation in the Factory Sector.

Since the exports of the industry is regulated through the quota system, it could be used as an effective instrument. One way of doing this, is to completely cut off all quota allotment to Merchant exporters and for manufacturing exporters

the quota allotment for any one quarter should not exceed the production capacity already declared and to link the quantum of quota apart from export performance to the size of the permanent labour force in the unit.²² Since an optimal scale of operation is needed to remain a manufacturing exporter, both subcontracting and piece rate system that are so closely linked with the organisation of the production process and its scale of operations would be automatically curtailed. It is time the unions took up such fundamental issues.

In a broader perspective, the crucial question is the implications of the organisation of workers in small industries for the emergence of a cohesive organised industrial working class. This can be answered only if the structural differentiation in the industrial sector and the dynamics of capitalist transformation -- the growth or decline of small industries are analysed and the role of the small bourgeoisie in a process of social change is defined.

Concluding analysis²³

In the early seventies, Keith Hart an anthropologist lived and did research in the slums of Accra in Ghana. He noticed a variety of forms of self employment on the periphery of the organised or modern sector of the economy and called them the 'informal sector'. This term soon gained currency and an ILO Mission to Kenya in that period noticed that while the employment opportunities in the modern sector was not sufficient, the 'informal sector' absorbed a significant portion of entrants in the urban labour markets. The ILO then characterised a wide range of economic activities both in urban and rural areas which had ease of entry, reliance on indigenous resources, family ownership, small scale of operations, labour intensive and adapted technology, skills acquired outside the formal school system and unregulated and competitive markets as the 'informal sector'. It further found the informal sector growth inducing.

Then followed a loud debate on the characteristics of the informal sector and its growth inducing effects. Critics of the informal sector pointed out that it was too aggregative and lumped together heterogeneous activities and diverse kinds of employment. They also pointed out that this sector actually contained various forms of petty production which were subordinated to the capitalist sector. They then questioned the autonomous growth inducing capacity of that sector. It was argued that it is only through greater and greater subordination to the capitalist sector -- subordination achieved through both market and non market linkages like contracting relations, use of informal labour in the formal sector and the supply of wage goods to the formal sector made using cheap labour in the Informal sector, ~~was~~ it possible for the informal sector to generate surplus to be appropriated by the formal sector.

Among Indian researchers, the concept of the informal sector did not gain much popularity. The first seminar on the informal sector was held in Delhi in 1980 and debate centred on its definition. While the inadequacy of the working definition of Factory and Non Factory Sector was recognised, it was also found to be a second best alternative.

Critiques of the Formal-Informal Sector frameworks have been presented in the Indian context by Heather Joshi (1980) Jan Breman (1976), John Harris (1980 and Streefkerk (1981). These have all emphasised that the informal sector is too aggregative, that such bipartite divisions loses sight of the 'unity and totality of the production system' and that the informal sector is not distinguishable as a unique segment of the economy. Such lumping together points out Heather Joshi (1980) does not enable us to know more about the 'interiors of the informal sector' thereby vitiating the identification of the viable and growth inducing components. Jan Breman (1976), John Harris (1980) and Streefkerk (1981) also find that the conceptual pair Formal-Informal provides insufficient insight into the position which workers occupy in the production system.

However despite these criticisms, the studies of Jan Breman, John Harris, Streefkerk and Heather and Vijay Joshi do not overcome these limitations. Once again these tend to be aggregative by clubbing together three or four industries and by ignoring the diversities in the forms of production and its relations of production, these studies once again provide incomplete understanding of the "position which workers occupy in the production system".

It is in this context that industry specific studies are suggested to focuss on the diversities in the forms and relations of production and to know more about 'the interiors of the informal sector'. Indeed the present study does throw light on its interiors. The analysis clearly indicate that the structure of the labour force, labour relations and working conditions are not independent of the structure of the industry and the forms of production therein.

While former studies have all indicated the links between the formal and the Informal sector and the methods of surplus appropriation from the informal sector, the present study illustrates with a concrete example of how these links between the two sectors are forged, how the formal sector in fact creates the informal sector and how in instances the formal sector informalises itself. It is clear that linkages, creation and informalisation all become possible depending on the structure of the industry, the forms of production and the legislative enforcement machinery.

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1. For a review of literature on this, see for instance T.S. Papola (1980) and Streefkerk (1981).
2. By structure of an industry is meant the manner in which all the elements, particularly the production and trading elements are organised and interrelated.
3. 'Forms of Production' depends on the scale of operation, technology and the organisation of the production process.
4. See Nirmala Banerjee (1977).
5. From Commerce Vol.140 No.3598, June 7, 1980.
6. Non Factory Sector refer to those units that are not registered with the Inspectorate of Factories and where none of the factory legislations are applicable. Registration with the Factory Inspectorate is compulsory for units employing 10 or more workers and using power in production or 20 or more workers and not using power.
7. See Ready Made Garment Industry in India -- IIFI, New Delhi 1978.
8. This was found out be tallying the list of exporters provided by the Apparels Export Promotion Council and the list of manufacturers provided by the Factory Inspectorate and the Directorate of Industries.
9. The employment data was obtained from the Factory Inspectorate and refers to employment as on the date of the last inspection. The employment data was the latest one available at the time of enquiry and was dated 1 January 1980.
10. The capital-labour ratio was calculated using data on investments in plant and machinery as on installation and was obtained from the Directorate of Industries, while labour refers to employment data from the Factory Inspectorate. This ratio is referred to as 'crude' for the following reasons. (a) Investments by various firms have been made at different points of time and these are not corrected for price changes. (b) If an unit has

expanded, its additional capital investment is not reflected in the data given by the Directorate of Industries as it refers to initial investments when the unit went into operation. However the additional employment necessitated by this additional investment is reflected in the employment data of the Factory Inspectorate. This underestimates the actual capital-labour ratio. (c) This data is not available with the Directorate of Industries for all units in the Factory Sector as registration with the Directorate of Industries is voluntary except when a unit is exporting or seeking bank credit. Of the 91 units in the Factory-Sector it is available for only 41 units. Even in the case of these 41 units, while more than one unit under the same management gets registered as separate units with the Factory Inspectorate, they are clubbed together in the Directorate of Industries list so that the data on Investment in Plant and Machinery covers only 28 firms in the Directorate of Industries List.

11. By 'management' ^{is} meant here the actual owners though legal ownership might be different persons in the same family and also the form of ownership -- partnership or private limited companies might differ.
12. Apart from fluctuations expected in any business ventures, the garment industry in particular has a great deal of seasonality. Indian garments mainly constitute summer wear in the importing countries, and there is also a rapid change in fashions from one season to another. It is because of this seasonality, that for purposes of quota distribution in the country, it is divided into four quarters in a year. The busiest quarter being January to March and the slack season being the latter part of the second and third quarter of the year.
13. Under the 'Multi Fibre Agreement' (1 Jan 1974-31 December 1977) ^{and extended to 1981} /quota restrictions on imports of garments

on the grounds that such imports might disrupt the domestic industry were permitted. The United States and Countries of the European Economic Community have through bilateral negotiations imposed quotas on Indian garments. Quota distribution in the country is governed by the Textile Policy issued by the Commerce Ministry and the distribution is done by the Apparels Export Promotion Council.

14. As different wage payment systems were prevalent, it was not possible to compare the wage rates. The current daily income was calculated as follows. For those on monthly wages, daily earnings was obtained by dividing the monthly wages (not including overtime wages) by twenty six days. For those on piece rates paid weekly, the weekly earnings were divided by six days to get daily earnings.
15. In the Factory Sector, while 2 per cent were below 10 years, in the Non Factory Sector 7.8 per cent were below 16 years. While those below 26 years constituted 63.6 per cent in the Factory Sector, they were 73.2 per cent in the Non Factory Sector. Among males in the Non Factory Sector 1.8 per cent were below 16 years and 66.1 per cent below 26 years of age.
16. In the Factory Sector while 67 per cent were nonmigrants, in the Non Factory Sector 52.4 per cent of the women and 37.5 per cent of men were nonmigrants.
17. 62.7 per cent of the nonmigrants and 34.3 per cent of the migrants in the Factory Sector were unmarried. Among women in the Non Factory Sector, 77.9 per cent of the nonmigrants and 52.6 per cent of the migrants were unmarried.
18. At the time of the enquiry, unions were there in only 5 units in the Factory Sector of which 2 were non affiliated. 5 units where there had been unions had closed down very recently and one unit in the Non Factory Sector had just

then formed a union. Including even 5 units that had closed just on the eve of our study, and assuming all workers in these units were union members, a little over quarter of the Factory Sector's workforce was unionised.

19. Management's letter to Labour Officer dated 27 January 1981 and available in the files of the 'City Garment Workers Union' of the AITUC.
20. The Clothing Manufacturers Association of India Circular No. CIR 24/80 M.W.Act dated December 17, 1980 and Southern India Handloom Producers, garment makers and Exporters Associated Circular undated.
21. See for instance 'Indian Express' dated February 23, 1981, page 3.
22. Through the lobby of the Manufacturing Exporters, the idea of linking quota to the permanent workforce in the unit was accepted by the Commerce Ministry in November 1979 when Mohan Dharia was the Commerce Minister. A separate quota of 5 per cent to Manufacturing exporters on the basis of 4 garments per permanent worker per day was given. Even this initial step of linking atleast a small part of the quota to the workforce was withdrawn in the textile policy of 1980 on the ground that quota under this scheme was underutilised. Industry sources pointed out that underutilisation was because of the late sanctioning of the scheme and the other procedural formalities that had to be completed with the Textile Commissioner and claim that it is the powerful merchant exporters lobby that had prevailed upon the government to withdraw this scheme. -- See for instance the circular by the Southern Indian Handloom producers, Garment Makers and Exporters Association, Madras titled "Points for Discussion with Hon. Commerce Minister on 14 February 1980.
23. This section is summarised from John Harris (1980) to a large extent.

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