



COVID-19 Crisis and the Informal Economy in Tiruppur, India: Lasting Impacts and an Agenda for Recovery



Photo Credit: Jothyraj/Social Awareness and Voluntary Education (SAVE).

Key Findings

- In mid-2021, only 16% of respondents were able to work (even part time) in the previous month, compared to 25% in June 2020 and 12% in April 2020.
- In mid-2021, on average, the respondents worked less than one day (0.7) per week, the same as in April 2020, compared to 1.1 days per week in mid-2020 and 4.5 days per week in February 2020 (pre-COVID-19).
- Between July 2020 and June 2021, 60% of home-based workers were able to find work for less than 10 days per month for four months or more.
- The main reasons cited for the insecurity of work were government and factory restrictions (84% of respondents), market and supply chain dynamics (61%), and lack of public transport (16%).
- In mid-2021, 88% of the home-based workers had zero income in the previous month. On average, they were earning less than half per day (INR 21) of what they earned in mid-2020 (INR 53) and of what they earned during the national lockdown in April 2020 (INR 47), and only 6% of what they earned in February 2020 (INR 368).
- In mid-2021, 24% of respondents reported hunger among adults in their household and 7% of respondents who have children under 16 in their households reported hunger among children, compared to 30% and 27%, respectively, in mid-2020.
- Since mid-2020, 75% of the respondents had received some cash relief and 88% had received some food aid from government, compared to 92% and 95%, respectively, between April and June 2020.
- Since mid-2020, just under 20% of respondent households had to resort to asset-depleting strategies to cope with the on-going crisis and second lockdown.

Recommendations

- Food aid until the COVID crisis is over.
- Cash grants until home-based workers are able to resume work.
- Regular work orders and higher wages/piece-rates for home-based workers.
- Social protection: health insurance, health care, pensions.

Background

COVID-19 Crisis and the Informal Economy is a WIEGO-led longitudinal study that assesses the impact of the COVID-19 crisis on specific groups of informal workers and their households.¹ Using a survey questionnaire and in-depth interviews, Round 1 assessed the impact of the crisis in April

¹ Study cities are Accra (Ghana), Ahmedabad (India), Bangkok (Thailand), Dakar (Senegal), Dar es Salaam (Tanzania), Delhi (India), Durban (South Africa), Lima (Peru), Mexico City (Mexico), New York City (USA), Pleven (Bulgaria) and Tiruppur (India).

2020 and mid-year 2020 compared to February 2020 (the pre-COVID-19 period).² Round 2 was conducted in mid-year 2021 to assess how workers were experiencing COVID-19 resurgences and ongoing economic strains, and to what extent (if any) they had recovered. This report presents the summary findings of Round 2 of the study in Tiruppur, India. Researchers in Tiruppur surveyed 54 respondents (out of the original 60 in the Round 1 sample) to assess how their situation had changed roughly a year after the initial survey. Five additional respondents were surveyed to replace Round 1 respondents who could not be contacted. Researchers also conducted in-depth interviews with three home-based worker leaders, and two other key informants (one each from the Indian National Trade Union Congress and the Centre for Indian Trade Unions). The research partner in Tiruppur was Social Awareness and Voluntary Education (SAVE), an NGO which founded and supports Anuhatham, a trade union of home-based workers.

All findings which compare Round 2 findings to Round 1 findings consist of unbalanced panels, meaning that they include all participants from Round 1, including those who were not part of R2, and all participants from Round 2. For this reason, they are not perfect representations of changes experienced by the Round 1 sample.

Informal Economy in Tiruppur

Tiruppur is a major textile and knitwear centre, producing 90% of the cotton knitwear exports of India. Known as the “T-Shirt Capital of the World”, Tiruppur is the seventh largest city in Tamil Nadu State, South India. Around 800,000 workers are employed in the knitwear industry, of whom 80,000 (10%) are homeworkers; that is, subcontracted workers who are paid by the piece and work in or around their own homes. Over 90% of homeworkers in Tiruppur are women.

COVID-19 in Tiruppur: Key Dates

On March 26 2020, after the first wave of the virus began spreading across India, the Government of India imposed a national lockdown. Beginning June 1, 2020, the lockdown was gradually eased. Since July 2020, the key dates in Tiruppur and Tamil Nadu state related to the pandemic recession and policy responses to it include:

January 2021: Tamil Nadu state government offered a special food packet and cash grant to families with ration cards for the Pongal festival

March-May 2021: second wave of virus

April 1-June 14, 2021: lockdown by Tamil Nadu state government; initially to May 5 but extended to June 14

May 2021: new state government approved cash transfers of INR 4,000 plus free rations to ration card-holder households in two monthly installments (May and June)

May and June 2021: Government of India mandated that AAY ration card-holding households be provided with an additional 5 kg of free food grains per family.

² Results from Round 1 in Tiruppur are available at: <https://www.wiego.org/publications/covid-19-crisis-and-informal-economy-home-based-workers-tiruppur-india>

April and May 2021: state elections in April and installation of new government in May

June 2021: the state government and national government announced INR 300,000 grants for women who lost their husbands due to COVID-19 and INR 500,000 grants for children who lost both parents due to COVID-19

Study Dates and Sample

The Round 2 sample in Tiruppur includes 58 home-based workers, mainly women (95%), and one male taxi driver (who at the time of the Round 1 survey was a home-based worker). Virtually all are migrants from other districts of Tamil Nadu who have settled in Tiruppur to work in the textile and garment industry. The sample is not intended to be representative of informal workers in Tiruppur or even of the membership of the local union of home-based workers, Anuhatham.

Dates of study in Tiruppur

- Round 1: June-August 2020
- Round 2: June-August 2021

Total Sample: 59

Table 1: Sample by sector³ and new (not R1) respondents

Sector	N	% of Total Sample	% Women	% New Respondents
Home-based Workers	58	98	95	5
Taxi Driver	1	2	0	0
Total	59	100	93	5

³ R1 respondents who were not in the R2 survey are included in the R1 findings.

Table 2: Age distribution of sample

Age groups	N	%
18-25	2	3
26-35	18	31
36-45	29	49
46-55	6	10
56-65	3	5
> 65	1	2

Impacts of and responses to the crisis

The local economy in Tiruppur had recovered to around half of its pre-COVID level by the end of 2020 and appeared to be “back to normal” by January-February 2021, except for the fact that many of the migrant factory workers had not returned to the city. But the economy stalled again with the second wave of the virus and the state lockdown in the third quarter of 2021. As of mid-2021, no government recovery measures or schemes had been introduced.

Work, Earnings and Food

By mid-2021, the factories in Tiruppur had not fully reopened, in large part due to lack of demand (export and domestic) but also in part due to labour shortages (as many migrant factory workers have not returned). Most of the foreign companies that outsource production to – or buy goods from – Tiruppur factories have shown little, if any, solidarity with the workers or the factories. None have paid workers for lost wages or made advances to factories to help them recover. After an appeal by SAVE and other local NGOs, three foreign firms provided some funds for food aid; and two foreign organizations provided support to interstate migrants. Also, HomeNet South Asia, a regional network of organizations of home-based workers to which SAVE is affiliated, provided masks for 3,000 workers and dry food rations for 1,000 workers.

According to SAVE leaders, roughly 30-35% of the migrant factory workers who had returned to their home villages or towns after the 2020 national lockdown was imposed have returned to work in the Tiruppur factories. Some new migrants have arrived with families. And there is a new cohort of migrants from other states (Chhattisgarh, Jharkhand and Orissa) who have come to Tiruppur without families: these are young persons whose schools or colleges have not reopened who have been targeted and recruited by agents. The agents arrange transport in special buses paid for by the factories. Some factories run hostels for migrant workers, while others do not. The workers are promised 8,000 Indian rupees per month in wages but tend to get closer to 4,000-5,000 rupees per month. The factory owners explain this discrepancy by stating that the new cohort of workers requires training.

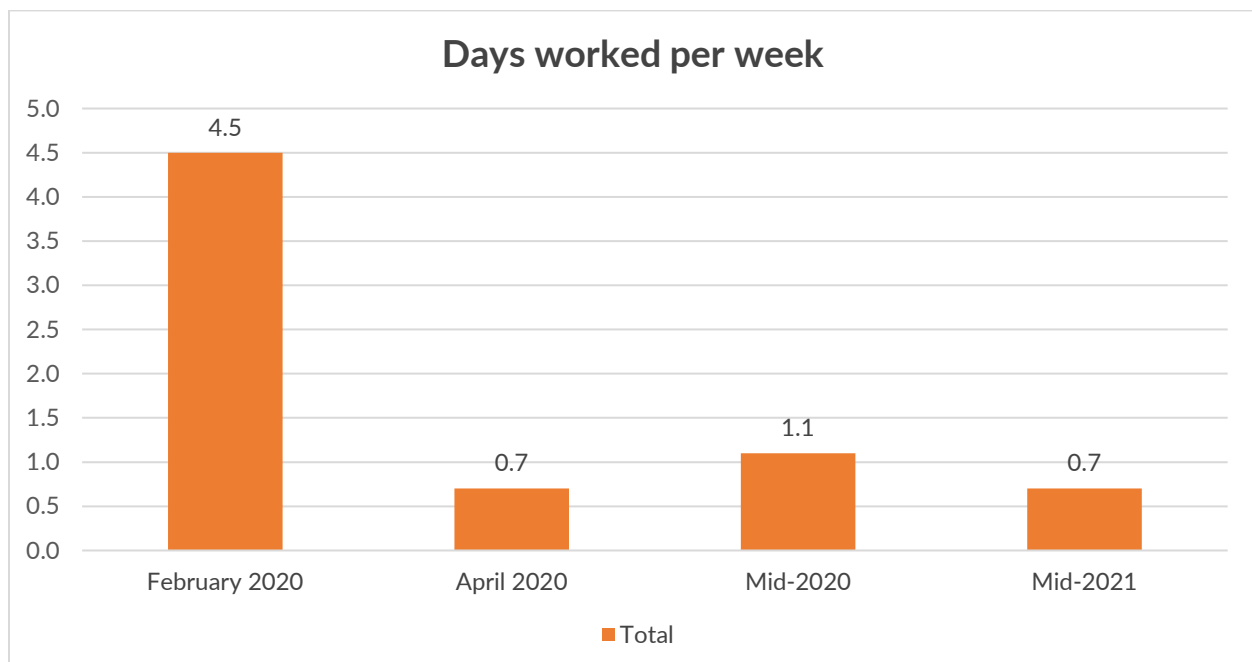
The factories that are open and operating are outsourcing less work to the home-based workers. As a local union leader from the Centre of Indian Trade Unions (CITU) explained: “As most of the companies are still closed due to lack of orders the subcontractors are not getting any work nowadays. The few units which are operating now are using their own employees to complete the products as the order quantity is low. So the need for outsourcing is reduced... Those people working in the factories at least have work for two or three days a week but those who are working at home, do not have even that.”

Work

Before the second wave of COVID, according to SAVE leaders, around 40% of the homeworkers had found jobs as wage workers in the factories which were facing a labour shortage. Another 30-35% were receiving work orders from the factories as sub-contracted workers, like they did pre-COVID. And another 10% had taken up self-employment: selling fresh fruit and vegetables, flowers, cooked food (idli and dosa) or the rice-cum-lentil flour for making idlis. The remaining 15-20% were not able to find work. However, since the state-wide lockdown in 2021, which was imposed in early April and extended to mid-June, a higher percent of workers have not been able to work.

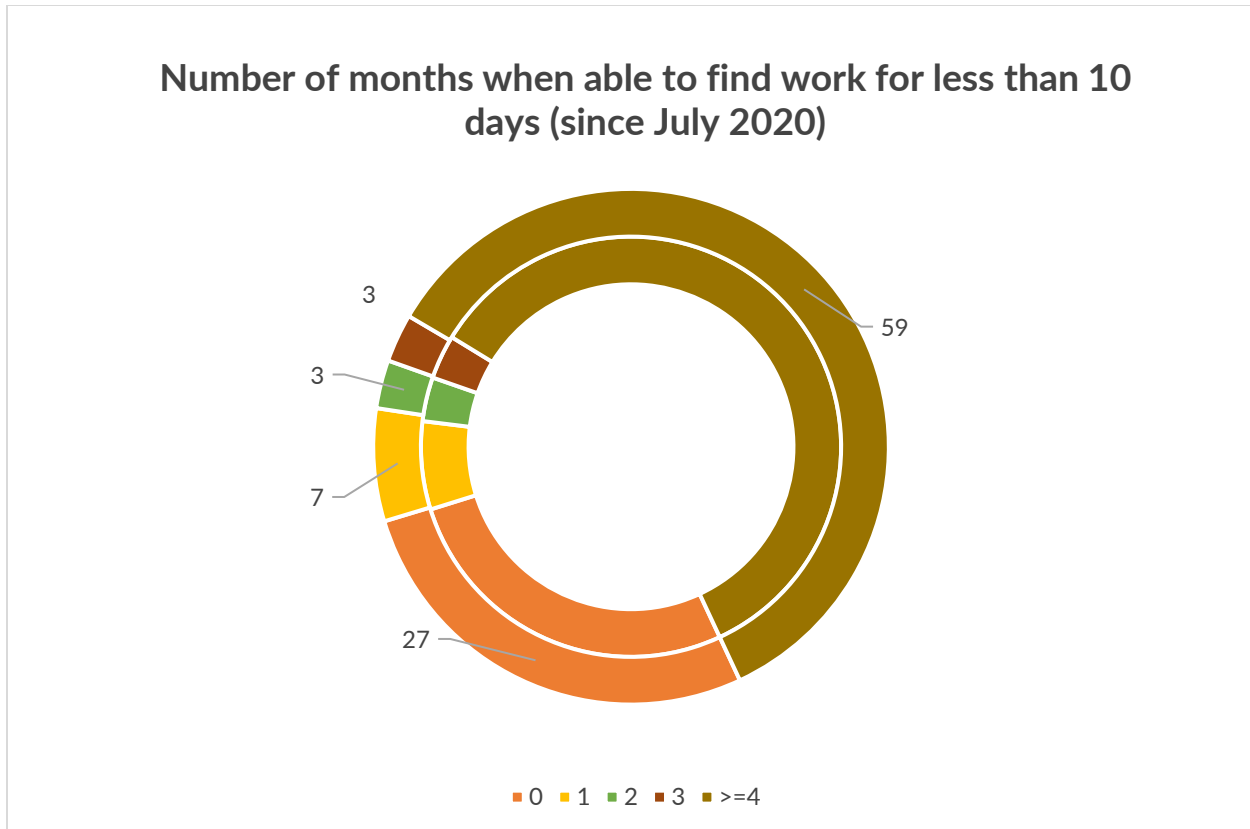
Ability to work: at the time of the Round 2 survey in mid-2021, 16% of respondents had worked at least one day in the previous month, compared to 25% in June 2020 and 12% in April 2020. A few had switched the kind of work they do as home-based workers and one had switched to become a taxi driver.

On average, the respondents worked less than one day (0.7) per week in mid-2021, the same as in April 2020, compared to just over one day per week (1.1 days) in mid-2020 and 4.5 days per week in February 2020 (pre-COVID-19).



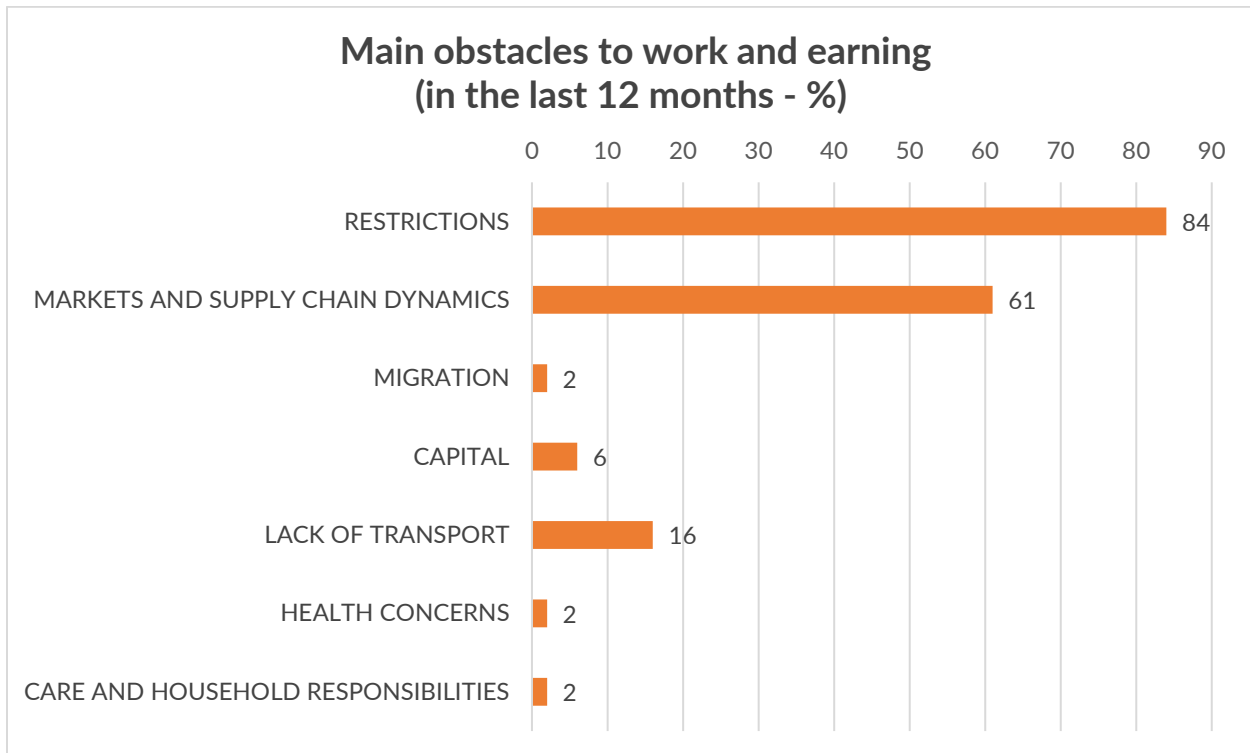
Note: Respondents were asked to report work days in the last seven days, including days during which they worked part-time.

Stability of work: Over the previous year, since July 2020, nearly three-quarters of the home-based workers (74%) were unable to find work for at least 10 days per month for one month or more. Six in every ten home-based workers (60%) were unable to find work for at least 10 days per month for four months or more. Considered another way, on average over the previous year, the home-based workers were unable to find work for at least 10 days per month for four months. By contrast, the one male former home-based worker, who had become a taxi driver, was able to work 10 days or more each month since July 2020



For those who were not able to find work for at least 10 days per month, the main reasons cited were government restrictions and factory closures (84%); market and supply chain dynamics (61%), and lack of public transport (15%). More specifically, in regard to restrictions, 72% reported general government restrictions, 59% reported that their place of work was closed, 59% reported that their place of work was operating at reduced capacity, and 19% said that they were not able to obtain permission to work. In regard to market and supply chain dynamics, 57% reported that they had no work orders or that their work orders had been cancelled, 17% reported that the prices of raw materials and supplies were too high, and 11% reported that the selling prices or piece rates for the goods they produced were too low. Other reasons cited included lack of capital (6%), not enough customers (4%), health concerns (2%) and care responsibilities (2%). Also, one home-based worker had migrated temporarily back to her home town.

The main constraints faced by the one male taxi driver were not being able to obtain permission to work and lack of capital. Despite these constraints, he was earning more in mid-2021 as a taxi driver than he did pre-COVID as a home-based worker. But he regretted that he did not have any time to rest and spend with his family.



Note: Respondents could select more than one response

"During the lockdown time the companies were not functioning regularly, so I did not get work. It is difficult for me to run my family."

"No employment plus (food and other basic needs are) more expensive. It is difficult to meet our family needs, but somehow we have managed."

Earnings⁴

In mid-2021, on average, the home-based workers were earning less than half per day (INR 21) of what they earned in mid-2020 (53INR) and even of what they earned in April 2020 (INR 47), and only 6% of what they earned in February 2020 (INR 368).⁵ In fact, in mid-2021, 88% of the home-based workers had zero income in the previous month. 82% of the home-based workers reported that their household income is less now than pre-COVID and 18% reported that it is roughly the same.

⁴ All earnings data include respondents who have stopped working entirely and/or respondents who were not working in the previous month, whose days of work and earnings are set to 0. All earnings data are reported as gross earnings and do not account for costs of purchasing stocks or other inputs.

⁵ The US Dollar to Indian Rupee exchange rates were as follows across the four reference periods of the study:

Mid-February 2020: USD 1 = INR 71.53

Mid-April 2020: USD 1 = INR 76.50

Mid-June 2020: USD 1 = INR 75.96

Mid-June 2021: USD 1 = INR 73.34

Moreover, in mid-2021, the average daily costs of home-based workers (INR 52) were more than their average daily earnings. By contrast, in mid-2021, the daily earnings of the male taxi driver (1250 INR) were eight times his daily earnings in mid-2020 and more than three times his daily earnings in February 2020. This is in large part due to the fact that he was willing to drive patients to hospitals during the second wave of the pandemic. Also, by contrast, his daily costs (741 INR) were less than 60% of his daily earnings.

	Mid-2021 earnings as % of pre-pandemic ⁶ earnings
Home-based Workers	6%
Taxi Driver	330%

Food Security

India has one of the largest food security systems in the world. Through its Public Distribution System (PDS), the national and state governments provide staple food grains (wheat and rice) and other essential commodities (sugar, salt, kerosene) at subsidized prices through a vast chain of fair price shops. A national act stipulates the quantity and quality of food at affordable prices for different categories of households. The state governments categorize households by poverty level and other variables and issue different ration cards according to the categories. Under the 2013 National Food Security Act, there are two basic types of ration cards across all the states.: Antyodaya Anna Yojana (AAY) ration cards for poor/vulnerable households who are entitled to receive 35kg of food grains per person per month at the subsidized price of three rupees for rice, two rupees for wheat and one rupee for coarse grains; and Priority Household ration cards for other households prioritized by state governments: entitled to receive 5kg of food grains per person per month at the same subsidized prices.⁷

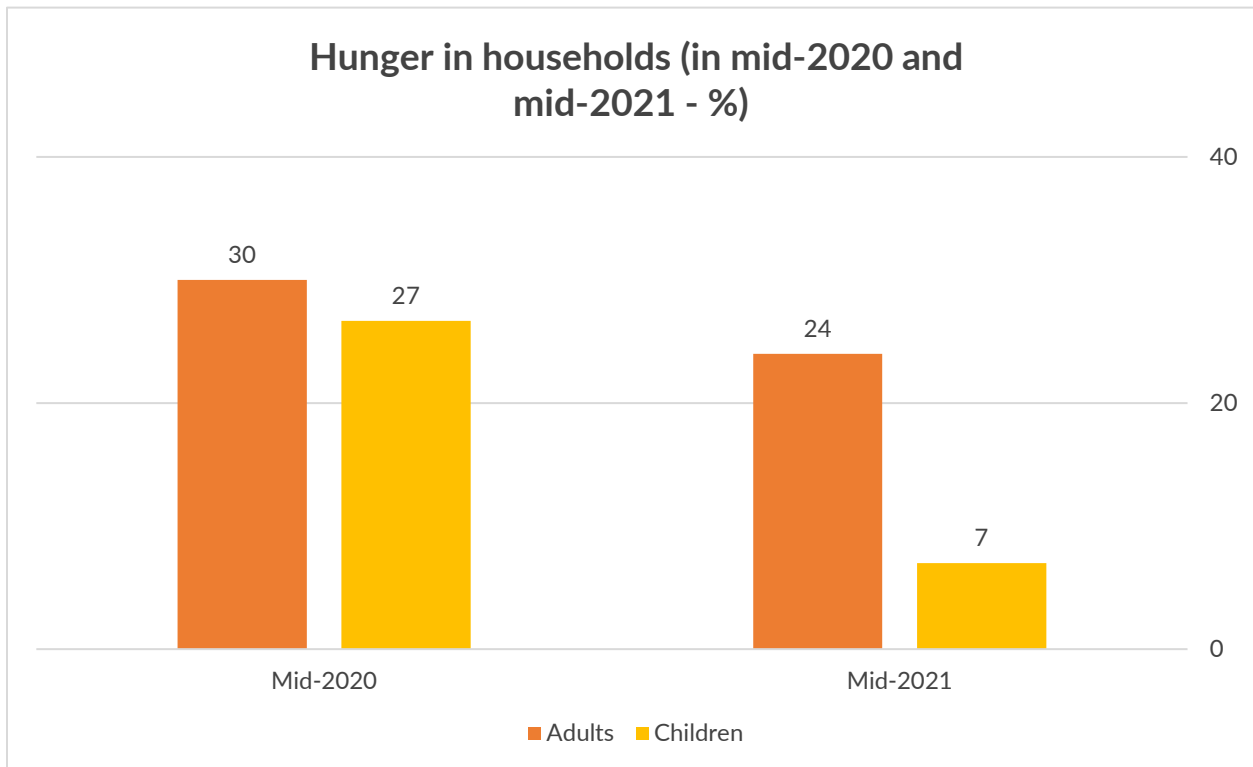
The PDS is not without its challenges, including identification problems, corruption and leakages. But it offered a nationwide system through which both the national government and the state governments, such as Tamil Nadu state, could provide either free or heavily subsidized food aid during the pandemic recession: see Key Dates above and Government Relief below for more details.

However, the market prices of basic food items in Tamil Nadu, and elsewhere in India, spiked during the national lockdown in April and May 2020, and have generally continued to rise. The inflation rate in Tamil Nadu between June 2020 and June 2021 was 8.31% (Consumer Price Index, Ministry of Statistics and Programme Implementation). According to SAVE leaders, by mid-2021, compared to pre-COVID prices in Tiruppur, the price of cooking oil had increased by 15%, rice and lentils (dhal) by 25% and onions by 400%. Also, hospital costs and school fees had risen, and the price of construction materials had increased 100%. As a local union leader summarized the inflation: “during the lockdown the price of the daily needs have increased unreasonably.” However, the price of electricity, set by state governments, has not gone up.

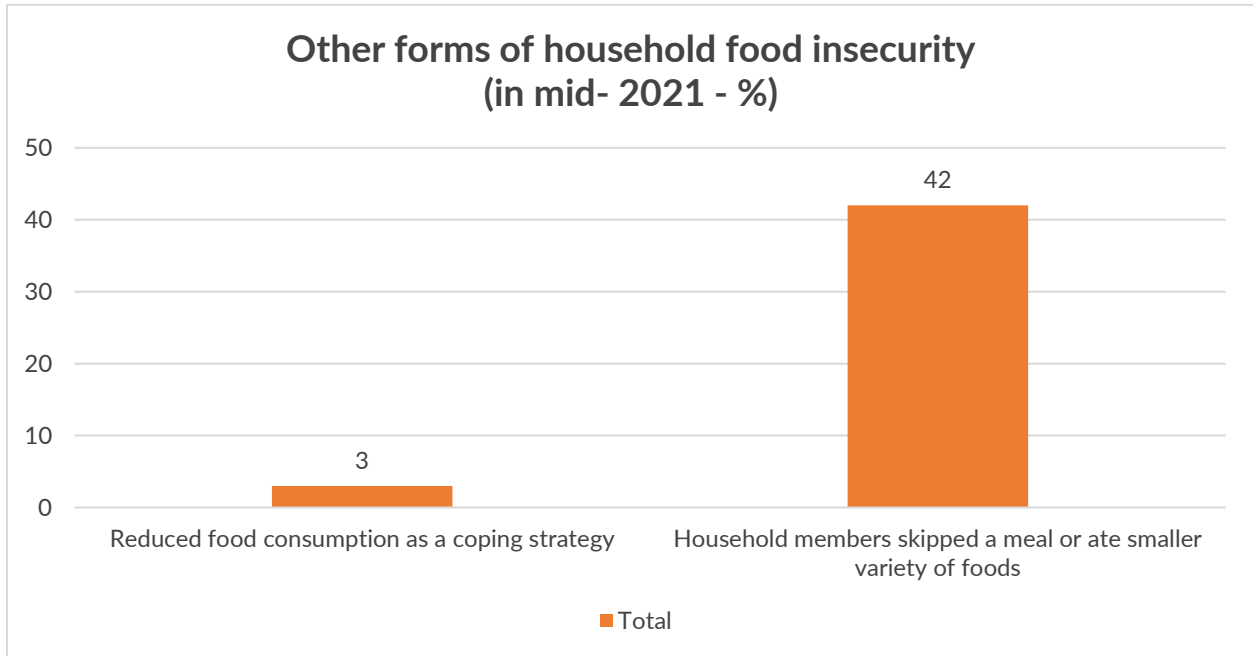
⁶ February 2020

⁷ Earlier, there were three basic categories of ration card holders: below-poverty line households, above poverty-line households and elderly poor.

Despite the acceleration of the PDS since the beginning of the COVID-19 crisis, some households experienced hunger given the severity of the pandemic, the two lockdowns (2020 national and 2021 state-level) and the hike in prices. In mid-2021, 24% of respondents reported hunger⁸ among adults in their household, compared to 30% in mid-2020. And, in mid-2021, 7% of respondents who have children under 16 in their households reported hunger among children, compared to 27% in mid-2020. Also in mid-2021, 42% of the respondents reported that they or other household members had skipped a meal in the last month or eaten a smaller variety of foods than they would have liked; and 3% of the respondents reported that their household had reduced food consumption to get by.



⁸ Respondents were asked whether in the last calendar month 2021, any adults or children in their households “go hungry because there wasn’t enough food.”



"The factories are closed, income has stopped, but the hunger, rent, bills cannot be stopped."

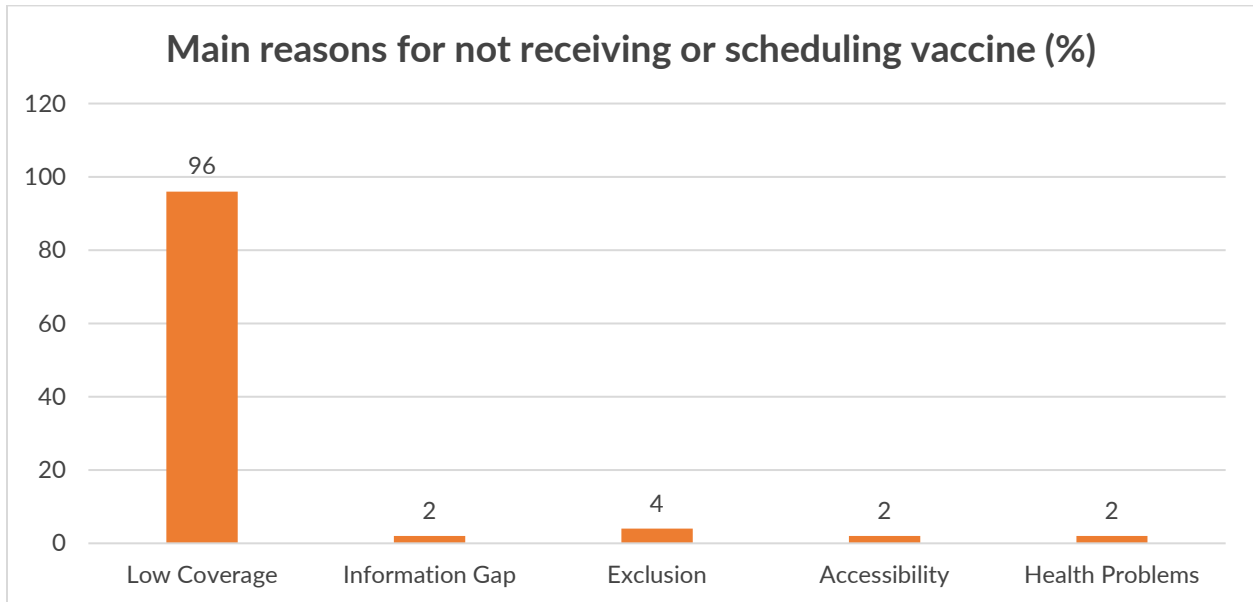
"I did not get work, so it is difficult for me to run my family. With the rations and the money given by the government – with that only – I run my family."

"Because of financial problems, I am unable to feed my family regularly."

Health and Safety

From early 2020 to mid-2021, the Government of India struggled to produce and order enough vaccine doses for its 1.4 billion people. For some time, government clinics and hospitals did not have adequate vaccination supply and people were forced to pay for vaccinations at private clinics and hospitals. As of mid-2021, only 4.28% of the eligible population of India had been fully vaccinated.

As they reopened in late 2020 and early 2021, many of the Tiruppur factories mandated that their workers be vaccinated at private facilities, if vaccine doses were not available at public facilities, and deducted the cost of the vaccinations from the workers' pay. By the time of the study in mid-2021, nearly 90% of the respondents (88%) reported that they had been vaccinated or were scheduled to be vaccinated. For those who had not yet been vaccinated or scheduled their vaccine, the main reason was that vaccines were not available or in limited supply (96%). Others reported that they did not receive any information on how to get vaccinated (13%) or that they could not – or would not – get the vaccine due to health problems (13%).

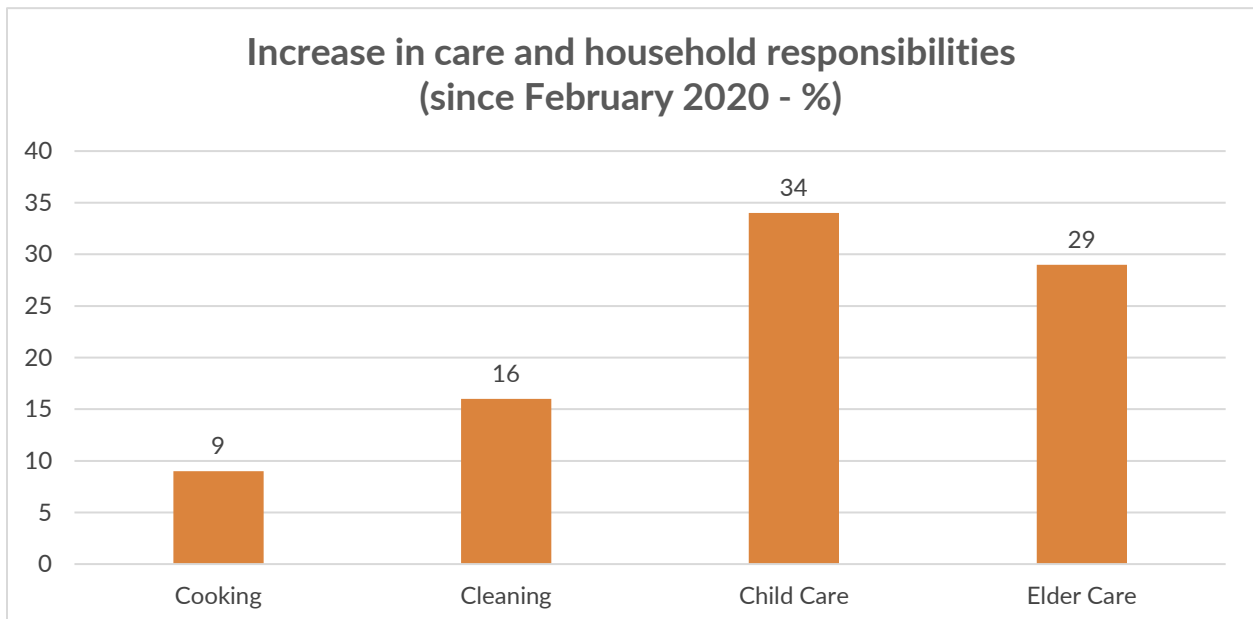


Note: Respondents could select more than one reason

Household Stress

Care and Other Household Responsibilities

In mid-2021, compared to February 2020, 34% of respondents reported an increase in childcare, 29% in elder care, 16% in cleaning and 9% in cooking.



Note: Sample includes only those respondents who reported children and/or older people living in their households.

Household Concerns and Tensions

The cumulative stress of the pandemic recession over 18 months was palpable in the responses to open-ended questions at the end of the survey. When asked what was “the most significant impact of the COVID-19 crisis”, the most common responses in quick succession were lack of work, loss of earnings and inability to pay for essential needs of the family, including: food, housing (rent and utility bills) and schooling (school fees plus cost of phone/data usage for online schooling).

"During the lockdown time the companies are not functioning regularly, so I did not get work. It is difficult for me to run my family."

"My husband is dead, I am the only adult in my family so I have to earn something."

Stress of Unemployment -

"Because of unemployment there is increased stress."

"Unemployment leads to more stress and fear."

"It is very stressful to manage my family without work and money."

Fear of the Virus -

"Even starving didn't make us fearful, but the fear of the infection made us worry a lot."

"I have elderly people and children in my home so I was very frightened as the rate of infection was too high in our city. I thank God for protecting our family."

"As more and more people died, it caused more fear."

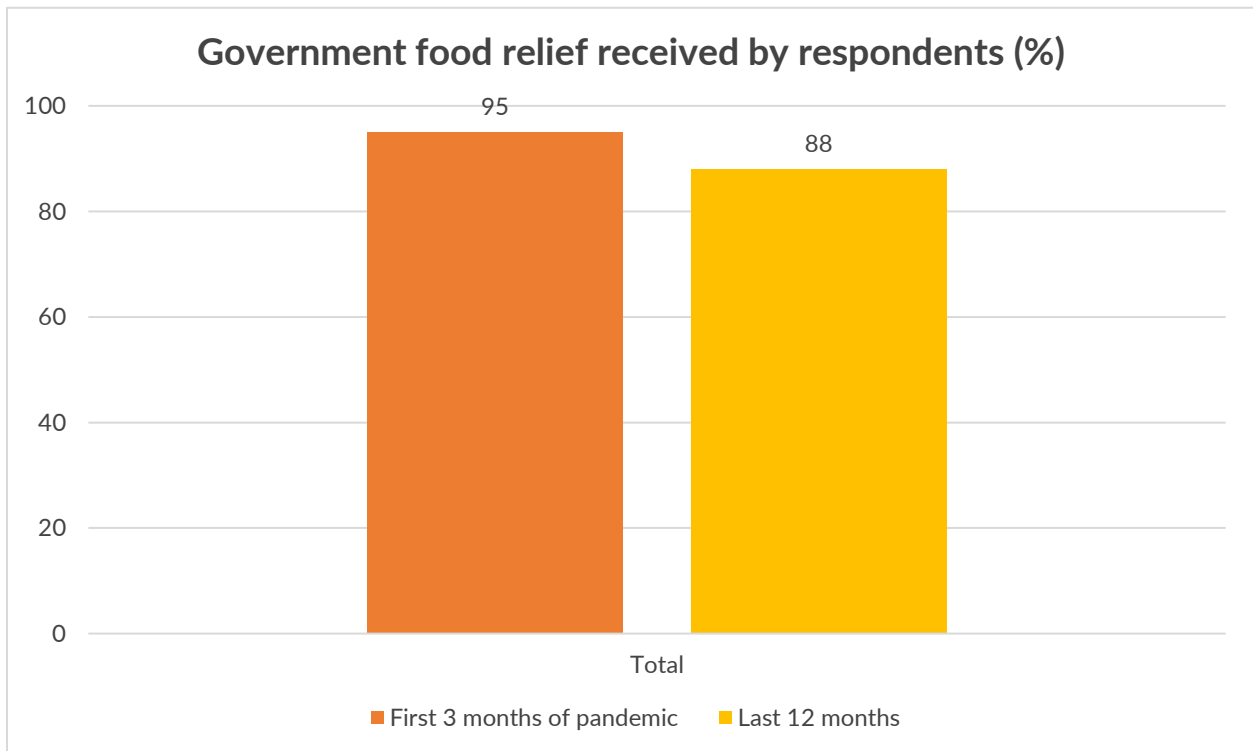
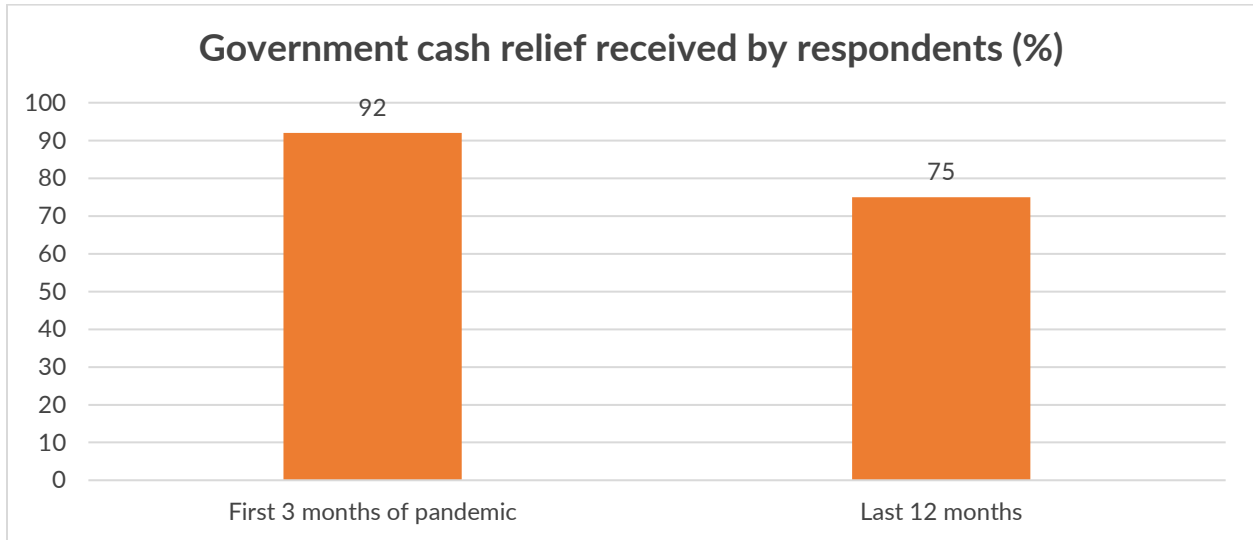
Relief Measures

The previous state government of Tamil Nadu offered cash and food relief in January 2021 on the occasion of a popular Hindu festival; the newly-elected state government offered cash grants and free food aid to ration card-holding households in May 2021. Also, the national government offered free food aid in May and June 2021 to households below the poverty line.

However, there was less overall relief, from both government and non-government sources, during the state lockdown in 2021 compared to the national lockdown in 2020. As a local union leader from the Centre of Indian Trade Unions (CITU) summarized the situation in 2021: “The poverty and struggle for basic needs increased a lot compared to the previous (national) lockdown. Last time our workers received support from many organizations and their friends and relatives but not this time as everyone was affected by the crises. No one was there to help out others as they can't even handle their own problems. The NGO's, trade unions and other organizations worked hard to help the needy people during this period. A lot of food aid was distributed.”

By Government

In the 12 months between mid-2020 and mid-2021, 75% of the home-based workers reported that they received some government cash relief, while in the three early months of the pandemic, between April and June 2020, 92% of the home-based workers received cash relief. Roughly the same was true for government food aid: 88% had received food aid between mid-2020 and mid-2021 while 95% received food aid in the three early months of the pandemic recession in 2020.



Most of those who did not receive cash relief did not apply while a few did not have the necessary documents. Over half of those who did not receive food aid did not have a ration card or other documentation, while 14% applied but did not receive food aid and 29% did not apply.

Some respondents reported a temporary moratorium on paying rent (16%), utilities (2%), tuition (13%) or mortgage (5%). Nearly one in five workers (19%) had loans cancelled, forgiven or deferred. But one respondent told the investigator that “she was mad at the educational institutions for demanding tuition fees even in the crisis situation.”

Clearly, for those who received aid, the cash and food were helpful, but not adequate. The recipients of government relief summed up the situation as follows:

“It helped pay a lot of pending bills, if anything; it helped for a while.”

“The cash grant helped us feed ourselves for two weeks.”

“The 2000 rupees we received from government helped us buy groceries.”

“The 4000 rupees cash grant and the food kit saved us from starving and hunger.”

Even more clearly, for those who did not receive cash or food aid, the situation was dire. Those who were not able to access cash or food aid, or other forms of assistance, summed up their situation as follows:

“No work, no income so we have reduced household expenses. Government cash and food relief were not available as we do not have a ration card.”

By SAVE

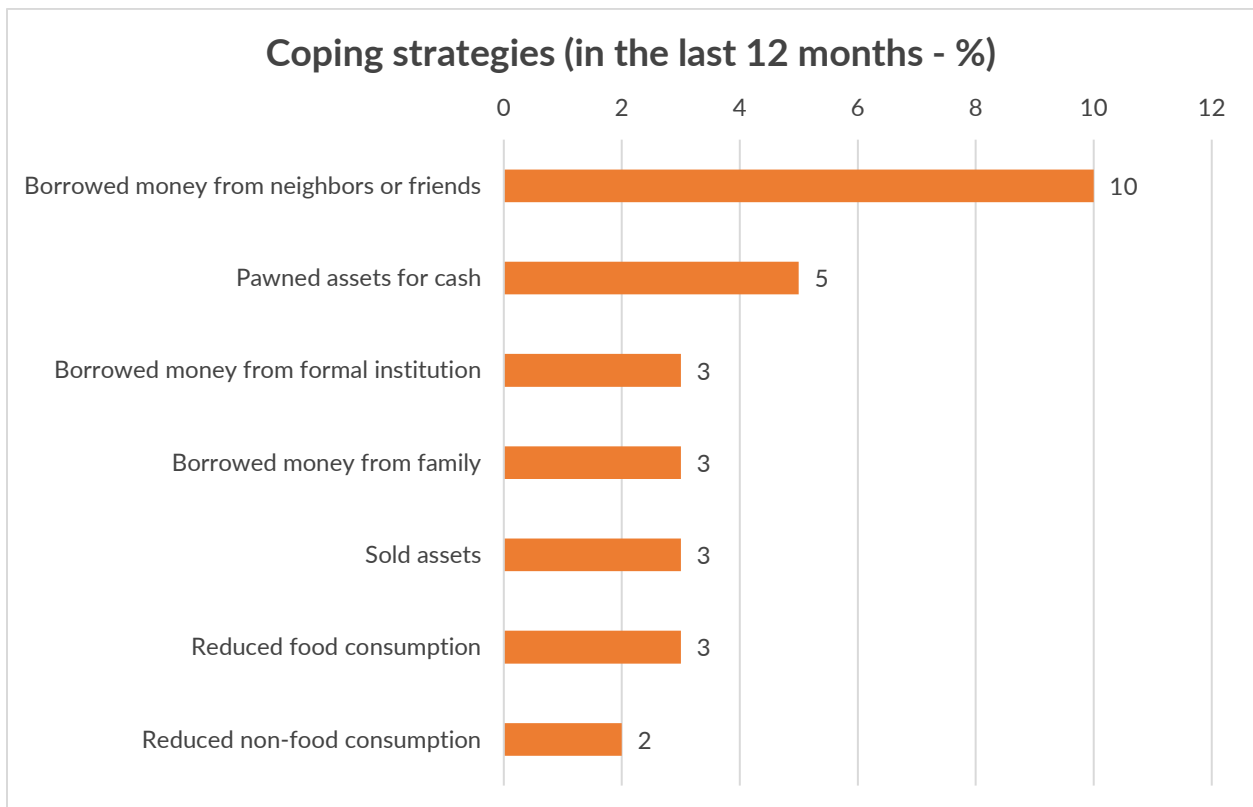
Since the beginning of the COVID-19 crisis in 2020, SAVE and Anuhatham, the trade union of home-based workers, have advocated with the state government to provide relief for the home-based workers and to help the garment factories to reopen. SAVE and Anuhatham also raised awareness among the home-based workers about the benefits of joining the State Welfare Board and helped over 4,300 home-based workers register with the Board. As Mary Viyakula of SAVE explained: “Without the consistent advocacy with the state government by HBW organizations through their field leaders, progressive improvement in (government) outreach wouldn’t have been possible.”

In 2021, SAVE did not distribute cooked food packets, as they had in 2020, as other non-governmental and charitable organizations distributed cooked food. However, in 2021, SAVE distributed dry food rations – rice, millet and lentils – to over 1,800 persons, including 80% of the study respondents. As one respondent put it: “With the dry ration support from SAVE organization, I managed my family's food expenses”. SAVE also provided INR 30,000 grants to 18 families who lost both parents due to COVID-19 and distributed dry rations four times to 55 orphaned children; they also provided dry rations to home-based workers who were widowed due to COVID-19 and to other single parents. SAVE also provided cash, loans and/or equipment to

help 33 home-based workers restart their businesses. In addition, SAVE provided other types of support: from public health education to helping with testing and vaccinations to emotional support to resolving disputes between the home-based workers and their suppliers, middlemen, and employers.

Coping Strategies

Since mid-2020, only 20% of the respondent households had to resort to asset-depleting strategies to cope with the crisis. Around 15% of the respondent households borrowed money: 10% from friends or neighbours, 3% from family and 3% from banks or formal financial institutions. Nearly one in ten respondent households (9%) pawned or sold assets for cash, and 5% reduced consumption of food or non-food items. However, many households coped by reducing consumption of food and other basic needs, and some households coped in other ways. One respondent transferred her daughters into a free government school, from a private school, and moved her family to a lower-rent house. As one home-based worker leader summarized the situation: “If there is no further lockdown we can manage. But we cannot imagine another lockdown – we will die off.”



Note: Respondents could select more than one response

One in ten respondents needed capital to restart their businesses. 40% of them borrowed from family or friends to secure this, 40% drew down savings and 20% pawned or sold assets. Only one respondent received a loan from government.

Of those respondent households who drew down their savings since the start of the pandemic, 69% had not been able to rebuild their savings by mid-2021, 25% had rebuilt less than half of their savings and only one household had built up half of their savings.

Among the respondent households which took out loans over the last 12 months, the average amount of outstanding debt was 983 Indian rupees. As one investigator commented about a respondent: "She is feeling down as this is the second lockdown. During the first (national) lockdown all her savings were spent. Now, during the second (state) lockdown she had to take a loan."

Sector	Outstanding loan amount
Home-based Workers	INR 983 on average
Taxi Driver	INR 10,000

"Due to the lack of employment I was not able to repay our home loan."

"I didn't get regular work so I couldn't repay the debts which I got before the lockdown."

"Due to the lockdown i was unable to work, and so I had to borrow money from our neighbors to pay my daughter's college fees. I worry about the repayment."

"My financial problems increased due to my unemployment. I had borrowed a lot from informal moneylenders before the lockdown and I could not repay what I owe."

"Due to unemployment I couldn't repay my debts."

"Because of financial issues I admitted my children in a (free) government school."

"Because of unemployment I spent all my savings on my family's daily expenses."

"Since the first lockdown I have not had work continuously. It's a great loss for me – all my savings are gone now."

"There was no work due to the curfew. Thus, I began selling flowers. No other income than that, we have managed."

"In other areas work was available but transport was not available – so unable to go for outside work."

Case Study: Home-Based Worker Leader

“Before COVID-19 we were able to meet our daily expenses through my income and we used my husband’s income for savings and other expenses. But now as I don’t have any income we totally rely on my husband and son’s earnings but that is not sufficient. When I was working as a home-based worker, I was paid every Saturday – about 1,000 to 2,000 rupees – which I would use for the next week’s expenses. But as my income is stopped now, I have to borrow money from the neighbors or the local moneylender to meet our day-to-day expenses and I have to repay them when my husband gets paid. I have taken loans again and again from moneylenders.

As home-based workers we mostly work for small and medium companies. Due to the impact of COVID-19 and the lockdown, the sales in the domestic market and international market dropped, so the orders were cancelled or postponed so most of the production units are closed. This led to low production of garments - so we don’t receive work orders like we received before COVID and our income has reduced by 60 to 70%...

We had bitter experience in the last lockdown (i.e. state lockdown in April-June 2021) as we faced huge financial crisis. We determined not to take any loan from friends, relatives, or any moneylenders as we haven’t settled the loans which we took during the last lockdown. So we managed with what we had and we even cooked the (low quality) rice given by the government ration shops which we have never done before.”

Recovery and Beyond: Informal Worker Needs and Demands

When asked in open-ended questions what their sector needed to recover, the respondents voiced the following needs or demands in the following rank order. The first two are closely inter-related as home-based workers need to be recognized as workers in order to be enrolled in national and state social welfare schemes.

Recognition as Workers

Recognition as workers has a specific meaning for home-based workers, especially women, whose work at home remains invisible, unrecognized and unvalued. And it has an additional meaning for home-based workers in Tiruppur, and elsewhere in Tamil Nadu, who would be entitled to social welfare benefits if they were recognized as workers and enrolled as informal workers under the State Welfare Board. Further, being recognized and registered with the State Welfare Board would have a special meaning for home-based workers, and other informal workers, during the pandemic recession as it would help them access relief measures.

“We should be recognized as workers and we should receive the same benefits as formal workers receive.”

“It would be helpful if the government would recognize home-based workers, like us, as workers and offer benefits, such as relief, during this lockdown.”

“The government does not recognize us as workers and does not provide any benefits. Our wages or piece rates are low. It would be nice if the government took care of informal workers like us.”

Social Protection

India has a patchwork of social protection and anti-poverty schemes which cover only a small percentage of the population, more so in rural than urban areas. What India needs, and what the Tiruppur home-based workers are effectively demanding, is a comprehensive integrated social protection system, comprised of both social assistance/safety nets and social insurance, including income support and social services for the large urban informal workforce especially during crises.

“We need regular work and we need to be considered as workers who are provided welfare benefits during times of unemployment.”

“We need welfare benefits from the government like formal workers get.”

“We need social security benefits because this would help us to get cash advances or some compensation during this unemployment.”

“The government should take initiative to provide relief and welfare measures to informal workers.”

“The government should enroll us in social security schemes and provide us social security benefits.”

“We need support from the welfare board for monthly pensions.”

“We do not have any benefits as home-based workers. If we have Social Security under the Employees’ Security Insurance (ESI) and Employee’s Provident Fund (EPF), we would be able to get cash advances which would help during the loss of work.”

Some respondents also called for relaxation of the standing operating procedure (SOP) for preventing the virus in shops and other workplaces, and help with accessing welfare schemes.

Relief and Recovery Measures

The respondents expressed the need for continuing cash and food aid for the duration of the pandemic recession; waivers or subsidies for key expenditures (i.e. rent, utilities, school fees, licenses or permits); subsidized loans or (preferably) grants for business expenses; and other livelihood support (e.g. skills training; employment opportunities). One respondent who supplements earnings from home-based work with street vending wanted to be able to purchase stock and supplies on credit. Some respondents expressed the need for PPE, vaccinations and medicines to cope with the pandemic.

“If we get a loan with subsidy, we will restart our livelihoods slowly.”

“If I get a loan, I will buy a new advanced and updated (sewing) machine to improve my work.”

An Enabling Policy Environment

The core policy demands were for a guaranteed minimum wage – or piece rate – and regulation of the hiring practices of the factories and their contractors. Another common policy demand was for government to create more employment opportunities. One or two respondents called for improved housing as their homes double as workplaces. Also, some respondents called for assistance with accessing public services or work permits and with filing grievances or legal cases against employers. Additionally, some migrant workers called for assistance in dealing with employment and residence issues linked to their immigration status.

“Government should take initiative to fix the minimum wage for informal workers and also control the malpractices of contractors.”

“Government should increase the piece rate and also fix the minimum wage. This will help to improve income.”

“Home-based workers are not recognized as workers, are not provided any benefits and receive very low wages. It would be nice if the government took care of informal workers like us.”

The most common refrain from the respondents was: “We need continuous or regular work”. Some respondents voiced this demand quite forcefully: “We don’t want loans, we need continuous work.” Others demanded welfare benefits to fall back on when unemployed in addition to continuous employment: “Only continuous employment will lead our lives to a better situation. If the government provides any social security measures it would be most helpful during this pandemic time.” “We need regular work; and we need to be considered as workers who are provided welfare benefits during times of unemployment.”

When asked what the home-based workers need for recovery, a local union leader from the Centre of Indian Trade Unions (CITU) answered succinctly: “Employment! Employment!” When asked about the prospects for economic recovery for the home-based workers, the local union leader answered: “It will take another year to get work orders for home-based workers, some of them are already going (to work) in the factories.” Another local union leader from the Indian Trade Union Confederation (ITUC) agreed: “For the next one year, their earning is highly questionable. The government has to take care of them by providing some cash and food support.”

Given that the situation of home-based workers in Tiruppur is as bad, if not worse, in mid-2021 as it was in mid-2020, their platform of demands remains as it was in 2020:

- Continuing food aid until the COVID crisis is over.
- Recovery cash grants until home-based workers are able to resume work.
- Livelihood support programmes, including increased work orders and higher piece-rates for home-based workers.
- Alternative employment schemes, especially for migrant workers.
- Social protection: health insurance, health care, pensions.
- Recognition and registration of home-based workers under state Manual Workers Welfare Board schedule of “unorganized” workers.
- Fair wages/piece-rates for home-based workers through tripartite negotiation mechanisms.

COVID-19 Crisis and the Informal Economy is a collaboration between the global network Women in Informal Employment: Globalizing and Organizing (WIEGO) and local partner organizations representing informal workers in 12 cities: Accra, Ghana; Ahmedabad, India; Bangkok, Thailand; Dakar, Senegal; Dar es Salaam, Tanzania; Delhi, India; Durban, South Africa; Lima, Peru; Mexico City, Mexico; New York City, USA; Pleven, Bulgaria; and Tiruppur, India. The mixed-methods longitudinal study includes survey questionnaires of informal workers and semi-structured interviews with informal worker leaders and other key informants, all conducted by phone. For more information, visit wiego.org/COVID-19-Global-Impact-Study.

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org.

Social Awareness and Voluntary Education (SAVE) is a non-profit organization in Tiruppur, India founded in 1993 to support and empower socio-economically poor and marginalized communities. SAVE seeks to eliminate child labor, empower women and youth, and promote fair labour standards. SAVE founded and supports Anuhatham, a local trade union of homeworkers. Visit: www.savengo.org

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