

Impact of Inflation
On
Garment Workers' Life

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Introduction

India's food inflation has come out of the board room discussion and is now a political agenda for every party. With the general election coming in 2009 the central government seems concerned on how to regulate any further increase in food prices. Although India produces most of the commodities it consumes, except edible oils, still the rise in the prices are unstoppable. This means that the inflation is more due the internal dynamics than anything to do with foreign economies. To be sure, India has not yet experienced riots over rising food prices that have hit other countries like Zimbabwe or Argentina. But what is worrying is the fact that the current rise in inflation is driven by high food prices. In the capital, Delhi, milk costs 11% more than last year. Edible oil prices have climbed by a whopping 40% over the same period. More crucially, rice prices have risen by 20% and prices of certain lentils by 18%. Rice and lentils comprise the staple diet for many Indians.¹

With the rise in industrialization and special zones to promote business lesser areas are under cultivation on one hand whereas on the other hand, the income of the "middle class" has increased and hence their consumption; although the pattern in the consumption has changed. These two statements stand against each other which are resulting in rise in food prices. Buying fruits or meat for a "lower income group" family has become occasional. These food items have become a luxury because of the prices attached to it. India has been hit by inflation on many occasions but the pinch of it was not as direct as it is this time. Time and again there has been a price rise on petroleum products and cooking gases but the overall inflation rate remained below 5%. In the month of August 2008 the inflation was up by 12.68%! Just the food prices shot-up by 30%!

At the time of global recession where every employer is laying off their workers women garment workers are the most insecure lot. This raises a serious concern about the food and nutritional security of poor people in urban area. As mentioned earlier many of these women are the breadwinners in the household and they are already battling to survive on their low wages. They were already pooling resources and sharing basic living requirements with extended families. In many cases, their low wages also helped to support other dependants, in addition to their own children. The worst hit here is, of course, workers, who suddenly find that her house's food bill has bloated over the last one year. This increases the burden on these women who also fulfil domestic and reproductive functions in the home. Tensions rise over food, money and space. Women who were active players in the labour market often lose their independence along with their income. Job loss pushes them into new power relations with ex-partners, partners or

¹Paranjy Guha Thakurta, Indian economy analyst http://news.bbc.co.uk/2/hi/south_asia/7327858.stm

husbands, parents, and other members of their family. These women are not only financially disempowered, but can experience a diminished sense of worth and identity.

This exceptional increase in the prices of cereals, fruits and vegetables can be studied in two contexts. Firstly its effect on the population at large and secondly on the people living at subsistence level. The response of the general population has been talked about by all the economists and analysts but the inside story of a labourer's life being effected by inflation will give a clear understanding about their already vulnerable situation. Along with the figures and data the life stories of people being affected by inflation has been incorporated. Through this study we are trying to look at the effect inflation has had on garment workers' life through detailed analysis of their household requirements, children's education and financial independency. We are also trying to see how they are trying to cope with this situation.

"Almost daily our living costs are increasing and our wages are not enough for us to have a decent life. We work all week and yet we can't afford the basic things that we need on our salaries."

Garment Workers: Workers, Wages and Working Conditions

Bangalore, once popular as the garden city, is now increasingly being known as the garment city. It has somewhere around 1000 to 1200 big, medium and small garment factories in which more than four lakh workers work. At least 85% of these workers are women who are the first generation factory worker migrated from rural Karnataka and neighbouring states of Andhra Pradesh or Tamil Nadu. These workers live in a rented space in Bangalore with their family or friends and are the main support structure of their family. They take pride when they are addressed as a "working lady". Garment workers are given more respect in the family and they also take part in the decision making of the household which earlier was the prerogative of the "man of the house"! Their work has improved, if not wholly but partially, the financial condition of their family. Ratnamma's says, *"My work has not bettered our living condition but we definitely have not to struggle for food anymore"*. This explains the change in their living conditions.

The average wage of garment workers per month is Rs 3300 (Rs. 3283.4). With this money they have to cater to all the requirements of the family. A major portion of the salary gets spent on food and rent of the house. And with the rest of the amount they have to see that their children go to school, medical needs of the family are met and occasional expenses too. Around 40% of the garment workers are the sole bread winner of the family and they have to feed atleast five mouths from their income. The male members of such families are in irregular jobs like fruit and vegetable

vendor, porters, construction workers etc which does not guarantee them a consistent income. Nirmala feels that in a city like Bangalore monthly wage of Rs 3000/ is just not sufficient to live when there are three mouths to feed! Jayamma says, *"With this income we cannot save even a penny"*. Her statement clearly asserts that with the income they get any provision for future is not possible!

Workers have to stroll for eight hours everyday and also work overtime for an hour or two to earn this pittance. Overtime, if announced, is compulsory for everyone rather than being voluntary². Talking about the overtime Nagaratna says, *"It is compulsory for every worker to do overtime. If we refuse then we will be terminated from the very next day"*. Workers have to stay late to complete the days' target which normally means one to two hours of overtime work but this extra work is not recorded as overtime. Only if there is an announcement from the management that the workers have to stay back for overtime then the work is considered overtime. Most often overtime is paid for but not necessarily at double the rate. Some of the garment workers feel that overtime gives them an opportunity to earn more but there are many workers who think that working overtime does not leave them time enough to spend with their family. *Susheela* says, *"If we work overtime and get back home late in the evening then we don't get enough time to look after our children"*.

Garment workers are given hourly target which they have to complete failing which they are subjected to humiliation and abuse. The pressure to complete the target is very high. Nirmala, a helper in a garment factory says that the supervisors watch each and every minute of workers. The work becomes all the more pressurizing as there is always someone over the head shouting to complete the target. Workers have to complete the target on a daily basis and in most cases it is difficult to do so, so they stay back to complete the target. This period of overtime is not accounted for! Stitching of garments take place in assembly line hence none of the workers are aware about the brands they are stitching for. Only the ones who attach the label and do packing know about the brands.

Freedom of Association

Right to associate freely in the factory is restricted for the workers. No unions are present in the factory. In some of the factories there are workers' committees to take up workers' issues but they are highly inactive. These committee members are handpicked by the management and hence they do not work in favour of the workers. Factories try fulfilling their formalities without causing any disturbance in their business. Union works are strictly prohibited inside the factory. If

²Section 59, The Factories Act, 1948,

any worker is suspected of being a union member she is terminated from her services. Many a time's workers do not know that they have a right to organize themselves! They try to stay aloof from any organizing efforts because of the fear of dismissal from work. Although the law says that every factory should have a union but it is blatantly overlooked.

In Bangalore there is an industry based union which works for the rights of garment workers. But given the huge number of garment workers in the city the union membership is a minuscule. It stands with 2000 odd members. Union leaders are not allowed inside the premises of the factory to interact with the workers.

Inflation and Household Conditions

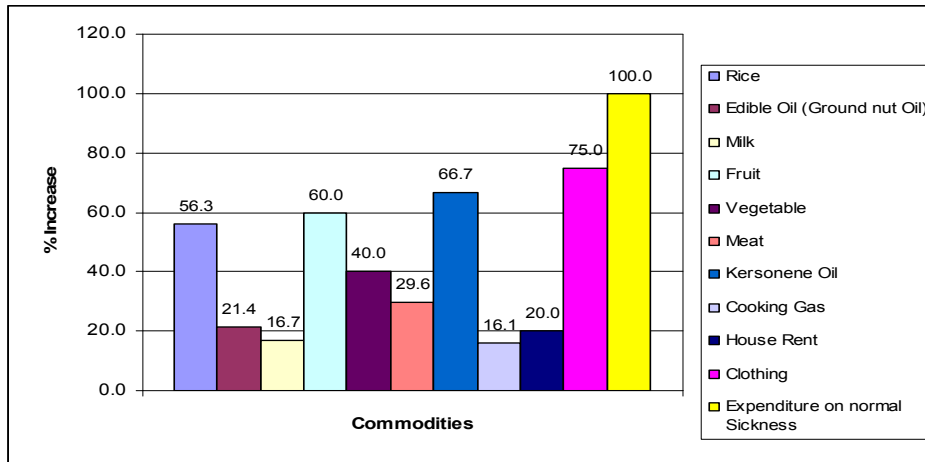
Food and Nutrition: Women garment workers earn Rs 3300 (average) every month after tolling for 8 hours (officially) everyday for 26 days a month! With this income they have to take care of their family, pay house rent and meet educational, medical and other imperative needs. They cannot afford to take leave even for a single day as their daily wages are then cut from their monthly income. Garment workers who where in any case malnourished and under fed are all the more commiserate. Many a times these workers skip their meals in rush to get to the factory on time or in order to complete the day's target. A garment worker said, "*Prices are going up daily but not our wages. We are now buying lower quality grains from unlicensed local shops. This is going to affect our health in the long run but we have no choice*". Rise in food prices has made them opt for cheaper cereals than what they normally go for. Most of the families are now having millets (ragi) instead of rice which is a staple cereal of this area. Since there is no export market for ragi, prices of this grain does not increase too much³. Workers' families now take rice just twice a week or even once a week. They have cut down on their vegetable intake as well. They only have rasam, instead of sambhar with ragi/rice. Fruits, milk or meat is just too expensive to buy.

Not every garment worker family has a ration card and those who have they are getting lesser quantity of grains than the allotted amount. Their fear is that if the prices rise even further the ration dealers will stop giving commodities from the depot. Buying food grains from the grocery store is way too expensive but there is no other option. For instance the price of rice in a grocery store was Rs 15/kg earlier and since last few months it has increased to Rs. 22-25/kg! Workers are finding it hard to afford hence they have reduced their intake of food grains. 30% of their monthly income goes in purchasing only rice. Prices of edible oil and kerosene oil have also increased. Gayatri, a garment worker says, "*We're paying our wage at the grocery store*". Average cost involved in cooking food is anywhere close to Rs 50 per day which include

³ The difference between ragi flour and rice (normal quality) is atleast Rs. 10/.

kerosene oil, Vegetable and ingredients used whereas our workers cannot more that Rs 20 per day on food now as wage are very low.

When we look at the daily platter of these families we see no source of protein. Pulses, which are unique to the Indian food basket and pretty much the only source of proteins for India's large vegetarian population has shot up drastically. They are not grown in large quantities elsewhere and rising consumption is certainly straining their supply and price situation. Prices of pulses like tuvar (arhar) dal are dearer by Rs. 10 per kilo!⁴ Proteins the building block of the body is absent from their plate. This hampers the physical strength of not only the garment workers but also her family especially children. Having vegetables in meals is considered to be a delight. Only children and husbands are given vegetables to eat.



From the graph above it can be seen that the prices of rice and fruits have increased by 56% and 60% respectively, vegetables are up by 40% and kerosene oil by 67%! Everything that is of daily use in any kitchen has increased un-proportionately. Milk and meat, major sources of protein has also increased by 17% and 30% respectively.

Housing: Garment workers live in a rented accommodation in Bangalore and the rent has to be paid in the first week of every month. If it is not paid on the first week of every month then they would come to shout at the workers' family and embarrass them in the community and threaten them to throw out of the house. So paying the rent becomes the first priority for the workers' family, remaining will be used for food and education expense. The graph above shows that the house rent increased by 20% this year! But this increase is agreed upon when they get into an agreement with the house owner. To take a house on rent tenants have to pay a security

⁴ Economic times, Oct 27, 2008

amounting to ten times the house rent. For this purpose garment workers take loan or make additional payment every month to the house owner. There are incidences where a potential worker sells of the village asset like land, livestock or use the saved money to pay as a security amount for the house.

Medical Expenses: Garment workers feel that the medical expenses over the last year have doubled. Even for minor illness which requires a visit to the doctor require anywhere around Rs.200/. They generally try to avoid seeing the doctor and manage it by taking medicines like Crocin or Paracetamol. Only when the matter gets worse they go to the hospital and they get an inflated medical bill.

Inflated Education

Considering the number of people dependent on the garment worker's income, the impact of job loss has a ripple effect on households, especially on children. Educating their children has become all the more difficult now. Government schools are cheaper but there are some inherent expenses in educating a child which cannot be avoided. If they stop sending their children to school they would save on this expenditure. Few garment workers who were sending their children to a private school but now they are thinking of putting them in government school as it is cheap and they also provide meals to the children. Education expenses like textbooks, pencils, uniform etc becomes hard to manage given the condition we are living in. Most often workers pledge their ornaments to provide for their children's education.

Many children of garment workers drop out from secondary school and college as it requires some donations which they find difficult to pay. Mumtaz said that her kids are going to government school but she cannot afford new uniforms and books every year. Reshma's younger sister had to discontinue her studies and started working because of the tight financial situation in the family. Every year in the month of June, when the school session starts, loan is taken from informal sources to provide for the admission, new uniform, shoes, bag and books. This loan amount is slowly paid in the coming months. Uniform are stitched once in two year, no shoe is brought have to manage with slipper only. Cannot even afford the bus ticket or bus pass, children should walk to school. These workers want their children to study in private school⁵ but they cannot afford to send them there. Being working parent cannot even provide better future to children, by educating them at good institution.

Debt-ridden Life

⁵ Private schools supposedly provide better education than the government schools

Inflation, apart from affecting the daily course of the workers' family has also affected their financial independence. With the inflation in food price no scope of savings has been left. Entire amount of wage are spent on ration, rent, household expenses like water bill and electricity bill. Families who have certain unavoidable expenses to make are taking loan from banks or from informal sources. The financial obligations of garment workers to the third party have increased because of inflation. Nirmala says that there was no other option but to take loan. Mahadevi had to pledge her gold ornaments to get some cash as her husband got seriously ill and had to be taken to the hospital. Interest rates for any loan are not less than 10%. Sometimes pawn brokers charge higher interest on their loan on weighing the situation. At a time when meeting daily needs seems to be a battle paying interest looks like inflicting pain on oneself. Rekha and Susheela, tailor and checker respectively, said that she will do overtime and repay the loan.

Some of the garment workers deposit Rs 50-100 with great difficulty in their Recurring Deposit account and this remains the only saving that the do. There are other workers who save by way of being Self Help Group (SHG) members. They deposit Rs 100 in SHG account on the first week of every month it will be paid without telling their husbands. They plan to use the saved amount to provide for educational expenses of their children.

Coping with Inflation/ Fear

Every worker is trying hard to cope up with the present situation. They are cutting on their important expenses to pull them through the entire month with their meager income. House rent has to be paid in the first week of every month and the remaining amounts of wages are spent on food, education, electricity & water bills etc. Nagaratna, a young girl working in a garment factory says, *"We eat rice and sambhar but then we skip our breakfast to compensate for the price"*. Every worker is feeling that the inflation has worsened their living condition. In order to survive this inflation our garment workers are resorting to various kinds of cuts. Gowamma and her family now has only one third of the food from what they used to have some six months back. Kamla has stopped cooking meat and chicken which is the favorite among her children. Mahadevi says, *"I have stopped taking breakfast in the morning. Also no coffee as there is no milk"*. Puttamma says that now they bathe in cold water to save in electricity bill or fuel cost. Even for the kids she has stopped heating water as the fuel prices (firewood/kerosene oil) have also increased. They now cook once a day to save on fuel as kerosene oil has gone up by 67%. Jayamma, a tailor in a garment factory says that her family now spends less on festivals. She feels that it is difficult to make children understand why we are doing so. Workers feel miserable because of this inflation because whatever little saving they had is dwindling. They don't have any financial support for future. Some of the workers have to walk two miles to get to the factory, bus

passes are too expensive to buy. Many workers have also stopped visiting their native place to save traveling expenses! Clothing is the last provision made out of wage.

Conclusion

In the current situation of inflation spearheaded by rise in the food prices the worst hit are the labouring class. Despite the fact that they toll for the whole day they only get Rs. 100 as their daily wage. Where more than 60% of the monthly expenses are only from housing and food then the financial condition of this group can only be imagined. And when the labour is a woman where she is the main earner of the household and has to take care of the family members the situation becomes appalling. The garment workers of Bangalore fall in this category of highly vulnerable population of the city. Their wages are not at all at par with the living cost of Bangalore. With the boom in the information technology industry in Bangalore the real estate prices have sore and so has the consumable items. Considering all these situations it is surprising to know that the garment workers wages are the lowest when we compare the minimum wages of the same group in Delhi, Mumbai or Tirupur!

The amount of work and pressure these garment workers deal with has been talked about on many occasions but with inflation they are trying to provide for their children and husband and totally neglecting one's well being. They eat less so that their children and husband can have their full, they walk to get to the factory without eating anything which makes them more weak, buying new clothes on festivals is a passé now and they are struggling to continue the education of their children.

The present situation requires certain urgent actions from the government and the factory management. The minimum wages of these workers should not be the maximum they get. It should be revised and the workers given their due. The management should also try to lower the target and be considerate to the workers' situation. Both the factory and the workers need each other so a good understanding about the situation will mutually benefit them. Workers, who have always been at the receiving end of the wrath of the factory management, should try to organize themselves and demand their rights. Fear and silence will not improve their condition in any way.
