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**Subcontracted Women Workers
in the Garment Industry in India**

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Abstract

In recent years there has been a disintegration of the production process and a consequent rise in subcontracting. This could occur due to 'pull' factors, that are productivity enhancing, or 'push' factors such as high costs, high competition or to circumvent labour legislation. The garment industry is based on a sub-contracting system. In this paper we study the garment industry in Ahmedabad in the context of the national and international policies that influence it. This is a segmented industry and the lower segment, which is the focus of this study, perhaps grew mainly due to the 'push' factors. Most of the recent policy initiatives in the garment industry would benefit the large manufacturers. Some form of organisation of small manufacturers and workers are required to enable them to survive in the new scenario. Some such initiatives are discussed in this paper.

In the paper we analyse the situation of the women working in subcontracting arrangements in the industry. In the analysis of value chains we found that women workers in all segments were not the direct beneficiaries of the growth in the industry. The women in the small factor segment and homebased workers earned very low incomes. A form of social and economic stratification observed in the society was reflected in the ethnic composition and economic position of the women workers in the industry. Most of the women were young and new recruits to the factories indicating the growth of new units in recent years.

A sexual division of labour was obtained in the garment industry with so called 'women's activities and women's garments entrusted to them. All these activities were labeled as being less skilled. The sexual division of labour within the homes continued in spite of the economic empowerment of the women. However, the women felt they had some influence on the decisions taken and expenditures incurred within the household.

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Subcontracted Women Workers in the Garment Industry in India

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The garment industry, especially the export sector of the industry, is one in which women account for about one-fourth of the total employment. This industry is also poised for rapid growth in the post-liberalisation and post-GATT years. According to the Lalbhai group, a prominent textile and garment manufacturing industrial house in India, 'A typical garment-manufacturing unit is very small. Manufacturing units having fifty machines are about 6 percent of the total manufacturing units. A majority of the units work as subcontractors and are known as fabricators in the industry parlance. These fabricators account for about 77 percent of the sewing machine capacity. Manufacturer exporters account for only 7.5 percent of the machine capacity. The size of the units do not allow these units to innovate, to upgrade their products and operations and to build brands' (Lalbhai *et al* undated). Consequently most of the units compete at the lower end of the market. Thus, the Indian garment sector is based on a sub-contracting system where a large number of very small units operate.

The purpose of this paper is to analyse how the changes in the garment industry affect the situation of women working in subcontracting arrangements. This is placed in the overall context of the garment industry in India. This study is based on secondary data as well as primary data collected in a city in India, Ahmedabad. In the next section of the paper we present the structure and size of the garment industry in India. In section two we review the national and international policies that affect the garment industry in India. In the third section we analyse the garment industry in Ahmedabad and describe three cases of sub-contracting chains within the garment industry in the city with a view to see how they operate and what is the value addition in the various segments in the chain. In the fourth section we analyse how sub-contracting affects women workers in this industry and its impact on their double-role in the household.

1. STRUCTURE OF THE GARMENT INDUSTRY

The garment industry had its origins in India during the Second World War, when such units were set up for mass production of military uniforms. The industry grew fast mainly due to the shift in urban consumer tastes from custom-tailored garments to ready-made garments and the introduction of export promotion schemes by the Government. According to a comprehensive survey conducted by the Textile Committee (Ministry of Textiles, 1991), the industry consists of four types of units, namely domestic manufacturers, manufacturer-exporters, fabricators and merchant-exporters/traders. This is facilitated by the process of production, which allows decentralised production, that is, there is scope for sub-contracting. The industry consists of small and cottage units, with less than 11 workers, which accounts for 80 percent of the units; and medium (with 21-49 workers) and large (more than 49 workers) units accounting for 14 and 6 percent respectively. The industry of relatively recent origin with about 42 percent of the units were set up during 1986-89, and 30 percent during 1981-85 (Batra, 1996). Of course a large number of units may have been set up post 1990.

There are two important sources of data on the manufacturing industry in India. The large units registered under the Indian Factories Act, 1948 are covered by the Annual Survey of Industries. This consists of units with more than 10 workers with power and more than 20 workers without power. The smaller units not registered with the Factories Act are surveyed every five years by the National Sample Survey Organisation in the Survey of Unorganised Manufacturing Sector. In 1994-95, according to the Annual Survey of Industries, 228899 workers were engaged in the manufacture of garments and clothing accessories and generated a net value added of Rs. 22903 million. In the unorganised sector, in 1994-95 there were 411637 workers engaged in the manufacture of garment and clothing accessories generating a gross value added of Rs. 7844 million. Obviously the large units generated much higher value added per worker probably accounting for the upper end of the fashion garments. The smaller units in the unorganised sector, however, formed the bulk of the garment industry in terms of the number of units and workers. We present the growth of this sector in Table 1 during the period 1978-79 to 1994-95.

At the all-India level the garment industry in the unorganised sector seemed to have grown the most during the period 1978-85. In fact the period just before the economic reforms, 1985-90 saw a large decline in the growth of units, workers

and value added. The period since the reforms appears favourable to the garment industry with a positive growth of 1.4 percent in workers, 3.1 percent in value added and 1.8 percent in labour productivity. The garment industry in Gujarat, did not appear to grow much prior to the economic reforms. However, since 1990 the number of units and workers in the industry grew at more than 10 percent per annum.

2. GROWTH OF SUB-CONTRACTED WORK IN MANUFACTURING IN INDIA

Production in the manufacturing sector in India is increasingly based on sub-contracting arrangements between firms. Evidence on this is however, difficult to obtain. Some indirect and direct evidence available from the existing literature is presented here.

Indirect Evidence: There was a secular decline in the absolute number of workers in the household manufacturing sector over the Population Census of 1961, 1981 and 1991, from 50 per cent of total manufacturing work force to less than half. This was accompanied by a corresponding increase in the proportion of workforce in non-household segment. There was a decline in the factory sector's share in total manufacturing employment, from 26 percent in 1972-73 to 20 percent in 1993-94. From these two trends it is deduced that there must be an increase in the non-factory non-household segment of the manufacturing sector (Nagraj, 1999). This is likely to be the segment where subcontracting units flourish.

Further evidence is provided of growth in the factories of employment size 0-49 and 50-499, i.e., the small and medium sized units compared to the large sized ones. Small scale sector, defined in terms of investment of upto Rs. One million, witnessed the highest growth within the manufacturing sector (Ramaswamy, 1994). It is inferred from this evidence of the growth of the small and middle-sized factories that subcontracting has grown in the period (Nagraj, 1999).

Direct Evidence: In a recent survey, conducted in 1996-97, of about 2000 small scale units spread over 61 districts in 12 states of India a direct question was canvassed on whether the unit undertook subcontract work. About 40 percent of the firms reported that they undertook some form of subcontracted work. The extent of subcontracting was measured as a percent of the sales or activity. It was observed

that nearly 25 percent of the units undertook the activity upto 30 percent of their turnover (Morris, *et al*, 1999).

Using the same data set another study estimated the extent of subcontracting in the small scale units surveyed by industry groups. The inter-firm linkages, especially the subcontracting type, depend mainly upon the product characteristics such as technologically separable production processes and the possibility of viable production stages. The nature of production process of metal products and transport equipment allows for subcontracting. They are also included in the reserved list of products for small scale industries (SSIs).

These factors together account for the fact that more than 50 percent of the units surveyed were engaged in subcontracting in the product groups basic metals and alloys, metal products and parts, machinery and equipment other than transport and transport equipment and parts (Pani, 1999). Other industry groups with a substantial proportion of units engaged in subcontracting were paper and paper products, leather and leather products, rubber, plastic, petroleum and coal products, wood products and textile products. Subcontracting units in cotton textile industry was high, but the sample size was relatively small.

A study using the most widely used official data on the organised (formal) manufacturing sector, the Annual Survey of Industries, has tried to estimate the extent of subcontracting in India (Ramaswamy, 1999). **Labour contracting** and the putting out system are two of the most common forms of subcontracting practices. The use of contract labour was the highest in two industry groups, beverages and tobacco and the non-metallic mineral products. Bidi-making, within the first industry group, is mainly conducted through this system of contract labour. The other industry groups with a high share of contract labour are food products, basic metals, wool and silks and chemical products.

A traditional form of the putting out system is when industrial firms supply raw materials to other factories for treatment, finishing and processing. Data on the value of work done by other concerns (factories and workshops) on material supplied is a measure of the value of subcontracting activity. For large factories, the value of such activity constituted about 5.3 percent of value added in 1973-74 and 4.5 percent in 1993-94. For the registered manufacturing sector it was estimated at 8 percent in 1983-84 and 7 percent in 1993-94. For large factories it was estimated to be 56 percent of value added in textile garments and the value of such activity exceeded the reported net value added in the industry group manufacture of

fabricated metal products. This type of subcontracting activity was insignificant in any of the other industry groups (Ramaswamy, 1999).

Ramaswamy (1999) uses a third measure of subcontracting being the value of goods sold in the same condition in which it was purchased and its share in value added as an index of subcontracting intensity. This measures the degree of product subcontracting. The intensity of subcontracting was only about 9.5 percent in 1970 and rose to 21 percent in 1978 among large factories. The user group classification showed that the subcontracting intensity was the highest in consumer non-durable, 33 percent. The average labour intensity was also the highest in this group as well as their share in value added, next only to the basic industries. Subcontracting intensity was also quite high in consumer durable, 20 percent, followed closely by capital goods, 17 percent. Basic goods (16 percent) and intermediate goods (about 10 percent) had lower intensity of product subcontracting.

In the large factory sector, among the consumer non durables, product subcontracting intensity was high in the stationery articles, vegetable oils and fats, canning of foods, coffee, cosmetics, drugs and medicines and textile garments. Among the consumer durables it was high in refrigeration, metal furniture and fixtures, electric lamps and motor vehicles and parts. The consumer non-durables have higher subcontracting intensity probable because of the batch production method. In the group of basic and intermediate goods process technology and a continuous flow method of production are used which are less amenable to product subcontracting (Ramaswamy, 1999).

Limited Growth of Sub-contracting in India: Two factors highlighted above make the conditions for the growth of subcontracting in India conducive. These are segmentation in the labour market with a large component of informal workers and the large variation in the size structure of the manufacturing industry. The small firms acts as a window to access the unorganised labour market. However, evidence available shows that subcontracting has not developed as much as it should have in comparison to Japan or Taiwan (Morris, *et al*, 1999).

One of the principal reasons is the much slower growth of the manufacturing industry in India. It was constrained by the 'Hindu' rate of growth of 3.5 percent for nearly fifteen years (Morris, *et al*, 1999). Thus, in areas with a relatively high growth, e.g., around major cities as Delhi, Pune and Bangalore, subcontracting has begun in a major way (Nagraj, 1986). In regions of slow growth such as in and around Calcutta, instead of subcontracting it was merchant capital that mediated relations

between small (tiny) and large firms. The increased growth of manufacturing sector in the eighties was conducive to the growth of subcontracting in the West and South and to a limited extent in the North of India. Vendor development emerged as a strategic option in some of the more dynamic industries such as engineering firms in these areas (Morris, *et al*, 1999).

Besides growth, other factors include imperfections in the credit market which create severe bias against lending to small firms. This erodes their bargaining position vis-a-vis large firms. Another important factor that has limited the growth of subcontracting is the lack of exchanges for booking subcontracting capacities (Morris, *et al*, 1999). However, with liberalisation it can be hoped that some of these constraints to the growth of the small scale sector and subcontracting will be removed. Similarly, there is a move to set up a 'subcontracting exchange' which will facilitate the growth of subcontracting.

A third reason could be that the forms of subcontracting relationships, which are developing, are perhaps even less visible than firm to firm subcontracting and are not captured by any data collection effort. Data collection on subcontracting between firms are also not sought to be captured systematically, as we observed from the earlier section on empirical evidences. Evidence provided refers mainly to the large factory segment and to an extent the small scale industry. One of the new forms of subcontracting, not captured in these data, is a large component of 'homeworkers' engaged in manufacturing activity in their homes. In a survey in Ahmedabad city we observed that 24 percent of the women workers were engaged as 'homeworkers' in various manufacturing activities (Unni, 2000).

2.1 Regulatory Regimes Governing the Garment Industry

There has been a remarkable growth of exports in India's garment sector beginning in the late 1980s. It has grown from US \$ 1598 million in 1989-90 to \$ 3675 in 1995-96. That is, it has more than doubled in the last five years. It constitutes 12 percent in India's merchandise exports and nearly 16 percent of its manufactured export. India's share in the world exports of clothing rose from 1.5 percent in 1980 to 2.6 percent in 1994. The two major markets for garment exports of developing countries are the USA and the EEC.

Multi Fibre Arrangements: The Multi-Fibre Arrangement (MFA) framework for conducting trade in textiles and clothing is a significant departure from the General Agreement on Trade and Tariffs (GATT). GATT's provisions of trade barriers in the

form of tariffs are non-discriminatory as they apply to imports from all countries in an equitable manner. The MFA is based on quantitative restrictions or quotas, which restrict the import of specific products from specific countries. The developed countries negotiate bilateral agreements with individual trading partners, which limit the amount of exports of the latter. India has bilateral trading arrangement with USA, Canada, EEC, Austria, Sweden, Norway and Finland under the MFA. There are no international rules governing the international allocation of quotas under MFA. The MFA is targeted only at imports from the developing countries. The restrictions are imposed through geopolitical consideration which has facilitated the emergence of China as a major force in the textile and clothing market (Chaterjee and Mohan, 1993).

The MFA IV came into force in 1991, when the developing countries were hoping it would not be renewed. The Uruguay Round has on its agenda the phasing out of the MFA by 2005. In MFA IV, for the first time there was recognition that the final objective is the application of GATT rules to trade in textiles. The MFA is to be phased out in four phases: Phase I starting on 1-1-1995, Phase II on 1-1-1998, Phase III on 1-1-2002 and Phase IV on 1-1- 2005 when all restrictions will be eliminated. India's garment sector has to gear up to this reality when there would cease to be any prescribed quota for any country and all countries would have to compete on the basis of factors determined by the market. (Chaterjee and Mohan, 1993).

The USA has published a list of products which it intends to integrate in each of the stages. The most import intensive products, like shirts and women's outerware in which India has an advantage, will not have their quotas removed until 2005. Besides, the permitted quotas will be more generous for the developing countries like India with a permitted growth of 6-7 percent. Imports for the dominant suppliers like Hongkong, China, South Korea has restricted quota growth rates of 0-2 percent (Ramaswamy and Gray, 1999). Thus, the impact of the removal of MFA will be felt severely by India in 2005. In addition, the textile and clothing sector will have tariff rates higher than that for all goods in the post Uruguay Round. In fact, US tariff rates for apparels are higher relative to all other MFN products even in 2004.

2.2 Government Policy and the Garment Industry

The Indian garment export sector is based on a `sub-contracting system involving a number of small tailoring and fabricating units which operate under contract from a parent firm. Owing to the seasonal nature of demand for Indian garments this has

proved to be a very cost-effective mode of production. But if we wish to emulate the path of the world's leading garment exporters, it is imperative to create further capacity to process bulk orders, while at the same time retaining our advantage of being able to handle small orders with large variations. Policies will have to be geared towards introducing large assembly line of production equipped with good quality machinery' (Chaterjee and Mohan, 1993).

Policy for Small Scale Enterprises: Development of small scale industries (SSI) has been an important objective of the planning process in India. Reservation of items exclusively for this sector was one of the main planks of the policy. Different kinds of fiscal concession, in the form of lower excise duties, differential taxation, subsidies and sales rebates are other important set of protective measures for the SSIs. Various financial and other institutions have also been set up to facilitate the growth of this sector.

The structure of the garment industry is a direct result of the Government of India's policy, the international regulatory regimes and the nature of the market. The Government of India has reserved the garment industry for the small scale sector. Investment in the small scale sector cannot exceed Rupees six million or seven and a half million in the case of ancillary units. These limits change from time to time.

Under the existing policy framework, garment units can be allowed investment in plant and machinery beyond the limits prescribed for SSI units only if they undertake an export obligation of 75 percent of their total production. This export obligation would operate in perpetuity, without any time frame. The export obligation of 75 percent of their production is limited to a specified period of 10 years even for 100 percent export oriented units, which benefit from duty free imports of capital goods and raw materials. An export obligation of 75 percent in perpetuity has acted as a strong deterrent for large Indian companies to invest in the garment sector (Chaterjee and Mohan, 1993).

During the course of our study most of the large industrialists and spokespersons for this sector argued that the SSI status of this industry should be removed. Presently, due to the reservation for the SSI sector, the existing organised Textile Mill Sector could not expand their activities to manufacture garments in a big way as a down stream project of their textile unit. De-reservation is under consideration by the Government of India. However, the implications of this for the large number of small factory units catering to the local markets will have to be carefully reviewed.

Export of Garments: India's garment industry has flourished on account of cotton-based apparel. However, man-made blended fabrics account for 60 percent of the international garment trade. India's garment trade has focused on fashion clothing, but in the long run it would be useful to trade in standard garments which are usually based on synthetic or blended fabrics. India has substantial capacity in the manufacture of polyester yarn and fibre, but the duty structure governing the intermediate inputs in the manufacture of these products has made it impossible to supply fabrics to exporters at rates that would enable them to compete effectively in the international market (Chaterjee and Mohan, 1993).

The current high cost of synthetic and blended fibre has necessitated the availability of duty exemption schemes. Under the Duty Exemption Scheme, the Government has recently introduced a value-based scheme to enable exporters to import inputs within the overall value of licenses without any quantitative restrictions. This scheme will operate along with the existing quantity based advance licensing scheme. The new Export Import (Exim) Policy, which came into operation in March 1992, specified standard input-output norms for 1514 export products covered by the quantity-based advance licensing scheme. Under the new value-based scheme, value-addition norms for value based licenses in respect of 1195 such export products were identified. However, the garment export sector has not benefited from this new dispensation (Chaterjee and Mohan, 1993).

Further, no increase in meterage for import of fabrics has been allowed. Under the present Duty Exemption Scheme the value addition requirement has been increased from 33 to 50 percent. Moreover, all fabrics have been put in the list of sensitive items in respect of which licenses shall be issued with quantity restrictions under value based licenses (Chaterjee and Mohan, 1993). These policies will be detrimental to the growth of garment exports in man-made and blended fibers, which are necessary, if in the long run markets have to be maintained.

The Exim policy has facilitated the import of machinery, including second-hand machinery, with export obligations at concessional rates of duty in various industry groups. A concessional import duty of 15 percent would be levied on import of capital goods if the company gives an export commitment of four times the cif value of import to be achieved within five years. A concessional import duty of 25 percent would be applicable on export commitments three times the cif value of imports to be achieved within four years. However, all these concessions will not be of any use to the garment sector as long as the reservation for the SSI sector remains. This is

because availing of any of these benefits would mean going out of the ambit of the small scale sector (Chaterjee and Mohan, 1993).

The quota controlled regimes, described earlier, have determined the principal export markets for Indian garment exports. The major share of exports have been with the West European countries and USA (Table 2). It grew from 37 percent in 1985 to 51 percent in 1991. The export market in the US declined from 38 to 30 percent during the same period. The east European markets also contracted for Indian exports. There was a small increase in the share of exports to Africa in the eighties.

A significant feature of the Indian garment trade is the predominance of cotton as the fibre base and the high share of a few items in the composition of the trade. Women's outerware had a share of 40 percent in 1991 which reduced marginally to 38 percent in 1994 (Table 3). Men's shirts made of cotton increased in share from 16 to nearly 18 percent during the same period.

The United States absorbed nearly 36 percent of India's total apparel exports in 1993. This was in spite of the quota restrictions on trade. Again among the items exported to US, women's outerwear constituted about 54 percent of the total. A striking feature of the US import of garments was that no single country dominated across all product categories.

3. GARMENT INDUSTRY IN AHMEDABAD

Industrial Growth in Ahmedabad: Ahmedabad is a metropolitan city located in the highly industrialised and urbanised state of Gujarat. The city economy of Ahmedabad was on an upswing since 1861, when the first modern textile mill was located in the city. Since then, the growth of textile mills continued and it also led to migration of labour, mostly the working class, into the city. The global recession of the 1930's and the communal riots of 1940's, slowed down the growth in the city, as it saw the closure of a number of textile mills. However, the textile mills revived after the recession and continued to flourish.

The economic structure of the city witnessed considerable change since the sixties, with the diversification of industrial activity into a number of chemicals, petrochemicals and other engineering industries in the eastern and western

peripheries. However, the dominant and dynamic textile industry stagnated during this period more or less with no growth in employment. Employment in the city of Ahmedabad grew at the rate of 2.8 per cent over the three decades of 1961-91, according to the Population Census. The fastest growing sector was the construction sector, followed by trade and commerce and transport, storage and communications. The overall growth, however, hides the changes in employment that have been occurring across the industrial sectors in the city over the three decades.

Employment in the manufacturing sector in Ahmedabad grew by about 2.3 per cent per annum from 1961 to 1971. The seventies saw a slight increase in the growth rate of employment, to 3.2 per cent. However, there was a sharp decline of manufacturing sector growth to 0.4 per cent per annum in the 1981-91 decade. The seriousness of the situation in the urban economy of Ahmedabad is evident from this fact of almost stagnant employment in the manufacturing sector. The growth rate in employment in the construction industry rose tremendously during the 81-91 period in the city. This could be the result of urbanisation and industrialisation where construction work absorbs a large proportion of labour. The growth rate was also observed to consistently increase in other services over the three decades.

While the organised manufacturing sector, units registered under the Indian Factories Act, in the state of Gujarat was growing consistently during 1978 to 1995, the organised sector in Ahmedabad city was expected to have suffered a major set back due to the closure of large composite textile mills. However, the time series data on registered factories in Ahmedabad between 1977 and 1995 suggested that the number of factories increased consistently. The number of workers, however, increased between 1977 and 1987 and more or less stagnated thereafter. The closure of large production mills was partly compensated by the emergence of a much larger number of smaller units. Decentralisation and specialisation of the production process partly fueled by support from various Government agencies and financial institutions probably explain this increase in the number of units. This reflects the industrial dynamism of the city (Unni and Uma Rani, 2000).

The stagnation in the organised manufacturing employment has been largely due to the decline of the textile industry in which a large proportion of workers was employed in the seventies. Although, some large textile mills closed down in the 1980s, the absolute number of textile industrial units have in fact increased. Absolute number and proportion of workers in the registered textile units, however, declined sharply during 1977 to 1987 and slowly thereafter till 1995. The industries

that gained importance during this period were manufacturing of rubber, plastic, petroleum and coal products, machinery, machine tools and parts, and basic metals and alloys. These groups of industries constituted nearly half of the registered units in the city (46 percent) and 31 percent of the employment in 1995.

Garment Industry: There has been substantial growth in the unorganised segment of the manufacturing sector in Ahmedabad. In fact, most of the garment units and workers were situated in the unorganised or informal sector as we shall see below. The garment industry in Ahmedabad, India operates within a segmented market. The segmentation is in terms of organisation of production, size of units, area of concentration of manufacturing activity, products manufactured and the markets to which it caters. Broadly there are three segments in this market. The top most segment is the large factory sector, the second is the small units and shops and the third is the home-based garment workers.

All factories employing 10 workers with power or 20 workers without power have to be registered under the Indian Factories Act, 1948. They constitute the formal or organised segment of the garment industry. In our fieldwork, however, we observed that there were many small units which had not obtained registration and were hence apprehensive to talk to us. Information on the number of factories registered and the number of workers in them are available with the Chief Inspector of Factories and at the country level are published in the Annual Survey of Industries. The published data is available only at the level of the Gujarat state. However, we were able to obtain data for the city of Ahmedabad for three years, in the 1970s, 1980s and 1990s (Table 4).

The National Industrial Classification code 26 refers to the manufacture of all textile products. Manufacture of garments alone can be obtained only at the three-digit level of the industry code. This was not available to us. The Chief Inspector of Factories reported only 127 units manufacturing all textile products in 1995-96 and employing 3179 workers. Obviously the number of registered units in the garment sector alone would be even smaller, about 55 in 1999.

The growth of the garment industry in this sector is also very minimal. The number of registered factories grew from 70 in 1977 to 91 in 1987-88 to 127 in 1995-96 at an annual exponential growth of 2.6 percent in the first period and 3.3 percent in the second period. The number of workers engaged in this sector rose from 1559 to 3197 during the three years, an exponential growth rate of 2.3 and 6.9 percent respectively in the two periods. It appears that only the very large factories

are registered and the small workshops employing more than 10 workers are not included in these estimates.

Small factories and shops, many of which probably employ more than 10 workers and avoid the registration under the Factories Act, form this second segment. These units engage between 5 to 15 or more workers. They operate in large rooms with a number of sewing machines around which the workers are organised. The workers are mostly engaged on piece rate wages. Here again the majority of workers are women.

These units manufacture mainly shirts, pants, midi-skirts, bermudas, frocks and gowns. Some units exclusively manufacture school uniforms. These units cater to two kinds of markets. The better quality products, bermudas, shirts, frocks and gowns are meant for the national level markets, mainly Bombay, Delhi and Calcutta. A large segment of bermudas and other products are sold in Bombay. These products are also sub-contracted out by the large well-known garment shopping chains in Ahmedabad city. The lower quality products ("chalu maal" in local terminology) are meant for the local market in Ahmedabad and are sold by local shops and vendors in walled area of the city. This segment of the garment industry also caters to the regional market such as small towns and rural areas of Gujarat.

Most of these units obtain their orders from large merchants and operate as sub-contract units. Here we are likely to find a chain of sub-contractors down which the raw material passes and up which the final products find their way to the final market. It would be interesting to observe how value is added to the product at various stages and what share of this value added is actually obtained by the women workers at the bottom of this chain.

The official data collection machinery collects data on this unorganised or informal segment in its Unorganised Sector Surveys conducted by the National Sample Survey Organisation, Government of India. We were able to obtain data on this segment of the industry for the urban areas of Ahmedabad district, namely Ahmedabad city for the year 1994-95 when this data was last collected. The National Industrial Classification code 26, all textile products, was estimated to consist of 12,157 units employing 34478 workers. The specific three-digit industry group 265 consists of garment units alone. This segment was estimated to consist of 2237 units employing 5967 workers in 1994-95. Of these workers 5005, 84 percent, were women (Table 5).

The homebased garment workers form the bottom most layer of this industry. The term homebased worker is used for two types of workers who carry out remunerative work within their homes. They are independent own account workers and dependent sub-contract workers. The term homemaker is used to designate the second category of dependent workers only. The ILO Home Work Convention clearly defined a homemaker as a person who carried out work for remuneration in premises of his/her choice, other than the work place of the employer, resulting in a product or service as specified by the employer, irrespective of who provided the equipment, material or inputs used.

This segment of the garment industry operates mainly through contractors. These contractors take the material from the large merchants or shops and supply it to home based workers in the city. They collect the finished product and return it to the supplier for final sale in the market. The home-based workers are almost 100 per cent women. The cloth merchants are mainly concentrated in the cloth markets of the city. This segment manufactures mainly frocks for children, petticoats and gowns. These are of a much lower quality products and are meant for the local market. They are sold in the small retail outlets. This segment also becomes active during the festival season.

These women garment home-based workers are also likely to work through a chain of contractors and sub-contractors. This is particularly true since the women are located at a distance and are spread out over vast areas in the city and even in some semi-urban locations.

We made an independent estimate of these homebased garment workers in Ahmedabad city (Kantor, 1999). The estimates were obtained by inflating by the inverse of the sampling fraction the number of homebased garment workers found through a one stage stratified cluster sampling design. The 43 wards of Ahmedabad city were stratified into four strata according to subjective information about varying concentration of homebased garment workers. The four strata included areas of very high, high, standard and low concentration of such workers. Areas based on grouped census blocks were created within the four strata. Areas within each stratum were chosen randomly separately for men and women. These selected areas were enumerated in search of homebased garment workers. This enumeration resulted in an estimation of home based garment workers of 34,957 for Ahmedabad city. Of them 27157 were women garment workers, that is, nearly 78 percent of the workers (Table 5).

Sub-Contracting Chains of Garment Manufacturing

We present three cases of subcontracting chains in different segments of the garments industry in Ahmedabad city. The first case is of a small shop that subcontracts garment making to homebased workers. The second case is a small factory/unit and the third is of a large factory. These three cases represent the three segments of the garment industry discussed above.

Case 1: Readymade Shop-Subcontractor to Home-based Workers

The readymade garment shop, Punam Garments, was run by a 34 year old widow. She operated as a subcontractor, wholesaler and retailer. She bought the cloth from the cloth mills in the city. The garment making was subcontracted out to homebased garment workers on a piece-rate basis. The products were low quality garments mainly catering to consumers in small towns, rural areas, local shops and footpath vendors in the city. Such readymade garment shops constituted one of the most common and simplest form of subcontracting chains in the garment industry. The inter-linkages in the chain are presented in Figure 1.

The value addition involved in the manufacture of a half sleeve 'kurta' (traditional shirt) of size 28 inches was computed. The final product was sold to the consumer by a wholesaler or retailer (other than our respondent) at approximately Rs. 50 per piece. The cost of the cloth was about 28 percent of the final price of the product. As indicated in Figure 1, the garment was cut by a 'cutting master' who visited the shop every alternate day and was paid on a piece-rate basis. The stitching, attaching of buttons, etc. and ironing of the final product was done by different homebased workers. While the 'cutting master' and 'garment maker' obtained about 3 percent each, the person attaching buttons received about 1.5 percent of the price of the product. Punam Garments obtained only about 4.5 percent of the value addition. The rest of the 60 percent of the value added was absorbed as the wholesaler and retailer margins. Obviously, the worst-off in the chain were the women homebased workers.

Case 2: Small Factory-Subcontracting Unit

The second case is of a subcontracting garment unit manufacturing the 'salwaar kameez', a popular traditional Indian ladies garment. This unit was run by a subcontractor along with his brother who helped in the supervision of the workers. About 21 workers were employed in the unit, of whom were 9 tailors, 2

`cutting masters', 1 ironing man, 5 persons doing embroidery work, 3 helpers and 1 supervisor. Four of the employees were women. The subcontractor himself was a tailor before he established this unit. The unit was four years old. The subcontracting chain of which this unit was a part is presented in Figure 2.

The small factory operated as a subcontracting unit. It obtained its cloth from the agents who bought the material at the cloth markets in the cities of Ahmedabad and Surat. Cotton fabric was obtained from Ahmedabad, while synthetic fabric was from Surat. These agents provided the design and pattern for the garment to the subcontracting unit. The garment was cut, stitched, decorated with embroidery work, ironed and packed in the unit studied. Sometimes the ironing was subcontracted out to an ironing man. The agent picked up the garment when it was ready and delivered it to the cloth merchants. Wholesalers and retailers approached the cloth merchants for these garments that then reached the final consumer.

The final product is sold for about Rs.400-500. Of course, the garments with more embroidery work as well as of better fabric would fetch better prices and margins. The cost of the cloth was about 25 percent of the price of the final product. The value addition in garment making at the subcontractors unit was about 25 percent as well. However, the stitching of the garment cost only about 2 percent of the market value of the garment. The wholesaler or retailer margin was about 15 percent. This adds to about 65 percent of the value added of the product. The rest, 35 percent of the price of the product was absorbed by various middlemen, agents, subcontractors, etc. Here again the workers obtained very little of the benefits of this production activity.

Case 3: Medium Sized Factory-Subcontracting Unit

The third case is of a relatively large, medium sized in the industry parlance, garment unit. This unit hired about 100 workers of whom more than 50 were women. The unit manufactured jeans made out of the denim fabric as well as cotton trousers for men. The jeans produced were of the brand `logo'. The subcontracting chain is presented in Figure 3. The unit obtained the fabric from a couple of very large textile mills, which produced a very large proportion of the denim fabric in the country. The garment was manufactured within the subcontracted unit in an assembly line production system. The washing of the jeans, part of the finishing process, was subcontracted out to a nearby unit. The

final product was packed and sent back to the mill. The mill then sold the product to the consumers through its authorised distributors and retail outlets.

The final product was sold at about Rs.500. The cost of the fabric was about 30 percent of the market value of the final product. The value addition for the making of the garment at the subcontracting unit was about 15 percent of the value of the product. The washing of the jeans added another 7 percent to the value of the jeans. The distributors and agents had a margin of about 8 percent. The final retailer's margin was the rest, about 40 percent of the value added of the product. It is difficult to calculate the share of an individual worker in the value of the product since about 35 workers were involved in the assembly line production of a pair of jeans. However, the share of each individual worker was relatively small in the overall value added.

A comparison of the three cases provides interesting insights. The case of the lowest segment in the garment industry is represented by case one. It is the simplest chain with very few layers. The second case is of the middle segment of the small factory or workshops. This has the most complex chain with many layers of agents and middlemen. In our figure we have, however, simplified the picture to indicate only one agent. These agents obtain about 40 percent of the value addition of the product. The third case is of the relatively upper segment of the garment market. This is a very organised segment where the cloth manufacturer retains most of the value addition. The distribution and retailing also more or less remains within the company because the product is branded. The cost of the cloth takes up 25 to 30 percent of the value of the product in all the three cases. The share of the individual worker remains very small about 2-3 percent of the value of the product in all the cases, though this is not very clear in the last case of assembly line production.

4. WOMEN SUBCONTRACT WORKERS

This study was essentially aimed at analysing the working conditions of women as sub-contract workers in the garment industry. The impact of their work on their lives and gender roles in the household and in society is analysed below. The empirical part of the study was based on a survey of 114 women and 70 men and focus group discussions (FGD) separately with factory workers and homebased women workers. The survey was limited to workers in small unorganised units or workshops. Thus we have concentrated on the lower

segment of the garment industry where, as we observed earlier, the majority of the units and workers are concentrated.

Age and Education: The women workers in the small garment units in our survey were relatively young. About 56 percent of them were below the age of 25 years, with 36 percent between the age of 15 and 20 years. Only about 21 percent of the male workers were below the age of 20 years. This was reflected in their marital status, with about 45 percent of the women workers being unmarried. Only 37 percent of the men were unmarried. In fact what was more striking was that while 63 percent of the men were currently married, only 45 percent of the women were so. A small proportion of the women in these units were widowed (7 percent) and divorced (4 percent). None of the male workers reported themselves to be in the latter status. This implies that some of these women started this work in the factories due to the compulsion to earn their own living after divorce or widowhood. There was distinct difference in the some of the characteristics of these two FGD groups. The factory workers were young, almost all between the age of 18 to 30. The home-based women were more mixed and consisted of a large number of older women between the age of 30 to 55 years.

The level of education of the workers was quite low. The women workers were in general worse off than the men in their educational attainments. About 9 percent of the women were illiterate while about 6 percent of the men were so. A higher proportion of men had completed secondary school as well as attended college. However, a slightly higher proportion of women had completed higher secondary school compared to the men. The educational levels of the women in the FGDs revealed that the factory workers were more likely to have studied beyond the primary school level, compared to the home-based women. This was also partly due to the religious composition of the two groups as we shall see below. This clearly brought out a segmentation of the workers even within this lower segment of the garment industry. The factory workers were younger and more educated compared to the homebased workers.

Ethnic Composition: The majority of the men and women workers in the small factories belonged to Hindu households. However, the interesting difference was that while nearly 90 percent of the men belonged to Muslim households only about 8 percent of the women were Muslim. This was in spite of the fact that the large proportion of the Muslim population in the old city areas of Ahmedabad,

where the garment units are located, were not very well off. This reflects the limited mobility of the Muslim women due to their cultural and social norms.

The Muslims were, however, engaged in the garment industry in the form of home-based workers. They were particularly involved in embroidering and sewing other ornamental items on the 'salwar kurtas' a traditional dress of Indian women. This we observed in an earlier study of the informal sector in Ahmedabad (Unni, 2000) and also in our focus group discussions with home-based women workers. The three groups of factory workers in the FGDs did not have any Muslim women. However, two of the groups in the FGDs with the home-based workers consisted of all Muslim women. The third group of home-based workers was a mixed group with a few Muslim women. Obviously these women faced social and cultural restrictions on their mobility that made them seek home-based work.

Another interesting fact was that among the Hindu households, of both the male and female workers, about 45 percent belonged to the lower caste groups. The women belonged to both the scheduled and backward caste groups, whereas a large proportion of the men was of the backward caste groups. In the social hierarchy the scheduled castes form the lowest strata of the Hindu society, followed by the scheduled tribes and backward castes.

There is a clear social stratification of the workers in this sector. The workers mainly in the informal (unorganised) sector belong to the lower end of the social hierarchy with this being even more of the women. Muslim women faced with a double disadvantage of social and cultural barriers to mobility, as well as poverty, were found to prefer homebased work.

Employment Status of the Worker and Family Members: The majority of the garment workers, both men and women, were casual workers (Table 6). That is, getting either daily or piece rate wages. About 40 percent of the fathers or husbands of the women workers were salaried workers. Almost 35 percent of the husbands were casual workers, and a smaller proportion of their fathers were so. As we shall see below, the earning of these husbands and fathers were quite low necessitating the work of their daughters and wives in such low paying activities. Only a small proportion of the fathers and husbands were actually unemployed. In contrast the over whelming majority of the wives, 82 percent, of the male workers were not economically active and were engaged in household duties. The majority of the working wives were, however, casual workers.

Economic Status of the Household: In general, the economic status of the workers in the small garment factories, and the households to which they belonged, was quite low (Table 7). At both ends of the distribution, the households to which the men belonged appeared to be worse off than the household to which the women belonged. While about 23 percent of the men's households earned monthly incomes below Rs.1500, about 15 percent of the households of women workers did so. At the other end, about 14 percent of the male worker households earned monthly incomes above Rs.5000 while about 18 percent of the female worker households did so.

The reverse was however true for the workers themselves. The women workers earned much lower incomes than the male workers in the small garment factories in our sample. About 76 percent of the women earned less than Rs.1500 per month, while only 34 percent of the men earned such low incomes. At the other end of the distribution, only about 3.5 percent of the women workers earned more than Rs.2000 per month whereas about 34 percent of the men did so. This could be a reflection of the division of labour within the garment factories and the kind of work that the women did compared to the men. The men were more often engaged as supervisors on a monthly income than women. The men also undertook the cutting and tailoring of men's garments such as pants and shirts which had much higher piece rate wages.

Some of the women in the FGDs were sole breadwinners in the households. The income levels of the households ranged from Rs.2000-5000 per month. Some of the factory workers had even higher incomes. However, the household income levels of the home-based workers were somewhat lower ranging from Rs.100 to 4000 per month.

In general, the households to which these women belonged were very poor. However, the men workers belonged to even poorer households. This probably reflected the fact that the women were less likely to be the sole earners in the households. The opposite was true of the workers themselves with the women earning much lower incomes compared to the men. There was an economic stratification of the workers in the garment industry as well, with women workers in the small factories appearing to earn the highest, followed by the small factory workers and the lowest earning accruing to the homebased workers.

Previous Employment: A large proportion of the workers were engaged in the manufacture of garments before they joined this particular unit. About 72 percent of the women and 60 percent of the men reported to have been working in the garment industry in other units before joining this one (Table 8). About 50 percent of the women and men had been working in the current unit for 1-4 years. However, 48 percent of the women and 24 percent of the men had worked in other units for less than 4 years. Thus, a large proportion of the workers were relatively recent entrants into the garment manufacturing activity. There was a considerable turnover of employment in this sector particularly among the women. A larger proportion of the men had worked for longer years in both the current and other units in garment manufacturing. This might of course reflect the age profile of the workers, with a large proportion of the women being younger and new entrants.

In the FGDs also we found that the women were either engaged in household work or in stitching and tailoring activities at home before undertaking the current work. Many of the younger girls in the factories were new entrants to the labour force. Only a few home-based garment workers said they had been undertaking bidi-rolling or agarbatti-making earlier.

We did not observe any drastic change in the labour market due to the growth of the garment industry in Ahmedabad. Most of the women were young and new recruits into this industry. This partly reflects the new units set up in recent years and also the preference for young workers in the factories. In spite of the seemingly low incomes earned in this sector, the wages were higher than that obtained in some of the traditional industries such as bidi-rolling and agarbatti making. Besides, this activity can also be undertaken at home. This is the reason for the shift reported by some of the older homebased women to garment making.

4.1 Sexual Division of Labour in the Garment Work

There was a clear division of the type of garments stitched by women and men. Among the workers stitching readymade garments, while only about 12 percent of the women stitched men's pants and shirts, 36 percent of the men did so. The majority of the women made dresses and hosiery (27 and 29 percent respectively). Only 18 percent and 24 percent of the men made these two types of garments.

Besides a large number of the men did not undertake the actual stitching. The men were also engaged in the supervision of the work, cutting and allocation of the work and in the other activities such as procuring orders, marketing etc. There were very few women supervisors. The women also engaged in the minor activities such as cutting the loose threads left over, stitching the buttons and the other finishing and ornamentation work. This also explains the lower piece rates obtained by the women and the overall lower monthly incomes earned by them. It was clearly as though the sexual division of labour at home was carried over to the work place as well.

Some women in the FGDs among factory workers felt that there was distinct difference in the garment sewed by men and women workers. Women sewed only 'salwar suits', pyjamas and children's clothes, while trousers were sewn only by men. Some women said that even the customers and sub-contractors would not prefer trousers and shirts sewn by women. Women in the larger factories were involved in the 'finishing' activities. "Cutting" work was done mainly by men. Men consequently earned much higher wages per day. The older women felt that there was no particular reason for this except that it was so traditional. It was interesting that some of the younger women in our FGDs with the larger factory workers felt that there was no preference as such for male workers. The employer was only interested in good quality work and was not concerned whether the worker was male or female. However, men had a distinct advantage of being able to do overtime in case of need, while women could not do so.

A form of social and economic stratification, as observed in the society, was reflected in the ethnic composition and economic position of the women workers in the garment industry. Similarly, the women also faced stratification in the division of labour. That is, the so-called 'women' activities and women's garments were entrusted to them. All these activities had the label of being less skilled. The skilled 'cutting' work was mainly entrusted to the men.

4.2 Effect of Subcontract Work on Role and Position in the Household

Change in Household Incomes and Expenditures: The impact of the subcontract work on the economic position of the household was sought to be judged through some direct questioning in the survey. About 48 percent of the women and 51 percent of the men workers said that their household incomes had increased since they started this work. About 5 percent of the women and 1 percent of the men said that their incomes had decreased since they took up this work. It is likely that they were employed in more remunerative activities before this. However, 42 percent of the women and 46 percent of the men also said that there was no change in their incomes.

The workers were asked if there was any change in the pattern of expenditure of the household since they undertook this work. 24 percent of both men and women said there was a change. Most of these workers said they were able to satisfy the needs of the household members, a small proportion, 1 percent of men and 3 percent of women, said they saved money for their marriage. About 8 percent of the women said they had some money to spend on their own needs due to this work. Obviously the men never felt this was a constraint since they were earners in any case, hence only 1 percent reported so.

Role in Decision Making: It is generally hypothesized that the participation of women in economic activities leads to her improved role in decision making within the household. In the survey we asked a direct question to the workers regarding decision making in the household. Only about 10.5 percent of the men and women said that they took household decisions alone. A large proportion of the women said that their parents took the household decisions. This directly reflects the fact that a large proportion of these women were young, unmarried and lived with their parents. This proportion was lower among the men. The most striking result from the gender perspective was that 25 percent of the women workers said that they took the decision together with their husbands. Only about 10 percent of the men said so. In a direct question on whether the worker felt that there was any increase in decision making power since taking up subcontracted work, 36 percent of the women and 38 percent of the men responded positively. Thus participation in work did seem to make a difference to the decision making powers of the women particularly if they were married.

In the FGDs it was noted that the decision making power of the women had increased with the entry into this work, but important decisions such as marriage alliances were still decided by the men.

Another aspect of empowerment is the capacity to spend one's own earnings and undertake the household expenditures. In order to understand this we asked a direct question on who actually spends the money earned from this subcontracted work (Table 9). The empowerment of the women was clearer here with 38 percent of the women and 34 percent of the men saying that they spend their earnings themselves. However, noting the young age of our female respondents, about 51 percent of them also said that they handed over their earnings to their parents who spend the money. Among men 44 percent said that the spending was undertaken by other family members.

Finally, we also tried to see if there was a difference in the way the money was spent, or the items of expenditure incurred, by the women and men workers. Due to multiple uses of the earnings it was difficult to obtain clear answers regarding the specific items of expenditure. However, some clear differences in the expenditure patterns of the men and women were observed. Almost all the earnings of the women workers were spent on the household and child care. About 67 percent of the men workers clearly stated that they spent the money on themselves. Another 31 percent of the men said they spent the money on items that could not be included in household expenditures. Obviously, the responsibility of the women is totally towards the household irrespective of her marital status, while this was not universally true for the men. In the FGDs the women said that most of the income was spent on food and rent for the house. Anything between 10 to 90 percent of the husband's income was reported to be available for household expenditures.

Wages in the subcontracted work in the garment industry was low, but still above many of the locally available jobs. Hence participation in this activity led to improved incomes for the households. Some of the women who reported a decrease in incomes were probably earlier engaged in the textile mills (organised sector) which closed down. While most of these women workers belonged to poor households, the fact of being engaged in an economic activity did lead to some empowerment for the women. Many of the decisions were taken in consultation with the women, though crucial decisions were still taken by the men. Almost similar proportion of the men and women reported their being able to spend their earnings themselves. The rest pooled their resources together with

the rest of the family which is quite common in the Indian context of joint family systems.

4.3 Time Allocation and Household Work

In order to capture the gender allocation of household work we canvassed a series of questions on the time spent in household duties, personal care, economic work and time of waking up to all respondents.

Waking Up Hours: As expected most of the women woke up earlier than the men (Table 10). About 63 percent of the women woke up on or before 6.00 in the morning. In contrast, nearly 50 percent of the men reported waking up only at or after 8.00 a.m. This is a luxury afforded only to the men even in the relatively not so well to do households.

Time Allocation: The gender roles of the workers clearly confirm to the expected norms when we study the time allocation in the household (Table 11). The women spend more hours at the home in household duties, while the men spend more time at work. Most women engaged in economic activities for only 8 or less than 8 hours. Only 27 percent of the women compared to 66 percent of the men spent more than 8 hours in economic activities.

Most of the women workers were involved in household duties of cleaning, cooking and child care. Among the male workers, only 8.6 spent time on house cleaning, 7.2 said they cooked and 15.7 said they looked after children. The other major difference in the time allocation by gender was that the men spend more time than the women in personal care and entertainment as well as got more hours of sleep.

Thus the classic gender roles were performed even in the households where the women were working. The women however, took on fewer hours of economic activities in order to fulfil her role. They also took less time off for themselves and for sleep to undertake the household duties. It was not apparent that subcontracted work was changing any gender roles for most women. A few men did however report to be performing some of the household duties as well.

When the women were asked if they received any help from family members in the household duties, 17.5 said that they got help in cleaning, 16.7 in cooking

and 2.6 in child care and 3.5 in other activities. This help was mainly from the other female members of the households.

In the FGDs all the women reported that that they had the dual responsibility of work and household work. Most of the women said that there was no relief from household work. Only the unmarried women had some relief from household responsibilities. Child care was however, shared by the mother-in-law, husband and sometimes by the neighbours. Some of the husbands helped to buy the provisions and other task outside the household. However, it was categorically stated that the men never enter the kitchen. All women in all the FGDs clearly stated that the men had more time to relax and socialise with friends.

4.4 Organisation

Most of the policy initiatives discussed earlier and the efforts being made are mainly for the large manufacturers of garments. Oof course due to the sub-contracting chains through which this industry operates, this will also be beneficial to the smaller units. But for the large mass of units in the small factory segment, the focus of this study, and the women sub-contracted workers, it is not clear how all this would affect them. Some forms of organisation of the small units are necessary to enable them to survive in the new scenario that may emerge after 2002. We discuss below some associations of the garment manufacturers and the large trade union Self Employed Women's Association, SEWA in Ahmedabad and their strategies.

4.5 Garment Manufacturers Association

There are number of Garment Manufacturers Associations in Ahmedabad. The 'Sindhi Market Kapad Mahajan Association' is very old, while the 'Ahmedabad Punjabi Suits Association' has been formed in the last 5 years. Five years ago there were a handful of shops dealing in wholesale of 'Punjabi-Suits' (a popular women's garment), in the price range of Rs.50 to Rs.5000. But now there are thousands of such shops. The markets catered to by these shops is the national and international market (mainly Singapore, Dubai, Europe, U.S.). In the whole market, only two of three shops have export license. Rest of the shop owners who export Punjabi suits operate through 'commission agents' (such agents are commonly known as '*adatiya*' and are people who collect the garments, put the '*nada*' in the pyjamas, finish the garments, such as interlocking, and send to the

exporters for export. These agents operate at a margin of 2 percent). The shopkeeper deals with these agents and the billing of garment sold is made in the names of these 'commission agents'.

There are about 300 members in the 'Ahmedabad Punjabi Suits Association' and 1000 members in the 'Sindhi Market Kapad Mahajan Association'. These associations are not very active but are formed to have a collective voice. Problems such as sales tax, octroi, payment delays, etc. are addressed together. But on a day to day basis, every fabric and garment dealer (most of whom get garments manufactured from subcontractors) do not have anything to do with the association. Every dealer goes about his own business on his own.

The Joint secretary of Ahmedabad Punjabi Suits Association and Sindhi Market Kapad Mahajan Association, in an interview emphasised that the associations were not active at all. He also emphasised that when the government imposes high tax and octroi structures it compelled higher corruption among the shop owners and manufacturers, such as not mentioning all sales in their account books. The 'Punjabi Suits Association' and 'Sindhi Market Kapad Mahajan Association' had been instrumental in convincing the government in reducing the octroi rates from a hiked 2 to 1.5 percent. Since unstitched cloth does not have any sales tax (present sales tax rate on garments is 2 percent), many of the shop owners sell 'un-stitched cloth' (punjabi suit dress material) which cater to small towns and rural areas.

There is also a 'Handloom Association' with about 200 members. Earlier there was no taxation for handloom items and on textile products of value less than Rs.100. Now there is a sales tax on these items. Thus some shop owners who sold handicraft items and textile products of value less than Rs.100 decided to form the 'Handloom Association'. The 'Gujarat Garments Association' has about 300 to 400 members. Forty to fifty of the members own large garment manufacturing units. This association represents Gujarat at the fashion trade expo's organised at Delhi, Mumbai, Bangalore, etc.

Many garment shop owners are members of more than one association. It appears that these associations are formed with a specific objective in mind and are generally inactive otherwise. Most of these associations consist of traders rather than of the manufacturing units. This is an important form of organising for the small manufacturing and trading units and can be used effectively to negotiate with the government. However, it is to be seen how this form of

organising can be helpful in the face of competition from large manufacturers and foreign brand names.

4.6 Organizing Strategy of SEWA

SEWA organizes self-employed women to achieve their goals of full employment and self-reliance through the joint strategies of struggle and development. Through struggle, women build the collective strength needed to ensure that employers and government officials treat them fairly and equitably. Through development, they work to create their own economic institutions, generate new employment opportunities, build their financial assets, and obtain vital social security benefits such as health care and child care.

SEWA's Strategy in the Garment Industry: SEWA recognizes that the garment industry is segmented. The three segments are similar to those identified by us: 1. Large factories that are registered under the Indian Factories Act and are in the organised sector. 2. Small factories and workshops on an average employing 5-15 workers. 3. Homebased garment workers.

In an earlier phase of organisation SEWA concentrated on the large factory sector. There was no record in the factories of who were the workers and for how many years they had been working. They demanded Identity Cards (ID) for the workers. The struggle continued for some time. The factories finally issued ID cards and within a week closed down the factory. The unit was merged with another unit and work was resumed in another name on other premises. The union workers attached to SEWA were not given any further work. SEWA filed cases and struggled for many years. After this set back in the struggle SEWA temporarily stopped working in the large factory segment.

The large factories now hire a number of contractors, often dummy contractors, and split up the workers in the factory into small groups of 11-15 workers. They operate on the same premises. The Chief Inspector of Factories, under whose office the factories are registered, visits the factories for inspection. SEWA members are also invited to join the inspection. However, the factory owners claim that the workers are working under independent contractors. In this way they are able to avoid giving a number of benefits to the workers. Of course one cannot rule out collusion between the owners and the officials. During the inspection if any innocent workers report the number of years he/she has been working in the factory and provides any

other information, he/she is given no further work from the next day. This has been the experience of SEWA.

Now SEWA would like to concentrate on the informal sector. SEWA has a large membership in the home-based worker segment. In the small factory segment, however, it is difficult to unionize. Workers are afraid to join any organisation because the moment the factory owner or contractor comes to know of this he does not give any further work to the worker. This was also observed when we attempted to conduct the survey of women workers reported earlier.

4.7 Issues for Organisation

On what issues is it best to organise the workers? Some issues that need to be brought into focus, through campaigns and struggle, are highlighted below. SEWA is currently having a campaign for Minimum Wages and ID cards for the workers.

1. Minimum Wages: The minimum wage has been fixed recently for garment workers at Rs.60.6 per dozen garments under the Minimum Wages Act. Of course most workers in the informal sector do not receive these wages. The issues here are whether this is adequate and how to ensure that a majority of the workers receive this wage. This is particularly true for the small factory sector and more so for the home-based workers. Thirdly, high wages alone are not enough to sustain livelihoods. Some norm for the minimum days of employment in the year is also required. We observed that a minimum norm of 250 days is not met for most workers in the garment industry, particularly for women.

2. Identity Cards: Minimum wage regulation by itself does not guarantee that the worker receives the specified wage. The worker has to prove that he is a worker in that industry. This is true for all the segments in the garment industry because even the large factories do not provide the workers with any written contracts or documents. This problem is of course most acute for the home-based workers. This raises the issue of identity cards for the workers in order to avail of any of the benefits that should accrue to them.

Another related issue is whether ID cards should be issued by industry/trade or by category of work, such as home-based workers or vendors etc. or simply as workers. This issue arises because of the seasonal nature of work. A worker may make garments in one season and make kites in another season. Similarly, vendors may hawk different commodities in different seasons. However, since most

regulations are trade based it might be necessary to issue ID cards based on trades.

3. Welfare Fund or Social Security: The ideal case quoted for the benefit of social security is the Welfare Fund for the bidi (local small cigarette) workers. Bidi making is a well regulated trade because it is very old and a specific Act, the Bidi and Cigar Workers Act, exists for it. This Welfare Fund is regulated by a Tripartite Body consisting of the government, employers and worker's representatives. ID cards are provided to the workers. They receive minimum wages. Education of children is supported through scholarships and money for uniforms for their children, charges of hospitalisation are met, insurance in case of sudden death and travel for recreation only for the worker are some of the benefits received. However, provident fund/pension is not included and this issue has been taken up. A similar fund for the garment workers, agarbatti workers and for contract labour is under discussion.

4.8 National Legal Legislations

Many national level legislations exist such as Minimum Wages Act, Provident Fund Act, Employees State Insurance for health, etc. However, the problem is of the coverage of these legislations. It generally extends only to workers in certain trades in the case of Minimum Wages and only to the formal sector in the other cases. In general the informal sector workers, particularly the homebased workers, are left out of most legislations even when they exist. Certain states have extended the Provident Fund to include certain categories of informal sector workers.

The invisibility of these workers is what goes against them. The issue of Identity Cards for the workers becomes crucial. Legal legislation that accepts that all workers require an ID card will go along way in helping the organisation and campaign for minimum wages and social security benefits for the workers. Besides, legislation to help the issue of ID cards, the *modus operandi* of how and to whom such cards will be issued becomes crucial.

Third, is the question is how to fund such Social Security benefits. The case of bidi workers welfare fund is successful because it is funded through a cess or tax on the commodity. Similar options for the benefits for other workers have to be devised.

5. CONCLUSIONS

In recent years there has been a disintegration of the production process and a consequent rise in subcontracting. Subcontracting is a change in the Fordist pattern of the division of labour associated with mass production. This disintegration of the production process towards subcontracting can be conceptualized as occurring due to pull or push factors. The defining feature of the pull towards subcontracting is its productivity enhancing nature. In contrast to the pull towards subcontracting, firms can be pushed into out-sourcing because of increasing economic costs, high levels of competition, or in order to circumvent the labour legislation (Balakrishnan and Huang, 2000). There is evidence of increase in subcontracting arrangements between firms in India. This could be both of push and pull in nature. The form of subcontracting we have observed in the garment industry in Ahmedabad, at the lower end of the market segment and much of homebased work, are examples of the push into subcontracting. At the lower end of the market spectrum, it is lower cost rather than quality that is the determining criterion for capturing market share. This is perhaps what we observed in the small factory segment in Ahmedabad.

There are tremendous prospects for the garment industry in India. India is one of the largest cotton producers in the world. Cotton fabric is slowly becoming very popular even in Europe, USA, Canada, etc. These countries are becoming more and more conscious of the fact that; any fabric, which comes in direct contact with the skin, should preferably be made of natural fibers. Also, the 'Eco-friendly' concept is quickly catching on. So India has a great potential for cotton exports and also for garment manufacturing and exporting since the ready made garment would turn out cheaper for India (as compared to the other countries) to manufacture for the international market. Cotton has an inherent problem of wrinkling and therefore efforts are to develop superior cotton fibers, production of hybrid cotton, etc. The concept of wrinkle – free trousers has caught on very well. Certain 'handicraft' hand stitched garments will always find a market.

The garment industry has been growing in India, in both the domestic and foreign markets. The government policies towards the sector are, however, not very encouraging unlike other developing countries such as Bangladesh. Ahmedabad garment industry can be very successful since Ahmedabad has the two basic ingredients for such an industry, i.e., good entrepreneurship skills and a textile base. Bangalore and Delhi are very successful centers of garment manufacturing units. In fact, fabric from Ahmedabad is obtained for the units located in these cities. There are many export-oriented units in these cities. The large garment factories set up by the Arvind and Ashima industrial houses in Ahmedabad are

likely to thrive. The small units studied by us could face threat since the large houses and multinationals produce the same garments with economies of scale. The middlemen who are extremely visible would always be prominent since such corporations would sublet work directly or indirectly to the home based garment workers. Such corporations would certainly be offering a better piece rate to the home based garment workers as compared to the piece rates being offered by the local units. It is likely that even garments such as traditional 'pyjamas' would be taken up by such corporations as a potential garment to be manufactured.

In our analysis of value chains we found that in all the segments, the women workers were not the direct beneficiaries of the growth in the industry. The middlemen and the retailers absorbed most of the margins. The women workers in the larger units and in the top segment obviously received higher wages, but not necessarily all the benefits due to formal sector workers. However, the women gained in many ways. Firstly they gained employment. The homebased activities such as bidi-making (traditional cigarettes) and incense stick rolling were disappearing. The garment sector has provided them with new opportunities for work. They felt that they had more decision making power. However, the double burden of work continued and the women in the traditional society did not really expect this to change in the near future.

The garment industry in Ahmedabad could grow in the current phase of global markets. The cotton textile base of Ahmedabad and the synthetic textiles of Surat, a city south of Ahmedabad, provide the basic raw material required. With some encouragement from the Government of Gujarat large units and export houses could be set up in the city. The workers however, have to be trained to use more sophisticated machines and manufacture higher quality garments. National Institute of Fashion Technology (NIFT), Gandhinagar, Gujarat had on an experimental basis imparted basic training in stitching to women identified from slums of Ahmedabad. Some such effort on a larger scale, and in collaboration with the industry groups planning to set up units, needs to be made in order that the benefits of the growth of this industry accrue to the women workers.

Table 1**Growth Rate of Textile Products in the Unorganised Sector,
India and Gujarat**

	1978-85	1985-90	1990-95	1978-95
All India				
Units	14.07	-22.25	-1.98	-2.30
Workers	10.85	-13.50	1.37	0.28
GVA	6.55	-12.72	3.13	-0.54
GVA/Worker	-4.29	0.78	1.76	-0.82
Gujarat				
Units	4.52	-24.64	12.40	-2.14
Workers	-3.50	-6.22	10.63	-
GVA	-2.33	-10.47	-0.79	-4.39
GVA/Worker	1.15	-4.25	-11.42	-4.46

Source: Survey of Unorganised Manufacturing Sector, 33rd, 40th, 45th and 51st Rounds.
Compiled from various unpublished reports, National Sample Survey Organisation.

Table 2**Destinations of Indian Garment Exports (1983 to 1991) Values in Rs. Crore and
Percentage Shares of Different Markets**

Destinations	1985		1987		1989		1991	
	Value	Share	Value	Share	Value	Share	Value	Share
West Europe	398	37.3	918	49.5	1473	47.7	2733	51.0
N&S America	406	38.0	660	35.6	1030	33.3	1597	29.8
USA	346	32.4	604	32.6	911	29.5	1328	24.8
West Europe	187	17.5	178	9.6	306	9.9	381	7.1
Soviet Union	173	16.2	166	9.0	280	9.1	287	5.4
East Asia	42	3.9	40	2.2	106	3.4	209	3.9
Japan	40	3.7	37	2.0	95	3.1	187	3.5
Oceanic Countries	19	1.8	25	1.4	54.	1.7	63	1.2
W.Asia & N. Africa	10	0.9	18	0.9	89	.9	301	5.6
Africa	2	0.2	6	0.3	16	0.5	39	0.7
South East Asia	3	0.3	9	0.5	16	0.5	30	0.6
South Asia	0	0.0	0.0	0.1	0	0.0	0	0.0
North West Europe	0	0.0	0.0	0.0	0	0.0	0.0	0.0
Grand Total	1068	100.0	1857	100.0	3091	100.0	5358	100.0

Source: 'Handbook of Export Statistics', Various issues, Apparel Export Promotion Council.
Quoted in Chatterjee and Mohan, 1993.

Table 3**Item-wise Composition of India's Garment Exports**

SITC 2	Item Description	1991		1994	
		\$ Million	Share	\$ Million	Share
84	Clothing & Accessories	2531.1	100.0	3711.9	100.0
842	Men's Outerwear not Knit	94.0	3.7	156.8	4.2
843	Women's Outerwear non Knit	1032.8	40.8	1409.2	38.0
8433	Dressess	191.8	7.6	286.0	7.7
8434	Skirts	85.5	3.4	193.9	5.2
8435	Blouses	510.2	20.2	617.7	16.6
8439	Outer Garments	166.8	6.6	214.6	5.8
844	Under Garments non Knit	435.5	127.2	724.6	19.5
8441	Men's Shirts	408.6	16.1	659.0	17.8
84411	Of Cotton	325.6	12.9	604.5	16.3
84412	Of Synthetic Fibers	83.0	3.3	54.5	1.5
845	Outweat Knit Non Elastic	236.6	9.3	338.5	9.1
8451	Jersey's, Pulloversa etc.	70.0	2.8	116.0	3.1
8459	Other Clothing Accessories	123.5	4.9	175.6	4.7
846	Under Garments Knitted	298.2	11.8	480.3	12.9
847	Textile Clothing Accessories nec	106.4	4.2	172.6	4.7
848	Head Gear Non Textile Clothing	327.5	12.9	429.9	11.6

Source: UN International Trade Statistics Year Book , 1994, Quoted in Ramaswamy and Gray, 1999.

Table 4**Estimates of Enterprises and Employment in the Formal/Registered Garment Industry in Ahmedabad City**

	Number of Units	Number of Workers	Average Size of Units
1977	70 (4.25)	1559 (0.96)	22.3
1987-88	91 (3.16)	1972 (1.05)	21.7
1995-96	127 (2.48)	3197 (1.77)	25.2

- Notes: 1. Estimates refer to NIC code 26 including manufacture of all textile products.
2. Figures in parenthesis refer to percentage of all workers and units in the registered manufacturing industry.

Source: Annual Survey of Industries and Chief Inspector of Factories, Ahmedabad.

Table 5**Estimates of Enterprises and Employment in the Informal Sector
Garment Industry in Ahmedabad City**

	Units	Workers		
		Male	Female	Total
Small Factories/ Workshops (1994-95)	2237	962	5005	5966
Home-based Workers (1998)	-	7800	27157	34957

Note: Estimates refer to NIC code 265, only manufacture of garments and apparel.

Sources: 1. NSS, Unorganised Manufacturing Sector Survey, Unpublished Data.

2. Kantor, 1999, Home-based Garment Workers

Table 6**Employment Status of the Worker and Family Members**

Employment Status	Female Workers			Male Workers		
	Self	Father	Husband	Self	Father	Wife
Salaried	34.2	41.3	40.8	35.7	38.5	2.6
Casual Labour	60.5	26.1	34.7	60.0	11.5	10.3
Self-employed	4.4	10.9	18.4	2.8	19.2	2.6
Unemployed	-	6.5	4.1	-	3.8	-
Household Work	-	-	-	-	-	82.1
Old/ Disabled	-	-	-	-	26.9	-
Other	-	15.3	2.0	-	-	2.6
All	100.0 (114)	100.0 (46)	100.0 (49)	100.0 (70)	100.0 (26)	100.0 (39)

Source: GIDR-SEWA Survey, 1999

Table 7

Monthly Incomes of Worker, Family Members and the Household

Income (Rs)	Female Worker			
	Self	Father	Husband	Household
<1000	28.9	23.4	20.4	-
1000-1500	47.4	27.7	34.7	7.0
1500-2000	20.2	19.4	30.6	7.9
2000-2500	3.5	8.5	6.1	15.0
2500-5000	-	17.0	6.1	52.2
5000-10000	-	4.2	2.0	14.3
>10000	-	-	-	3.6
All	100.0 (114)	100.0 (47)	100.0 (49)	100.0 (114)
	Male Worker			
	Self	Father	Wife	Household
<1000	7.2	61.5	97.4	1.4
1000-1500	27.1	7.7	-	7.1
1500-2000	31.5	23.1	-	14.3
2000-2500	18.6	-	-	18.6
2500-5000	15.7	7.7	2.6	44.3
5000-10000	-	-	-	14.3
>10000	-	-	-	-
All	100 (70)	100.0 (26)	100.0 (39)	100.0 (70)

Source: GIDR-SEWA Survey, 1999.

Table 8

Period of Employment in Garment Manufacturing

Time Period	Women Workers		Men Workers	
	In Current Unit	Other Units	In Current Unit	Other Units
Less than 1 year	7.0	7.1	2.6	2.8
1-4 years	50.0	41.2	48.6	21.4
4-8 years	7.9	15.8	14.3	15.7
8-12 years	2.6	4.4	8.6	5.7
> 12 years	1.8	2.6	7.0	12.9
No response	30.7	28.0	18.5	41.4
Total	100.0 (114)	100.0 (114)	100.0 (70)	100.0 (70)

Source: GIDR-SEWA Survey, 1999

Table 9

Persons Spending the Earnings

Person Who Spends the Earnings	Women Worker	Men Worker
Self	37.7	34.3
Husband / Wife	4.4	-
Parents	50.9	21.4
Spouses Together	-	-
Other Family Members	6.2	44.3
No response	-	-
All	100.0 (114)	100.0 (70)

Source: GIDR-SEWA Survey, 1999

Table 10

Waking Up Hours in the Morning

Time (a.m.)	Women Workers	Men Workers
5.00	6.1	4.3
6.00	57.0	21.4
7.00	32.5	25.7
8.00	3.5	37.1
9.00	-	10.0
No response	0.9	1.4
All	100.0 (114)	100.0 (70)

Source: GIDR-SEWA Survey, 1999

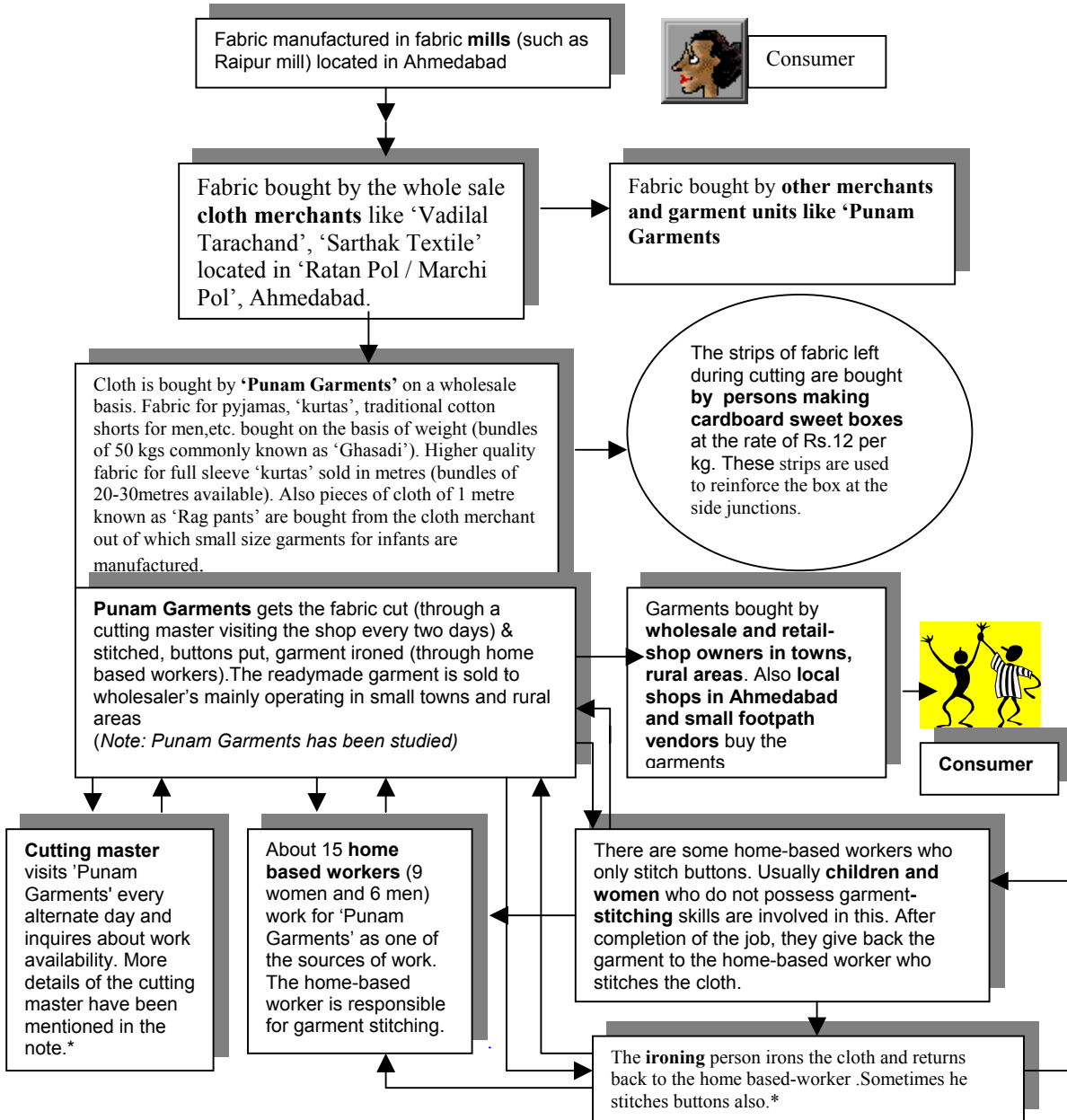
Table 11

Time Allocation in the Household

Number of Hours	House Cleaning	Cooking	Child Care	Personal/entertainment	Economic	Sleeping
Women Workers						
1	7.9	13.2	.1	7.9	-	-
2	58.8	59.6	11.4	33.3	-	-
3	21.1	17.5	2.6	14.9	-	-
4	6.1	1.8-	-	18.4	0.9	-
5	0.9	-	-	2.6	1.8	-
6	-	-	-	4.4	4.4	0.9
7	-	-	-	-	3.5	7.9
8	-	-	-	-	62.5	36.8
9	-	-	-	-	-	16.7
10	-	-	-	-	8.8	30.7
11	-	-	-	-	0.9	5.3
12	-	-	-	-	3.5	1.8
No Response	5.3	7.9	78.9	18.4	0.9	-
All	100.0	100.0	100.0	100.0	100.0	100.0
Men Workers						
1	5.7	2.9	1.4	-	-	-
2	2.9	4.3	14.3	14.3	-	-
3	-	-	-	4.3	-	-
4	-	-	-	22.9	-	-
5	-	-	-	5.7	-	-
6	-	-	-	17.1	-	1.4
7	-	-	-	4.3	2.9	11.4
8	-	-	-	10.0	30.0	15.7
9	-	-	-	-	17.1	8.6
10	-	-	-	-	35.7	48.6
11	-	-	-	-	1.4	10.0
12	-	-	-	-	11.4	4.3
No Response	89.9	92.8	84.3	21.4	1.4	-
All	100.0	100.0	100.0	100.0	100.0	100.0

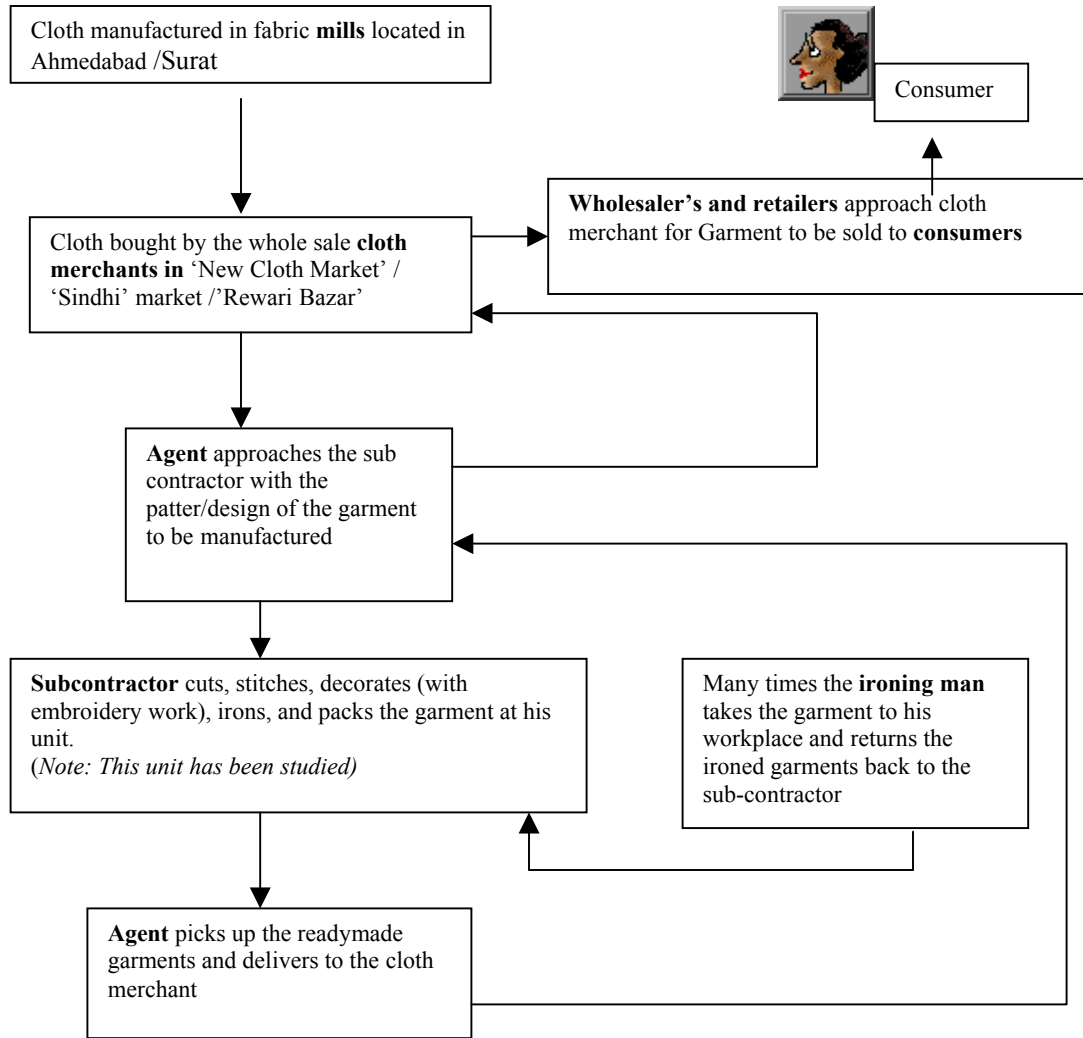
Source: GIDR-SEWA Survey, 1999

1 Case Study of a Subcontractor to Homebased Workers

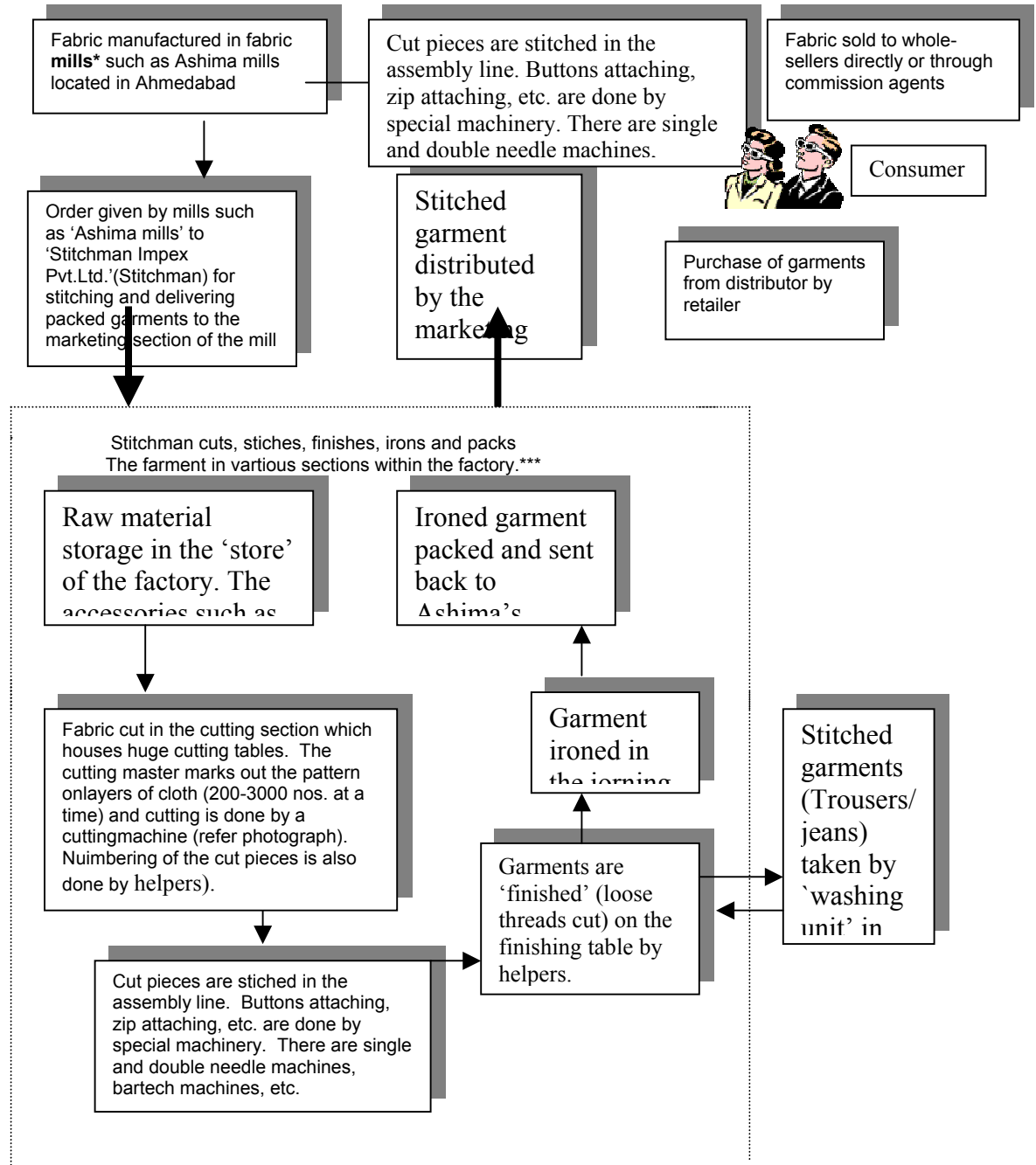


Note: A significant feature to be noted in this chain is the absence of 'agent' seen the larger chains. The simpler the chain the less are the agents.

2 Case Study of a Sub-Contracted Garment Unit



3 Case Study of a Medium-sized Subcontracted Garment Unit



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