

To cite this output:

De Neve, GR, *et al* (2011) Transforming Livelihoods: Work, Migration and Poverty in the Tiruppur Garment Cluster, India.

ESRC End of Award Report, RES-167-25-0296. Swindon: ESRC

## ECONOMIC AND SOCIAL RESEARCH COUNCIL END OF AWARD REPORT



### For awards ending on or after 1 November 2009

This End of Award Report should be completed and submitted using the **grant reference** as the email subject, to **reportsofficer@esrc.ac.uk** on or before the due date.

The final instalment of the grant will not be paid until an End of Award Report is completed in full and accepted by ESRC.

Grant holders whose End of Award Report is overdue or incomplete will not be eligible for further ESRC funding until the Report is accepted. ESRC reserves the right to recover a sum of the expenditure incurred on the grant if the End of Award Report is overdue. (Please see Section 5 of the ESRC Research Funding Guide for details.)

Please refer to the Guidance notes when completing this End of Award Report.

<b>Grant Reference</b>	RES-167-25-0296		
<b>Grant Title</b>	Transforming livelihoods: work, migration and poverty in the Tiruppur garment cluster, India		
<b>Grant Start Date</b>	01/07/2008	<b>Total Amount</b>	£ 237,835.38
<b>Grant End Date</b>	31/12/2010	<b>Expended:</b>	(£191,982.11 by ESRC)
<b>Grant holding Institution</b>	University of Sussex		
<b>Grant Holder</b>	Dr Geert De Neve		
<b>Grant Holder's Contact Details</b>	<b>Address</b>	<b>Email</b>	
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<b>Co-Investigators (as per project application):</b>	<b>Institution</b>		
Dr Grace Carswell	University of Sussex		

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## 1. NON-TECHNICAL SUMMARY

Please provide below a project summary written in non-technical language. The summary may be used by ESRC to publicise your work and should explain the aims and findings of the project. *[Max 250 words]*

The research intended to use an interdisciplinary approach to critically examine changing livelihood strategies of both rural and urban populations that are increasingly dependent on, or affected by, export industries. While studies tend to focus on working conditions inside factories, little is known about the changing livelihoods of those employed in booming export industries or about the wider impacts of these industries on rural populations. The research had three primary aims:

- 1) To enhance our understanding of the impacts of industrial expansion on urban and rural households in developing countries;
- 2) To improve our understanding of persistent poverty and 'poverty traps' in areas of rapid economic growth;
- 3) To inform policy interventions by the state, multinational corporations and international NGOs that aim to reduce poverty and improve livelihoods.

Field-based research in and around Tiruppur, a major garment manufacturing and export town in Tamil Nadu, South India, revealed a number of issues. First, urban garment work attracts large numbers of workers, including low-caste and migrant labourers, and is seen by many as a desirable source of employment, not in the least because of the relatively higher wage levels and the opportunities it offers to escape rural ties of caste, discrimination and dependency. Second, caste, gender and migration status function as key social institutions that not only produce structural imperfections in labour markets and wage patterns, but also shape rural people's access to new industrial employment opportunities. Third, while industrial work has offered new employment opportunities to the rural poor, government social policies have also been important in improving rural livelihoods.

## 2. PROJECT OVERVIEW

### a) Objectives

Please state the aims and objectives of your project as outlined in your proposal to the ESRC. *[Max 200 words]*

The main objective of the proposed research was to investigate the highly differentiated impacts of integration into the global economy on garment workers, migrants, and others indirectly affected by industrial transformations. Through a detailed case study of an urban garment cluster and its industrialising rural hinterland in south India, this project aimed:

- a) To enhance our understanding of the impacts of industrial expansion on urban and rural households in developing countries by exploring the changing livelihood strategies of both urban and rural populations that are increasingly affected by export industries;
- b) To improve our understanding of persistent poverty and 'poverty traps' in areas of rapid economic growth;

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- c) To investigate changing patterns of rural and agricultural change in industrialising regions, and the changing connections between agriculture and industry;
- d) To explore the ways in which industrial transformation affects the life of workers in broader terms, especially with reference to poverty and inequality, the development of human capital and opportunities for upward mobility;
- e) To inform policy interventions by the state, multinational corporations and international NGOs that aim to reduce poverty and improve livelihoods.
- f) To publish research findings on employment, migration and changing livelihoods in the Tiruppur region of Tamil Nadu in a number of ways, including among others policy briefings, journal articles, and a special issue of a journal.

### **b) Project Changes**

Please describe any changes made to the original aims and objectives, and confirm that these were agreed with the ESRC. Please also detail any changes to the grant holder's institutional affiliation, project staffing or funding. *[Max 200 words]*

No changes were made to the original aims and objectives of the project. The grant holder's institutional affiliation, the project staffing and the funding all remained unchanged.

### **c) Methodology**

Please describe the methodology that you employed in the project. Please also note any ethical issues that arose during the course of the work, the effects of this and any action taken. *[Max. 500 words]*

As set out in the original proposal, the project was based on field research carried out over a 12-month period in and around Tiruppur, a major garment manufacturing and export town in Tamil Nadu, South India. Located at the heart of a rapidly industrialising region, Tiruppur formed an ideal location to study the impacts of economic growth on livelihoods and poverty. The research methodology described below was entirely in line with the methodology outlined in the proposal.

Dr De Neve and Dr Carswell carried out nearly 12 months of field research, in the town of Tiruppur and in two villages in its hinterland. De Neve focused on urban garment workers and carried out a survey of 300 garment workers in Tiruppur. He also conducted 4 months of participant-observation research in a small garment firm to observe shop-floor interactions between workers and employers. De Neve conducted over 100 interviews with garment workers, labour contractors, and industrialists, and collected life histories of urban workers, commuters and migrants. De Neve focused on the life and employment trajectories of these different groups of workers through multi-sited fieldwork that included interviews in Tiruppur, in the two commuter villages selected by Carswell (see below), and in two migrant sourcing villages over 200 km away from Tiruppur.

Dr Carswell carried out field research in 2 villages located in Tiruppur's hinterland, which were selected for their very different connections with Tiruppur. Carswell's focus was on changing

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agrarian relations and agricultural practices as well as on processes of livelihood diversification and linkages with the urban garment industry. She carried out a household survey of more than 250 households in each village, covering caste, gender, age, education, occupation, migration, land ownership and household assets. In addition, Carswell carried out in-depth interviews with individuals and groups of informants to identify changing agricultural practices, patterns of access to new economic opportunities, and shifting bases of dependency and inequality. Through both interviews and participant-observation, Carswell collected detailed qualitative data on village politics and changing caste relations in both villages.

Dr Heyer was contracted to carry out 6 months of field research, and during this period she conducted research in two villages 25km north of Tiruppur, with which she has been familiar since the early 1980s. In both villages, Heyer undertook household surveys, covering more than 300 households in total, and conducted in-depth interviews with landowners, agricultural workers and commuters to Tiruppur. She focused on similar themes as Carswell, with a particular emphasis on the impact of state social policy on caste, gender, employment and employment relations.

Dr M. Vijayabaskar similarly carried out 6 months of field research in Tiruppur. With De Neve he carried out the garment workers' survey (see above) and conducted in-depth interviews with workers, labour contractors and industrialists. He also carried out interviews with employers and their associations, union representatives and government officials. His research focused on buyer-supplier relations, technological upgrading, changing labour markets and government policy affecting the garment industry.

#### **d) Project Findings**

Please summarise the findings of the project, referring where appropriate to outputs recorded on the ESRC website. Any future research plans should also be identified. *[Max 500 words]*

The main findings, summarised here, are being written up into multiple articles (uploaded on ESRC website):

##### 1. Employment in the Tiruppur garment cluster:

Garment work has become a desirable form of employment for both daily commuters and longer-distance migrants, not least because the industry offers relatively high wage levels. Migrants may settle in Tiruppur, or may be short term, returning to their home villages after a few months to use their earnings to settle debts or invest in agriculture and house improvements.

However, employment in Tiruppur has its perils. Fluctuating markets and downward pressures on prices have led to an enhanced casualisation of the labour force, high levels of labour turnover, and high firm mortality. A major recent development identified by our study is the significant rise in labour contractors: most workers are now recruited through contractors who act as crucial middlemen. While working for contractors has certain advantages (notably higher wages and flexibility), the welfare implications are deplorable. Particularly vulnerable are migrant workers, not only because of segregated labour markets and the lack of social capital, but also because of extremely poor living conditions in town, marked by a high cost of living and poor housing. While CSR interventions have improved working conditions in a minority of factories, they have not

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begun to address the wider problems of living and working in a rapidly industrialising town.

## 2. Changing rural hinterlands and livelihoods:

Our study of villages in Tiruppur's rural hinterland revealed changes in agricultural practices, rural livelihoods and employment opportunities. Tiruppur's garment industry has affected rural livelihoods both directly and indirectly. Garment work has offered rural dwellers new job opportunities, higher wages than in agriculture, and an opportunity to escape rural ties of caste, discrimination and dependency. But while some villages have become 'commuter villages', distance or lack of transport make urban work much less accessible for others. Crucially, a well-developed powerloom industry in some villages around Tiruppur keeps a mainly Dalit workforce away from garment jobs and tied to rural employers through debt bondage.

The *indirect* impacts on rural livelihoods are as important. A high demand for factory workers has led to a tightening of labour markets and considerable labour shortages in agriculture. Both labour arrangements and cropping patterns have changed with agricultural workers increasingly enjoying shorter working days, better working conditions and higher wages. However, caste and gender function as key social institutions that not only produce structural imperfections in labour markets and wage patterns, but also shape rural people's access to new industrial employment opportunities.

## 3. Social policies:

Not all changes in the region result from the garment industry. Social policies have been crucially important to the improvement of rural livelihoods. Tamil Nadu's well-developed transport system, public food distribution schemes, and significant progress in education have considerably improved the livelihoods of the rural poor, many of whom are Dalit. The introduction of the National Rural Employment Guarantee Act from 2008 is providing additional employment for the rural poor, especially women and older people. De Neve and Carswell have recently obtained a small grant to further research the impacts of this scheme.

### e) Contributions to wider ESRC initiatives (eg Research Programmes or Networks)

If your project was part of a wider ESRC initiative, please describe your contributions to the initiative's objectives and activities and note any effect on your project resulting from participation. *[Max. 200 words]*

The project has made a significant contribution to the ESRC-DFID-funded research programme on poverty.

Firstly, our research has provided new insights into some main causes for *persistent poverty or 'poverty traps'*, particularly in areas with high levels of economic growth. One of these causes includes the reproduction over time of debt dependency relationships in rural industries that prevent low-caste villagers from accessing new urban, industrial employment opportunities. Another cause relates to persistent forms of rural discrimination based on gender and caste.

Secondly, our research has revealed the key significance of *state welfare policies*, particularly for Dalit and poor rural households. State provisions of subsidised food, housing, transport and education have been crucially important to the alleviation of extreme poverty, the improvement of rural livelihoods, and the ability of families to cope with shocks and crises in rural and urban

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labour markets.

Thirdly, the research has revealed the continued *precarious position* of rural and urban households whose livelihoods increasingly depend on production for export markets. Global crises, shifting sourcing patterns and downward pressures on prices create persistent vulnerabilities at the sites of global production that undermine the ability of the poor to make meaningful and lasting improvements to their livelihoods.

### 3. EARLY AND ANTICIPATED IMPACTS

#### a) Summary of Impacts to date

Please summarise any impacts of the project to date, referring where appropriate to associated outputs recorded on the ESRC website. This should include both scientific impacts (relevant to the academic community) and economic and societal impacts (relevant to broader society). The impact can be relevant to any organisation, community or individual. [Max. 400 words]

In line with the proposal, we organised a workshop in Chennai, July 2009, where the four investigators presented early research findings to academics and policy makers.

In July 2010, we organised a two-day conference at the University of Sussex, entitled 'Working for Export Markets: Labour and Livelihoods in Global Production Networks' at which our research was presented in a comparative context alongside other research on labour and livelihoods in global export industries. More than 40 academics attended the conference. Carswell presented: 'The Knock-on Effects of Globalisation: Changing Labour Relations and Livelihoods in the Tiruppur Textile Region', De Neve presented: 'Contractors are the real bosses here!': Trajectories, Roles and Agency of Labour Contractors in the Tiruppur Garment Industry', Heyer presented 'The Impacts of Tiruppur on the hinterland: gender, caste and age', and Vijayabaskar circulated 'Global Crises and Local Labour Response: A Case for Regional Social Regulation'. A selection of the conference papers is currently being prepared for submission for publication (see Future Impacts).

In addition, the four researchers on the project have written and presented more than 12 research papers (including at the British Association of South Asian Studies, Warwick, April 2010; European Conference of Modern South Asian Studies, Bonn, July 2010; and Annual Conference of the Royal Geographical Society, London, September 2010). Many of these research papers have already been submitted for publication in peer-review journals and edited volumes, including to *Transactions of the Institute of British Geographers*, *Geoforum* and *Economy and Society*.

De Neve has published one journal article, entitled 'Power, Inequality and Corporate Social Responsibility: The Politics of Ethical Compliance in the South Indian Garment Industry' (*Economic and Political Weekly*, 2009), and De Neve and Carswell have an article in press, entitled 'NREGA and the Return of Identity Politics in Western Tamil Nadu' (*Forum for Development Studies*, 2011).

Working towards broader societal/economic impacts, we have engaged with NGOs concerned with labour issues in the garment industry of the Global South. De Neve presented an early

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summary of the research in June 2009 to SAVE, the main local NGO in Tiruppur, and to representatives from the NGOs Solidaridad and India Committee of the Netherlands. In order to disseminate our research findings among policy makers and NGOs, we have produced 3 policy briefs that address: 1) Labour regimes and CSR policies in export clusters, 2) Impacts of urban export industries on rural livelihoods, and 3) Worker welfare in export zones. These policy briefs are available on the website of the School of Global Studies, University of Sussex, and on the ESRC website.

### **b) Anticipated/Potential Future Impacts**

Please outline any anticipated or potential impacts (scientific or economic and societal) that you believe your project might have in future. [Max. 200 words]

In terms of future scientific impact, we will submit a special issue, entitled 'Labour and Livelihoods in Global Production Networks', to the journal *Development and Change* (July 2011), which focuses on labour agency and workers' livelihoods in global production networks. The papers of this issue develop a new theoretical approach to the study of labour that combines the approach to labour agency developed in Human Geography with the interdisciplinary framework of Global Production Networks and value chains. Carswell and De Neve will write the introduction, De Neve will contribute a paper entitled '*There you are like a bird in a cage!': Indian garment workers critiquing Fordism and CSR*', and Heyer will contribute a paper entitled '*Work in Tiruppur's hinterland: rural labour facing a changing economy in South India*'.

In terms of future societal/economic impacts, copies of the 3 policy briefs mentioned above will be widely distributed over the coming year among an audience of policy makers and NGOs engaged with labour conditions and labour standards in the global garment and textile industry. The investigators are also planning to present their research findings and policy recommendations to various NGOs, including in India and the Netherlands, over the coming year, in a direct attempt to influence policy making and wider civic interventions in this area.

You will be asked to complete an ESRC Impact Report 12 months after the end date of your award. The Impact Report will ask for details of any impacts that have arisen since the completion of the End of Award Report.

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#### 4. DECLARATIONS

Please ensure that sections A, B and C below are completed and signed by the appropriate individuals. The End of Award Report will not be accepted unless all sections are signed.

Please note hard copies are NOT required; electronic signatures are accepted and should be used.

##### A: To be completed by Grant Holder

*Please read the following statements. Tick ONE statement under ii) and iii), then sign with an electronic signature at the end of the section (this should be a image of your actual signature).*

###### i) The Project

This Report is an accurate overview of the project, its findings and impacts. All co-investigators named in the proposal to ESRC or appointed subsequently have seen and approved the Report.	V
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###### ii) Submissions to the ESRC website (research catalogue)

Output and impact information has been submitted to the ESRC website. Details of any future outputs and impacts will be submitted as soon as they become available.	V
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**OR**

This grant has not yet produced any outputs or impacts. Details of any future outputs and impacts will be submitted to the ESRC website as soon as they become available.	<input type="checkbox"/>
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**OR**

This grant is not listed on the ESRC website.	<input type="checkbox"/>
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###### iii) Submission of Datasets

Datasets arising from this grant have been offered for deposit with the Economic and Social Data Service.	V
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**OR**

Datasets that were anticipated in the grant proposal have not been produced and the Economic and Social Data Service has been notified.	<input type="checkbox"/>
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**OR**

No datasets were proposed or produced from this grant.	<input type="checkbox"/>
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