

Global Crises, Welfare Provision and Coping Strategies of Labour in Tiruppur

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Even as state governments invest in social welfare measures, they are forced into constant competition with one another to attract private investments, offering a good “investment climate” that includes access to a low cost workforce and a physical infrastructure geared towards capital accumulation. The need to provision welfare within an accumulation regime premised on global competition, fiscal austerity and marketisation, and a simultaneous need to reduce labour costs and to ensure social security, to exclude and include labour appears paradoxical. Does this emphasis on social welfare by the local state imply resistance to or accommodation of the current growth paradigm? How does such welfare provisioning influence livelihood strategies of labour embedded in global production networks and subject to flexibilisation? What are the new spaces of mobilisations that the regulatory imperatives open up? This paper addresses these questions through a micro-level study of worker livelihoods and state regulation in Tiruppur in Tamil Nadu that has been integrated into global networks of commodity production through garment exports.

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Neo-liberal reforms in India tend to proceed by “stealth”, shaped by a range of mediating institutions (Jenkins 2000). Moves to curtail labour rights, for instance, can hardly be tracked by looking merely at formal policy shifts (Jenkins 2004). The shifts can however be tracked in the practices of the bureaucracy, firm management and the judiciary. Reforms in the public expenditure front too have not been easy. Scholars argue that in postcolonial societies, the state is forced to reverse some of the processes of deprivation and dispossession by investing in welfare measures as a means to govern such dispossessed populations (Sanyal 2007; Chatterjee 2008). As a result, despite the increasing emphasis on fiscal disciplining pedalled by the International Monetary Fund (IMF)-World Bank and built into the good governance agenda by the central government and several state governments, actual public expenditure continues to be above the levels suggestive of such “good” fiscal behaviour. This is, of course, not to deny the constant efforts, discursive and material, to render “fiscal discipline” critical to any government in power.

Even as state governments invest in social welfare measures, they are forced into constant competition with one another to attract private investments, offering good “investment climate” that includes access to a low cost workforce and a physical infrastructure geared towards capital accumulation. This need to provision welfare within an accumulation regime premised on global competition, fiscal austerity, and marketisation, a simultaneous need to reduce labour costs and to ensure social security, to exclude and include labour appears paradoxical. Does this emphasis on social welfare by the local state imply resistance to or accommodation of the current growth paradigm? How does such welfare provisioning influence livelihood strategies of labour embedded in global production networks and subject to flexibilisation? Are we witnessing the emergence of a new phase of social regulation? What are the new spaces of mobilisations that such regulatory imperatives open up? I address these questions in this paper through a micro-level study of worker livelihoods and state regulation in Tiruppur, a town in Tamil Nadu (TN hereafter) that has been integrated into global networks of commodity production through garment exports particularly to the United States (US) and European Union (EU). The recent global economic crisis has opened up a window to examine how such “governmental” moves to provide welfare intersect with pressures of global competition to shape the effects of the crises on workers’ livelihoods and responses. I argue that just as (a) the crisis appear to have opened up new legitimising spaces for such measures even within mainstream policy discourse, (b) such welfare measures in conjunction with the need to produce a “cheap” workforce to compete for global markets has

displaced the question of worker rights and welfare from the workplace to the household/neighbourhood. The paper further points out that the demand for welfare as a right is met in the lived spaces rather than in workspaces, allowing for simultaneous disempowering of labour in the workspaces and the expansion of claims outside the workspaces as members of political society. While these moves definitely serve to undermine the more orthodox tenets of neo-liberal growth, they do not constitute by any means an alternative to the ongoing market-led growth strategy. Rather, this process has elements of an emergent regime of social regulation that allows capital to pursue accumulation without the burden of providing for labour in postcolonial societies. Such needs of government however do open up new spaces for mobilisation and claim-making even as the State enables anti-labourist strategies within the workplace.

The following section maps the emergence of Tiruppur as a node in the network of global apparel production and the accompanying changes in the imperatives of local capital. Next, the paper conceptualises the changing mode of labour market regulation in the State and an expansion of the domain of subsidised services offered by the State. While there has been an amplification of the spaces of deregulation through active promotion of special economic zones, even in conventionally governed economic spaces, there has been a process of deregulation by stealth. Informalisation and weakening power of trade unions are key elements of this ongoing process. Simultaneously, there have been several measures undertaken by the central and the state governments, the state government in particular, to address the welfare of poorer households by provisioning a range of public services and basic goods at below market prices. Such measures are likely to impact labour markets by increasing the reserve price of labour. Next, I turn attention to the production of a regime of informality in the Tiruppur knitwear cluster by a slew of state policies and demands of time economies and flexibility in global product markets. Subsequently, the paper maps the onset of recession and implications for the exporters and labour in Tiruppur. The next section goes on to delineate the various coping strategies of labour. The strategies are conditioned by the mode of state intervention – absence of regulation of workspaces and a simultaneous emphasis on governmental means to govern the “populations”. Use of the National Rural Employment Guarantee Act (NREGA), subsidised food and other welfare schemes have all enabled the workers to survive the crises, and capital (global and local) to pursue accumulation without being encumbered by unemployable labour. Finally I shall tie up these observations to the questions posed earlier.

1 The Case

Tiruppur is the biggest centre for exports of knitwear in India and seen as one of the most dynamic garment clusters in the “developing” world. Accounting for exports of about Rs 11,000 crore in 2006-07,¹ it is home to several large export firms, hundreds of subcontractors and processing firms employing anywhere between three to five lakh workers. Importantly, Tiruppur’s growth during the post-reform phase is held as a successful model of integration with the global market and an exemplar of how globalisation aids growth and employment. This growth process has been sustained

by extensive networks of labour flows from the near and distant hinterlands of TN and elsewhere generating new forms of rural-urban mobilities and linkages. In addition to workers who commute by buses and trains from various villages surrounding Tiruppur at a radius of nearly 50 kms, large number of migrants from distant villages stay in the neighbouring villages and commute to work. To tap into labour in the villages and to reduce labour mobility, bigger export firms have also moved to set up factories in these villages. The US and the EU, being the major export destinations, the recession in 2008-09 affected exports, leading to a scaling down of economic activity and hence labour absorption.

TN has been at the forefront of devising a range of social welfare measures targeted at poorer households even as it pursues neo-liberal policies for promoting private sector-led growth. In fact, the current government’s victory in the last elections is attributed in many quarters to the electoral promise of several welfare measures.² Even at the national level, the coming back of the Congress Party-led UPA government in the elections in 2009 has been read, at least partly, as a result of its programmes like the NREG scheme. The overwhelming success of the Congress-Draivida Munnetra Kazhagam (DMK) coalition in the same elections in TN is again read as an outcome of effective implementation of the electoral promises. Such initiatives to govern populations are likely to influence local labour markets and negotiations of the crises in Tiruppur. A fast growing small town embedded in global networks and simultaneously linked to the countryside through a dense network of labour and capital flows, it is an apt node to explore how labour embedded in regional regimes of welfare cope and negotiate with uncertainties and insecurities in workplaces of global production.

While fieldwork in Tiruppur was conducted over a year covering a range of actors and institutions, issues pertaining to the global crises were studied during the months of May to July 2009. In addition to a survey of 300 workers and case studies of workers from specific segments of the apparel production process, fieldwork also consisted of detailed interviews with 40 firms consisting of big direct exporters, smaller subcontractors, job workers and 50 workers spread across these firm types. Members of producer associations and trade unions too were interviewed. Given the large-scale presence of migrant labour, it was difficult to study the impact of recession on their livelihoods in the clusters. In addition to drawing upon fieldwork conducted during January to June 2009 among workers in the villages neighbouring Tiruppur, we also undertook a quick survey of 25 workers in a Vanakkankadu, a village in the Pudukottai district, about 30 km east of Pudukottai town in July 2009, a major source of labour supply for Tiruppur. Ten labour contractors, actors critical to the process of migration were also interviewed. While the overall fieldwork serves to map changes in the labour market as a result of export orientation, I draw upon fieldwork during the crises period to examine the links between coping strategies of insecure labour and provisioning of welfare. Also, independent of the crises, workers in Tiruppur rely extensively on networks of migration to cope with labour market uncertainties and optimise their incomes. The discussion, therefore, addresses both short-term coping mechanisms during the crises period and also longer term strategies of migrant workers under a regime of welfare

provisioning. In the next section, I trace the emergence of a regime of welfare and labour market deregulation in TN.

2 Reversing Dispossession: Conceptualising Welfare Schemes in the Age of Reforms

In understanding the imperative of postcolonial government, I follow Sanyal's reading of the exigency of welfare provision (2007). Sanyal points out that in postcolonial democracies, there are political limits to the extent to which the process of primitive accumulation can be pushed. Taking a cue from Gramscian readings of the Indian state, he points out that in most postcolonial economies, the processes of primitive accumulation that precedes capitalist development and create conditions for formation of wage labour cannot be completed because of political compulsions. Though people are dispossessed of the means of production and pushed out of the country-side, most fail to find their way into the domain of capital. Instead they straddle an economy that he labels the "need economy", where people undertake a range of economic activities to meet their basic needs. However, the state cannot afford to ignore this dispossessed segment of the population if it were to sustain the domain of modern capitalist accumulation. He argues that this pressure leads to reversal of the process of primitive accumulation. Whereas the early history of capitalist accumulation in the advanced capitalist economies is one where capital is expropriated and transferred from non-capitalist sectors to capitalist sectors through several mechanisms of dispossession, postcolonial societies witness a simultaneous process of transfer of capital from the capitalist sector to the non-capitalist sector to counter the negative effects of primitive accumulation. The pressures of democratic politics force the state to implement a set of schemes targeted at improving the welfare of those trapped outside the domains of capital and traditional subsistence. Capital is forced to be in a continual "state of becoming" and hence capitalist development can never be along the lines witnessed in advanced capitalist countries. Efforts to reverse the impacts of dispossession by national governments are aided discursively and materially by a repertoire of techniques and programmes of global governmental institutions like the IMF, World Bank and arms of the United Nations. Developmental initiatives like achievement of millennium development goals, basic entitlements and propagation of rights-based approach to human development are some of the routinely deployed methods of governance of populations inhabiting informal spaces outside the domain of capital.

While this reading of the need to provision welfare does offer an explanation for the existence of such programmes, it does not tell us how such a regime of welfare shapes the domain of capital through its possible influences on the labour market. This is particularly important given the shift in accumulation strategies towards competing for global markets through low cost labour among other elements. The fact that the recent moment of accumulation in India has been marked by a greater reliance on segments of informal labour even within the domain of the "formal" renders this link particularly important. Further, even if the targets of intervention lie "outside" the domain of capital, a household economy may consist of actors operating both within and outside capital, and possibly subject to temporal reversals as

well. In other words, even if welfare schemes are targeted at those surviving at the margins of modern capitalist accumulation, segments of the informal economy linked to the latter domain are likely to be shaped by such interventions. Again, while the above narrative essentially assumes the rationale for welfare schemes in governmental impulses, it does not quite take on board the role of regional political economy and pressures from local social movements in pushing for some of the schemes implemented by the government. Sanyal does not quite elaborate upon how such "local" factors shape the nature and magnitude of such welfarism. TN, for instance, is known for its ability to devise a number of welfare measures that work relatively better compared to other similar states in the country. In fact, it has been commended by several multilateral agencies for its effective implementation of schemes like the noon-meal scheme in schools and better functioning public distribution system (PDS).

In its previous election campaign, the DMK promised a number of schemes if voted to power. It included provisioning of rice at Re 1 a kilo, expansion of the range of essential commodities given through the PDS like cooking oil, spices and lentils, supply of free gas stoves and subsidised gas supply, free television sets and also distribution of public lands to landless households. Soon after it came to power, it went about implementing its electoral promises albeit with varying degrees of success. Since then, it has also implemented a health insurance scheme for the poor following a similar scheme implemented in the neighbouring state of Andhra Pradesh and also launched a Tamil Nadu Agricultural Labourers-Farmers (Social Security and Welfare) Scheme in 2006 that provides maternity benefits, accident and health insurance, scholarships for the education of the children, and old-age pension for agricultural workers and marginal farmers.³ Complemented by the NREGA of the central government which seeks to provide a minimum of 100 days of employment at a minimum wage to all rural households seeking employment, the state appears to have one of the best social security nets in the country.

Even if one looks at the expenditure on social sector as a share of the total revenue expenditure of the state government, the share has remained more or less constant between 1999-2000 and 2007-08 though there has been a steep fall in the earlier decade, from 46% in 1990-91 to 37% in 1999-2000. Within this, the share of expenditure on social security has in fact increased during this time period from 2.55% in 1990-91 to 5.3% in 2007-08, though there have been fluctuations in between.⁴ The money allocated for implementation of the NREGA for TN is not part of this expenditure and the funds in the case of TN almost entirely go towards wage payments. This is however not to deny problems with such numbers. Per capita expenditures on these sectors are likely to reveal that the amounts spent are not commensurate with the magnitude of insecurity or deprivation. Leakages too are all-too familiar problems in such instances. I would however like to stress the fact that governments are forced to spend on such welfare measures despite the larger macroeconomic drive towards fiscal austerity.

The state has simultaneously been at the forefront of adopting a series of measures that are quite suggestive of a regime of growth premised on privatisation and marketisation (Kennedy 2004,

Vijayabaskar 2010). Competing to attract private investments, the state has over the years passed a series of legislations that gives a greater role for private capital in directing growth in the state. It has successfully managed to attract a number of multinational firms to set up operations in the state and also privatised provisioning a range of public services like water, roads and urban infrastructure. Further, it has passed an Act that enables the government to dispossess landowners of their lands quickly for infrastructure and industrial development. The state has been using this Act to takeover lands and sell to private capital at highly subsidised rates. There has also been a steady erosion of standards of implementation of labour laws during this period. In terms of employment, the proportion employed in the organised sector has marginally declined from 8.46% in 1993-94 to 7.42% in 2004-05 and from 20.46% of manufacturing sector employment in 1999-2000 to 17.92% in 2004-05 (Shyam Sundar 2009: 10). The share of contract labour in the total labour employed has grown rapidly from 7.82% in 2000-01 to 13.3% in 2004-05 (*ibid*: 27). Further, Shyam Sundar also points to the increase in share of employment in smaller factories that are not covered by social security provision in TN. Not surprisingly, real wage rates too have registered negative growth in TN for organised sector workers between 1993 and 2003 though average real emoluments for non-wage workers (read broadly as white-collared workers) has increased by 6.6% indicating the growing polarisation in labour markets during the reform period. It is under such a regime of growth and development that the effects of the global crises manifested in Tiruppur. The next section maps the emerging industrial order and labour regime in Tiruppur, shaped both by priorities of the nation state in an earlier regime of capital accumulation and the current production imperatives of global markets.

3 Sedimentary Production Regimes and Informalisation in Cotton Knitwear Production

As highlighted in several studies, the Indian textiles and clothing (T&C) industry has been the site of several state interventions with different objectives which has led to the rise of a specific organisational form and unique competence (Tewari 2004; Bedi and Corotonan 2008). Till 2001, labour-intensive sectors like the garments were reserved for firms that fall under the “small-scale” sector due to their employment generation potential to compensate for the larger policy thrust on capital-intensive import substitution based industrialisation. Given the investment ceiling faced by the small-scale sector, garment firms found it difficult to upgrade their technology, as this would invite a movement beyond the capital ceiling fixed for the small-scale sector. The Indian garment sector is therefore found to consist of much smaller firms as compared to other competing exporter nations. Firms, as they grew, split up into smaller firms, and generated a production structure marked by much higher levels of subcontracting. As a result of this organisational structure, work in the garment industry has always been predominantly informal.

While such policies constrained garment producers from competing on the basis of scale economies, they fostered a structure that facilitates production for a more flexible product market. Taking advantage of the benefits derived from such a decentralised and networked production structure, the firms found their way into

competing in low-volume segments with greater fashion content as compared to competing countries like China or Bangladesh where the minimum efficient scale of operation is much higher. Some of the effects of reservation have been undermined since 2000 with a series of policy reforms aimed to improve the competitiveness of the industry. In 2000, the National Textile Policy de-reserved the garment industry and subsequently knitwear production in 2005, which meant that they were no longer reserved for the small-scale sector. It paved way for large-scale expansion in capacities and the rise of larger firms (Bedi and Corotonan 2008: 52). However, given the continued fact that considerable section of Indian garment industry is confined to the “unorganised” or “informal” sector, conditions under which workers labour is hardly subject to the legal realm. Time and again, studies have highlighted the poor working conditions in the sector (Manicandan et al 2006; Vijayabaskar 2005; Kalpagam 1981; Singh 1990).

In the case of Tiruppur, global market imperatives have further accentuated the production of informality and reinforced some of the older tendencies. The most important factor in this regard has been the economy of time. Tiruppur specialises in the low volume mid-fashion segment, particularly in children’s and women’s wear and supplies to some of the world’s leading retailers like Marks and Spencers, Primark, Sarah Lee, Walmart, etc. Given Tiruppur’s specialisation in the semi-fashion segment, producers face huge challenges in terms of both quality and time. Over the last decade, fashion cycles have increased dramatically with buyers like Zara having as many as 12 cycles within a year. Further, the buyers and dominant lead firms that orchestrate the global garment value chain place orders closer to the time of sale to avoid costs of maintaining inventories. Together, the lead times for exporters in Tiruppur have reduced dramatically over the last 10 years with many exporters reporting halving of lead times from an average of around three to four months to about a month and a half to two months. Such short lead times have obvious implications for work intensity.

To add, as stated earlier, Tiruppur’s specialisation in cotton knitwear implies seasonality in demand creating varied demands for labour through the year. The fluctuating demand is further compounded by year to year fluctuations due to yarn price variations, exchange rate fluctuations, reduced demand due to longer winters, etc. The need for scope economies further enhances the need to rely on inter-firm networking and undermines the incentive for vertical integration. This overlap of production structures driven by older state imperatives to protect the “small scale” with contemporary imperative to accumulate through competing in global markets has produced a dense layer of production networks, ranging from households undertaking outsourced checking or stitching operations to integrated large factories linked by flows of material and labour and mediated by networks of transport (two-wheelers, buses, trains) and of late communication through the ubiquitous mobile phones. Even the comparatively large firms that have emerged recently employing over 500-700 workers often rely on contractors for bulk of their labour requirements. This production order, as I argue in the next section, has been sustained by a highly flexible labour market dominated by casual and non-secure employment, high inter-firm and inter-regional mobilities.

4 Unemployment as Unexceptional: Regimes of Labour Control and the Everydayness of Crises

The pressure to adhere to reduced lead times amidst a proliferation of small volume orders and fluctuating demand has pushed exporters from Tiruppur in two directions. On the one hand, they have sought to improve speed through automation and use of advanced processing techniques. Concurrently, they began to rely on just-in-time recruitment of labour to access the required quantities of labour at short notice. This rise in product market flexibility has been accompanied by rapid expansion in production. The spurt in exports from Tiruppur has led to a substantial surge in demand for labour, giving it an image of a region where jobs are aplenty. The increase in demand for labour has been met through three main sources. One, agricultural workers and workers engaged in other informal activities in the neighbouring villages, and from other regions of the state have moved into the knitwear industry in large numbers since the mid-1980s. Among this migrant labour force, two distinct types can be identified. One section of the workers comes as entire families with each member taking up various kinds of jobs in the industry and settling down here. The other set of migrant labour, which would form anywhere between 30% and 50% of the migrant population, is constituted by more temporary workers and alternate between rural and urban workspaces, and also between domains of capital and non-capital.

The families of such migrant labour more often than not continue to live in the villages with just one or two members of the family moving to Tiruppur for work. They tend to be from both landless and small peasant households. Some of them work in Tiruppur, whereas some alternate between work in agriculture, construction or other non-farm informal employment in the native villages or towns and work in Tiruppur. Push factors like bad monsoons or family debts move them to Tiruppur. They often tend to return when conditions improve in the native villages, while some may come back to Tiruppur to supplement their family income. The migratory cycles often coincide with the harvesting season in their villages and this rural-urban work interfaces and mobilities are quite reminiscent of what has been observed elsewhere (Bremen 2008). They tend to be unmarried youth including young women workers. Despite such large-scale migration, the cluster continues to experience a shortage of labour particularly during peak seasons. The tightness of labour market on the one hand, and temporariness of employment in any single firm on the other, have led to multidimensional mobilities of labour, between firms across the town and urban-rural mobility to offset reduced or uncertain employment in the town.

Employment, except in about 40-50 large export firms employing a core workforce of about 40,000 workers, is by and large casual in nature. The variations in demand disincentivise firms to rely on a large pool of permanent workforce (Vijayabaskar 2001). Apart from a core workforce, firms therefore prefer to recruit labour whenever they get orders for exports from buyers. Networks of labour contractors leading all the way up to the villages of origin of the workers have emerged that not only generate a new spatial geography of labour recruitment, but importantly, a set of production relations that belie Tiruppur's movement into more sophisticated process technologies and value added garment

production. Uncertain demand and fluctuating access to markets produce a set of incentives for firms to rely on pools of casual workers and a much smaller core permanent workforce.

Though trade unions have fought to ensure permanent employment and social security in the past, they have not been able to address the process of casualisation that the move to exports has warranted (Vijayabaskar 2001; Chari 2004). As an official of one of the largest unions in the town remarked,

If they have a problem, they go to the contractor. Or else they move to the next firm. Or they go home. They don't want to come to us because they think it is a waste of time. They are also worried that the management may come to know. Management find ways of getting them out of their factories if they know they are union members (interview dated 22 May 2009).

While they continue to have a presence in the firms producing for the domestic market, their ability to affect labour markets in the export sector has become limited. While wage negotiations with employers have helped nominal wage rises to an extent, unions have not been able to secure limits to work hours, compulsory holidays, medical leave or security of employment.⁵ Workers in Tiruppur tend to work a minimum of one and a half shifts (10 hours) a day under normal circumstances. When delivery schedules approach, the work hours increase to 12-16 and there are several days when workers work almost non-stop for two days except for short breaks. Workers too feel that they need to work a minimum of one and a half shifts to meet ends or save some money to send back home. Due to increase in house rental rates, workers do not feel that real wages are good enough despite nominal wage increases, and definitely do not constitute a living wage.

Among the workers surveyed, nearly 180 of the 300 had spent more than a month without a job in the previous year. Again many workers reported spending four to five days a month without work. To be sure, not all of them had gone without work due to a lack of demand for labour. Many had taken breaks due to ill-health or other factors, gone home and then again come back for work in Tiruppur. To the extent that temporariness and variations in employment availability have the quality of everyday life for labour in Tiruppur, workers do not perceive the global crises as an exceptional event, though capital and the state have sought to produce it as one.

5 Global Crises and Local Labour: Transmission Mechanisms and Effects

Within three months of the US declaring that its economy had entered into an economic recession, the president of the Tiruppur Exporters Association announced that nearly 20,000 workers will be losing jobs and that many of the migrant workers have gone back because there is not enough work available in the export units because of recession.⁶ He stated that there has been a fall by about 20% in the orders received and called for immediate intervention from the central government to save the industry and jobs. Interventions ranged from further concessions in terms of interest rates and duty cuts. Individual firms like Styleman Exports reported laying off 200 workers and feared the worse.⁷ What is interesting to note here is the complete absence of responsibility for job losses by the exporters. Both the state and producer associations openly acknowledge an inability to ensure employment security.

6 Coping through Return Migration: Role of Welfare

There are a few common routes along which the effects of demand slump during the crises period get transmitted to the supplier firms and consequently workers. The first and most direct impact is the decline in demand leading to reduced orders, lower production levels and hence lesser employment. The other possibility is a decline in final selling prices to boost demand in the consuming regions and hence offer of lower prices to the firms which in turn exerts a downward pressure on wage costs. This downward pressure may force firms to rely more on outsourcing and informalisation to cut down costs. The other possibility is the delayed or non-payment of dues by the buying firms due to losses and consequent loss in incomes for exporters. In Tiruppur, at least 20 respondent firms reported decline in orders and fears among the exporters of payment defaults by the buyers.⁸ A study by Jha points out that anywhere between 40,000 and 1,00,000 workers had lost their jobs by December 2008 (Jha 2009: 12). There is however no clear evidence of firms closing down during this period because of a lack of demand. Even subcontracting firms stayed afloat though many did feel that there has been a demand slump. It needs to be remembered here that the entire cluster has always been marked by a high entry and exit of firms. Firm mortality, given the dominance of smaller firms, tends to be high and firms are always confronted with unsteady demand. As a result, many entrepreneurs are used to the routineness of such demand shocks with hopes of a possible turnaround soon. However, several firms are reported to have cut down the number of work hours and even days in Tiruppur. Such reduction needs to be juxtaposed against the above average hours of work that workers put in under "normal" conditions. Offering work for only four days a week, or for only shift a day are common adjustments that firms have made in response. A worker commented on a firm that sends buses to his village to transport workers to and from the firm. "Earlier the buses used to arrive not before 9 pm. But now we can hear them even by 6.30."

Direct exporter respondents do confirm a definite decline of at least 10% to 15% in output with corresponding reductions in employment. Despite estimates cited earlier, the periodic labour shortages endemic to Tiruppur and return to their villages on account of reduced employment makes it difficult to map the exact loss of employment due to recession. Both union members and exporters however acknowledge such reverse migration on account of the global slump. Working lesser shifts imply lower income and this influences the workers' decision to migrate to Tiruppur or not. Some workers interviewed claim that a few of their colleagues have not returned from their villages due to the reduced income in Tiruppur. Two of the 20 workers interviewed in June 2009 said that they have been finding it difficult to get steady employment in the last two months. Hailing from a nearby village, they have been looking out for jobs for more than a month. Five workers reported reduction in work shifts or work hours. Workers, we observe, are also not in a position to discern a secular decline in employment since employment has never been steady for most workers working in the smaller firms. They feel that they do not make enough money compared to last year and often they are sent back after just six or lesser hours of work. While in bigger factories, reduction in orders has led to reduced shifts, workers earning piece rated incomes are forced to look out for jobs in other firms.

When 200 workers were asked to leave his firm due to a lack of orders post-crises, Murugan is glad that he is not one of them. Though he is used to moving from one firm to another with a contractor earlier, he has had a steady job in a large export firm in the last two years. After six years of working with a labour contractor in large number of firms, he is now employed directly by the firm as a tailor and he has brought his wife and two children to Tiruppur. His wife works as a checker in a firm closer to their rented house. Her income is less assured but prefers this job as she needs to take care of domestic work. Once a month, he goes to his native village in Cuddalore district to collect food and other items from the PDS. Since he has a ration card with his name registered in his native village, he can access these rations only in his native village. Many workers from villages closer to Tiruppur pay the bus driver a small amount to bring the subsidised rice and other food articles from the village. Murugan pays a rent of Rs 900 and an additional amount of Rs 100-200 for water. His first child goes to a local government school and his two-year old second child is taken care of by his mother.

For a month, he has been working only one shift as opposed to one and a half to two shifts and this means that his salary has come down by a third. "Now I earn about Rs 4,000 per month and my wife about Rs 1,000-1,500. After paying rent, now I hardly get to save anything. I may as well go home to my village and live in peace. I don't have to pay rent, I can work on my land and my wife can join the rural employment scheme there" says Murugan who has about an acre of land in his village that his brother cultivates along with his (interview dated 18 June 2009). He has taken a loan for his mother's health expenses and he may have to borrow again to repay the loan. Such factors account for mobility patterns of several migrant workers interviewed and similar rural-urban-rural mobilities are a regular feature of these landscapes. While the economic crisis has been the more immediate reason, many adopt this mode of survival for a variety of reasons. Long and intense work hours take a toll on their health and they come back to the villages unable to continue to work in the export factories. Once they return, they look for employment in nearby towns, failing which they return to Tiruppur. Some leave the families behind and move to work in Tiruppur hoping that this would help them save better.

The reliance on PDS has been critical to the mobility and livelihood strategies among both long distance migrants and daily migrant workers. Heyer (2010) in her study of dalit households in villages near Tiruppur clearly points to the critical role played by the enhanced PDS and NREGA in improving their real incomes and even a reduced incentive to offer their labour in the market. Labour contractors too feel that many migrant workers have not come back after Pongal (harvest festival) in January because of better rains last year, and the ability to survive in the villages due to the expanded PDS and a perceived lack of enough work in Tiruppur. There are also families where the women members have gone back to the villages to either work on their lands or as agricultural workers, whereas men stay back in Tiruppur. The NREGA and the decision of the current state government to offer subsidised rice to households below the poverty line seems to have played an important role in influencing the coping strategies of worker households. In the case of the NREGA, in the earlier years,

due to high demand for labour in the export factories and differences in the wage rates, there was little incentive for households in the rural areas adjoining Tiruppur to seek employment under the NREGA. This is clear from the fact that during the first two years of the implementation of the NREGA, there was no household from any of the three taluks, Tiruppur, Palladam and Avinashi surrounding Tiruppur seeking employment.⁹ This is particularly striking when for the year 2008-09, employment under the NREGA was offered for nearly 7.3 lakh persondays for the Coimbatore district as a whole. But there has been a sudden increase in demand in all the three blocks between 2009 and 2010 (till August 2009). As per the data furnished by the NREGA monitoring cell, 10,380 households in Palladam block, 1,898 households in Avinashi block and 1,097 households in Tiruppur block have been offered employment under this scheme. Though part of this shift is due likely to better efforts by the implementing actors, this phenomenon is also indicative of a possible push factor from the industry rather than a pull from agriculture/NREGA.

Worker Mobility and Livelihoods

Interviews with workers in Kanakkankadu, a village in Pudukottai district which has a long history of migration to Tiruppur reveals that apart from ill-health, lack of expected incomes is a major factor for their return. They all tend to leave for Tiruppur due to push factors like a bad monsoon, loans taken for agriculture or for personal reasons like healthcare, marriage and other family functions. Their move to Tiruppur is meant to help them repay their debts rather than merely survive. As a result, they tend to put up with and even perceive a need to work longer hours to save up for debt repayment. When there is reduced employment, they do not save enough money for such purposes. All, except one worker, were working in construction or other informal jobs in nearby towns, agriculture or under the NREGA scheme at a daily wage of Rs 80. This wage income is much lower than what they were earning in Tiruppur. Even women workers, even though were paid Rs 70-80 per shift would get more through overtime work. The absence of such overtime work leaves them with little incentive to work in Tiruppur. At least six of the 10 male workers have plans to go back to Tiruppur to work when things improve. In two families, other members have left for Chennai and Bangalore hoping to get employment in the construction sector or in petty trade. The role of social welfare programmes of the state government in generating this mobility of labour is obvious. The respondents concede that provision of food and other essential goods at subsidised rates contributes substantially to ensure a minimum level of real incomes for the worker households. The return to the rural has thus been aided to a large extent by the range of subsidised services and goods available to them at these sites as opposed to the lack of any work security in the urban workspaces. Further, even those staying back in Tiruppur town looking for employment rely upon subsidies for their subsistence either by getting the rations transported from their native places or accessing PDS in the town in case of long-term migrant workers. To be sure, earlier studies on industrial labour in India have identified the importance of rural-urban linkages in fostering identities and ensuring a degree of social protection (Chandavarkar 1994). Here, I highlight how governmental interventions in the

domain of political society are critical to this process of mobility and access to relatively more secure livelihoods.

In the early days of implementation of the NREGA, exporters were worried about its impact on labour supply. They attributed the “shortage” of labour to this scheme and other subsidies provided by the state government that prevented them from coming into town to seek work. As one exporter puts it, “Where is the need for them to work? If they work for one day, they can survive for a week. They need to spend only Rs 20 per month on rice and another Rs 200 on dal and other cooking ingredients. Even cooking oil is subsidised. And they get to watch on the free television for as long as they want to as they get free electricity. At this rate, we will have nobody willing to work in this industry. Already, this has led to severe shortage for labour in agricultural work” (interview dated 17 September 2008). With the fall in exports and reduced demand for labour, they do not appear to be threatened by these policy interventions. Instead, they feel that a scheme similar to the NREGA should be implemented in the urban spaces as well to ensure that sectors like theirs can access labour and also prevent the outmigration of labour. Interestingly, there were also calls from the sections of the government to include the urban employed within the ambit of the NREGA or to initiate a new urban employment programme along the lines of the NREGA to protect those losing jobs on account of the recession.¹⁰

Few workers surveyed felt the need to protest against temporariness of work, retrenchment or claim provisions for healthcare expenses or leave of absence from work. Any setbacks in the workplace are compensated by a fall-back upon their entitlements as citizens. Despite the presence of such precarious and casual work for nearly two decades, trade unions have not been able to make much headway in terms of worker mobilisation. The impermanence of work and the high worker mobility across firms have rendered mobilising workers within a factory quite difficult. The presence of a large section of workers whose trajectories of mobility include rural-urban circuits of survival makes it further difficult. To many, work in Tiruppur is not seen as a long-term career option and merely a means to work hard and earn quickly to pay off debts or at best to earn to start a venture either in their native village or town or to use the savings to pay labour brokers to work abroad. In response to the changing spaces and networks of work and survival, at least one trade union has begun to move the site of mobilisation from the workplace to the neighbourhood. Taking cue from similar initiatives elsewhere, in India and abroad, particularly in South Africa, the dominant trade union Centre of Indian Trade Unions (CITU) has sought to mobilise worker families around access to basic services like water, roads, street lights and house titles in the slums that house the migrant worker. Though union officials claim considerable success in enlisting new members including women, the outcomes of such initiatives for labour welfare in the workplaces are, however, unclear at the moment.

Implications: Though the emerging social regime in TN appears to go against the tenets of neo-liberal reforms that mandate cut-backs in public provisioning of social services, the state has been able to shift the question of labour welfare away from the workplace to the

lived spaces, from the domain of capital to the domain of government of dispossessed populations. This shift partly ensures that capital accumulation can now proceed unencumbered by the burden of protecting workers' livelihoods. It is therefore a hybrid regime that simultaneously subverts strictures against the expansion of spaces of public welfare and pursues an accumulation strategy entirely premised on flexibility of labour markets. This emergent model of social regulation of market-led growth is not confined to the state. In addition to the NREGA, recent efforts by the central government to introduce subsidised wheat as a part of the Right to Food agenda is an example of how such provisioning is being scaled up at the national level.

However, not all state governments may have the fiscal space to invest in such welfare schemes. With the onset of the global crisis and the ongoing high levels of food price inflation, there is nevertheless an increasing recognition of the role of such welfare measures. They not only ensure a cushion against such shocks, but importantly they contribute to governing populations who are increasingly marginalised by accumulation strategies based on cheapening of wage costs, as also those who are dispossessed from traditional means of livelihood without gaining entry into the domain of modern capital. Importantly this phenomenon, as Barrientos and Hulme (2009) points out, is assuming global proportions.

Such moves are suggestive of the growing consolidation of a new regime of social regulation of contemporary capitalist accumulation in postcolonial economies. If so, what are the spaces that are available for contestation of this process of consolidation? Does a demand for enlargement of the safety net to more and more segments of the informal economy adequate? Though we do not establish this link in the paper, NREGA and other welfare measures are likely to have contributed to increasing the reserve price of labour. The increase in nominal wages in Tiruppur and the periodic "labour shortages" alluded to by the exporters may be at least partly explained by such interventions. Such statist interventions therefore appear to have the potential to create virtuous linkages with labour markets in the manufacturing sector and do open up spaces for new kinds of mobilisations. Recent efforts by a section of the trade unions in Tiruppur to use neighbourhood-based mobilisation around the issues like access to basic public and welfare services are suggestive of such possibilities. Sanyal's framework for understanding postcolonial governmentality can thus be pushed to perform more tasks than what he does. While there are domains of the need economy that are entirely outside the domain of modern capital, it is important to pay attention to the mechanisms through which governmental interventions in the need economy regulate "modern" capital accumulation processes through its impact on labouring households within such economies.

NOTES

- "Tirupur Knitwear Exports Show 10% Dip", *The Hindu Business Line*, 8 April 2008. The data is compiled by the Tiruppur Exporters Association (TEA) based on shipment details provided by the banks based in Tiruppur. The export figure for 2007-08 has marginally declined to Rs 9,950 crore.
- Election manifestos released by the two major parties in the state, DMK and the All India Anna Dravida Munnetra Kazhagam for the assembly elections held in April 2011 once again promised a range of consumer goods at highly subsidised rates in addition to a commitment to continuation of existing programmes.
- Downloaded from <http://www.saching.com/Articles/The-Amazing-Welfare-Schemes-in-Tamil-Nadu-514.html>; Government of Tamil Nadu, An Information Guide on Welfare Schemes, undated, downloaded from www.tn.gov.in/tamilngov/misc/welfare/default.htm; on implementation of PDS and NREGA, see Heyer (2010).
- Calculated from the *Handbook of Statistics* on State Government Finances (2004) and other yearly volumes published by the Reserve Bank of India.
- Nominal wage rates have doubled over a decade, with tailors getting a minimum of Rs 150 per shift at present and checkers, Rs 100 per shift compared to Rs 75 and Rs 50, respectively in the late 1990s.
- "20,000 Knitwear Workers to Lose Jobs" in R Vimal Kumar, *The Hindu*, 12 November 2008 <http://www.hinduonnet.com/thehindu/thscrip/print.pl?file=200811250410100.htm&date=2008/11/12/&prd=th&>
- "Fraying at the Seams" by Rasheeda Bhagat and L N Revathi, *Business Line*, 13 February 2009, <http://www.thehindubusinessline.com/life/2009/02/13/stories/2009021350010101.htm>
- "Garment Export from Tiruppur to Drop 20%", *Business Standard*, 9 February 2009, downloaded from <http://www.business-standard.com/india/news/garment-exporttiruppur-to-drop-20/54606/on>
- Secondary Data on employment demanded in the Tiruppur area from <http://nrega.nic.in/>
- <http://www.isideli.org.in/hrnews/isidownload/Labour/Labour-2009.pdf>

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