

Chapter – 8: A Shirt in the Market

- Story of a shirt – begins with production of cotton – ends with sale of the shirt
- Chain of traders – links the producer of cotton to buyer of shirt

A cotton farmer in Kurnool

- Swapna – small farmer in Kurnool (Andhra Pradesh) – small piece of land
- Swapna – busy in collecting cotton – takes several days
- Cotton collected – Swapna and her husband – sells it to local trader – instead of Kurnool cotton market
- Beginning of cropping – Swapna borrowed Rs. 2500 from trader – very high interest rate – buy seeds, fertilizers, pesticides, etc
- Swapna – agreed to another condition – had to sell everything to the trader
- Cotton – requires lots of expenses – small farmers – borrow money
- Trader's place – 2 men weigh the cotton
- He pays Rs. 1500 per quintal – total payment – Rs. 6000 – deducts Rs. 3000 for loan and interest
- Final payment to Swapna – Rs. 3000
- Swapna says – this is very less
- Trader explains to her – lots of cotton in the market – pricing is lower
- Swapna knows – cotton sells at Rs. 1800 in the market – BUT – she does not argue
- Trader – powerful man – farmers depend on him – loans – cultivation and also other expenses
- Sometimes – no work – people borrow money for daily expenses

The cloth market of Erode

- Erode's bi-weekly cloth market – Tamil Nadu – one of the largest cloth markets in the world
- Cloth – made by weavers – nearby villages – sold here
- Market – offices of cloth merchants – buy this cloth
- Other traders – south India – purchase cloth here
- Weavers – bring cloth made on orders
- Merchants – supply cloth on orders to – garment manufacturers and exporters
- Merchants – purchase yarn – provide them to weavers with instructions for making cloth

Putting-out system – weavers producing cloth at home

- Merchants – distribute work to weavers with raw materials
- Weavers – 2 advantages –
 - Do not spend money on purchase of yarn
 - Problem of selling the cloth – taken care of
- This dependence means – merchants have a lot of power
- They pay very less for whatever they want
- At cloth market – merchants – sell to garment factories – favours the merchants more
- Weavers – invest all the savings or borrow money – buy looms
- Each loom – costs Rs. 20,000 – worked on by multiple people
- Weavers – along with family members – work 12 hours a day
- For all this – they earn – Rs. 3500 per month
- This arrangement – between merchant and weavers – putting-out system

- This system – most popular in most regions in India

Weaver's cooperative

- Weavers – earn very less – cooperatives – reduce dependence on merchants
- Cooperative – group of weavers – collect yarn from yarn dealer – perform all the marketing – role of merchants – reduced – weavers get the fair price
- Government – helps cooperatives – buy cloth from them at proper price
- Tamil Nadu government – Free School Uniform programme
- Obtain cloth from cooperatives – sell them at proper prices at stores – Co-optex

The garment exporting factory near Delhi

- Erode merchant – supplies cloth – garment exporting factory – Delhi
- Factory – use cloth – make shirts – exported to foreign buyers
- Foreign buyers – businesspersons – US and Europe – chain of stores
- These stores – business on their terms – pay low prices – expect high quality products – timely delivery
- Exporter – tries to meet the conditions
- Pressures from the buyers – factories – try to cut costs
- Workers – maximum work – lowest wages
- Impex garment factory – 70 workers – most of them – women – employed on temporary contracts
- Whenever the employer wants – makes the worker leave
- Payment for workers – according to skills
- Highest paid – tailors – Rs. 3000 per month
- Women – employed as helpers – thread cutting, buttoning, ironing, packaging
- Tailoring – Rs. 3000 per month
- Ironing – Rs. 1.50 per piece
- Checking – Rs. 2000 per month
- Thread cutting and buttoning – Rs. 1500 per month

The shirt in the United States

- Lots of shirts – on display in United States – priced at \$ 26 = Rs. 1800
- Businessperson –
 - Purchased at Rs. 300 per shirt
 - Spent Rs. 400 per shirt on advertising
 - Spent Rs. 200 per shirt on storage
 - Total cost – Rs. 900 per shirt
 - Sells at – Rs. 1800 per shirt
 - Profit – Rs. 900 per shirt
- Garment exporter –
 - Cloth and raw material – Rs. 100 per shirt
 - Worker's wages – Rs. 25 per shirt
 - Office cost – Rs. 25 per shirt
 - Total cost – Rs. 150 per shirt
 - Sells at – Rs. 300 per shirt

- Profit – Rs. 150 per shirt

Who are the gainers in the market?

- Chain of market – links producer of cotton to buyer of shirt
- Buying and selling at every step
- Some people – made huge profits – others – did not earn as much
- Many people – despite hard work – earn very less

Market and equality

- Foreign businessperson – made huge profits
- Garment exporter – made a bit lesser profits
- Workers at garment factory – very less earning
- Cotton farmer, weavers – worked hard for hours – earned very less
- Everyone – does not earn equally