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PRECARIOUS LIVELIHOODS: SOCIAL SECURITY OF MIGRANT WORKERS IN THE GOLD JEWELLERY MAKING INDUSTRY IN KERALA

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Introduction

Gold jewellery has been part of Indian tradition and is considered as an integral part of Indian culture. Since gold is highly portable in nature and acts as a hedge against inflation in India, gold is valued as an important saving and investment vehicle. It is the second most preferred investment after bank deposits (EXIM Bank, 2010). In the last decade 75% of the gold demand in India has taken the form of gold jewellery. Kerala, Maharashtra, Gujarat and Uttar Pradesh (UP)are some of major demand centres for gold in India. The southern states of India (Kerala, Tamil Nadu, Karnataka and Andhra Pradesh) accounts for over 40% of the country's gold demand (World Gold Council, 2011). There are more than 5,000 gold jewellery and gold bullion retailers in Kerala, in addition to 40,000-45000 artisans engaged in the industry. Trissur district in the state continues to be one of the hubs of jewellery manufacturing in southern India, and it accounts for 2500- 3,000 large- and medium-sized factories and workshops (MSME, 2010). The monopoly of Trissur (in Kerala) in the art of jewellery making can be traced to the extreme patronage and constant encouragement given to the artisans who belonged to the *Viswakarma* community by the kings, local rulers and other rich business families of Kerala. Trissur district, has had a tradition of manufacturing jewellery and is now one of the important centres of lightweight plain gold jewellery manufacturing. The other important centre for gold manufacturing in Kerala is the northern district of Kozhikode, where jewellery making is organised as a cluster in the heart of the city.

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Gold industry in India is fast growing with impressive domestic and export sales. The gems and jewellery sector accounts for about one fifth of aggregate exports in India. The present size of the gold economy is around US dollar 6 billion and it provides employment to about half a million people. There are also a large number of skilled goldsmith/gold merchants from India who are engaged in gold trade all Middle East countries. The gems and jewellery industry now is the single largest export earner in India. The sector includes firstly the import of raw materials, then polishing and cutting and then exporting diamonds, gold jewellery, the gemstones, non gold jewellery synthetic stones and fashion jewellery.

The paper tries to address two important questions

1. Given the importance of informal manufacturing in the country what is the extent and presence of social security provisions and labour laws in the gold jewellery making industry in Kerala, India? Are these provisions effective in the case of migrant workers in the industry? Can parallels be drawn with the diamond cutting units in Surat, Gujarat and Gold Jewellery Units at Zaveri Bazaar, Mumbai?
2. The connection between migration and the development discourse in India, is to be explored through a specific observation of mobility of migrant workers in the industry. Though the argument that migration fuels more migration holds true, very little upward mobility is observed in the case of migrant workers in the industry under study. Thus social networks may necessarily help them to find a job, but the sustainability of such employment remains debatable.

The Jewellery Industry in Kerala, Gujarat, Maharashtra and Rajasthan

Economic reforms including globalisation and liberalisation was considered essential to bring about macro-economic stability and also foster economic growth. The effects of economic reforms have manifested in the form of changes in the labour market, technical progress, productivity, work organisation, skill, industrial relations and labour standards. The focus has been on increasing output and productivity, improving working and living conditions and accelerating competitiveness. The deregulation of gold in the 1990s as part of the Indian liberalisation policy, changed the production and the entire labour process in the industry. The industry witnessed competition, which allowed huge investors opportunity to introduce new designs and production arrangements. The old worker could no longer carry out his activities as a home based

task. Some of the huge workshops had sophisticated machinery, which allowed for mass production of jewellery.

The two major segments of gems and jewellery business in India are gold and diamond jewellery. The diamond industry in India is export oriented and therefore has modern techniques and equipment in place. India has a tradition of diamond cutting and polishing and relatively low wages and availability of a large workforce has been an added feature of the industry. The gold industry on the other hand is more domestic consumption oriented and therefore organised in a different manner. The use of machinery has increased in the case gold jewellery manufacturing units also. The skilled craftsmen have shifted to workshop kind of production. The common element in both the segments is the extensive use of manpower in the manufacturing stage of ornaments.

Gold Jewellery making essentially was a highly specialized skilled work, which was a preserve of a certain caste group in Kerala². The skill of the master craftsman was of prime importance in crafting the piece of jewellery and was essentially a home-based task. Jewellery production is a cottage industry- main areas include Poochenipadam, Cherpu, and Perucheri in Trissur district of Kerala. About 75% of the households in Cherpu region are engaged in jewellery production. The deregulation of the gold industry has resulted in increasing investment into the sector, which also fuelled intense competition. Home-based tasks were re-directed to more organised workshops. The most prominent change in the labour market, post-liberalisation has been an increased influx of migrant workers. The pattern of migration into the gold jewellery making industry of Kerala shows that about 80% of the migrants are from Northern and Western part of the country (Sumeetha, 2012). Kerala accounts for 20% of India's gold consumption annually and India in turn accounts for about one-fifth of the world's annual gold sales. According to the Kerala Jewellery Manufacturers Association, the state is these days turning out to be one of the hottest destinations in the country for retail jewellery trade thanks to the ever-increasing demand and overall economic growth.

The place of Kerala, in the emigration history of Indian states has been unique. There has been a steady flow of migrants from Kerala to the Middle East especially to Saudi Arabia, UAE and Kuwait. It is estimated that there are around 19 lakh Keralites working

² Goldsmiths known as Thattans who belonged to the Viswakarma community specialized in this activity.

and living in the Gulf. This flow of emigration was at its peak during the late 1970s and continues till date. The remittances boom in Kerala's economy has fuelled a new consumption culture thus increasing the demand for gold. Here gold serves as an adornment object as well as acts as an important investment option. The increase in per capita income as a result of remittances boosted the consumption pattern of the people in Kerala. The average per capita consumer expenditure in Kerala was below the national average until 1977-78. Since then per capita consumer expenditure in Kerala exceeded that of India progressively reaching 41 percent above the national average in 1999-00. Kerala's modified per capita income (PMSI) caught up with that of the national average only in 1984-85 but reached 49 percent above the national average in 1999-00. (Kannan and Hari, 2000). In terms of per capita consumption expenditure too Kerala topped with Rs 816.76 in 1999-00 much above the national figure of Rs 590.98.

The expansion path which the gold retailers based in Kerala is interesting with most of them expanding retail units to the middle-East. The export regime has not been very conducive in the case of the industry and hence most of the retailers have opted for an expansion of outlets to the Middle East and Europe. The demand for antique jewellery and traditional Indian designs has helped them to find a foothold in the new markets.

Engelshoven (1999) analysis of diamond cutters in Surat –proceeds with observation of the way in which the industry is organised and the living and working conditions of workers involved in this industry. The first diamond workshops in Surat appeared in the late 1950s and in the beginning the growth was fairly insignificant. In 1970s and 80s the industry rapidly grew and there was high demand for skilled workers. In 1970s the industry started attracting migrant workers from Amreli and Bhavnagar and soon the local workers were reduced to a minority. When increasing competition increased the demand for skilled labour the owners began advanced payment of money to tie certain skilled workers to the jobs. Small workshops have 20-25 workers, where majority are men. The worker has no direct contact with the owner, but has social networks that has landed up in the job. The workforce in the industry is highly fragmented-there is a great differentiation between workers in terms of status, skills, wages, working conditions and living condition

Diamond cutting and manufacturing units were started in Surat and Navsari during the 1950s by Saurashtra Patels and Palanpuri Jains. Diamond cutting and polishing have expanded to new places like Bhavnagar, Ahmedabad, Amreli and Rajkot. Earlier 95% of the workers were from the Patel community, but now nearly 25% of the workers are

from other states like UP, Bihar, Orissa and Kerala. The recession in the world economy has affected the industry, demand from US market decreased by 30%. Many diamond cutting units in Surat, Bhavnagar and Ahmedabad were shut down due to insufficient demand and most of them were converted to embroidery units or bottle mineral water plants. Based on a survey conducted by the Labour department, Government of Gujarat, it is estimated that approximately 4.13 lakh workers have lost their jobs in the recession hit diamond industry and nearly 2,200 units have been shut down. The gold industry on the other hand geared on domestic demand was not much affected by the global recession. Nearly 95% of the gold jewellery manufactured is for domestic consumption alone. India has a dominant position in diamond processing trade with 11 out of 12 diamonds in the world being cut and polished in the country. It is also a domestic consumer of gold and silver. The industry insists on strict quality in the case of sourcing the raw material abroad and also strict norms to be followed in the case of exporting of finished products. Most of the government policies have been oriented in a fashion that it protects the consumer's interests (for e.g. hallmarking of jewellery). None so far has insisted in maintaining labour standards in the industry. Zaveri Bazaar at Bhuleshwar in south Mumbai is a maze of narrow lanes lined by hundreds of jewellery shops that retail ornaments made of every conceivable gem and precious metal. Behind these shops are dingy bylanes that are chock-a-block with sweatshops employing goldsmiths and other artisans. Jewellery that finds a market across the country and is exported to other parts of the world is often crafted in these workplaces that hardly meet minimum requirements of space, ventilation or comfort (Katkam, 2001). Gems and Jewellery industry in India has witnessed exponential growth due to the influence of technology, machinery and machine tools.

Italy's dominant position in gold jewellery exports with a 22.3% of market share in 2001 has been sharply eroded to the advantage of developing countries, notably India and China, which accounted for 20.5% of the gold jewellery exports in 2010, compared to 13.1% in 2001. The studies on Italian gold jewellery clusters points out that the constraints in the manufacturing in gold jewellery making include the small size of firms, specialisation in traditional industries and local system of relationships. This is akin to the jewellery making units in Trissur, in Kerala. The passive internationalisation process is noted in the case of firms that is characterised by the development of ethnic firms within the industry. The big boost to ethnic jewellery collections is given to attract Non Resident Indians (NRIs) to the Indian jewellery market.

Babb (2013), in his study of the gemstone industry in Jaipur, Rajasthan notes that light weight jewellery is mostly made by Bengali craftsmen. Eighty percent of the workers in the industry fell into three main categories-self employed, working for traders and manufacturers and working for Muslim master craftsmen or Ustad craftsmen. According to oral accounts they were only a few Bengali craftsmen in Jaipur before 1970s or so, after that as a result of opportunities developing in response to market changes, they began to flock to the city in large numbers. There is no single Bengali caste of jewellery makers and enquiries among them produced the names of different castes (Babb, 2013: 46).

The common feature of the jewellery units has been an expansion of workshop kind of production. Use of a migrant labour force has increased in the industry. The competition in the industry is sustained through subcontracting of work which further makes working and living conditions difficult.

Empirical Base of the Paper and Methodology

The paper uses data collected by the author from the field during a course of three years. This includes interviews with wholesalers, retailers, managers, CEO'S of huge retail houses, union leaders, senior staff, traditional workers, local workers and migrant workers. I have also used data on the labour process in the industry collected through participant observation of the workplace. The data was collected through a pilot survey in June 2010, July-Sept 2011, March 2012, November 2012 and May 2013.

I will also rely on data collected through a structured questionnaire, on gold industry, as a part of a larger survey on Interstate migrants in Kerala, Jan 2012-June, Centre for Development Studies (CDS) Trivandrum.

Methodology and Data Analysis

A total of 320 workers were taken out of which nine was rejected due to certain errors. Secondary data sources point out there are about 40,000-45,000 workers (artisans) in this industry out of which 25% are migrant workers. Thus a sample size of 311 workers are justified (out of 11,500 workers, nearly 3% is included in the study).

Purposive sampling technique has been adopted. The questionnaire was directed to migrant workers, engaged in all kinds of manufacturing processes. Snowball technique has been adopted where information of migrants whereabouts were provided by earlier set

of migrants. The sample includes respondents from 4 districts- Trivandrum, Ernakulum, Trissur and Kozhikode. The district wise break up is as follows-Trivandrum (50), Ernakulum (50), Kozhikode (100) and Trissur (120). The sample is a mix of long term migrants as well as short-term migrants. The details collected are based on a structured questionnaire. Majority of the workers worked in small workshops or units which were part of the larger production units. The sampling bias, can arise because out of the workers in Trivandrum and Ernakulum more are engaged in carat testing and refining. Such migrants are long-term migrants and earn higher income. Thus in the calculation of wages this can lead to some different conclusions. Effort has been taken to include as much as skilled and semi-skilled migrants. The survey has also tried to analyze the gender composition in the industry. Thirty one female migrants have been identified through the survey (10% of the total workers).

Of the 311workers surveyed, more than 90% of the migrant workers in the jewellery making industry are men. The industry is thus characterized by a flexible masculinised workforce.

State-Wise Composition of the Migrant Workforce

State	Number of workers	Percentage share
West Bengal	125	40.19%
Tamil Nadu	51	16.40%
Maharashtra	20	6.43%
Rajasthan	2	0.64%
Uttar Pradesh	57	18.33%
Andhra Pradesh	12	3.86%
Orissa	18	5.79%
Bihar	22	7.07%
North-East	4	1.29%

Source: Interstate migrant Survey, Jan 2012-June 2012

The secondary sources reveal that majority of the migrants in Kerala engaged in jewellery work are from West Bengal. The survey results indicate that nearly 40% of the migrants are from West Bengal. 18% of migrants are from UP. They are experts in machine made

chains. Most of the equipment is bought from Agra, for making machine made chains. Nearly 17% of migrants are from the neighbouring district of Tamil Nadu. These include long-term migrants from Tamil Nadu and are especially concentrated in Trivandrum. The practice of Tamil Kammalans (goldsmiths) migrating to Kerala has been a historic one and is not a recent phenomena. 7% of migrants are from Bihar and 6% are from Orissa. The workers from Maharashtra are engaged in carat testing and purifying work. They constitute about 8% of migrants. There are about 4% of workers from Andhra Pradesh. There are workers even from Rajasthan (finishing work) and very few workers from the North-East. Nearly 80% of migrant workers are from North India.

Social Security Provisions

The Inter-State Migrant Workmen Act, 1979, though existent on paper is rarely applied in the case of migrant workers in this industry. Most of the migrant workers unlike the local workers are illiterate and therefore are not aware of any of their rights. Some of the workers, who realise the exploitative practices in the industry, are nonchalant about their conditions. The Government of Kerala has recently launched a welfare fund for gold workers. This includes registration from local workers only. The migrant workers are not aware of any union or do not engage in any unionised activities. The only forum that they have is a collective where they observe religious festivals. For e g: All migrant workers celebrate Durga Puja. The identity as a worker is somehow absent in the workplaces. The religious identity is more dominant in the workshops.

Workers are vocal about their religious identity. At a workshop in Chiyarum, Trissur, Monu a migrant worker said

“Seven people working in this workshop are all Hindus” (Chiyarum, 28th May 2013)

Though migrant workers position in most craft based occupations is seen to be weak, with no unions in place, the case of Kerala ought to be different. In contrast to the fragmented character of the national labour movement, the labour movement in Kerala is much more broad based and organizationally coherent (Heller, 1996:1056). The labour history of the state reveals that growth of labour unions along with the active intervention of the state has helped to transform the traditional character of labour relations. In such a political scenario, it is paradoxical that migrants have not been able to articulate their demands even in such an environment.

One prime difficulty, in attaining bargaining rights is because given the nature of work which at present can be learned within 2-3 months of training, individual workers can be easily replaced. This logic holds so long as supply of labour is regular and adequate. Thus an increasing of inflow of migrants was easy enough for the employees to negotiate terms and condition conducive to them.

Though there has not been a single reported case of conflict between migrant workers and local workers, the local worker do not even consider migrants as 'workers'. Their presence in the same workshop is rarely acknowledged by the local workers.

Even though social networks play an important role in ensuring a job for the migrant in the industry it is only after very long years of work in a workshop that the migrant worker is able to shift to a better position in the industry. Most of them work in the same category for 15-20 years and go back to their hometowns. Thus migration here becomes ultimately a coping strategy rather than an accumulation strategy.

Migration- Development Nexus

During the 1950s and 60s development economists stressed that labour migration was an integral part of migration process. The debates on internal migration in India centred around discussions related to urbanisation, modernisation, decreasing agricultural holdings, increasing population pressure and a growing urban informal sector. The migrant is often regarded as an individual who has perfect knowledge about labour market in the destination and can maximise his rational choice. The pertinent issue of family and kin influencing migration decisions are not often taken into account. The green revolution prompted labour migration to Punjab and Haryana in the late 1960s. Even other sectors in Punjab began to attract a migrant labour force. In the early 1980s 40% of the workers in the unorganised sector in Punjab were migrants (Deshingkar and Akter , 2009). In AP and MP scheduled tribes had a higher migration rate (Deshingkar and Start, 2003). Migrants have been used as an indirect discipline factor on those not yet ready for regular wage labour, while the local population expectations and aspirations are reduced and re-oriented (Standing, 1985:19).

Recent literature on international migration tends to ignore the fact that most migration remain within the global south and within the national boundaries and much of this remains unrecorded (Castaldo et.al 2007, DeHaan 2013). Areas of origin show clear signs of migrant remittances but there appears to be a relatively few cases of transformation of areas thus also suggesting that migration tends to be a part of the

regions economics rather than initiating economic development (Haan 2013:7). NSSO data for 2007-08 shows that international migration on an average sent back Rs 52, 000, while migrants within the country remitted Rs 13,000 on an average.

In India it is estimated that nearly 80% of migrants who leave rural areas for work each year spend less than six months away from the village (NSSO, 64th Round). Those who have spent a total of between 30 and 180 days in the past year working outside the village are counted as short term migrants. In an anthropological study of Bhil tribals, Mosse et.al (2002) observes, successful migrants invest in the form of social and symbolic capital which ensures continued access to urban labour markets....In short a perspective on migration is needed which goes beyond the dichotomous push or pull, structure or agency, urban or rural and allows *labour migration to be seen as part of the local and diverse livelihood strategies* (emphasis added by the author).

In many parts of South Asia, migration has alters the social space available for the individuals. In Indian case especially in deeply stratified caste societies migration is seen as a compelling force to move away from traditional constraining opportunities. More than 91% of India's workforce consists of informal workers working either in the unorganised informal sector or in the organised formal sector. The social security schemes hardly cover even 5 to 6% of total number of informal workers. The relationship between poverty and migration is not clearly defined because it is often observed that middle and higher income groups have a higher propensity to move.

Conclusion

The gems and jewellery industry though a leading export promoting sector has difficult conditions of work. Throughout the pockets were jewellery units operate- Surat, Mumbai, Jaipur and Trissur work and workplace arrangements bear close resemblance. All the units operate with a majority of young male workers predominantly in the age group of 15-35 years. They work in congested spaces, but often well-lit. Working hours are long, average working extends to twelve hours or more. Though, some women workers are seen post reforms in the industry their presence is fairly small. The predominant reason for this is that most of the workers live in the workshop itself. Their wages and working conditions are often kept as guarded secrets. Production in exporting units is more mechanised and managed with sophisticated technology. The defining feature of Kerala's jewellery making is that it specialises in lightweight jewellery. With the increasing prices of raw gold, Kerala designs are much in vogue now.

The production arrangement is such that in which most of the work is managed by migrants. This is a point of departure for traditional labour process analysis, because mostly workers voluntarily opt out of the traditional occupation because of wider social changes in the economy. Often, it is under the risk of a seasoned worker or an agent that the employer recruits a migrant worker. For larger retailers, a commissioned agent in each state supplies migrant workers. Thus, the migrant directly becomes answerable to the agent. The emigration of skilled goldsmiths to the Middle-East is another interesting feature of this labour market. Though the working conditions, wages and living conditions of the workers in the industry is similar to the industries controlled by the predominance of capital, many of the features of the industry is attributed to an understanding of the Indian economy post-liberalisation. The increasing productivity and competitiveness in the industry and the insistence of international standards in producing a piece of jewellery is often at the cost of labour employed in the industry. The labour process framework thus helps to understand the preponderance of capitalist relations in developing countries like India.

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