

GOOD AND BETTER JOBS IN INDIA

FINDINGS FROM TEXTILES AND CLOTHING SECTOR

1ST MAY, 2020



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OUTLINE

- **Snapshots from the Sector**
- **Cluster Value Chains**
- **Structural Issues in the T&C Sector in India**
- **Covid -19 Impact: An example from Bhiwandi**
- **Key Findings**
- **Measuring Enterprise Well-Being**
- **Measuring Worker Well-Being**
- **Recommendations**

SNAPSHOTS FROM THE SECTOR

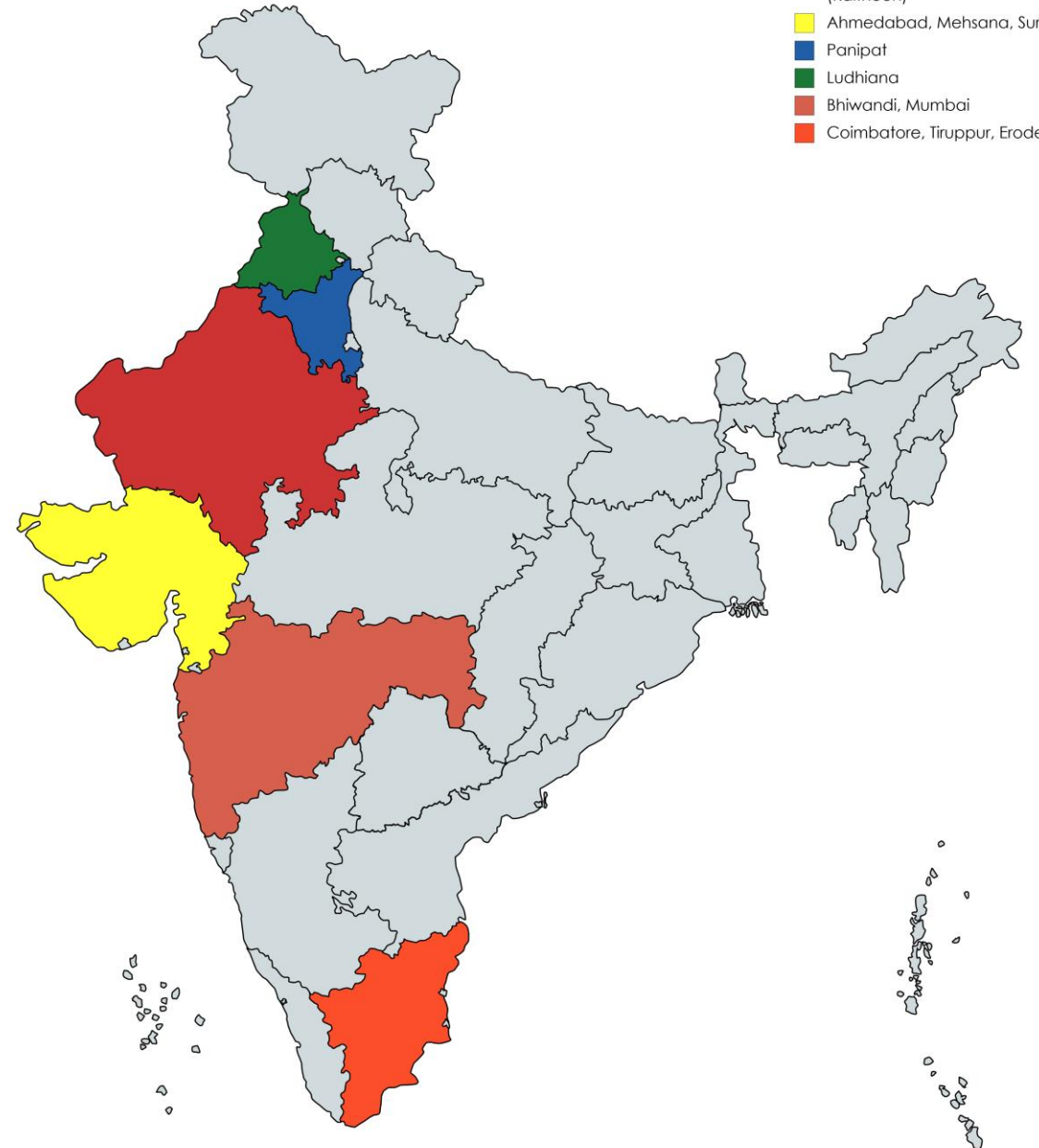
- Share in the Economy - 2% of India's GDP and 7% of India's industrial output in value terms
- Employment - Direct (4.5 crores) and Indirect (6 crores)
- Global Rankings - 2nd largest manufacturer and exporter of T&C, after China and 5% of global T&C trade

Source: Annual Report 2018-19, Ministry of Textiles

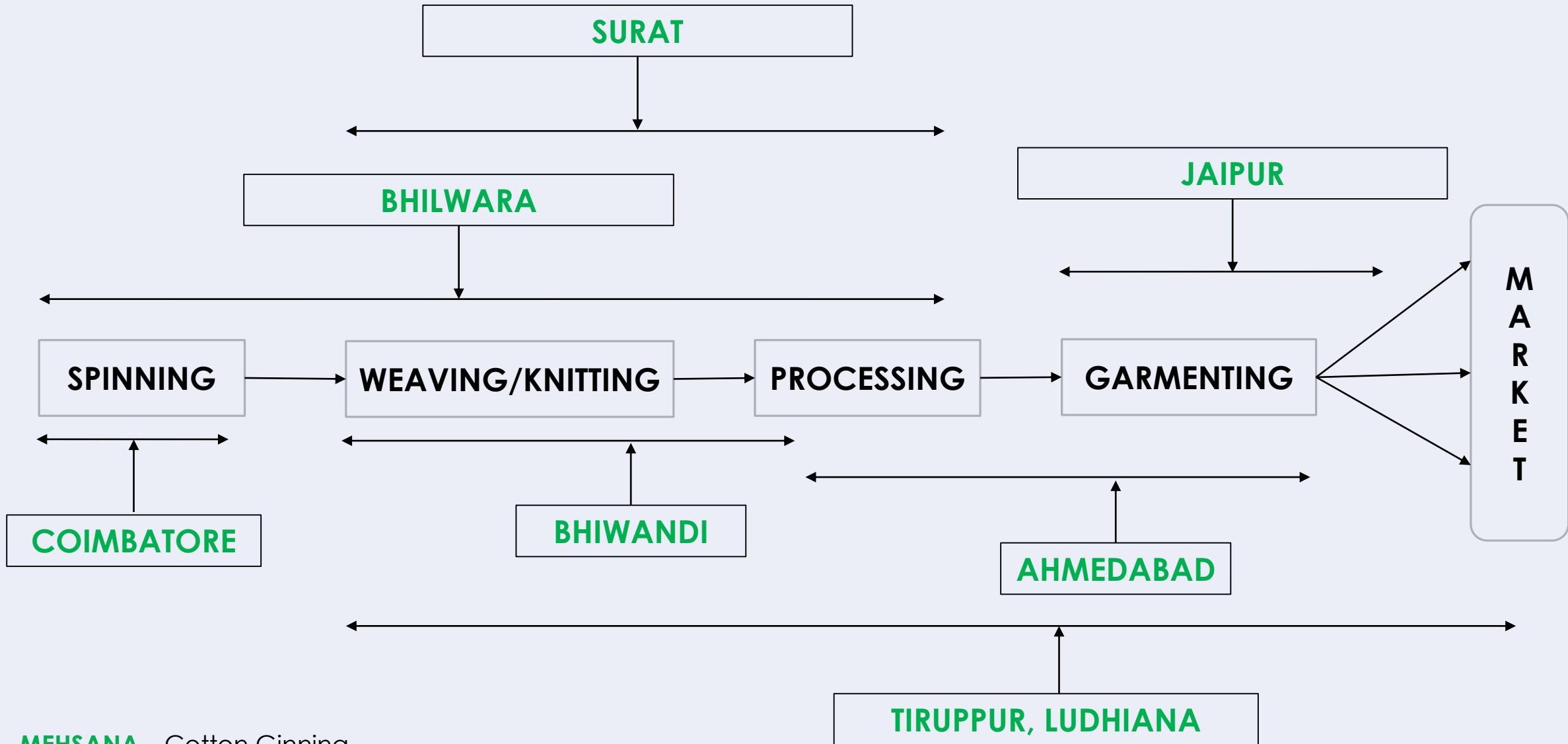
T&C Clusters Covered in the Study

Districts Covered for T&C Clusters

- Bhilwara, Jaipur, Kota (Kailoon)
- Ahmedabad, Mehsana, Surat
- Panipat
- Ludhiana
- Bhiwandi, Mumbai
- Coimbatore, Tiruppur, Erode



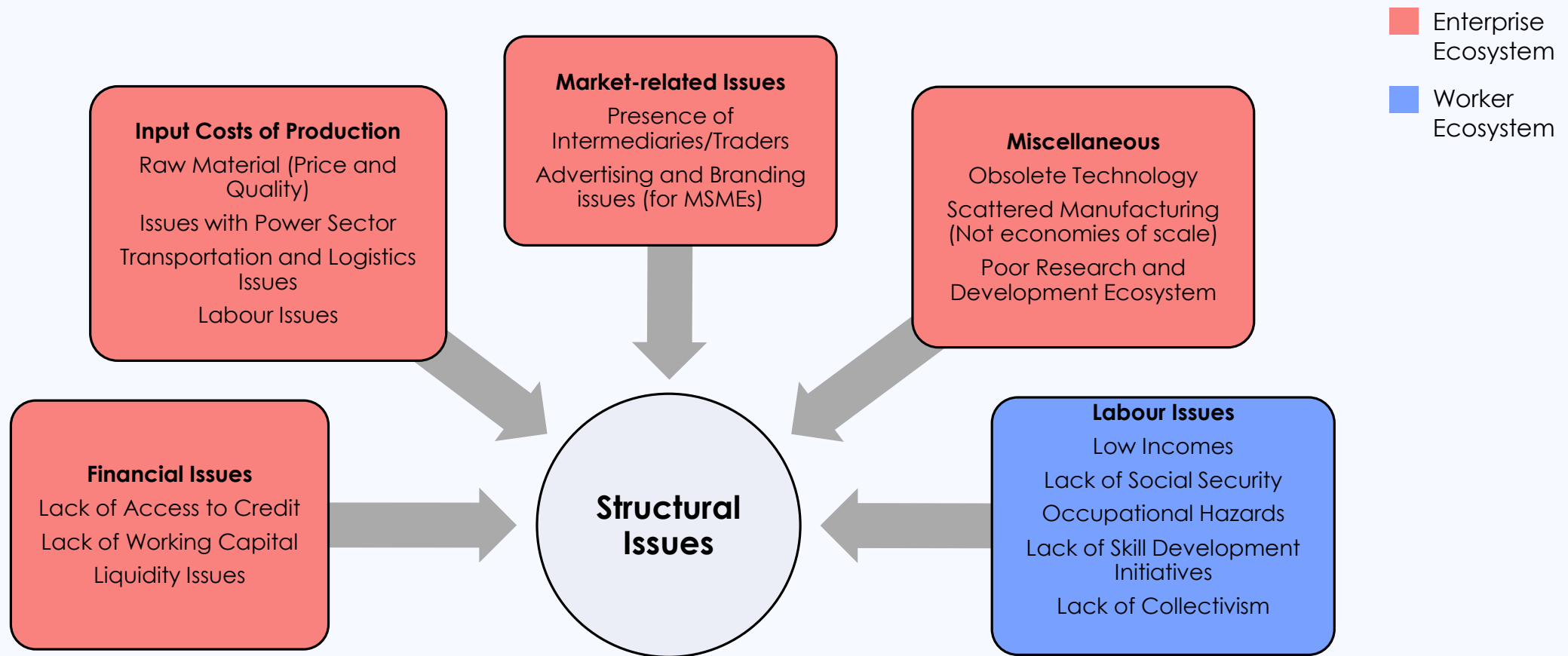
CLUSTER VALUE CHAINS



MEHSANA – Cotton Ginning

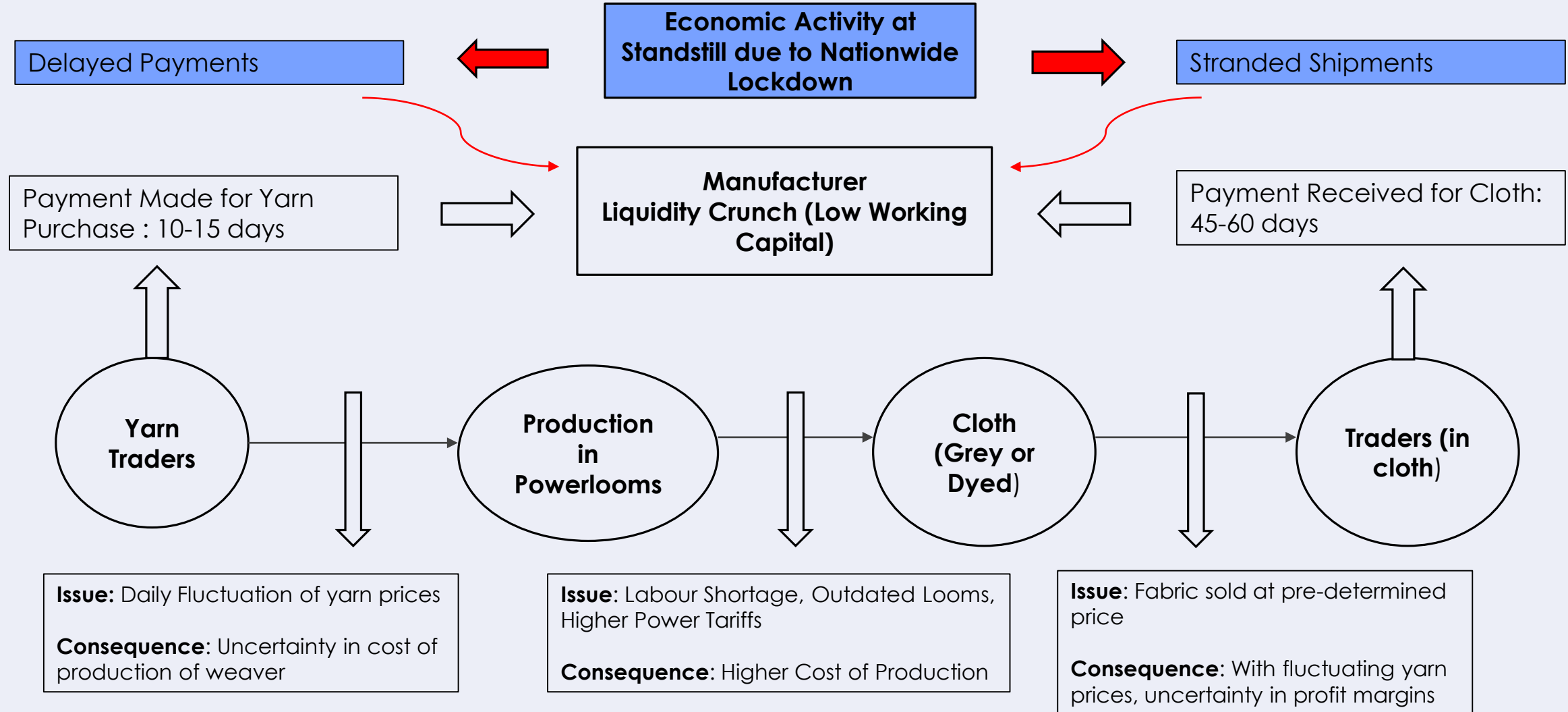
PANIPAT – Carpet Manufacturing and Handlooms

STRUCTURAL ISSUES IN THE T&C SECTOR IN INDIA



COVID-19 IMPACT: AGGRAVATING THE STRUCTURAL ISSUES

An example of Bhivandi, powerloom town of India



Impact on workers in Bhivandi Cluster: Potential loss of 6 lakh jobs

KEY FINDINGS

ENTERPRISE WELL-BEING

COST OF PRODUCTION



- Input costs other than labour costs have significant potential for cost reduction
- Measures for reducing cost of production
 - Raw material pricing
 - Power tariffs and power supply mechanisms (open access, captive, renewable energy)
 - Interest and capital subsidies
 - Reduction in transportation costs by reducing regulatory hurdles and enhancing infrastructure

WORKER WELL-BEING

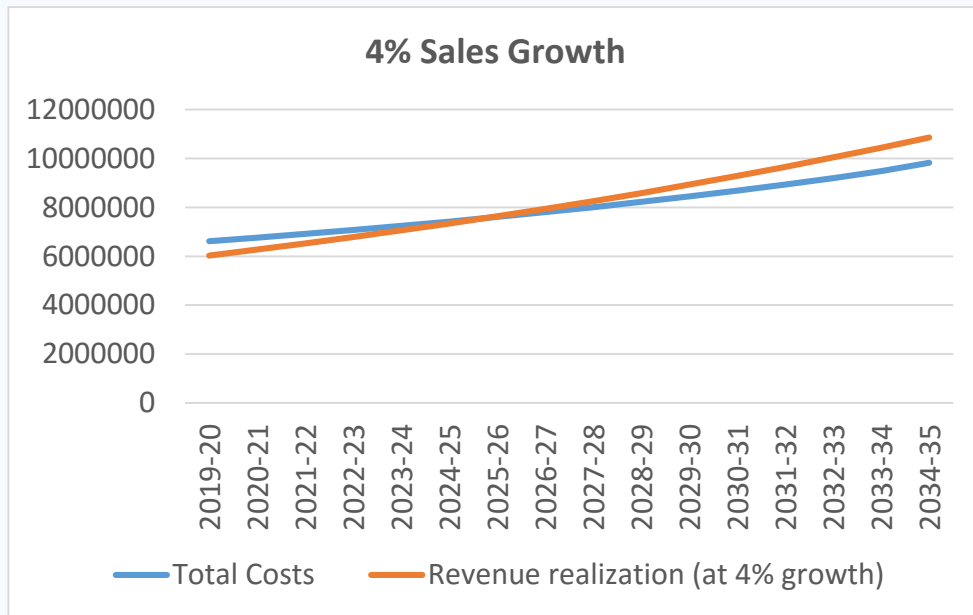
INCOME



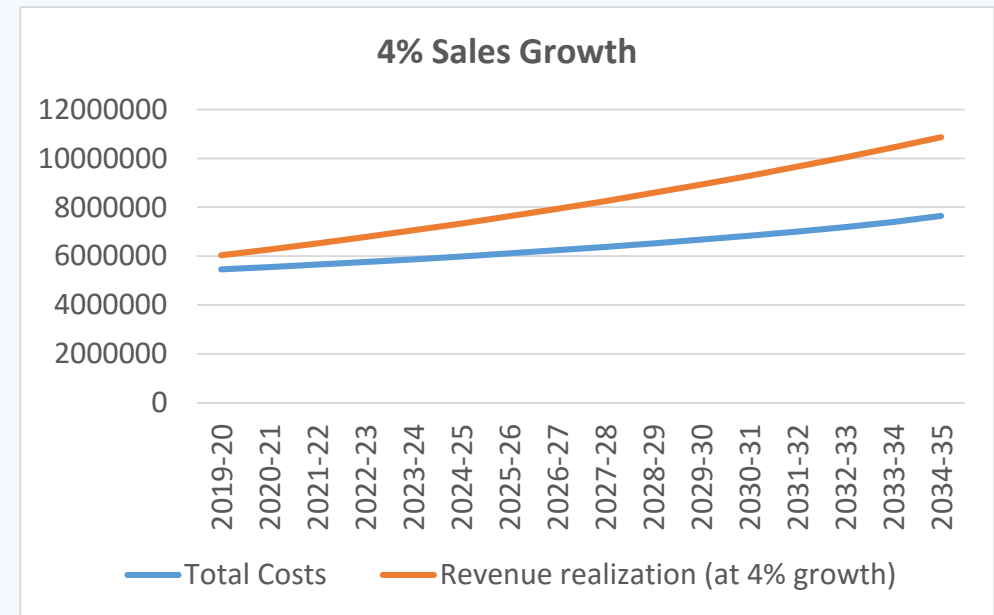
- Existing wages are much lower than what is needed for a decent standard of living
- Wage rates are higher in the clothing value chain due to need for higher skill levels
- For unskilled agricultural labour migrating to industries, real wages are higher only in case of semi-skilled or skilled job roles
- Negligible social security along with higher occupational hazards for workers
- Lack of a collective voice of migrant labourers in job destinations

MEASURING ENTERPRISE WELL-BEING

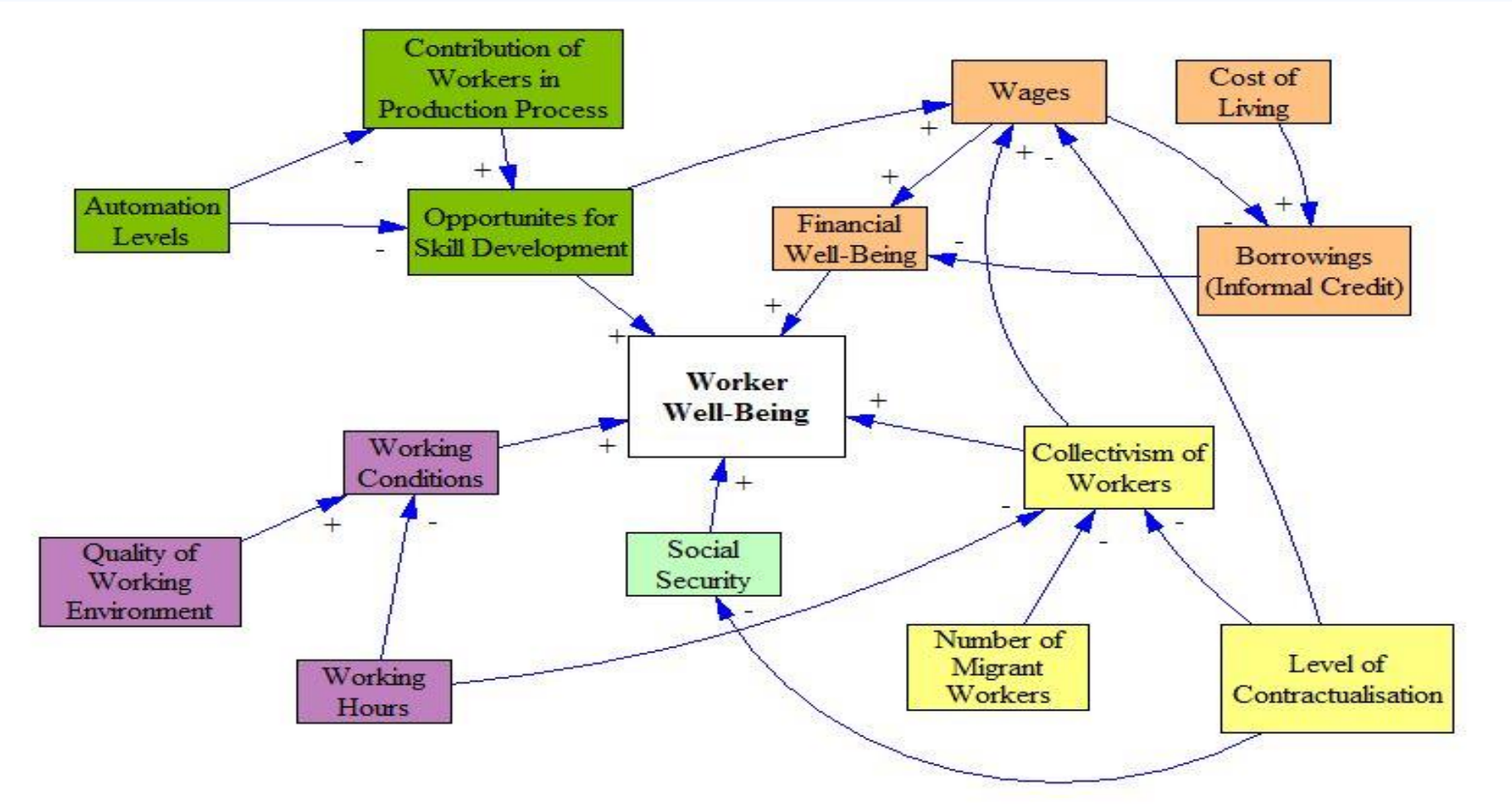
SCENARIO 1: EXISTING WAGES AND OTHER INPUT COSTS



SCENARIO 2: HIGHER WAGES AND REDUCED COSTS OF OTHER INPUTS



MEASURING WORKER WELL-BEING



RECOMMENDATIONS: TOWARDS AN INDUSTRY-STATE-WORKER COMPACT

1. Comprehensive and accurate database of workers and enterprises

2. Establishing a mutual linkages between wages and social security

3. Skill development based social security

4. Leveraging technology for improving occupational health and safety

5. Promotion of cluster development of MSMEs

6. Addressing systemic issues affecting enterprise well-being



Thank You

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STRENGTHENING THE DISCOURSE ON GOOD AND BETTER JOBS IN INDIA

A three-year long project to strengthen the discourse on economic policies that generate 'Good and Better Jobs' in India' and make her growth job-intensive

ABOUT THE PROJECT

Completed:
Textiles and Clothing

Ongoing:
Food Processing

Upcoming:
Tourism/Construction/Gig
Economy

SECTORS

Supported by:
Ford Foundation

Project Website:
<https://cuts-ccier.org/strengthening-the-discourse-on-economic-policy-to-generate-good-and-better-jobs-in-india/>

MORE DETAILS