

Reflections on my Immersion in India **Gary Fields**

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I first met Kalavati in Ahmedabad, India in 2004. (To protect her privacy, only her first name is used. She is a tiny woman who at the time was forty-five years old. She lived with her husband, three (and later four) of her five sons, a daughter-in-law, and two grandchildren.

Kalavati's life has been marked by great personal pain. She was orphaned at age three, married at age nine, and taken far away from her home in south India (Solapur) to Ahmedabad in the north at age thirteen. She has suffered an abusive husband, harsh in-laws, death of a daughter-in-law, and sons who have caused much trouble because of gambling, drinking, and divorce. Following the death of her daughter-in-law, she also has responsibility for two grandchildren, who live with her.

My colleague from Boston and I lived for a time with Kalavati and her family. When I say that we stayed on the ground with them, I mean it literally: the house had absolutely no furniture apart from a wardrobe where clothes and their few valuables were kept. Yet these are relatively fortunate poor people. The family lives in a cement house with a main room, kitchen, and loft. The house has electricity, running water, and an indoor toilet. The house is in quite good shape, much better than those of many other city dwellers doing comparable work in other poorly paid occupations.

I was struck during our stay by the sense of community on her street. The more I took pictures and talked to neighbors, the more people came out of their houses to be a part of things. They invited me into their homes, asked for their pictures to be taken, and offered tea and in one case, sweets. Though these people are poor financially, they have a very rich community.

Kalavati's family derives all of its money from labor earnings. Her husband long ago worked for the Cannon textile mills when they were still making bath towels in India. Sixteen years earlier, the mill shut down, moving to a place where labor was even cheaper, and her husband lost his job. For fifteen years, he did not work. Then finally, he got a job where he works at night. He does not tell Kalavati where he works or how much he earns, nor does he contribute his earnings to the day-to-day expenses. (He does contribute to interest payments to the local money lender, though.)

As for Kalavati, her job is to roll bidis. Bidis are a kind of poor person's cigarette. The bidi rollers purchase their raw materials—leaves, tobacco, and thread—from a contractor. The threads are used to tie each rolled bidi and to tie twenty-five rolled bidis into a bundle which will then be packaged and sold in the market.

There are three major brands of bidis, corresponding to each of three employers. Each employer is supplied by contractors, and each contractor has a sole-source arrangement with an individual bidi roller. Specifically, the color of the thread used to tie the bidis indicates which contractor will buy the product from the bidi rollers and which company will sell the final product. Distinguishing the products in this way also prevents individual rollers like Kalavati from seeking out higher prices from competitors. The industrial structure is thus characterized by three major brands (economists call such a structure a "tripoly") with

multiple contractors servicing each bidi brand and thousands of individual home producers servicing each contractor.

The people who roll bidis—about 150,000 of them, nearly all women—are among the poorest workers in India. These women work at home and are paid on a strict piece-rate basis. A skilled bidi roller working at the maximum possible efficiency requires about eleven hours to roll a thousand bidis. These eleven hours of work are in addition to the household work—cooking, cleaning, shopping, and so on—that the women must perform each day.

Bidi rollers are very skilled at what they do. During their long hours, they often gather together in one woman's home so they can work and socialize at the same time. Because they sit in a fixed position for hours at a time and move very infrequently, many have bad backs and other physical ailments. There is no sign that their productivity is hampered by poor nutrition, shirking, or any of the other mechanisms by which efficiency wages might operate.ⁱ However, their productivity is clearly hampered by their other home responsibilities.

At the time I visited Kalavati, the going piece rate was Rs. 36 (thirty-six rupees) per thousand bidis, or US\$0.80. Given that it takes eleven hours to roll a thousand bidis, these women earned about US\$0.07 per hour.

On the other hand, one package of twenty-five bidis sells in the market for Rs. 4.60—that is, Rs. 180 per thousand, or 500% of what the bidi roller is paid. The cost of the leaves and tobacco is minimal. The markup is therefore substantial.

Earnings at the level of Rs. 36 per day would be just enough to enable a worker with two dependents to reach the Indian poverty line of Rs. 12 per person per day. To get an idea of what Rs. 36 would buy, we accompanied Kalavati to the market. The great majority of Hindus in that part of India are vegetarians, as are Kalavati and her family. To buy just the vegetables for the evening meal cost considerably more than Rs. 36. Still needed were the rice, lentils, and cooking oil with which to prepare the rice and dal which are part of every meal.

Fortunately for Kalavati and the other bidi rollers, they have been organized and represented collectively by SEWA, the Self-Employed Women's Association of India, which now has one million members. SEWA has already brought these women substantial benefits: higher piece rates, individual savings accounts, a SEWA bank, and a SEWA clinic, as well as the dignity that comes from belonging to a recognized trade union. SEWA's successes in achieving such benefits are a testament to the tenacity and negotiating skills of the organization, particularly two labor lawyers, Manali Shah and Shalini Trivedi.

At the time of our first visit to Ahmedabad, negotiations to establish an industry-wide Provident Fund were just being concluded. (In Britain and its former colonies, Provident Funds are a means of combining workers' and employers' contributions to create individual savings accounts for workers which provide for retirement, help during ill health, and can be accessed for other contingencies.) At the same time, minimum piece rates were being established for the similar thousands of women working as kite makers and incense stick rollers. They too sell their products to contractors on a piece-rate basis. Both sets of negotiations—for the Provident Fund and for the minimum piece rates—were successful, so for Manali and Shalini and the women of SEWA, it was a day of victories.

Alas, the victories were short-lived. Soon afterward, the contractor to whom Kalavati sold her bidis cut back on her purchases to just two days' worth (2,000 bidis) per week.ⁱⁱ There was no way that Kalavati could make do with less than half her previous level of

earnings. After carefully assessing the alternatives, she bought first one secondhand sewing machine and then another one so that she and other family members could take in fabric and sew scarves and handkerchiefs. For a time, the family managed in this way.

Then the next disaster hit: one of Kalavati's sons and his wife had a disagreement which led to a bad divorce. In order to pay the legal fees and make a settlement to the wife, the family had to sell their sewing machines. They returned to rolling bidis for a living.

On my last visit to Kalavati, there was good news and bad news. The good news is that the piece rate for bidis had been negotiated up from Rs. 36 per thousand to Rs. 50, and Kalavati and her household could get as much bidi work as they want. They also started a sewing operation in their home, using industrial-quality sewing machines that my wife and I bought for them. After expenses, they were earning twice as much per day as they could have from bidi rolling. On the other hand, although their earnings allow them to pay the rent, put food on the table (which I say metaphorically, because there was no table), and meet other necessities, they never know when these earnings will end. Even when they do have money coming in, their earnings are so low that they live from hand to mouth. As one example, they are compelled to pay high prices for their daily staples such as rice and lentils because they lack the means to buy these items in bulk at lower unit prices. Kalavati and her family continue to live a life of financial peril.

But more distressing are the personal difficulties that continue to plague her life. The problems facing her because of family members—alcoholism, divorce, gambling, perpetual indebtedness, and low-quality education—continue to impose an at-times unbearable burden on her. Because of these problems, the family owes Rs. 20,000 to a local money-lender. The money-lender visits them each month to collect Rs. 2,000 interest on their loan. Almost surely, they will never be able to repay the principal.

Kalavati's words are more eloquent than anything I could say, so I will simply report them:

“I'm tired of my life. I struggle, struggle, struggle in my working life and my personal life.”

“I have to be strong. I have to earn. Otherwise, everything will fall to pieces.”

“My daughter is happy. One son is good.”

“With courage, I can maintain this life. I cannot lose my courage.”

“Somehow, we have to manage.”

ⁱ Efficiency wage is the idea that when a firm pays higher wages, its workers will be more productive, either because the current workers work harder and/or because the employer can attract a higher-caliber worker.

ⁱⁱ Interestingly, the SEWA leaders attribute the cutback in work to a recession in the bidi trade due to the advent of gutkha (a kind of chewing tobacco).