

# West Bengal Garment Industry & the Informalization Process

**Ratna Sen**

---

*Although much of the manufacture of garments is located in South India, West Bengal has a sizeable garment industry generating annually about Rs 720 crores in wage income. It is virtually an iceberg, with a small registered and formal portion and a vast unregistered and submerged informal portion. The informal part does not necessarily cover only tiny, family based units, but many manufacturers operating several machines which technically qualify for registration under the Factories Act. Outsourcing, fragmented manufacturing process, and a complex network of small units, with a single garment passing back and forth among them, characterize this industry. Wages are below the minimum wage level, and there is little unionization in the industry.*

**Ratna Sen** is Professor (Retd), Indian Institute of Social Welfare & Business Management, Kolkata.  
E- Mail:ratnasen46@yahoo.com

## Introduction

Garment manufacturing is one of the many labor-intensive sectors that have enabled developing countries to break into the global garment market. Today, developing countries produce half of the world's textile exports, especially since the final phase-out of the Multi-fiber Arrangement (MFA) on January 1, 2005 (Roy, 2010). But India has only recently emerged as a major exporter of apparel on a global scale although it accounts for very little FDI, the overwhelming bulk being domestically owned and financed. The textile industry in India as a whole accounts for about 14 per cent of industrial production and more than 10 per cent of the country's total exports, reaching in 2011-12 about \$31 billion (AEPC India, 2011-12). It is the largest jobs generator after agriculture, employing around 35 million people across various segments. Garment manufacturing by itself (especially hosiery based) is located in Tirupur (Coimbatore district of Tamil Nadu), Karnataka, especially Bangalore, and the National Capital Region, especially Noida, Manesar, Gurgaon, etc. But there are sizeable pockets in West Bengal, Orissa and Andhra Pradesh.

In West Bengal, certain characteristics set it apart from garment manufacturing in other locations. For instance, studies on garment units in South India have found that the majority of garment workers are women (85% in Bangalore) (CIVIDEP); that the industry is focused around exports; that there is a degree of precision in the enumeration of factories. In West Bengal, very few women are involved, except in a handful of companies, the bulk of garments is produced for the domestic market, catering mainly to eastern India, and it is practically impossible to state any numbers for the garment industry, either in terms of production units or in terms of employment. Despite being labor intensive, the cost of labor is minimal in West Bengal, probably because of its informalization. There are some similarities with other regions, for instance in the age of the hosiery industry, in outsourcing, etc. But the differences are more visible.

### **West Bengal Garment Industry**

The garment and hosiery industry in West Bengal is large, estimated to be employing lakhs of men and women and which is at least a century old. It has expanded in recent years in response to the changing consumption patterns, higher purchasing power, move away from traditional clothes (sarees & dhotis), brand consciousness, and especially the demands of the new high earning white collar employees according to Vijay Kariwala, Vice President, West Bengal Garment Manufacturers & Dealers Association (WBGMDA). The association itself is 50 years old, but has only about

500 companies as members, compared to its own conservative estimate of at least 50,000 units producing clothes, accessories etc. The association says that the industry is slowly being brought under the purview of taxation, though the findings of this study would suggest otherwise. Previously sales tax applied only to garment pieces costing less than Rs 200. Now all pieces costing Rs 51 or more are covered under VAT. From 2010 all branded garments were also brought under the purview of excise duty. But then the problem of enforcement will become apparent in this study.

The industry is located mainly in South Bengal, in and around Kolkata and Howrah and the semi-urban and rural clusters around them. The industry is not located along thoroughfares, but is woven into the interstices of the two cities and reaching out into niches in districts bordering the cities. It does not enjoy the advantages of sharing infrastructure, which units in the southern states enjoy. It is both urban and rural, organized and unorganized, new and old. The Industry is like an iceberg – with a small visible, formal or organized portion comprising some of the big names in garments and a few registered units, and a vast submerged unregistered informal portion, which thrives on the outsourcing that marks every unit. Each garment made and sold in the market for people from one year old to above 60, travels many kilometers, from one unit to another via small, individual and large transporters and head loaders and goes through many operations before it is ready for sale. The submerged portion is not necessarily

made up of small units. Some in fact were found to be quite large, qualifying for registration and formalization under our laws.

**The industry is like an iceberg – with a small visible, formal or organized portion comprising some of the big names in garments and a few registered units, and a vast submerged unregistered informal portion.**

Despite the visible activity (cutting, stitching, ironing, packing) there are no signboards, no names, or any reference to the nature of the work performed. Shutters are kept down, with a single access door. Old, plaster-less buildings, abandoned go-downs, or sheds of erstwhile factories are the favorite haunts of this industry within the city areas. In the suburbs, the industry is housed in ordinary single storey or double storey houses, and the only sounds are the low whirr of sewing machines. Rarely does a manufacturer have all processes performed under one or even adjacent roofs.

The industry itself is divided into two main and almost equal parts – hosiery based items and cloth stitched garments. Hosiery, which is the fabric *knitted* from yarn, is very old to Bengal, the Hosiery Association having celebrated its centenary about two decades back. The products are mainly inner wear (bulk being for men), tea shirts and kids' wear. The garments manufactured from mill-made *woven* cloth is relatively recent, especially if they are branded and routed through big retailers and made from cot-

ton, denim, synthetics, silk, etc. The products are mainly men's and ladies' formal and casual wears.

### Size of the Industry

It is extremely difficult to even estimate the actual number of units in West Bengal or the numbers employed therein, since the bulk is unregistered. Only some of the larger companies are registered under the Factories Act, and some under the Shops and Establishments Act (S&E Act). But even these employ large numbers of contract workers for cutting and sewing, and decline to give any figures for them or allow investigators to visit their factories. It is clear that the industry is not small, since output had reached Rs 12,000 crores in 2007-08, according to the WBGMDA.

**It is clear that the industry is not small, since output had reached Rs 12,000 crores in 2007-08.**

A scrutiny of the registers in the Directorate of Shops & Establishments indicates very little about numbers, since they are not classified according to industry. Of the latest 1600 units registered as establishments in all types of industries between December 2011 and January 2013, only 10 appear to be garment or apparel manufacturers – a percentage of just 0.006. By this estimation percentage, of the total 50,050 registered as establishments so far, there would be only 300 apparel manufacturers. This is nowhere near the actual numbers seen or estimated.

Registration under the Factories Act uses the National Industrial Classification code numbers for Textiles, and the total number of factories registered in West Bengal, in the Textiles group is 409 (List of Factories). After eliminating the closed (10), unspecified (5), jute mill (1), cancelled (5) units, 388 registered factories are left. Of these again 170 are either cotton textile (spinning or weaving mills), powerloom cooperatives, belting, surgical cotton manufacturing, waterproofing, and weaving cooperative organizations. Out of the balance of 218 only 35 registered in the new millennium could be assumed to be garments or allied manufacturing. Out of these, 11 have been specifically named as hosiery manufacturing units (knitting), 78 as dyeing and bleaching, 2 as printing units, 3 as manufacturing labels, 1 making packaging materials, and 2 for washing and laundry. Altogether these constitute the tip of the iceberg. Several of the companies visited by this researcher are not on the list and are therefore not registered. Many of the big names in this industry producing major brands like Moustache, Turtle, Manyavar, Lux are not on the factories registered list, although they have their establishments in a government industrial estate called Paridhan or in other industrial estates. Bombay Dyeing and Rupa & Co. appear to be the only large garment manufacturers registered under the Factories Act. This indicates how large the 'submerged' portion of the industry is. An application to West Bengal Industrial Development Corporation (WBIDC) to seek access to the units within the Paridhan Garment Park at Beliaghata in Kolkata, made on 14<sup>th</sup> Janu-

ary 2013 did not see any permission till end March 2013.

The WBGMDA estimated about 50,000 units in operation in the state, which if employing at least 10 per unit, gives an employment of 5,00,000 people. This estimate would make the garment industry larger than the jute and engineering industries in West Bengal, combined at their current employment sizes. The Minimum Wages Department of the State government estimated about 1,00,000 employed in hosiery alone, for which it prescribes minimum wages from time to time. However, since hosiery comprises approximately half the total industry, there would be not less than 2,00,000 employed in garments. There are in addition, small and tiny units making or trading in accessories (labels, elastics, buttons, cardboard cartons, decorative accessories, etc). At a minimum wage of Rs 3000, wage income generated per month in the state would be at least Rs 60 crores. There are also many employed in transporting the material from one unit to another.

During the course of this research, it was found that each individual address or building or premise within the urban areas visited, held 20 – 30 single-room or double-room units, employing between 5 and 15, with not a single unit registered in some locations. Kabra, an entrepreneur in Central Kolkata admitted that, in the Barabazar area (Central Kolkata) every lane has 10 garment units. Certain rural and semi-urban, small town clusters have units in many houses within a small area. Therefore, employment of 5,00,000 may not be far off the mark.

**Men dominate this industry, since in all the units visited, only a few women were seen, mostly in stitching units.**

Men dominate this industry, since in all the units visited, only a few women were seen, mostly in stitching units, but doing the work of trimming (cutting loose threads, or mending) and packing, with very few actually sewing. This researcher did not find any women involved in either designing or cutting, or in knitting units, dyeing and bleaching units (except one), printing and ironing. Only in two locations, women were seen in some numbers, in stitching.

### **Research Methodology**

Since most of the industry is 'submerged', access is difficult except through a reference. Data was collected during January-February 2013. Many calls or visits were made to units which were extremely evasive or suspicious, or refused downright. Even very large registered companies refused to divulge information on simple facts like turnover, exports, total employment, shift timings, leave etc. Wages are not generally disclosed. Visits were made to the Office of the WBGMDA, and Paridhan. State government records were accessed for list of registered units. Several case studies were made and 11 major locations or clusters within and outside the cities, like Howrah (GT Rd) and Howrah mill and Bengal Jute Mill premises, Sovabazar, Barabazar, MG Rd, Chitpur,

Cossipore, BT Rd, Rajarhat, Asokenagar, Macchhlandpur, etc were visited, although one concentration in Metiabruz could not be visited due to law and order problems.

Only some manufacturers were willing to provide names or at least locations of production or outsourcing centers. The nature of the industry does not lend itself to questionnaires since the distribution of processes varies from unit to unit. Observation and interviews (semi-structured) with employers, suppliers, employees were used to elicit information. Trade union leaders of CITU and AITUC were interviewed for information and agreements in the industry. 14 sample cases were made over a cross section of this extremely varied industry, selecting units from different tiers and from different processes. Knitting units which make hosiery fabric, were included since they are mostly small and tiny units and almost entirely in the unorganized sector.

What emerged is a very interesting mix of in-house and outsourced processes. Different companies have different norms as well as different range of products. This study proposes to look at this mix of organized and unorganized, large, medium and small units, as well as at employment, wages, and working conditions in the industry.

### **Processes in the Industry**

An understanding of the processes involved are essential to comprehend the structure and process of informalization.

Process	Garments made from Hosiery or knitted fabric	Garments made from fabric woven in large mills	Remarks
Procuring of yarn/cloth	Some units buy the fabric, some buy the yarn and send it for knitting .	Cloth is bought either directly from mills or through large merchants	Tirupur is a well known source for yarn, Mumbai , Ahmedabad for cloth
Bleaching or dyeing [monthly wage system]	This is a must, since the basic fabric is grey or off-white	Not required, since cloth is already prepared in regular textile mills	Entirely outsourced. 78 Dye- and Bleaching companies are registered under the Factories Act, probably because boilers are used and hazards are involved.
Designing and pattern making [monthly wage system]	Smaller manufacturers use standard patterns available in the market	Smaller manufacturers use standard patterns available in the market	This is the most basic and important in-house activity of all garment makers. Larger companies have large design teams and pattern making equipment
Cutting [Generally Piece rated]	Mostly in-house	Mostly in-house	Occasionally outsourced
Printing or embroidery [Generally Piece rated]	For kids' wear	Embroidery Occasionally needed	Fully outsourced
Procuring of elastic, collars, bands, labels, decorations, cardboard cartons, buttons, zippers, Velcro etc			Fully outsourced to specialized or small units
Stitching [Entirely Piece rated]			In-house only for a few large producers [but by contract workers], otherwise almost entirely outsourced. Benami operations suspected.
Washing and Ironing[ Generally Piece rated]	In-house only for very large units, and some medium units. Otherwise outsourced.	In-house only for very large units, and some medium units. Otherwise outsourced.	
Trimming [mending] and Inspection [Generally Piece rated]	In-house in large and medium units. Done by stitching units otherwise.	In-house in large and medium units. Done by stitching units otherwise.	Women are involved in this
Packing[Both piece and monthly rated]	Almost entirely in-house	Almost entirely in-house	Women are involved in this

### **Sample Case Studies**

The 14 sample case studies covered 2 large composite companies (one registered under the Factories Act and one under the S & E Act), 5 medium companies (only one registered under the S & E Act and which performed many of the operations), 1 dyeing and bleaching company (registered under Factories Act), 1 large knitting company (unregistered), 1 company making cardboard cartons (unregistered), 1 large stitching company (unregistered), 1 large elastic making company (unregistered), 1 large screen printing company (unregistered), 1 dealing in buttons (unregistered). Only large companies perform almost all the above operations in-house, though not necessarily under one roof. Most medium and small companies, (depending on space available, especially in the congested urban areas) do only their Cutting, Trimming, Inspection and Packing operations. All other operations are outsourced.

Units in this industry can therefore be classified by the number of operations they conduct under one organizational set up. Tier one companies would be those which perform all operations (except one or two minor processes). These are the big brands which may also have their own retail outlets. Tier two companies would be those which perform some major processes themselves but outsource some operations. Tier three companies or units would be those which do specialized job work or work on behalf of 3 or 4 client companies, and do only knitting, or dyeing and bleaching, or elastic making, or screen printing, or embroidery, or wash-

ing and ironing, or carton manufacturing. Tier four would be the smallest units which are either independent or captive units (mainly stitching), and are actually the submerged portions of Tier two companies. These could also be involved in supplying accessories. Sunday is day off for the entire industry. None of the cases studied reported unions.

### **Large Companies [Tier one - 2]**

While wages/salary of regular staff in one company (turnover about Rs 150 crores) was near other industry levels, wages for contract workers or those on piece rates are considerably lower and do not equal minimum wages notified for such workers. Working conditions were found to be good. In the case of another company, an estimate was made from its balance sheet and P&L A/c for 2011-12. With a revenue of nearly Rs 700 crores, employee costs are listed as Rs 8.28 cores or just 1.2 %. Since hosiery is acknowledged as a labor intensive industry, it can be deduced that extensive use of contract employees is made to keep costs low.

### **Mid Size Companies [Tier two - 5]**

These comprised a variety in terms of age though most made children's garments (both hosiery and cotton based) and had turnover of around Rs 5 – 10 crores each. Although some claimed to be registered, only one was actually so. Except one, all these companies perform only first and last operations and outsource the rest and said they have only 5/6 in employment, obviously de-

signed to keep themselves outside the purview of registration and PF, ESI, Gratuity, etc. Information on turnover, employment, wages, benefits, hours was very difficult to get. According to one interviewee, these companies have a lot to hide in terms of non-payment of excise and sales tax. Few signboards were visible. Working hours were generally 9 or more, overtime being paid beyond that, at single rate or slightly more. Regular workers got additional 30 – 45 days annual leave (all kinds clubbed together).

#### **Specialized Companies (Tier three – 7)**

Machines used varied from one (printing unit) to 36 (sewing machines in stitching unit) and 34 (automatic looms in elastic making unit). Of the 7, only the Dyeing company was registered although 5 others qualified to be registered under the Factories Act, and 1 under the S & E Act. Officially, employment for some of them was shown as below 10, although 40 – 50 persons were seen working in them. Working hours were officially at least 9, more in most cases. Overtime was not paid at double rates. Wages for many workers varied between Rs 3000 and 4000 and Rs 6000 for those working for 12 hours, still significantly below the minimum wage rates announced by the government in 2012 and in January 2013.

#### **Cluster Locations (Tier four units)**

Observation and interviews with many workers and some supervisors in the very small units (no employers were

available in these locations) provided interesting information.

#### **Sovabazar (Harachandra MallickStr)**

The lanes and bye lanes of this area are packed with knitting and stitching units. No names, signboards exist anywhere. All the units were unionized in this very old industrial location, making mainly male undergarments. Almost every decrepit building (about 150 years old and with high ceilings, dangerous wires, dark and dingy rooms, damp floors and small windows) in the street, houses at least 4/5 units, some up to 8 knitting units on the ground floor and 6/7 stitching units on the first floor. Average employment per building was 30-35 for knitting (12 hours duty), 60 for stitching. The first knitting room/unit (20' x 15') housed 8 circular knitting machines. Capacity of machine was 3 rolls of hosiery per 12 hours, irrespective of width. Only one man per shift (9 am – 9 pm) was found, for replacing yarn spools, set up work and attend to the running of all the machines (machine stoppage, yarn breakage, uneven cloth), daily cleaning of cotton fluff everywhere, unloading of unbleached rolls, and storage of rolls (8 x 3 = 24) in the loft. There were total 4 persons for the unit, including one supervisor and one winder. Winding was done by an elderly man on a machine, for rewinding the residual thread on spent spools onto new spools, at Rs 12/- (Rs 10/- 6 months ago) per spool completed. His total daily earning for 12-hour days worked was only Rs 144/-.

Payment in knitting units was on a monthly basis. The rate for 8 hours duty is currently Rs 4675/-. The additional 4 hours daily is paid at Rs 71 (used to be Rs 52/-). Total pay for a month is therefore (Rs 4675 + 71 x 26) Rs 6521. There is no seniority. Sundays are closed. Other leave is unpaid. The workers said they were unionized under AITUC and CITU. Bonus for the last few years has been about 19% of annual earnings. No records of workers exist, no pay slip is given, only cash payments are made. No medical benefits are given. Most workers are from Midnapore and Kolkata suburbs, staying in the premises and cooking jointly, going home once in two/three months.

*Stitching units*- Each unit had 7/8 electrified sewing machines manned by 7/8 persons and two/three for *ironing* and one cutter. Each tailor performs only one job (neck border stitching and label stitching, neck and armhole in case of singlet/ lower border/ sleeve border/ shoulders). All piece rates are per dozen. Each stitching unit caters to 4/5 major local brands (Jaylakshmi, Sampa, Manika, Ananta) meant for Haats in Kolkata market, as well as small job orders. The major sellers generally send cut material for stitching and ironing. Others get their cutting done in these units. The cutter does cutting for job orders in other units too or for independent sales. Rates for tailoring were as follows:

*Cutter* – Rs 3.27 per dozen for cutting singlets/sleeved vests. Can cut about 5/6 dozens per hour and total earnings depends on hours worked and availability of work.

*Ironing* – If folded with cardboard inside then Rs 7.49 per dozen (both types). Can iron and fold 4-5 dozens per hour. Sometimes works 16 hours if work is available. Nervous muscular movements were observed in legs of several workers, perhaps a result of continuous standing.

*Stitching* – Rs 5.50 to Rs 6 per dozen (for singlets). Same person may work elsewhere if more work available. In case of absenteeism in one machine, whole line stops. No pay is given in such cases or in case of load shedding, or machine breakdown, or illness.

### **Barrackpore Trunk Road**

Several very old buildings (reputed to have been in use as go-downs of the East India Company) contain several units of various kinds (mainly knitting), but also elastic manufacture, stitching, dyeing and bleaching and washing, etc. One complex houses 8 – 10 knitting units (several unionized), a few stitching and packing units, storage areas for hosiery garments, 4-5 cutting units, elastic making unit, two printing units (one sarees, one paper) and miscellaneous engineering business. There are no signboards anywhere except one tiny one (Challenger Knitting Works). There was a great bustle, with plenty of mini trucks carrying goods/ packages to go-downs or away (brands noticed were Amul, Lux, Rupa, Dollar, Etc).

Workload varied from unit to unit. Smaller circular weaving looms are manned by 2 men for 10 machines, but

for the larger weaving frames, one person is allotted for each machine. Shift timings and pay are similar to that for Sovabazar. Workers, however, were largely migrants from adjoining states, living on or near the premises, visiting home only after long periods of work.

#### **Asokenagar & Habra(suburbs)**

These are hubs for stitching, since no cutting was observed. One local area houses as many as 8-10 units, each placed in two or three rooms, with at least 15 – 20 persons working in each unit. Children's clothes predominate. Also men's wear can be seen. November and December are supposed to be lean periods though some stitching for colder weather (full sleeved tops and full pants) takes place. Problems relate to manpower turnover, with competition among different units. No formal training system exists. Beginners are started off on simple small items and gradually move into more complicated jobs. Monotony is a factor. Rates per dozen similar to that paid in the case study in garment stitching, were found to prevail. Working hours were about 12 (9 to 9) with 2/3 hours break.

No names, no signboards were seen and no claim to be registered was made at any of these.

#### **Macchanlandapur (Bethfool area)**

Numerous units employing 10 – 12 each, stitching children's clothes and traditional everyday use clothes for men and women were found. There were no signboards as usual. Owners said they had

generators for use in case of load shedding. This, and the fact that all sewing machines were electrified, could point to the use of considerable capital, not just local. Many of the electrical sewing machines looked new. The boom appears to have come after 2000, especially from 2005-6 onwards, since most units said they started about 6/7 years back.

#### **Howrah (GT Rd& Foreshore Rd)**

Many units exist along these roads, some housed in relatively new multi-storied buildings, others in the massive godowns of erstwhile jute mills, which have reduced their operation levels or closed down. There are no signboards anywhere, including a huge establishment of a large brand company. In the former, mostly trousers and shirts are made from mill-made cloth. Adjacent rooms may not house the same unit.

#### **Registration – the Submerged Industry**

Even the largest units in this industry may not be duly registered, or if one unit of a company is registered, another may not be. Among the mid-sized companies only one was registered (as an establishment, not a factory). Only two had signboards. Among the specialized processors, only the dyeing & bleaching unit was registered. Among the tiny units in six locations, there was no pretension at registration at all. Nor any names, or signboards existed. It is clear that there can be no precise count of these units (numbers, employment, nature of business) in this industry except a very few (tip of the ice-

berg). Yet it is clear that the industry is large, and 2,00,000 employment may be a conservative estimate. It is also apparent that this industry manages to evade much of the applicable taxes because of its 'submerged' nature. It also provides a better than subsistence level wage for many.

**This industry manages to evade much of the applicable taxes because of its 'submerged' nature.**

### **Working Hours, Work Pressure & Working Conditions**

The sample cases and locations studied above make it clear that working hours everywhere (Tier 1 except offices to Tier 4) are generally 9 or more. In knitting, elastic making, overtime is forced everyday with 12 hour shifts. Current overtime rates are often less than the single rate of Rs 179.80 for 8 hours, even for unionized workers. But workers or their unions do not complain, since total monthly income increases.

Work pressure is extremely high, with single workers attending to 4/5 machines in 12 hour shifts, and low piece rates in cutting and stitching, force workers to work for long hours to earn the minimum wages. The unions say that workers regularly attend to more machines than permitted on lure of a little extra money, but are helpless to prevent this.

In several old locations, working conditions are very poor, cramped, ill-ventilated and poorly lit. No seating arrangements exist. Safety is a major concern

with machines placed very close together, although no information could be elicited about accidents. Conditions are relatively better in stitching units in the suburbs, with more space and better lighting and ventilation.

These characteristics are similar to the rest of India, since, the whole garments sector has come under severe criticism for the appalling working conditions prevailing in a large number of production areas. Forced and unpaid overtime is common (CIVIDEP). Cividep focuses on providing facilities like healthcare to the 500,000 workers employed in and around 1200 factories in Bangalore. Apparently, the success of the South Indian garment industry has been at the cost of the basic rights of predominantly female and migrant labor force. One complaint there is that 80% of the TB patients registered with the ESIC are garment workers exposed to cotton fluff (Singh, 2009).

### **Wages, Labor Cost & Collective Bargaining**

Minimum wages in hosiery (Garments are not mentioned specifically) announced by the West Bengal Government are as follows:

Notification No. & Date – 152-MW/2W-19-2009 dt 16/10/2012 for wages effective 1.1.13 to 30.6.13 is given below, though they have not been implemented anywhere till March 2013. Earlier Notification No & Date – 83-MW/2W-10/2009 dt 12-08-2012 for wages effective from 1/7/12 are still in practice, though many units pay even less.

Categories Of locations	1-1-13 – Zone A monthly/ daily rates	1-1-13 – Zone B	1-7-12 – Zone A	1-7-12 – Zone B
Unskilled	5735 / 221	5395 / 207	4218 / 162	3762 / 145
Semi-skilled	6313 / 243	5933 / 228	4640 / 178	4138 / 159
Skilled	6944 / 267	6527 / 251	5104 / 196	4552 / 175

Bulk of workers working in this industry, as observed in different units and locations come in the semi-skilled category described in the notification, and are therefore entitled to Rs 6000 approximately for an 8-hour day. At statutory requirement of double rates for overtime, they are entitled to Rs 12000/- per month for 12 hours work-day. But it has already been pointed out that the corresponding pay varies between Rs 3000 and Rs 4600 for 8 hours, and overtime at single rates. The extent of deprivation is thus enormous. Cutting in hosiery, includes tube cutting (hosiery fabric comes as a tube with no edges) and piece cutting, and is piece rated, but in case of cloth based garments, is often monthly rated. Women earn even less, actual earnings being a meager Rs 400 – 600 per week, about 45% of what they should get even by old rates. In many cases women are seen carrying work home and back and earn even less, based on piece rates.

**The extent of deprivation is thus enormous.**

The notification also specifies that:

- Weekly rates are to be calculated by multiplying the daily rate by 6
- Normal working day shall be 8 ½ hours including half an hour for rest

- Work done beyond normal hours or on weekly day of rest (day itself can be flexible) 'shall be double the ordinary rate'.

Wage costs are, as a result, low in West Bengal. This is admitted even by the Vice President, WBGMDA, who said that, "The labor cost in other states is 25-30 per cent higher than that in West Bengal. However, the quantity and quality of work is not good because of the poor work culture here." But he did not specify how low it was. The CITU union secretary said that the actual labor cost for traditional items worked out to Rs 20-22 per dozen, i.e. less than Rs 2/ per piece, and just 7% of total cost of production. The estimate of Rs 720 crores annual wages is about 6% of the Rs 12,000 crores turnover in 2007. And this, in a 'labor intensive' industry! If wages are paid in accordance with the notified minimum wage, then labor cost would rise to about 15% , which would still leave a large margin for entrepreneurs.

A campaign for an Asia-level wage for garment workers in exports has been initiated by some Indian NGOs in collaboration with the US based coalition of trade unions, Jobs with Justice. This is aimed to reduce the competition to cut costs by reducing wages (Indiatgether, 2006). But if the current minimum wages

announced are paid in West Bengal, then it would go a long way to improve the lot of garment workers.

**If the current minimum wages announced are paid in West Bengal, then it would go a long way to improve the lot of garment workers.**

### **Unionization in Garments in West Bengal**

The NGOs or labor organizations in South India have usually condemned the most apparent violations of labor and human rights in this sector (CIVIDEP), which include:

- Denial of freedom of association and the right to collective bargaining - managements put down attempts at unionization and the terms of employment are unilaterally determined by the management without reference to workers
- Inhumane treatment and verbal abuse to extract higher productivity
- Sexual harassment of women workers

Employers in West Bengal are emphatic about the non-union status of the industry. And it is clear that this lack of unionization is not an accident. Mr. Kariwala had said that there was 'no hint of unionization as yet'. All the 14 companies studied have no unions and appeared afraid of unionism. One mid-sized company claimed that the workers were unionized and kept making demands, but

could not name the unions or explain how 5/6 workers could form a union. The employer appeared very disturbed, and said some school teacher was forming a union for them.

But the traditional hosiery sector does have some unionization (50 workers in various old locations said they were members). This has been possible, probably because of the different employer profile of these units. Traditional hosiery units were owned by indigenous entrepreneurs for more than 60-70 years. These persons had accepted unionization from the mid 60s. The newer breed of migrant entrepreneurs in cloth based garments just a decade and a half old, are clearly averse to unionization.

But there is little unionization and collective bargaining in West Bengal in this industry, despite there being a few unions. The CITU and AITUC have 3 unions among them, but with tiny membership. The unions are confined to traditional hosiery goods. The Hosiery Shramik Union, (PaschimBanga) CITU, was formed in 1966-67, in the traditional hosiery industry (men's inner garments). Rajkumar Kundu, General Secretary of this union claims about 10,000 members which, if true, would be only about 10% of minimum existing workforce. A garments' union also existed, but after the retirement of the erstwhile secretary, the union has become inactive. Therefore there is no CITU union in cloth garments. Unsurprisingly, the maximum membership of the union is in the Dyeing & Bleaching units, which are registered, as shown above. The AITUC's, West Ben-

gal Hosiery Workers' Union, was also formed in 1967. Biren Das, General Secretary, claims a membership of about 1500, with focus of organizing on manual operations like cutting and stitching. He felt that the most deprived lot was the stitchers.

AITUC also has a garments union, Sara Kolkata Garments Manufacturing Karmachari Union which was formed about 14 years ago, which had membership in 10 – 12 non-hosiery units, but became practically defunct through infighting. Secretary, Dulal Das, a pattern master in a company said that the last agreement for the company was signed on 10.9.09, and when they approached the employer for new negotiations, the reply was that “the Red era is over. Your era/time is over. If you want to work, work, otherwise you will be thrown out from here”.

Unionized workers were getting paid the minimum rates (July 2012) at least, compared to non-unionized workers. Only in knitting, even non-unionized workforce get similar rates. The reason for the poor union membership in garment manufacturing is, according to Das, the disinterest of the young workforce (mainly muslim boys) who do not want to unionize or even earn higher pay or other benefits. The researcher met many workers who appeared scared and were evasive when asked about their union status or pay.

According to Biren Das, a strike was called by the left unions in 1978 lasting 73 days, demanding payment of minimum

wages. Another strike lasting 46 days was called in 1984 demanding other benefits also. This is corroborated by Kundu of CITU. These led progressively to employers breaking up the four main manufacturing operations into 4 different units, pushing the stitching especially, out into the outskirts of the city, and the cutting into small establishments in the nooks of the city. Current distribution of workforce among the 4 main work groups would be respectively 10% (knitting), 15% (cutting), 10% (dyeing & bleaching) and 65 % (stitching). The fragmentation also has contributed to de-unionization. The employer at a specialized company in Howrah said labor trouble drove this industry out to South India. But according to unions, Tirupur is very much unionized.

**The fragmentation also has contributed to de-unionization.**

According to Kundu, today brand owners are controlling this industry. All have units in both WB and Tirupur. Foreign importers are now apparently asking for composite mills to facilitate quality checks. Currently negotiations with the Hosiery employers' association are on to implement the new rates notified in Jan 2013. The last agreement was signed in August 2012. There are no industry wide agreements in cloth stitched garments.

### **The Agreements**

The Agreement dated 22<sup>nd</sup> August 2012, signed between the Bengal Ho-

siery Tailors' Association and the two unions, provides a context for the negotiations. This points out that the minimum wages notified in 1998 did not cover the hosiery stitchers, and that employers had not paid the earlier rates notified for others as well. Small strikes led ultimately in 2007, to a tripartite agreement under the then state labor minister, to progressively implement minimum wages in all segments of the industry and to work out production norms in keeping with the notified wages. In 2010 there was a demand from the unions to have an attendance and a wage register, which needless to say, was not accepted. It also notes that employers always lag behind the notified wages and have to be prodded repeatedly to pay the current rates.

The 2012 Agreement was finalized only after major changes in production norms, demanded by employers, were

accepted by the unions, with effect from 1<sup>st</sup> Sept 2012. Employers agreed on their part to implement new rates as and when notified and to pay dearness allowance. But that promise as we have seen has been broken. They also promised to have attendance and wage registers, which too we have not seen any signs of. Bonus is negotiated and paid in unionized units and varies from 20% in dyeing & bleaching (plus Rs 300 ex gratia), 14 – 18 % in Knitting, 12 – 18% in stitching. For new units, the rate is 8.33%. Some non-unionized units also get similar rates.

The method of calculation of piece rates have been detailed in the annexures and have the following pattern. The wages notified by the government are monthly based. This is divided by 26 to obtain daily rates. Now based on production norms for each operation of cutting and stitching, piece rates are laid down. Some examples are given as illustration:-

Garment type	Old norms = dozens per day	Old rates per dozen	New norms = dozens per day	New rates per dozen	Increment
7 side brief, Folding	55	Rs 2.49	60	Rs 3.00	Rs 0.51 x 60 = Rs 36 per day
7 side brief, Elastic	34	4.03	37	4.86	Rs 0.83 x 37 = Rs 30.71 per day
5 side brief, Pocket	125	1.10-	137	1.31	Rs 0.22 x 137 = Es 30.14
5 side brief, Flat lock	35	3.92	38	4.73	Rs 0.81 x 38 = Rs 30.78
Vest with sleeves, Neck cutting	50	2.74	55	3.27	Rs 0.53 x 55 = Rs 29.15
Vest with sleeves, Finish sewing	22	6.23	24	7.49	Rs 1.26 x 24 = Rs 30.24
Vest without sleeves, Shoulder	115	1.19	126	1.43	Rs 0.23 x 126 = Rs 28.98
Vest without sleeves, Trimming [mending]	50	2.74	55	3.27	Rs 0.53 x 55 = Rs 29.15

**Productivity across the board has been raised substantially.**

It may be observed that productivity across the board has been raised substantially, and the new rates per dozen when applied to new production norms do not provide workmen with more than Rs 30 average increase per day over the previously agreed rates. That too depends on whether workmen are able to produce more in the same time span or are compelled for the sake of the extra Rs 30 to work longer hours to fulfill production norms. When this question was put to concerned workmen they did not seem to know whether they were working longer, but said that they could work as much or as long as they liked and if they produced more, were paid accordingly. The flexibility to work longer to earn more appeared to be desirable to most of the workers interviewed.

The other Agreement signed in Sept 2009, between the AITUC union (represented also by the General Secretary of the AITUC, Bengal) and Topstyle Enterprises, records the two negotiation sessions and the pay per individual (naming 7 persons and their tasks) with increments per year and the payment of ex-gratia (bonus) of one month's pay. Monthly pay varies from Rs 3125 for a helper to Rs 4725 for a cutter and Rs 6400 for the chief cutter. Annual increments are put in the range of Rs 225 to Rs 375. Other clauses list leave (50 days annually), duty hours (48 in a week), management's right to outsource or shift some operations, modernize oth-

ers, transfer employees, duration of 3 years for the Agreement, compulsory overtime, and retirement age at 60. Ironically even though these units are not registered, they have pretensions of following the Factories Act when it comes to working hours, though they conveniently ignore statutory provisions for overtime and welfare.

**West Bengal, Tirupur & NCR**

It may not be out of place to briefly compare the characteristics of the garment industry in Tirupur and NCR with that of West Bengal, thrown up in this study, and observe the similarities and dissimilarities.

1. The industry (hosiery) is old in Bengal, similar to Tirupur, known as the 'T-shirt' town in India, which had its first knitwear unit in 1925 (Roy, 2010: 16)
2. West Bengal is similar in the fragmentation of industries, though not in the size of the industry or in the size of firms. Units are much smaller and it has an intricate network of outsourced operations, very similar to the 'web of subcontracting relations between large, medium and small firms' (Roy, 2010: 16)
3. There is about 10% unionization in West Bengal, especially in the older hosiery units, though not in cloth-based newer units. In Tirupur, 'there is no trade union at the enterprise level, but at the district level, trade unions used to play a significant role at least at the wage negotiation pro-

cess. ESI facilities and Provident Fund are provided to a core segment of workers, constituting not more than 20 per cent of the total workforce' (Roy, 2010: 17).

4. In West Bengal, shifts in knitting are for 12 hours, similar to Tirupur, where 'shifts are always mentioned as eight hours of work but in actual terms it is twelve hours' (Roy, 2010: 17).
5. 'Over the years there has been a surge of investment in technology, since owners are interested in investing in machines while employing labor at a low wage and that seems to be compatible with the deskilling process' in Tirupur [Roy, 2010:17]. This de-skilling was mentioned with pride by the HR Head of a large company in West Bengal.

The similarities end here. West Bengal has very little garment exports, compared to Tirupur, which started exporting in 1978, and accounts for 90% of India's hosiery exports. But this has also to some extent protected the state from the joblessness in South India after the global recession, reaching about 500,000 in 2008, and likely to reach 1 million. This had tragic consequences, as close to a thousand garment workers or their family members have committed suicide during the past two years, driven by a combination of grinding poverty, overwork, precarious employment or layoff, crushing debts, and harassment from private money-lenders and their goons (Kailasam & Sundaram: 2010). P Sainath, a veteran rural journalist, reported in June 2009 that 50,000 workers had been laid off in a

single district in the northeastern state of Orissa (Wharton, 2009).

In South India, women workers are employed in large numbers in exporting units, working in stitching, folding, checking and packaging. In knitting and embroidery workshops the share of female workers is less (Roy, 2010: 17). We have already mentioned that few women were found even in stitching units in West Bengal, even smaller than the employment of female labor in NCR at 10 to 15 per cent of the total (Roy, 2010: 22).

**Few women were found even in stitching units in West Bengal**

The final difference is that units in South India can be enumerated, not only because they are registered for exports, but are comparatively much larger in size than those in West Bengal, where the bulk of the industry is 'submerged'. In the National Capital Region (NCR) (Delhi, Noida and Gurgaon-Manesar), a major site since the mid-eighties, for production and exports of readymade garments, there is not much variation in size, since firms were set up on plots having stipulated size. Firms reported employment of 250 to 450 workers on an average, although there are firms of larger size employing 1500 to 6000 workers including the subsidiaries (Roy, 2010:21). Another difference between West Bengal and this region is that core activities such as cutting, stitching and finishing are all performed in-house (Roy, 2010: 22).

In terms of wage rates, West Bengal may not be at too much of a disadvantage, since wages in NCR ranged between Rs. 3372 and Rs. 3844 per month (April 2009) for semi-skilled and Rs. 4267 per month for skilled workers (checkers, supervisors), though some skilled workers (cutting masters and experienced supervisors) receive higher wages in the range of Rs.8000 to Rs. 12000 on an average. This may account for the reduced enthusiasm about labor movements for higher pay.

## References

- Apparel Export Promotion Council (AEPC), India: Textile & Garment Exports by India May Reach \$31 billion to \$32 billion in 2011-12 <http://www.aepcindia.com/news.asp?id=592>, (accessed 3/9/12)
- Cividep, (2010), The Garment Sector Workforce, <http://cividep.org/who-we-support/garment-workers/>
- India-together (2006), <http://www.indiatogether.org/2006/feb/eco-fairwages.htm> (accessed on 21.12.12)
- Kailasam, M & K. Sundaram (2010), Wave of Garment-Worker Suicides in Indian “boom” Town, 31 December 2010 <http://www.wsws.org/articles/2010/dec2010/india31.shtml> (accessed on 21.12.12)
- Roy, Satyaki (2010), Garments Industry in India: Some Reflections on Size Distribution of Firms, <http://www.ihindia.org/formal-and-informal-employment/paper-5-garment-industry-in-india-s..> (accessed on 12.9.12)
- Rupa & Co, <http://www.linkedin.com/company/rupa-&-co-ltd> and <http://www.moneycontrol.com/company-facts/rupacompany/history/RC14#RC14>(accessed 15/1/13)
- Singh, Suhasini (2009), India Cheap Labor Garment Export Industry, Fashionable and famous — at the garment worker’s cost! <http://www.globalresearch.ca/index.php?context=va&aid=13530>(accessed on 12.12.12)
- Turtle Ltd, (website) <http://www.indiamart.com/turtle-limited/> (accessed 15/1/13)
- Wharton (2009), Why india’s garment factories have proved unreliable for new workers (October 22, 2009 in India Knowledge @ Wharton, <http://knowledge.wharton.upenn.edu/india/article.cfm?articleid=4421>(accessed on 22.12.12)
- WBIDC( 2009), [http://www.wbidc.com/in\\_focus/garment\\_park.htm](http://www.wbidc.com/in_focus/garment_park.htm) (accessed 17/5/12) [http://www.wbidc.com/in\\_focus/garment\\_park.ht](http://www.wbidc.com/in_focus/garment_park.ht)

## List of Interviewees

- SahebGuha Roy, HR Head, TURTLE LTD, Howrah and Supervisor, Turtle Factory at Bengal Jute Mill Compound
- Manish Agarwal, Senior Executive and Suratna Mukhopadhyay, Manager HR, RUPA & CO. LTD
- Vijay Kariwala, Vice President, WBGMDA & Proprietor(BENSONS)
- Bhavin Jasani, Owner (MR Hosiery)
- Navin Kabra, Partner(GARMENTS INTERNATIONAL)

Manager (WELFIT GARMENTS)	Manager (TECHNO-ELASTIC LTD)
Supervisor (TIRUPATI GARMENTS)	Sanjay Rampuria (Owner, DEV INTERNATIONAL)
T. Bhattacharjee, Manager (DYECEM PROCESS PVT LTD)	Rajkumar Kundu (General Secretary, CITU Union)
Prashant Lohia (PRISM)	Biren Das (General Secretary, AITUC Hosiery Union)
Supervisor (STARWAY LARTOON)	Dulal Das (General Secretary, AITUC Garments Union)
Jagannath Debnath, (Stitching Company)	
Supervisor (JAI MATADI PRINTS)	