

The Oppressive Labour Conditions of the Working Poor in the Peripheral Segments of India's Garment Sector

The ESRC-DFID Research Project

"Labour Conditions and the Working Poor in China and India"

Introduction

This Development Viewpoint assesses labour conditions in the 'peripheral' segment of the garment industry in the greater Delhi area. It is meant to be a complement to [Development Viewpoint #79](#), which examined labour conditions in the more organised, visible and 'formal' segments of the industry.

The research for this Development Viewpoint was conducted by the ESRC-DFID Research Project on "Labour Conditions and the Working Poor in China and India" and was based on a focussed survey of peripheral garment workers in the metropolitan greater Delhi area.

This research divides peripheral workers in India into three major categories:

1. **Workers in own-account units**, who organise and carry out work in their own dwellings and tend to be specialists in certain activities, such as machine embroidery;
2. **Workers in micro-units** (of less than 10 workers), who are employed by contractors to engage in a wide array of different labour activities in very small workshops;
3. **Individual homeworkers** (also known as 'outworkers' in India), who carry out work alone in their own dwellings. Often engaged in simple, tedious and repetitive work, this grouping is generally the lowest paid of the three categories. And the majority of its members are women.

These three categories of peripheral garment workers are the most vulnerable and 'invisible' in the industry. Based on their experience, they generally have little faith in either trade unions or political parties and little hope in benefitting from government policies or programmes.

In fact, unions do not appear to even try to organise these workers. SEWA, the Self-Employed Women Association, is one of the few organisations that have intervened to help them.

International initiatives focussed on Corporate Social Responsibility do try to influence labour standards in home-based work. An example is the Ethical Trade Initiative (ETI), which has set up the Indian National Homeworkers Group in Delhi (NHG) to focus on embroidery workers.

But these initiatives rarely reach homeworkers themselves. In fact, they are usually directed at improving the behaviour of their contractors. Thus, they have had only a limited impact. These projects could be much more effective if they shifted their attention instead to the workers themselves and supported their self-organisation.

Worker Characteristics

Work in both own-account units and micro-units is a male preserve. In general, women work only in their own dwellings as individual homeworkers. The majority of peripheral workers belong to the caste of Other Backward Classes and a disproportionate percentage of them are Muslim.

As in the rest of the garment industry, workers in peripheral activities tend to be young. About 53% are between 20 and 29 years of age. Notably, 10% are younger than 20 years old. Also, strikingly, only a very small percentage of workers are above 40 years of age.

Illiteracy is three times more likely among peripheral workers than among the rest of the workers in the garment sector in Delhi. Illiteracy appears to be a more serious problem among Muslims, and it is most pronounced among women workers.

The great majority of peripheral workers are migrants from rural areas. They often move to Delhi in groups, and 59% of them identify their 'recruiters' (namely, the persons providing job opportunities) as relatives or acquaintances. Their contractors at their destination workplaces are regarded instead as their employers.

Once in Delhi, these migrant labourers usually work for multiple contractors. With the exception of women, who have far fewer opportunities, peripheral workers frequently change jobs in an attempt to ensure more regular employment or to secure higher pay. None of them apparently have formal contracts: 94% have no contracts whatsoever and the other 6% have only 'verbal agreements' with their contractors.

While peripheral workers often own a simple house in rural areas (and identify this as their permanent residence), only 16% of them own any land. Hence, landlessness—and the associated lack of agricultural income—appear to be the driving forces behind their migration to the periphery of the Delhi garment sector.

Workers' Most Pressing Problems

Generally, one of the most pressing problems facing these peripheral workers is the irregularity and unreliability of their work. They are often either unemployed or underemployed. As a result, almost one quarter of their grievances are focussed on this issue.

Although these workers certainly lament their low rates of pay, they prioritise more reliable and predictable income even if it is still relatively low.

Another pressing problem prioritised by workers relates to their health conditions. This area accounted for 29% of their grievances. The physical strain involved in informal work is a major explanation. One of their particular concerns is eyestrain. Another is being obliged to work in unsanitary conditions. In addition to wanting their unhealthy working conditions addressed, these workers regard the burdensome health expenses that they have to shoulder themselves as one of their main grievances.

Workers' Income Sources

It is difficult to estimate the average daily or monthly pay of peripheral workers. One reason is that the overwhelming majority have to work for piece rates. And these can vary widely—based, for example, on the type of garment, the size of the order and the particular contractor.

Also, as already mentioned, peripheral workers confront highly variable employment. Two-thirds of the workers in the survey sample report both peak and lean seasons of employment, each of which lasts about half the year. Peak seasons are generally dry while lean seasons are generally wet (particularly monsoon periods).

Keeping such important qualifications in mind, this Development Viewpoint tries to present, nevertheless, very rough 'ballpark' av-

erages of the monthly earnings of the three categories of peripheral workers, disaggregated by export and domestic markets (see Table). These monthly averages are based on assuming, initially, an 8-hour work day and both a lean and peak season for employment.

Average Monthly Earnings of Peripheral Workers

Type of Employment	Export Market	Domestic Market	Both Markets
Own-Account Unit	6,833	7,125	6,950
Micro-Unit	5,952	6,835	6,220
Home Workers	1,119	1,525	1,182
All Peripheral Workers	4,268	5,922	4,712

Source: Survey Data

As the table shows, the monthly wages for workers producing for the domestic market tend to be higher across the board. But one of the drawbacks of the domestic market is that it offers workers smaller batches of work. Firms producing for export markets are often preferred because they place larger orders.

For both export and domestic markets, units of own-account workers are paid the highest earnings. But for exports, this category of peripheral worker is under threat since export-oriented companies are concentrating more of their production in sizeable factories and larger established workshops. In fact, this category of peripheral worker now tends to engage primarily in domestic production, which also pays higher rates.

In stark contrast to the income received by workers in both own-account units and micro-units, the monthly earnings of individual homeworkers are by far the lowest, and this is true across both export and domestic markets.

In fact, even if such workers had regular employment, their earnings would still only be roughly about two-thirds of the level of the other two types of peripheral workers. But this is due, in particular, to the extremely low wages paid to women homeworkers, who represent the most vulnerable group of peripheral workers.

It is worth noting that if the low earnings of homeworkers were excluded from the computation of the overall average, the earnings of peripheral workers in both own-account units and micro-units would not appear to differ substantially from those in the more organised, 'formal' segments of the garment industry.

But the comparability of such results still depends on assuming that such peripheral workers labour for 8 hours per day. In fact, the survey results show that only 11% of all peripheral workers have access to such a regular form of employment. For many, it is not uncommon to labour only 3-4 hours per day during lean season.

During peak season, instead, the working day for many workers can go well beyond 10-12 hours. Thus, both unemployment and under-employment, on the one hand, and work unpredictability, on the other, are at the heart of the economic disadvantage of these workers.

Rough calculations of the debt of peripheral workers suggest that about 37% of them are indebted. Most of these workers are in micro-units though the heaviest average debt burdens are shouldered by individual homeworkers.

The chief reasons for debt are that workers' incomes from garment employment is inadequate while their other family members generally bring in very little income from their main economic activities of petty trade and casual informal work.

Only a few peripheral workers report any agricultural income from plots in their home region. In fact, a significant number of workers migrate continuously to urban areas ostensibly in order to try to break away from their debt burden.

Social Security and Living Conditions

The survey results on social security and the living conditions of peripheral workers are not surprising. Formal social security is completely absent. For example, 89% of workers report having no access to social security, whether formal or informal, while the other 11% report having to rely on informal social networks for assistance.

Only 13% of peripheral workers report having access to Public Distribution System shops in the greater Delhi area. These outlets are important because they provide subsidised food and the PDS card is an important official form of identification.

Like many other workers in the more organised segments of the garment industry, peripheral garment workers generally have access only to private health services. Neither their employer nor the state provides them with any health insurance.

The majority of peripheral workers rent their housing, usually from private landlords or their contractors. And, on the whole, their access to utilities such as water, sanitation and electricity is problematic. Often, having such access is attributable to their recourse to informal coping strategies and solidarity networks (such as hooking up on their own to electricity lines or sharing toilets with neighbours).

Many workers in the micro-units category live, in fact, on their work premises and thus depend heavily on their contractors to provide access to utilities. Only workers in own-account units appear to be better off since half of them own their own home in Delhi (in which they carry out their work).

Concluding Remarks

The discussion above highlights that the earnings and living conditions of peripheral workers can vary significantly. Some of them earn income that can approximate the income received by workers in the more organised, 'formal' segment of the garment industry. And for some groups of peripheral workers, such as own-account workers, the quality of their living conditions also appears comparable.

However, by all accounts the conditions of individual homeworkers are clearly the worst. Their employment is the most variable and unreliable and their pay is the lowest. Tellingly, there appears to be a clear gendered basis for this disadvantage: the majority of these workers are poor women, forced to struggle alone to eke out bare subsistence incomes in their own small homes in the face of the irregular and unreliable work orders of external contractors.

This Development Viewpoint draws on the project paper 'Labour Regimes in the Garment Sector in India: Home-Based Labour, Peripheral Labour' written by Alessandra Mezzadri of the Development Studies Department of SOAS, University of London.