

# Gethu Post

A newsletter from workers on the margins

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**GETHU**  
**GROUP**



 **PARTNERS IN CHANGE**  
Promoting Human Rights in Business

# Analysis Report Of Information Collected From Garment Workers In Dindigul During The COVID-19 Lockdown

Data collection by Vaanavil Research Collective (until 5 April 2020) and  
Data Analysis by Gethu Group

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## 1. INTRODUCTION

Vaanavil research collective organised a dipstick study with 21 garment workers and 51 villagers in 7 villages in Dindigul district. Workers were interviewed on aspects including receipt of salary and on EPF deductions. Villagers were asked about PDS, Jan Dhan accounts and other schemes announced by the Government. Workers were interviewed on April 2-3, 2020 and villagers were interviewed on April 3-5, 2020.

## 2. FINDINGS

### 2.1. Wages and salaries

The Government has requested employers to pay salaries to all workers even for the lockdown period. There are however no clear instructions in terms of order to the mills.

During this period, none of the 21 interviewed workers received salary. None of the workers have been informed or assured by the company that they would get their salary for the lockdown period. Most of them are awaiting intimation from the company. Some of the workers have also stated that the companies have already informed them not to accept any salary for the lockdown period. Some of them have not even got salaries of the pre-lockdown days, as mills are not functional.

Most workers do not even know whether they still have the job. They are also worried about when the mills would start again and whether they would be called to work, even when the mill begins working. A number of them are facing despair like situations resulting in depression.

The Centre has decided to give three months pension in advance to all the 2.98-crore beneficiaries who belong to the elderly/ person with disability/ widow category. Besides these pensions, they are entitled to Rs 1000 ex-gratia amount. Of 51 villagers interviewed, 8 villagers are eligible for support (because they had such a person in their household) for Rs 1000 ex gratia amount. None of them have received it.

Under the Pradhan Mantri Kisan Yojana, the first installment of Rs 2,000 due in 2020-21 will be front-loaded and paid in April 2020 itself. **5 of the interviewed villagers are eligible for this scheme, but they have not received any such benefit.**

### 2.2 Indebtedness

While the information on loans taken by the villagers is still being collected, some of the interviewed workers stated that most of them do not have income but their expenses have only marginally reduced. So, some have resorted to buying groceries by keeping an account with shopkeeper (deferred payment) and some have taken loans from relatives. Some of

them who had to repay old loans in the first week of April have requested deferment. The second week of April would be crucial for all because if they do not get wages for the previous month, many of them would have to resort to taking larger loans.

### 2.3 Right to Food

The Government of Tamil Nadu has announced a cash transfer of Rs 1000 each to all rice ration cardholders and provision of free rice, sugar, and other essential commodities on a token basis. The Tamil Nadu Government's announcement seems to be getting implemented.

Of 51 villagers, 46 have appropriate PDS card and are eligible for free ration and Rs 1000 cash benefit. Of them, 35 have already received the payment as well as free ration. Five members have been unable to procure a separate ration card, for they recently moved into the village.

Further, among the elderly and disabled if anyone is staying alone, the person is entitled to free cooked food from ICDS as part of Tamil Nadu Government's announcement. Only two of them are staying alone and both of them have received the cooked food from ICDS.

Most of the villagers have access to food as of now. But only in the second week of April, would one know how they are coping with non-PDS items - from masalas to pulses to a number of other things including soap, detergents, hand sanitisers etc.

Under the Pradhan Mantri Garib Kalyan Yojana, gas cylinders, free of cost, would be provided to 8 crore poor families for the next three months. **Only one villager has stated that she has received the gas cylinder.**

### 2.4 Jan Dhan Account

In Tamil Nadu, villagers call this Zero Balance Account. Of the 51 villagers interviewed, only 15 women hold this account. None of them had received any funds so far. The Government initially announced that 20 crore women Jan Dhan account holders were to each get Rs 500 per month, subsequent to which they stated that it has already credited Rs 500 each to over 4 crore account holders. None of these workers even knew about this scheme.

The Government has to clarify whether this amount is also available to those poor women who did not open a Jan Dhan account because they already had a pre-existing account. They have however linked one of their bank accounts for receiving subsidies. The government should consider even those accounts be at par with the Jan Dhan account. This would benefit all women workers who are poor.

### 2.5 EPF entitlements

The Government has announced that it would pay the EPF contribution both of the employer and the employee (12% each) for the next three months; and employees are allowed to withdraw 75% of the Fund from the PF account subject to certain conditions. The Government stated, "This will benefit **4.8 crore workers** who are registered with the EPF". While the Government is bearing 24% of the salary of the worker towards their EPF contribution for three months, it has put two conditions. The concession is available only to the establishments with up to 100 employees, AND among those employees, 90% should be drawing less than Rs 15,000 monthly salary. Out of 21 workers, 20 have PF subscription. All

20 workers work in companies where the number of workers is more than 100, which makes them ineligible.

The EPFO should share with clarity how many workers would be the potential beneficiaries and make an effort to ensure them the benefits. The 4.8 crore figure is absolutely misleading, although the PF advance facility is available to all.

### **3. REFLECTIONS BY ANALYSIS TEAM**

PF benefits become applicable only if workers get salary. So far, none of the workers, who receive weekly or monthly wages, have received any wage. The company has not informed them whether they would even receive any wage for the lockdown period.

Workers are not in a position to even raise any skirmish against the company because they know they have to go back to the company for a job anyway. For the sake of a few days wage, no one would like to put his or her job at risk.

They are worried about how long this lockdown would continue. They do not think the mill would pay anything for free. They do not have even one-day of paid leave. Salary gets deducted whenever you take off.

Workers do not know how to access their PF account, and thereby claim PF advance. They hope that the company would facilitate this process of taking advance. But for that, we have to wait until the lockdown is over. If lockdown situation continues, they would need credit support for even fulfilling basic needs. Already, a number of workers are going to moneylenders. There is a worry that some of these workers would get into a bonded situation.

### **4. Interim Recommendations**

Workers of large mills deposit PF subscriptions, but they would have more than 100 workers; and workers of small mills are not EPF subscribers. Who is going to benefit from this? The Government, if serious, should make this concession applicable to all workers receiving monthly salary less than Rs 15000/-. This will benefit both worker and company in the next three months. The EPFO may try to find out names of such companies that have deducted EPF for the month of January 2020 and have not done for the subsequent months or have deducted less for subsequent months. It would then be clear that such workers have not received wages for their lockdown period. They should send instructions to these companies. It is important that the pressure to deliver wages to contract workers in the supply chain is faced by the big brands. There is a need for the government to immediately have a dialogue with these industry giants and bring in some regulations.

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**Gethu** is a workers' think tank on the garment supply chain. It is an informal group consisting of workers from across the supply chain from cotton farming to stitching and packaging of garments. The group meets every month to discuss diverse issues faced by workers in this textile supply chain. They have contributed tremendously to building an understanding of the making of school uniform from the lens of science as well as a social dimension. Partners in Change (PiC) is currently the group's Secretariat.



**Vaanavil Research Collective** is a grassroots organisation in Tamil Nadu that promotes rapid community-based studies to inform narratives and policies related to communities at the margin. They are facilitating a project with garment workers, supported by Freedom Fund.