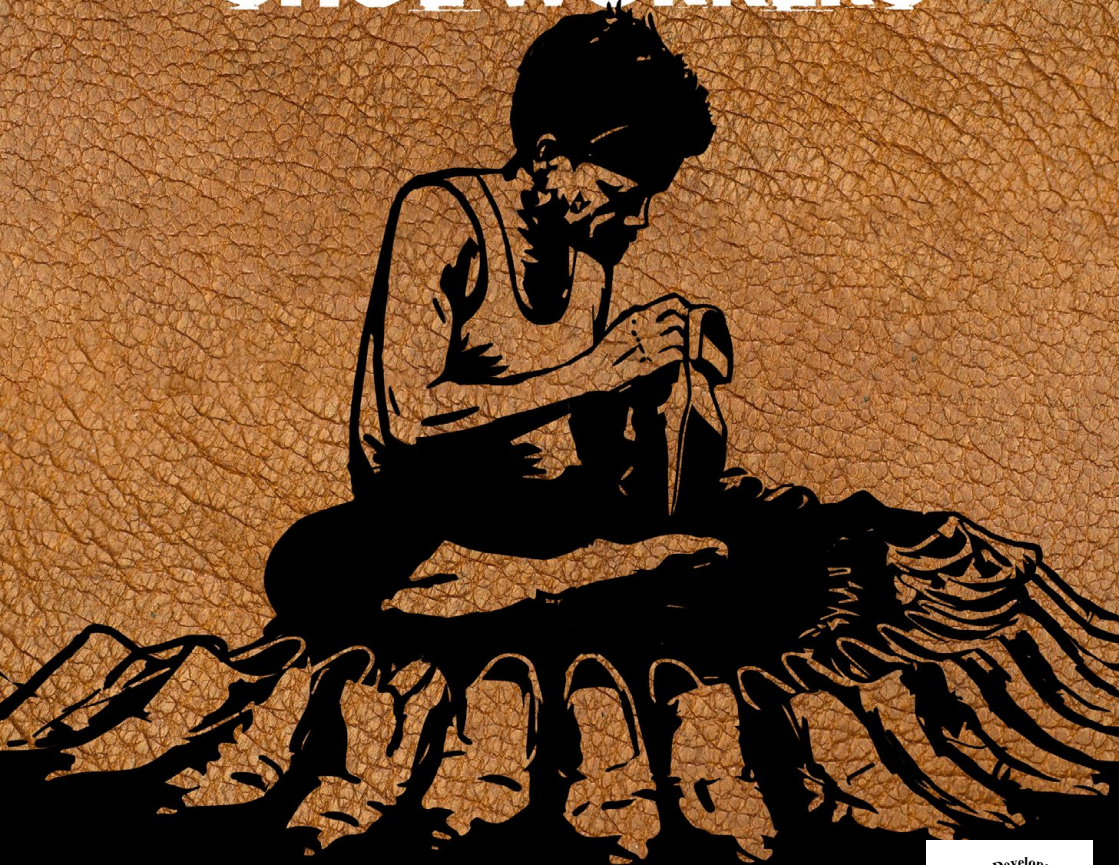


IMPACT OF THE COVID-19 RECESSION

LEATHER AND SHOE WORKERS



Cividep India
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SUMMARY

This is a rapid assessment of the impact of the ongoing recession on leather and shoe workers in the Kanpur-Unnao cluster in the state of Uttar Pradesh in India. This cluster accounts for one-fourth of the 4 million workers in the leather and shoe industry in India. The study covered a sample of 65 workers in the month of July and August, 2020.

With the COVID-19 induced nation-wide lockdown, the international brands cancelled existing orders; further, the international garment industry asked for discounts on orders that had already been supplied and also reduced orders for new supplies¹. With India having a large domestic market for the leather and shoe industry (as much as 90% of the total), with the lockdown both tanneries and shoe factories came to a halt.

Tanneries in the Kanpur-Unnao cluster were used to being shut down for about two to three months in a year on environmental grounds. During such periods, workers usually found alternate forms of livelihood for sustenance. However, this time, with the announcement of the lockdown and everything being closed, workers could not get any alternative employment to overcome the crisis as a result of the pandemic. With brands not paying for orders, workers who were not paid their dues had to bear the brunt of the crisis. Most of the workers were employed as daily wage workers by the industry. The skilled workers among them were paid some part of their dues, as employers feared a shortage of skilled workers when factories would be able to resume work.

Along with not receiving wages, most workers often did not get any relief from the government. A few, who had ration cards, were able to get food

1. <https://media.business-humanrights.org/media/documents/files/documents/Garment-Workers-in-Indias-Lockdown11.pdf>

grains, at subsidized prices, from the government Public Distribution System (PDS) shops². Most workers were forced to cut down on the number of meals, and, particularly, on the consumption of nutritious food, such as milk, eggs and fruits. Children too had to be denied these nutritious foods. While using up whatever little savings they had, many workers had to borrow money at high rates of interest from the local money lenders or from their immediate family members.

SLD interviewed those workers who were all city residents and did not have the option of going back to their rural homes, as in cases of reverse mass migration seen on television screens and other media platforms across India.

Before the lockdown, around 90 per cent of workers, including skilled workers, did not have 'permanent worker status'. Employers had paid some portion of dues to skilled workers, fearing a shortage of workforce when the factories resumed work. With unlocking happening in phases, work resumed but at much less than full capacity. With low orders, the demand for skilled workers also fell. Employers then continued to deny permanent workers' status to skilled workers and retained them as precariously employed daily wage workers.

When the industry is hard hit, workers are the first to be treated as disposable commodities. Factories supplying to brands are also treated as disposable, since it is not difficult to switch to other factories or even other countries. In addition, both central and state governments in India failed to provide social security support to the workers. The workers who were all city residents had to somehow manage using up their savings, borrowing money at high rates of interest and reducing their consumption. The two main requirements of workers that emerged from the interviews by SLD are that the brands should continue to fulfill at least their existing commitments so that suppliers can pay workers, and the central and state government must provide some form of social security to workers.

2. A public distribution shop, also known as fair price shop (FPS), is a part of India's public system established by the Government of India which distributes rations at a subsidized price to the poor.

INTRODUCTION

COVID-19 posed a global health crisis which in turn disrupted economic activities and caused substantial loss to different industries globally. The world of work is facing a global health crisis unlike any in the 100-year history of the International Labour Organization (ILO) – one that is spreading human suffering, damaging the global economy and disrupting people’s lives³.

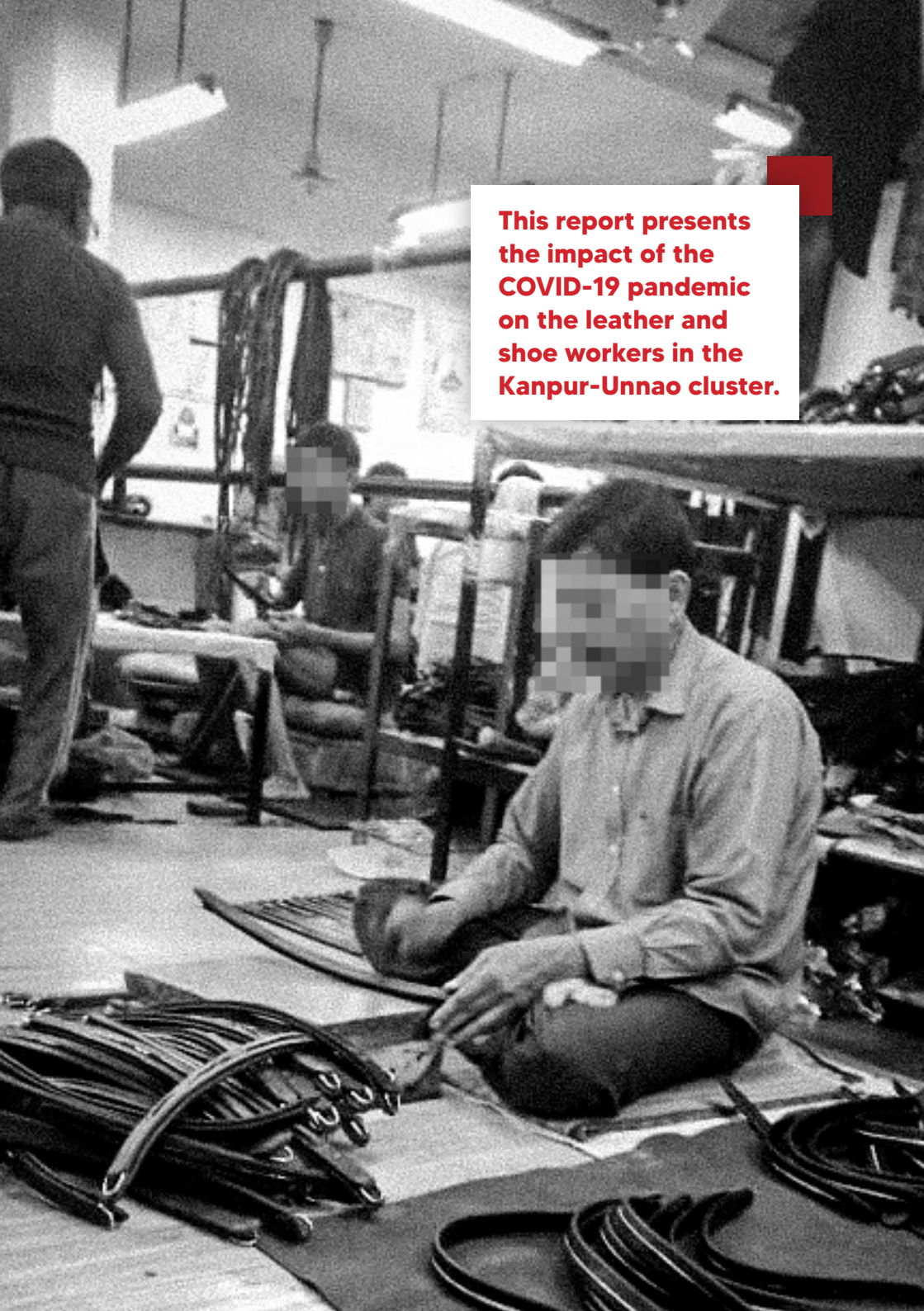
Due to the pandemic, India suffered an export loss of at least USD 1.5 billion⁴. There was a decline of 10.89% in export in 2019-20, as compared to 2018-19. As a result of COVID-19 in March 2020 only 10% of expected export was achieved⁵. Action of international brands in cancellations of existing orders, negotiation for lower prices and reducing orders all directly impacted the socio-economic well-being of the workforce in the leather industry in the country.

Society for Labour and Development (SLD) took the initiative to document the impact of the pandemic on vulnerable labour communities across different sectors through a rapid assessment. The first report (SLD, 2020) was on the impact of the recession on garment workers in India. The report titled ‘Impact of the COVID-19 Recession: Leather and Shoe Workers’ on the leather and shoe industry is a part of the series of research to understand the impact of COVID-19 on the leather and shoe industry in Kanpur-Unnao region in Uttar Pradesh. Carried out in July-August 2020, this series of research was done in the form of a quick survey of leather and shoe workers.

3. https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/sector/documents/briefingnote/wcms_741344.pdf (last visited on 6 November 2020)

4. <https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-leather-industry-stares-at-export-loss-of-1-5-billion/articleshow/75710324.cms?from=mdr> (last visited on 6 November 2020)

5. <https://www.worldfootwear.com/news/indian-leather-sector-exports-hit-by-covid-19-suffers-decline-/5254.html> (last visited on 6 November 2020)



This report presents the impact of the COVID-19 pandemic on the leather and shoe workers in the Kanpur-Unnao cluster.

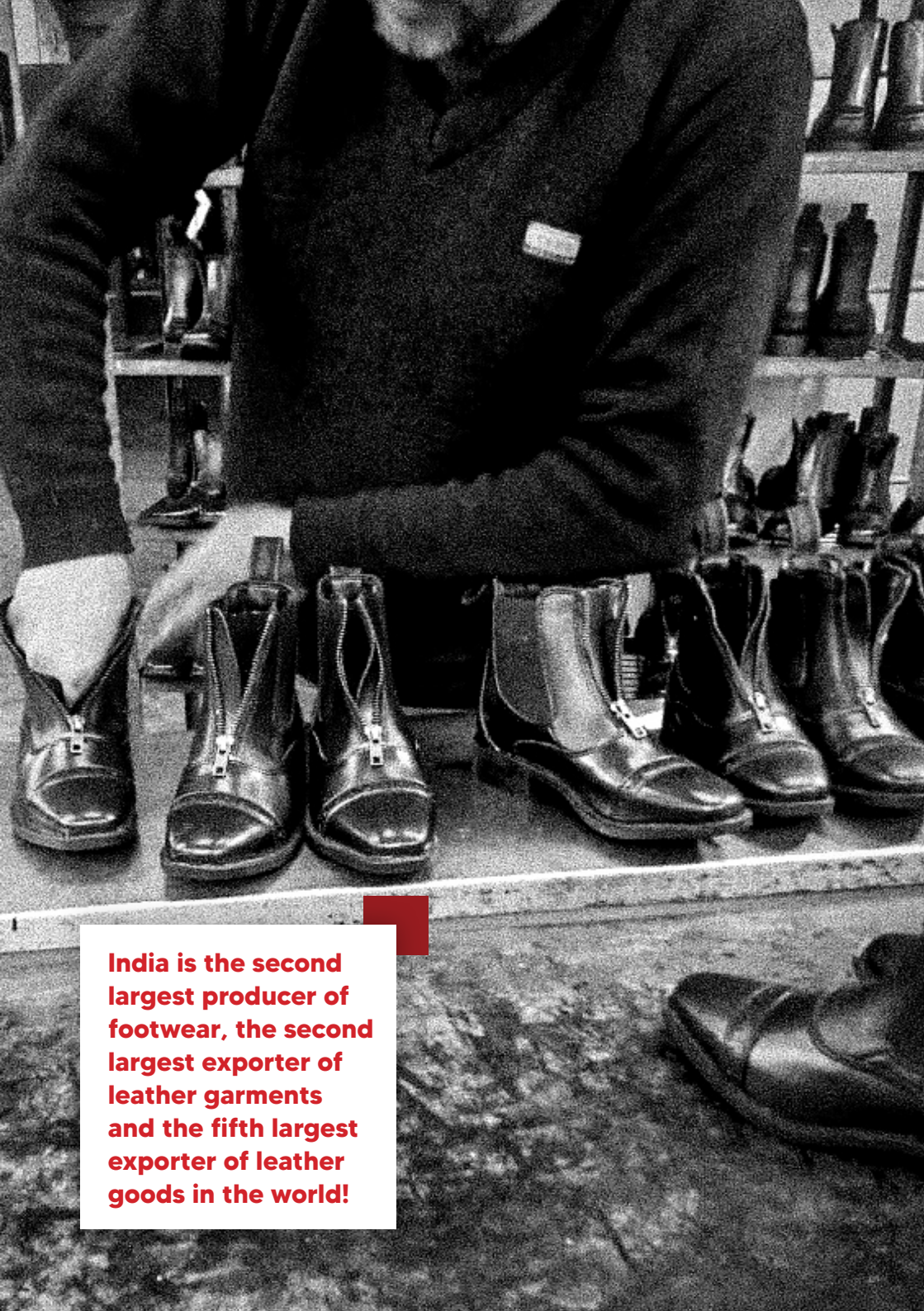


STRUCTURE OF THE REPORT

The report starts with the background of the leather and shoe industry in India, locating it within the Kanpur-Unnao cluster and then goes on to present the impact of the pandemic on workers. Various aspects of the impact, such as fall in earnings, reduction in consumption and the lack of social security impacting the overall condition of the workers in the post lockdown period are brought out in the analysis.

The cancellation of orders and related actions of international brands, such as forcing discounts on products already supplied, along with closure of factories resulted in the already precariously employed workers losing most of their due and expected wages. In the absence of any state-supported social security systems, these workers and their families were pushed into a state of semi-starvation and starvation in some cases. The report highlights the importance of brands using the super-profits that they have earned from the poor wages of workers, to support suppliers and workers during a downturn in business. In addition, the national and state governments need to urgently fashion social security systems for supporting workers and labourers through economic recessions.

The findings from this research will be used to inform the industry including international and domestic brands, suppliers and the government on the plight of the leather and shoe workers and the necessary measures that needs to be adopted to address their concerns. Achieving such favourable changes in the policy of international brands and of the Indian government will, however, depend on workers collectives being able to have an impact on international and national alliances on better work practices.



India is the second largest producer of footwear, the second largest exporter of leather garments and the fifth largest exporter of leather goods in the world!



LEATHER AND SHOE INDUSTRY IN INDIA

India is the second largest producer of footwear, the second largest exporter of leather garments and the fifth largest exporter of leather goods in the world⁶. It is estimated that India exports leather goods worth USD 5.5 - 6 billion annually. The leather industry, with an annual production of approximately three billion square feet of leather, accounts for 13% of the world's production. It also accounts for 9% of annual global footwear production⁷. The cumulative value of export of footwear, leather and leather products in 2018-19 was USD 5.69 billion. USA, Germany and UK are its major buyers. The European Union accounts for 54% of total export of leather and leather goods from India.

6. <https://www.fibre2fashion.com/news/apparel-news/world-looking-at-india-for-footwear-requirements-report-270539-newsdetails.htm> (last visited on 6 November 2020)

7. <https://www.investindia.gov.in/sector/leather> (last visited on 6 November 2020)

India has a thriving domestic market for the consumption of leather and leather goods. About 90% of the footwear produced in India is consumed in the domestic market and the rest is exported. India's domestic consumption is at 2.1 billion pairs which is the third largest globally after China and USA. The government has hiked the import duty on footwear from 25% to 35% and recent announcements on 'Made-in India' footwear might strengthen the domestic manufacturers. The per capita consumption in India is 1.7 pairs per annum in comparison to the global average consumption of 3 pairs while the consumption in developed countries is an average of 6-7 pairs⁸. It is estimated that the domestic market will develop further with the growing needs of the population to keep pace with the changing fashion trends.

COVID-19 lockdown posed a threat to the sale of footwear in the domestic market as well. As per ICRA (a rating agency and formerly known as Investment Information and Credit Rating Agency of India Limited) estimates, there has been a revenue loss of 10-15%. Multiple factors like drop in individual and family income, job insecurity during the COVID-19 situation, remote working reducing the possibilities of people stepping outside their home, along with temporary close down of the retail stores contributed towards a decline in the demand of footwear in the domestic market⁹. The domestic market primarily caters to the middle and low income categories of people who have faced a setback as a result of the pandemic where there has been a considerable fall in income. The demand further decreased as people were either struggling to make their ends meet or saving up for future shocks, considering footwear being a non-essential commodity for many consumers.

The industry employed more than four million people in 2019, of which 55% are young, below 35 years of age. Women workers comprise about 30% of the workforce in the industry. It is a source of employment for almost 1 million people, both directly and indirectly, in the Kanpur-Unnao region¹⁰.

8. <https://indiancompanies.in/footwear-industry-in-india-2020/> (last visited on 20 November 2020)

9. <https://www.tpci.in/indiabusinesstrade/blogs/on-a-shoestring-covid-19-indian-footwear-industry/> (last visited on 20 November 2020)

10. https://www.business-standard.com/article/companies/post-lockdown-up-green-panel-shuts-50-capacity-of-kanpur-tanneries-120061200638_1.html



THE KANPUR-UNNAO CLUSTER



The Kanpur-Unnao region in Uttar Pradesh has been the major producer and exporter of leather and leather goods in India. The leather industry in Kanpur is estimated to have a turnover of INR 12,000 crore. However, over the last few years, this cluster has struggled to retain buyers in both national and international competition. Both public and private sector infrastructure has been insufficient to operate well enough to meet environmental regulation standards. The region suffers severe water and ground pollution from tanning activities. As a result, the national and state pollution boards have had to resort to temporary solutions such as closing of economic activity of the sector in the region for two to three months a year over the past few years to check the environmental pollution caused by the industry. Uttar Pradesh green panel also gave directions to reduce the operation of the tanneries to 50% in order to control the discharge of industrial effluents in the Ganges. While these measures are necessary to control the environmental pollution caused by the operation of tanneries in this region, they have had more serious impact on the livelihood of the workers.

The pandemic further aggravated the situation and stopped operations of the tanneries altogether. Announcement of the first phase of the nationwide lockdown on 23rd March 2020 brought business to a sudden halt. 262 tanneries operating in Kanpur had to be closed down to abide by the lockdown rules, and as a result, raw material worth INR 250 crore decomposed¹¹.

Prior to the COVID-19 lockdown, tannery workers used to experience annual shut downs for an interim period of two to three months. Prior breaks in the operation of the tanneries often resulted in workers taking up alternative sources of employment in the area. The lockdown closed all options of employment in other sectors as well which further aggravated their vulnerability. As pointed out, the leather and shoe workers were all urban residents and hence did not have the option of going back to their 'native' places unlike that of the garment workers. SLD's report on the impact of the pandemic on the garment workers had shown that the combination of non-payment of wages and lack of social security triggered reverse migration amongst the garment workers.

Methodology

65 leather and shoe workers in Kanpur-Unnao region were interviewed. They were all urban residents, staying with their families in the cluster region. The interviewees were selected from a pool of known leather and shoe workers from the same region with whom SLD has been engaging with for the past two years in different capacities. Prior permission was taken from the workers before the interview. It was agreed that the identity of the workers would be kept anonymous and confidential.

Semi-structured interviews were conducted with the workers using a standardized questionnaire. The interviews were done via phone or physical meetings depending on the accessibility and availability of the workers. In-depth interviews were conducted to capture the stories of workers to better understand how the pandemic has impacted their lives.

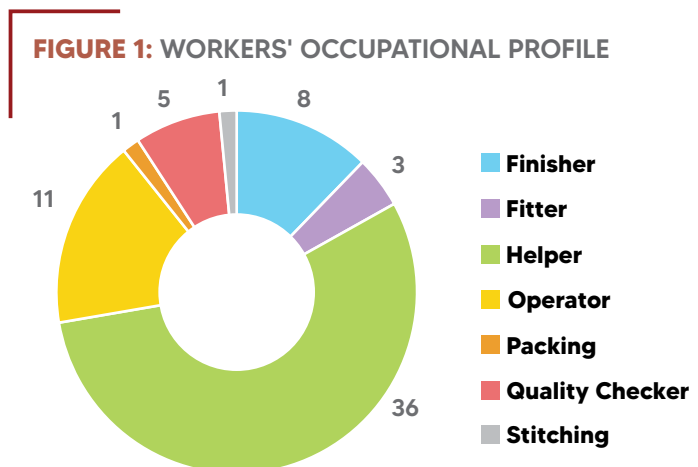
11. <https://www.newsclick.in/Nod-Restart-Production-Kanpur-Tanneries-Face-Acute-Labour-Raw-Material-Shortage>

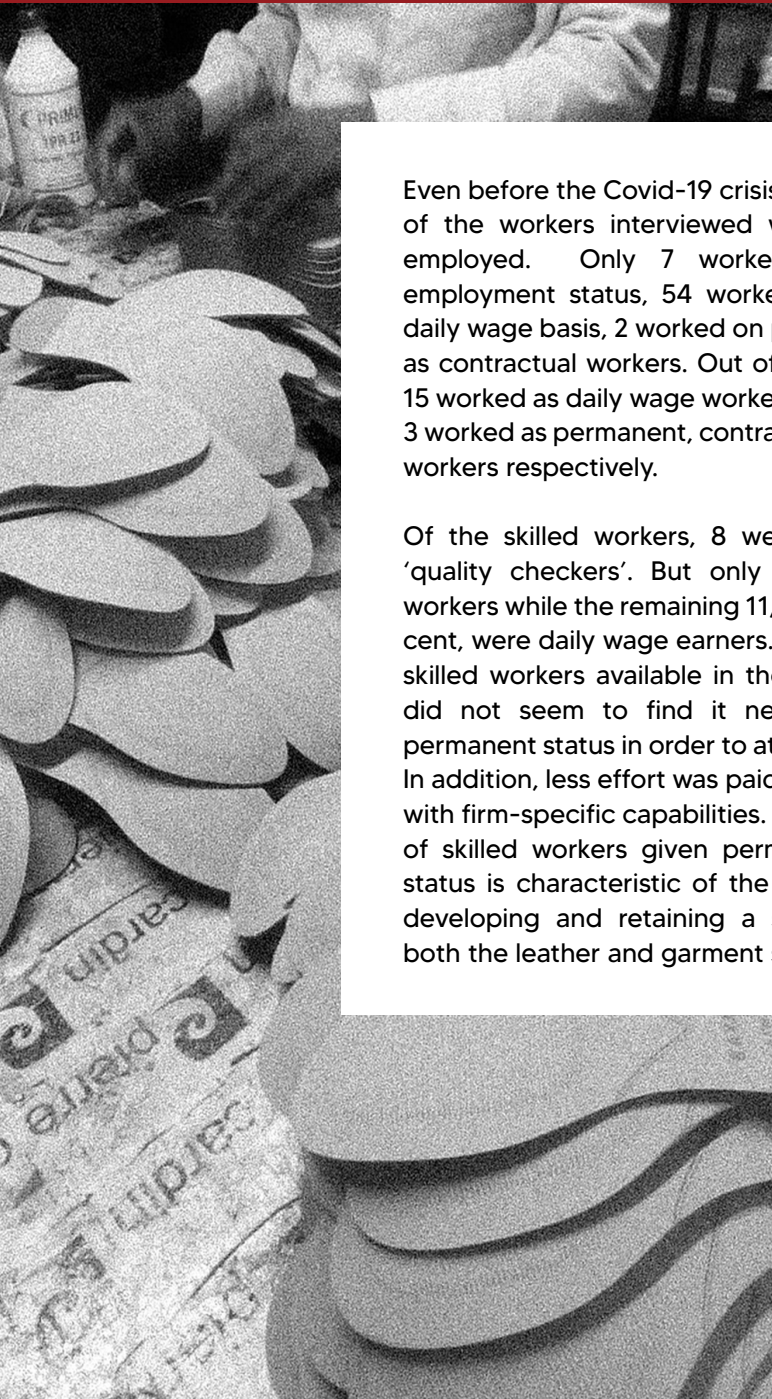
The study covers

- » Impact on workers' wages during and post the lockdown period.
- » Availability and accessibility of social security benefits, including additional support that the workers were expected to receive from the national and state governments during the crisis.
- » Occupational health and safety measures and potential protective measures adopted by the employers with respect to the workers safety in the post lockdown period.

Profile of the workers

The study covered 65 leather and shoe workers working in the tanneries and shoe factories in Kanpur-Unnao region. Out of the 65 workers interviewed, 47 were men and 18 were women. The age of the workers ranged from 18 - 50 years and the average age was 31 years. Most of the women workers were from Kanpur and very few were from the neighbouring areas. 60 (42 men and 18 women) workers interviewed were from 18 shoe factories, while 5 male workers interviewed were from 5 tanneries. The workers interviewed were from different occupational categories as shown below in Figure 1 prior to the lockdown. Most were helpers. However, it will be important to mention here that the categorisation of helper is often a tactics used by employers to reduce wages. Minimum wages depend on skill categories and helpers fall at the bottom of the scale as 'unskilled'.





Even before the Covid-19 crisis hit the region, most of the workers interviewed were precariously employed. Only 7 worked with permanent employment status, 54 workers were hired on a daily wage basis, 2 worked on piece-rate, 2 worked as contractual workers. Out of 18 women workers, 15 worked as daily wage workers and the remaining 3 worked as permanent, contractual and piece-rate workers respectively.

Of the skilled workers, 8 were 'finishers' and 5 'quality checkers'. But only 2 were permanent workers while the remaining 11, or more than 90 per cent, were daily wage earners. With a large pool of skilled workers available in the cluster, employers did not seem to find it necessary to provide permanent status in order to attract skilled workers. In addition, less effort was paid in retaining workers with firm-specific capabilities. Overall, the low level of skilled workers given permanent employment status is characteristic of the lack of attention to developing and retaining a skilled workforce in both the leather and garment sectors.



LOCKDOWN

Impact on Wages

The nationwide lockdown in India was announced on 23rd March and it extended till 30th May 2020. The lockdown brought a halt to economic activities, the tanneries and shoe factories were closed and the workers were out of work during the lockdown period. The study revealed that very few workers received monthly wages during the lockdown period. Out of the 65 workers, only 48 workers received wages for the month of March and 17 workers did not. Out of the 48 workers who received wages, 38 were daily



No wages were paid in April and May 2020. The company should have supported the workers during the lockdown.

Leather worker,
Unnao, Uttar Pradesh



wage workers, 7 were permanent workers and the remaining were piece-rate and contractual workers. The wages, the workers received ranged between Rs. 1,000 - Rs. 12,000 and the average amount paid was Rs. 5,480.

Out of 65 workers, only 8 workers received wages for the month of April and May. Most workers felt that the tanneries and the shoe factories should have supported them in the COVID-19 crisis by paying them at least 50% of the wages or some portion of the wages, at least as advance, so that they could cover their basic expenses of food and shelter. The sudden stop in the payment of wages pushed them into a crisis situation where they were struggling to make their ends meet.

Most of the operators were paid during the lockdown period as compared to workers who performed other tasks in the factory. The operators perform crucial functions and are trained on the job, therefore efforts were taken to retain them by paying wages during the lockdown. This also sometimes meant that they were paid partially if not fully during the lockdown. There is no clear indication that the tanneries and shoe factories took additional efforts to retain workers performing skilled operations by paying them full

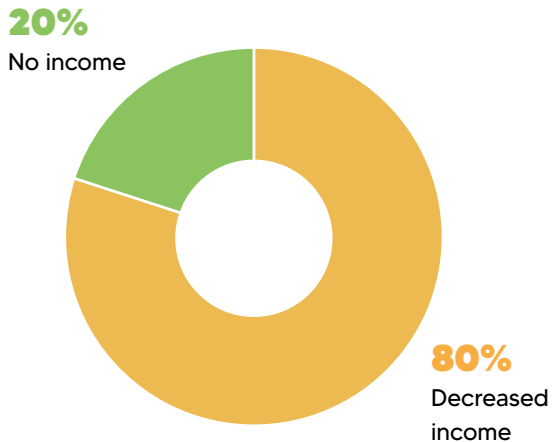
or partial wages. None of the workers interviewed received any advance from their respective employers during the lockdown period.

Change in household income

Considering the fact that the factories were shut down for more than two months, it left the leather and shoe workers out of work and many of them were not paid during the lockdown period as mentioned above. Out of 65 workers interviewed, 52 workers reported **'decreased income'** and 13 workers reported **'no income'** during the lockdown period. The workers who mentioned decreased income only referred to their wages

received in March and very few workers received full and partial wages for the month of April and May, 2020. Majority of the workers received no wages during the lockdown period (April till the end of May 2020).

FIGURE 2: CHANGE IN THE INCOME OF WORKERS DURING LOCKDOWN



Very Limited Access to State-sponsored Relief and Entitlements

To address the concerns of the working community, the state government announced various relief measures so that more number of people in need of immediate relief could be supported during the COVID-19 crisis.

The Uttar Pradesh government declared that 3.5 million labourers would receive Rs 1,000 each as financial aid and free foodgrains for one month

to 16.5 million construction workers and daily workers who were registered under the Antodaya Yojana and MGNREGA with the Labour Department. It was announced that daily wage workers who did not have a ration card would be given the document on a priority basis. Also pending payments for workers who worked under the MGNREGA scheme were to be released by the state government. The government also extended cash transfers to construction workers registered with the labour department under the Building and Other Construction Workers Act (BCOW Act)¹² which was considered a useful measure to reach out to the construction workers in the state. There is very little evidence on how many workers actually benefitted from the state sponsored schemes during the pandemic.

However, similar schemes during the lockdown were not extended to workers in the leather industry in Kanpur-Unnao region, which employs more than 1 million workers directly and indirectly. Additional support from the government during the time of COVID-19 pandemic could have been some source of relief to the leather and shoe workers to tide over the crisis.

Some of the schemes such as the food subsidy benefitted a certain section of the workers but there was uneven distribution. 46 out of 65 workers (about 60%) received food grains at subsidized rates from the government

12. <https://www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/india-construction.aspx>

The BOCW Act is a social welfare legislation that aims to benefit workers engaged in building and construction activities across the country. The preamble of the BOCW Act explicates the said purpose:

“An act to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare measures and for other matters connected therewith or incidental thereto.” The ambit of the BOCW Act is wide, particularly in a country where the infrastructure and construction sectors have seen significant growth. The object of the BOCW Act as well as its framework is analogous to other labour law legislations, but in particular, the BOCW Act is similar to the Factories Act, 1948.

13. A public distribution shop, also known as fair price shop (FPS), is a part of India’s public system established by the Government of India which distributes rations at a subsidized price to the poor.

14. [https://en.wikipedia.org/wiki/Ration_card_\(India\)](https://en.wikipedia.org/wiki/Ration_card_(India))

Fair Price shops (FPS). Most of the workers reported receiving only rice from the FPS¹³ comprising of five kilograms per person for a period of one month. Therefore, the quantity of rice received varied from one family unit to the other depending on the number of family members in each unit. 19 workers did not receive any food grains from the government as they did not have a ration card¹⁴ and 13 workers reported that they did not receive any relief from the government during the lockdown period.

Additionally, 417 workers received food essentials in the form of dry ration kit from SLD between April to August, 2020. 5 workers received additional food grains or cooked food from local units of political parties, but none of the workers received any support from their respective companies or trade unions.

During the lockdown period, the government declared special provisions for workers to withdraw money from the Employee Provident Fund (EPF)¹⁵ account to meet their needs in the crisis situation. It is important to note that in the country as a whole, workers withdrew more than USD 1.5 billion (INR 11,550 crores) from their savings in EPF accounts. Workers usually utilize these savings for children's marriage or educational expenses. However,

15. As an employee working in a corporate set-up, there are several things one would like to know about the Employees Provident Fund (EPF). EPF is the main scheme under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The scheme is managed under the aegis of Employees' Provident Fund Organisation (EPFO). It covers every establishment in which 20 or more people are employed and certain organisations are covered, subject to certain conditions and exemptions even if they employ less than 20 persons each.

Under EPF scheme, an employee has to pay a certain contribution towards the scheme and an equal contribution is paid by the employer. The employee gets a lump sum amount including self and employer's contribution with interest on both, on retirement.

As per the rules, in EPF, employee whose 'pay' is more than Rs 15,000 a month at the time of joining, is not eligible and is called non-eligible employee. Employees drawing less than Rs 15,000 per month have to mandatorily become members of the EPF. However, an employee who is drawing 'pay' above prescribed limit (currently Rs 15,000) can become a member with permission of Assistant PF Commissioner, if he and his employer agree.

https://economictimes.indiatimes.com/wealth/earn/all-about-employees-provident-fund-scheme/articleshow/58906943.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

given the economic duress and the absence of social security measures, hard earned savings were used to meet immediate basic needs which would have otherwise been spent on children’s and family’s overall health and general well-being in the long run and in normal circumstances.

In course of the interview, the workers shared that they did not withdraw any money from the EPF account under the special EPF withdrawal scheme announced by the government during Covid-19 lockdown. 55 out of 65 (approximately 85%) of workers, did not have an EPF account and the remaining were either not aware of the scheme or did not have any money in the EPF account. Majority of the workers interviewed earned less than INR 15,000 and were eligible to register under the EPF scheme.

In terms of access to healthcare, 22 workers reported that they or their family members had fallen ill during the lockdown period. 19 out of these 22 workers approached private hospitals or private doctors for treatment. There was a sense of fear among workers to approach government hospitals due to COVID-19 situation which would increase their chances of contracting the disease. People were also afraid to be tested COVID-19 positive and being sent to the government run quarantine centres, which reportedly had very poor facilities.

FIGURE 3: DECREASE IN FOOD CONSUMPTION DURING LOCKDOWN



Drastic Reduction in Food Consumption

The study intended to understand the food consumption of the workers, changes in the consumption pattern and coping mechanisms during the lockdown. Out of the 65 workers interviewed, 48 workers shared that their eating habits had changed during the lockdown period. As per the norms of the state government, individuals were to receive 5 kilograms of rice or wheat during the lockdown period. Workers shared that living just on cereals, rice or wheat, was not a sustainable option for them. Most of them reported that the number of meals fell from 3 meals to 2, along with a reduced intake of vegetables, fruits, proteins (eggs, meat) and dairy products (milk) due to lack of sufficient resources as shown in Figure 3.

Intake of food grains (rice, wheat) was not impacted as reported by the workers since the family received food grains as relief from the government. Many shared that they did not have funds to buy milk or baby food for children below the age of two. In some cases, the workers were not comfortable talking about their consumption pattern. The situation was gradually becoming grim for the workers with the extension of the lockdown and depleting savings. Purchasing food for their families



There is so much of pressure on me to pay the debt that I feel like committing suicide. I am looking for a good job to repay my debt.

Shoe worker, Kanpur,
Uttar Pradesh



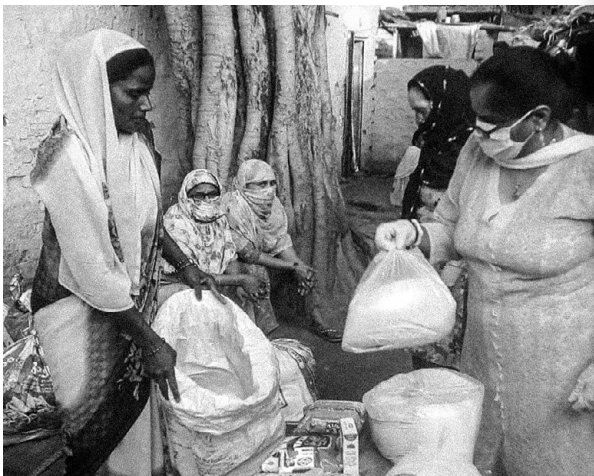
We should be compensated now so that we can repay our debt. Permanent workers joined one month before but daily wage workers were asked to come to work after one month of opening of the factories - why this discrimination.

Shoe worker, Kanpur, Uttar Pradesh

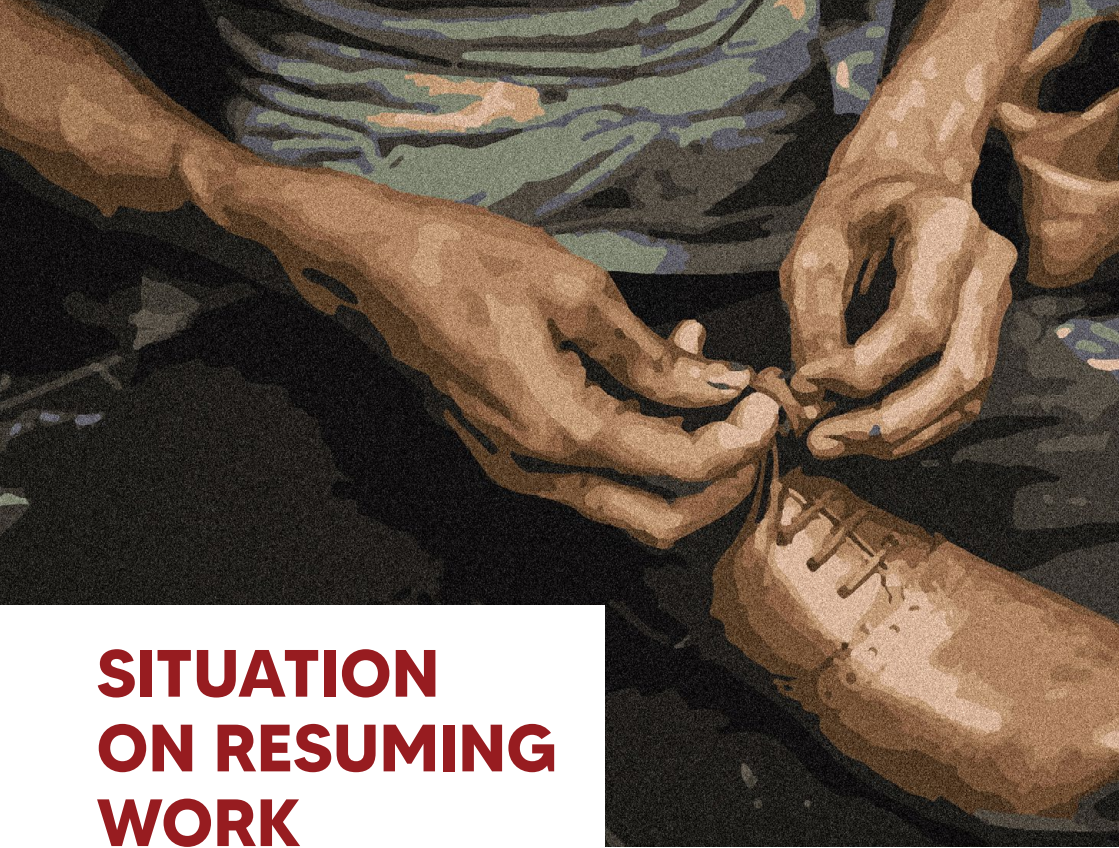
became increasingly a matter of grave concern with increasing lockdown phases and accompanied uncertainties.

High-Interest Debt

Economic hardships led workers to borrow money from various sources to meet their daily survival needs. Out of 65 workers, 32 workers borrowed money between Rs.1,000 to Rs. 25,000 - the average amount being Rs. 7,725. Money was primarily borrowed to buy food and other provisions for the household, paying for house rent, electricity, medical care, including that of child care. 9 workers borrowed money from money lenders paying an interest rate of 3% to 10% per month for the money borrowed. 21 workers borrowed money from friends and relatives and in few of these cases they paid an interest rate of 5% to 10% per month for the money borrowed. In course of the interview, the workers expressed concern on paying off their debt. Most of them were not sure how they would repay and the high interest rates only aggravated their concern. The workers who had resumed jobs were able to pay off their debt to the money lenders but were not sure whether they would have a sustained flow of income to pay all the money back.



417 workers received food essentials in the form of dry ration kit from SLD between April to August, 2020.



SITUATION ON RESUMING WORK

The lockdown was lifted on 1st June 2020 with special provisions being made for containment zones. It gave a sense of relief to the workers that their work would be resumed with the opening of the tanneries and shoe factories. After the lockdown ended, some migrants came back. But there were still reports of labour shortage as a result of the earlier reverse migration. At the same time, the factories were working at limited capacity, reducing the demand for workers. Thus, leather and shoe workers in the Kanpur-Unnao region were struggling to secure their work. The field realities revealed that there were workers who were still not taken back to work due to drop in production targets and at the same time some factories were also sharing their concerns on labour shortage.

In the sample, 34 out of 65 (approximately 50%) workers, resumed work post lockdown. Out of the 34 workers who resumed work, 28 were daily wage workers, 3 were permanent workers, 2 were contract workers and 1 worked on piece-rate. The daily wage workers continued to be most precariously

employed. Despite a reduction in the overall workforce, due to some migrants not returning, there was no improvement in the employment conditions. This was due to the low capacity at which tanneries and factories were running, resulting in a low demand for workers.

All the 34 workers who had resumed work reported - reduced workforce at the tannery and factory levels. Most of the workers who resumed work reported that the availability of work was intermittent, sometimes they were asked to come to the factories three times in a week and on other occasions they had to wait for calls from the factory management. There was a disrupted flow of income, leading to a sense of insecurity. Considering the fact that the majority of the workforce was low wage workers - reduced income and job insecurity aggravated their situation.

The interview post the lockdown period revealed that of those interviewed, 52% (34 workers) resumed work, while 45% (29 workers) were terminated and 3% (2 workers) did not want to share their employment status during the interview.

TABLE 1: DETAILS OF WORKERS WHO RESUMED WORK

Sex		Permanent	Contractual	Daily wage	Piece-rate
Male	25	2		22	1
Female	9	1	1	7	

**FIGURE 4:
WORKERS
WHO
RESUMED
WORK**

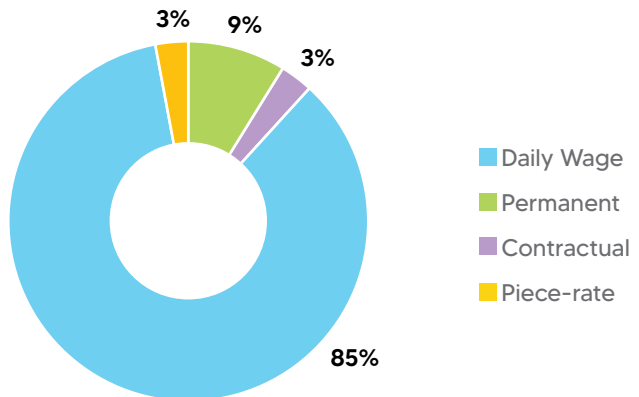
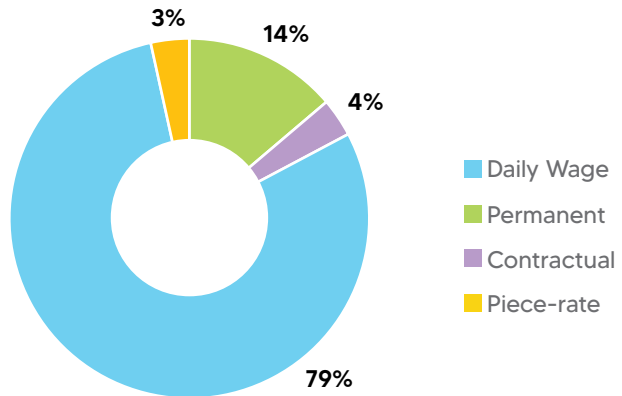


TABLE 1: DETAILS OF WORKERS WHO DID NOT RESUME WORK

Sex		Permanent	Contractual	Daily wage	Piece-rate
Male	20	4	1	15	
Female	9			8	1

**FIGURE 5:
WORKERS
WHO DID NOT
RESUME WORK**



Nobody is thinking about the daily wage workers. I live on rent, it is difficult to pay the rent when there is no work. The company should give permanent status to the daily wage workers. ””

Shoe worker, Kanpur, Uttar Pradesh

It is important to understand the continuity of the trend of employment before and after the lockdown in order to reflect on the precarious condition of the workers. The practice within the industry to employ daily wage workers can be observed prior to the lockdown as well. Post the lockdown period the industry offered full-time or interim employment mainly to daily wage workers so that they can be removed from their services easily without prior notice. For the industry, recruiting daily wage workers is always a safer option so that they do not have to take the responsibility of offering social protection to



the workers, much to the detriment of the workers. Moreover, it is often difficult to prove cases of rights' violation, if any, with respect to daily wage workers due to the lack of proof of employment.

In the course of the interviews, most of the daily wage workers felt that if they worked as permanent workers in the tanneries and the shoe factories they could have overcome the crisis better, as they would have had job security; or even if there were cases of termination, in all probability, a permanent worker would have received some compensation from the tannery or factory as compared to a daily wage worker. Being a daily wage worker often meant that they would be never taken back to work or their pending dues be paid and it also meant that they would have to find other sources of employment if the factory management refused to restore their service.

As shared by the workers, the tanneries and shoe factories primarily employed daily wage workers under the unskilled category even if they performed tasks that would fall under the semi-skilled or skilled category. Ideally there should be a co-relation between category of workers and their type of employment but a clear

distinction was not observed in this sector. The workers employed in the tanneries and shoe factories might perform a skilled task like being a quality checker but s/he would be recruited as a daily wage worker in the unskilled category. This practice is adopted so that workers can be paid less for the skilled category of work. The daily wage workers are not given a valid payslip by the factories or the labour contractors, therefore, it becomes very difficult to ascertain the category of the workers.

But the collective bargaining by exodus, seen in reverse migration in the whole country, did seem to bring a fear in employers of the likelihood of facing a shortage of skilled workers. It is also one of the reasons why employers did pay skilled workers some of their dues, while low-skilled workers were not even paid their dues for work done before the lockdown. Of course, even brands often did not pay suppliers for goods they had already supplied, or asked for discounts on these shipments. But the fact that suppliers did treat skilled and low-skilled workers differently, shows that, to the extent there is an increase in the need to employ skilled workers, e.g. to meet higher quality requirements, which ideally should result in the increase of permanent workers within the industry.

Precautionary measures at the workplace

22 workers reported that the factory management had installed disinfectant machines. All the workers reported that their body temperature was screened prior to entering the factory premises and it was mandatory for them to wear face mask and use hand sanitizers at work. 23 workers reported that they were given hand gloves and 21 workers shared that they had additional hand washing facilities at workplace. 28 workers mentioned that their workspaces were disinfected regularly. 30 out of 34 workers shared that social distance norms were maintained at their workplace during working hours. While Occupational Health and Safety (OHS) still remains an area where improvements are possible, and in some instances also necessary to protect workers from COVID-19 and the risks related to their occupation, most companies seem to have taken precautionary measures to some extent.

Safety during travel

Social distance or physical distancing is the new normal. The workers had to travel to the factories and were expected to follow safety precautions so that they do not contract the virus. 14 out of 34 workers who resumed work travelled to the factories using their own mode of transportation, which could be a bicycle or a motorcycle, 10 workers availed private transportation and 9 workers walked to work. 23 out of the 34 workers did not feel safe while travelling to work due to over-crowding and non-adherence to social distance norms in public transport.

Employment Status

The status of employment did not change for most workers - they were and remained daily wage workers. But the number of days of work - reduced. A majority worked for five days in a week as compared to six days in a week, prior to the lockdown. Some also reported that they worked for just four days or even three days a week, as and when work was available. There was a clear indication that work flow was intermittent with the opening of the factories as production targets reduced.

“
Salaries have decreased and that too we don't get regularly.”

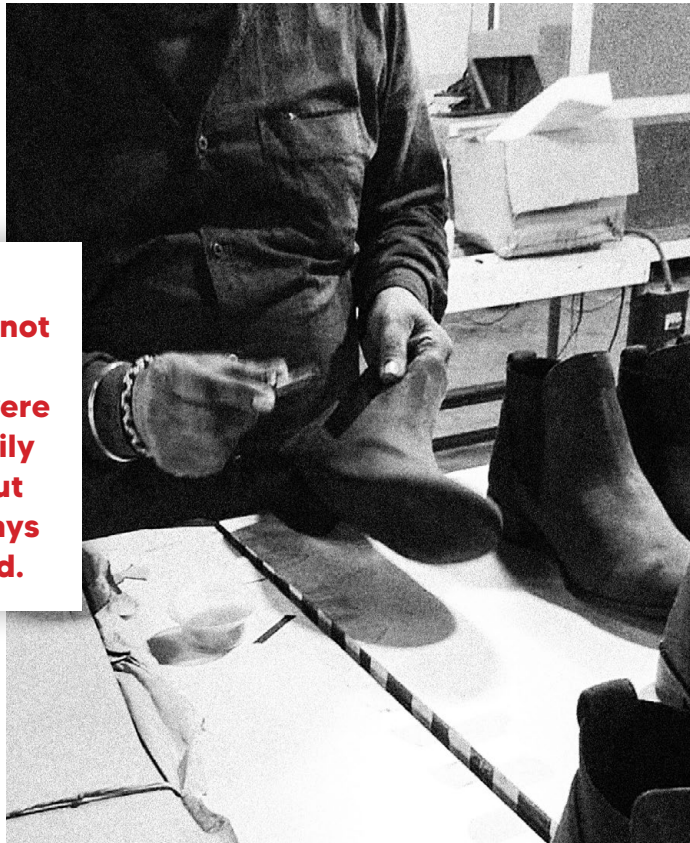
Shoe worker, Kanpur,
Uttar Pradesh

The hours of work in the factory ranged from 8 hours to 10 hours and there was not much difference in the normal working hours pre and post-lockdown. But while most workers had overtime work for at least 8 hours to 12 hours in a week, during which, however, they were paid only the normal rate for overtime work. In the post lockdown period very few workers reported that they were required to work overtime.

34 workers who resumed employment reported that their pattern of payment of wages did not change post the lockdown. Most of them were paid wages on a monthly basis and it remained the same, even after they resumed work. 28 out of the 34 workers reported that the production target had decreased post the lockdown period.

29 out of 34 workers shared that their factories resorted to termination of workers after the lockdown period or when the factories re-opened. 25 workers shared that as per their knowledge the terminated workers were not compensated by their respective employers. Few workers shared that only permanent workers were compensated. Further, the average wage prior to the lockdown was Rs. 8000 but post lockdown the average was Rs.7500 as reported by the workers. Workers did report of reduction in wages post the lockdown period which may also be due to the fact that there was a considerable dip in the production during the COVID-19 situation.

The status of employment did not change for most workers - they were and remained daily wage workers. But the number of days of work - reduced.





SITUATION OF THOSE LAID-OFF

Post lockdown, the situation for the workers appeared grim, with a drop in production targets and a shortage of work. Many workers in the leather industry were struggling to make their ends meet. 29 out of the 65 workers interviewed shared that they did not resume work post the lockdown period. 26 out of these 29 workers said that they were terminated from their job and the remaining three workers either resigned from their job or were asked not to come to work till the situation became normal. One worker declined work because of the distance that he had to travel from his home to the workplace. Out of the 26 workers who were terminated, 22 were daily wage workers, 3 were permanent workers and 1 worked on piece-rate.

Termination from work

19 out of 26 workers said that they were only verbally communicated about their termination. 8 workers were informed by the labour contractors, 6

workers were informed by their supervisor/team leaders and 3 were informed by the security personnel at the factory gate about their termination. Majority of the workers said that they were terminated as a result of downsizing of the workforce due to lack of business orders. Most of the factories did not engage in any dialogue with the workers or workers' collective/union before deciding on downsizing, laying-off and terminating the workers. This also indicated either the lack of association of workers with workers' collective/union or non-existence of workers collective/union at the factory level to address the needs of the workers. In only 4 cases the factory management had cleared the dues of the workers. The remaining 25 workers said that their dues which included salaries, overtime and social security benefits were not cleared. 23 out of 29 workers had grievances with respect to their termination and they felt that the management should have informed them in advance or should not have terminated them from work during the pandemic.



Company should have given at least 15 days of salary to the workers during the lockdown. Should have given 50% of the payment so that the workers could sustain themselves. Workers' union should be there to voice the concern of the workers.””

Leather worker, Unnao,
Uttar Pradesh




Factory workers must be permanent. All workers should receive a bonus and all workers must have an EPF account.””

Shoe worker, Kanpur, Uttar Pradesh



The management was misbehaving with me during the lockdown and I was feeling pressurized - so I resigned.””

Shoe worker, Kanpur, Uttar Pradesh



Company has terminated all their employees they should have atleast paid the dues of the workers. No formal notification was given by the company to us prior to the termination.

Shoe worker, Kanpur,
Uttar Pradesh

I am a permanent worker in the factory, yet terminated. No settlement or compensation was given to me.

Shoe worker, Unnao,
Uttar Pradesh

Immediate needs

“Salary should increase, you have to bargain with the management on the salary, workers are becoming unemployed, workers are migrating to Noida (Delhi National Capital Region), if there is no work, we will die out of starvation”. (shoe worker, Kanpur)

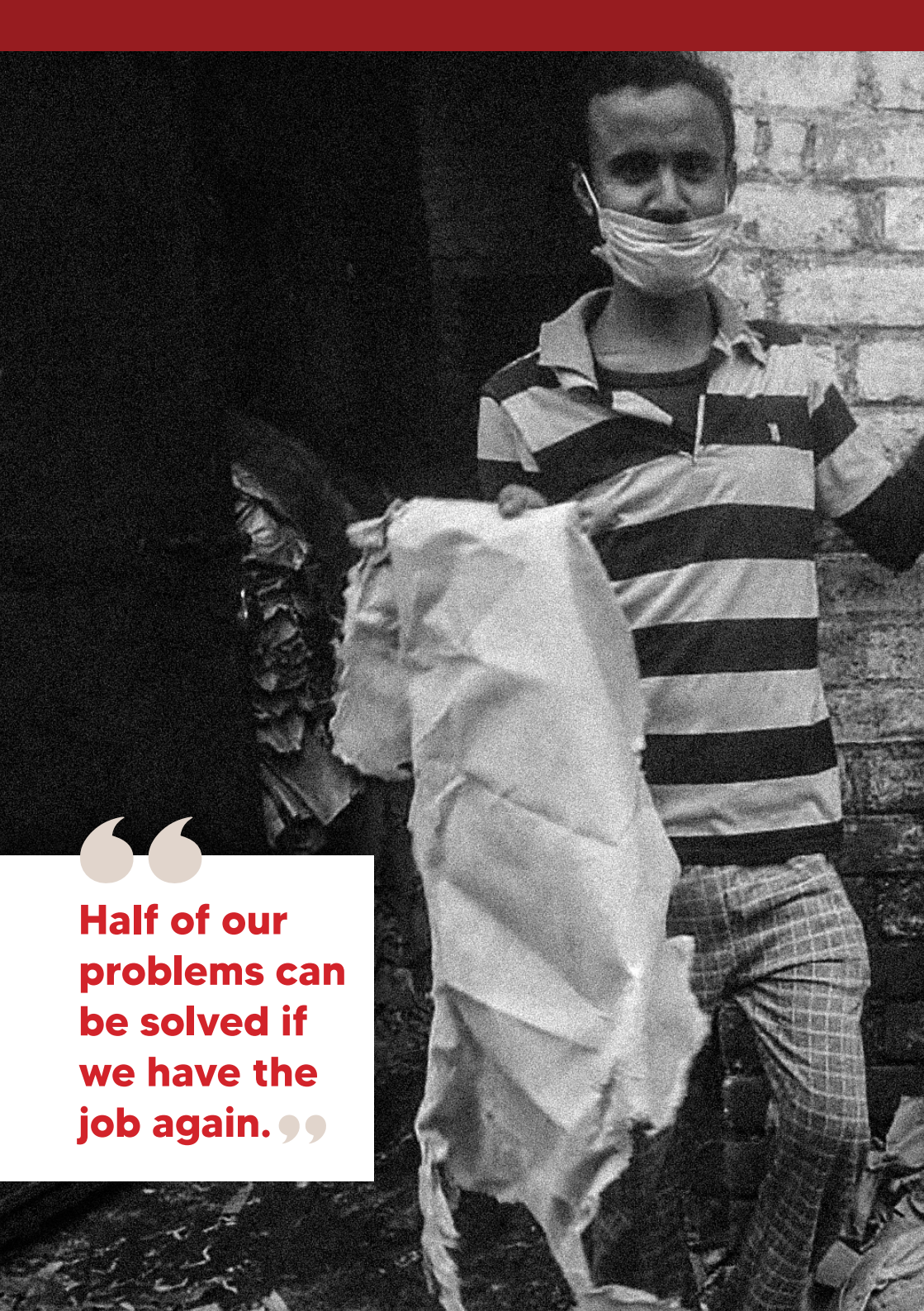
27 out of 29 workers mentioned that they did not have sufficient savings to tide over the crisis. Food and household expenses were the immediate needs of all the 29 workers, followed by electricity as mentioned by 24 workers, house rent as mentioned by 14 workers, and repayment of debts and loans mentioned by 10 workers.

28% of workers who were terminated (eight out of 29 workers) hoped that they would soon find alternative employment; while 66% (19 workers) did not think that they would find alternative employment in the near future. The changing realities due to the recession and world-wide economic downturn, injected fear and hopelessness within the leather and shoe workers in their world of work and many workers were still not sure whether they would get work in other sectors if the leather and shoe industry collapsed.

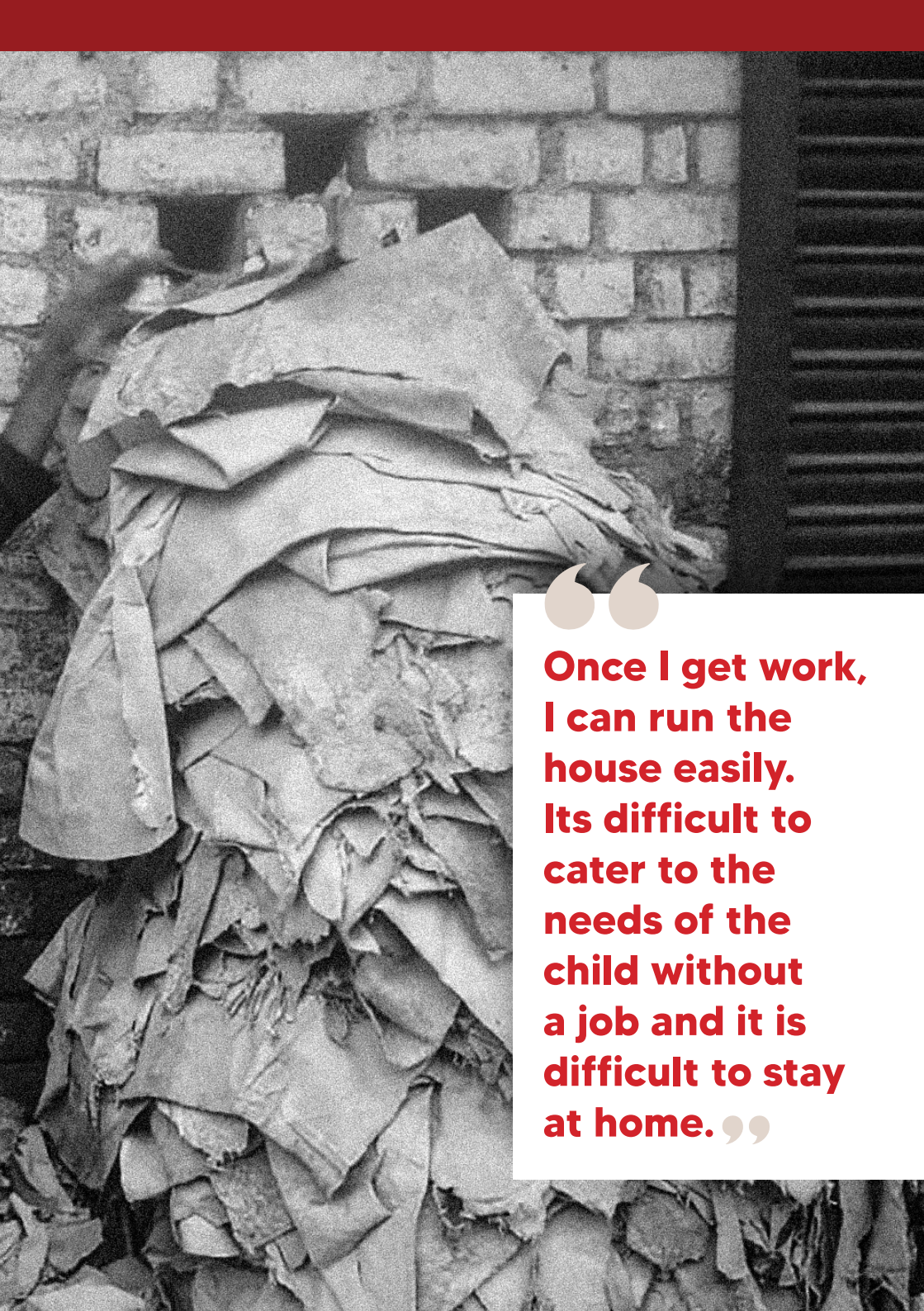


Salary should increase, you have to bargain with the management on the salary, workers are becoming unemployed, workers are migrating to Noida (Delhi National Capital Region), if there is no work, we will die out of starvation. ””

Shoe worker, Unnao,
Uttar Pradesh



**Half of our
problems can
be solved if
we have the
job again. ”**



**Once I get work,
I can run the
house easily.
Its difficult to
cater to the
needs of the
child without
a job and it is
difficult to stay
at home. ”**



RECOMMENDATIONS

The pandemic impacted the leather and the shoe industry and it created a ripple effect on the brands, suppliers and the workers. The jolt was faced not only by the leather and shoe industry but also by the allied industries and its workers. The brands and suppliers have also been badly affected as a result of lockdown and the resultant slow-down of economic activities. But, many brands did receive support from the relatively stimulus packages in the EU and USA. But, the brunt of the crisis impacted the workers in the industry the most. The existence of the workers was at stake as most of them are low-wage workers barely being able to meet their needs for survival. In this situation a joint strategy by the brands, suppliers and the government to protect the needs of the workers becomes essential.

Social protection and access to their rights and entitlement could have given the workers some cushion to overcome the crisis but there was barely any measure taken by the brands and suppliers in this direction.

Though some suppliers did distribute cooked food to the workers during the lockdown period but one meal for a family which has reached a stage of semi-starvation was never enough. Substantial measures to recognise leather and shoe workers could have been taken by the respective government but the precarious nature of the industry where most of the workers do not have a proof of employment becomes a difficult task in itself to prove the identity of the workers. During the interview, a majority of the workers pointed out that a higher wage would improve their situation and will provide them some saving with which they could cover their needs in a crisis situation in future.

Workers are treated as disposable entities, their lives do not matter because there is surplus labour. As a result of this labour surplus, any one without work seems willing to compromise on wages for the very reason that they will at least earn something to somewhat meet the essential needs of their family. Leather and shoe workers are struggling due to reduction in production both in the domestic and global market. As part of global and national economic stimulus packages, there needs to be measures undertaken by the government to provide social security to workers. Unfortunately, in India the national and state governments provided very little and that too somewhat ad hoc and uneven support, leaving workers and their families to fend for themselves.



CONCLUSION

India, like many other countries in the world, is facing one of the severest challenges posed by COVID-19. With a case load of more than 8.13 million active cases in November 2020, the pandemic has exacerbated existing inequalities characterised by a burgeoning migrant crisis; challenges of food security and rising unemployment. A recent ILO and ADB report estimated¹⁶ that the COVID induced job loss in India is close to 4.1 million, primarily affecting the young workforce. Recent studies and media reporting's are documenting how gender and caste are playing out in these scenarios due to the lack of social security nets for poor vulnerable communities¹⁷.





16. Tackling the COVID 19 Youth Employment Crisis in Asia Pacific, International Labour Organisation and Asian Development Bank, August 2020

17. https://www.business-standard.com/article/current-affairs/for-millions-of-migrant-workers-covid-19-brought-caste-discrimination-back-120082100542_1.html

The study conducted by SLD bears out many of these facts. It clearly indicates how inequities are playing out in the labour and job market in the leather industry. Daily wage earners who are positioned at the lowest level of hierarchy in labour employment were the ones who were impacted the most by way of job loss. Without job security and guaranteed labour rights, they are prone to sudden termination without any guarantees. Further, the research indicates that many of the respondents were unable to avail of the relief packages announced by the government due to unavailability of ration cards or lack of knowledge of existing schemes. This is an important gap that needs to be filled in order to ensure that people have access to nutritional support and security in times of crisis for self as well as for families.

The need for collectivisation of labour and formation of workers association cannot be emphasised enough. In the absence of such associations, abrogation of workers' rights is easy and above scrutiny. There is a need for formal as well as informal networks to be supported in such industries. A crisis of the scale of COVID-19 only exposes and increases the vulnerability of labour. Lack of social security measures like unemployment insurance and access to EPF or PPF (as the study clearly indicates) further increases the vulnerability of workers and reduces their ability to absorb shocks. Further, with reduced incomes and household consumption characterised by lack of access and affordability to sufficient and nutritious food (to maintain their immunity), a future health crisis of the labour community may not be far away. Thus, a multi-pronged approach within the human rights framework addressing the immediate and long-term impacts of COVID-19 is the need of the hour. Brands need to consider suppliers and their workers as parts of the value chains, whose sustainability requires that some of the high profits earned by brands goes back to suppliers and their workers in this crisis. Governments need to intervene to provide social security support in the face of the crisis of unemployment. There is a need to recognise the leather and shoe workers as potential workforce contributing to the growth of the national economy and not as disposable commodities.



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