Small-Scale Tailoring Industry

A Type Study

B Dey

This paper attempts to study certain aspects of the economics of small-scale tailoring enterprises in the Baranagar Municipality area in Calcutta.

The data, collected by the interview method, throws light on the types and value of fixed assets, the number of workers employed, the categories of workers and their wages, the quantity and value of inputs, the value of output and productivity per worker.

THE OBJECT of this paper is to study various aspects of the economics of tailoring enterprises, which are an important part of small-scale industrial units. A survey was conducted to collect data by the interview method in respect of activities of all the 42 tailoring shops in the area of Baranagar Municipality in Calcutta.

A list of all the tailoring shops situated in the area was available from the office of the Municipality. These shops have been serially numbered according to their situation on different streets. This list has been used as the frame of the survey. The shops have been divided into two groups, one consisting of shops bearing odd serial numbers and other bearing even serial numbers. These two groups have been treated as two separate half-samples and two different investigators were engaged for the two half-samples.

The items of information collected in the questionnaire are:

(i) Fixed assets: quantity, cost at installation, annual rent (if any), age in years;

(ii) Labour: number of workers, working hours, wage and other emoluments of workers categorised into six groups, viz, own account workers, family workers, direct employees — separately of men, women and children — supervisory staff, other employees, and contract labour;

(iii) Inputs: quantity and value of inputs classified into two groups — inputs required for production out of purchased cloth and those required for production out of cloth supplied by customers; and,

(iv) Output: quantity and value of output and tailoring charges received separately for both the above systems of production.

Data were collected for a calendar month preceding the month of survey. The entire survey was conducted during the months of February and March 1966 and thus the month of reference was either January or February 1966.

Summary Observations

The tailoring enterprises in this area are generally of the nature of household activities run in most cases by a member of the household, in some cases assisted by another member or other members of the household. In a few cases, one or two employees have been engaged mostly as apprentices or as part-time workers or contract labour. In some cases, this is the secondary occupation of the owner.

The tailoring shops carry on their activities in two ways. Some of the shops purchase cloth and other items of inputs on their own account and produce garments either against orders from the public or from other garment shops. In this system, tailors may earn a profit or incur a loss in addition to their normal tailoring charges (this system is designated here as Department A). In the other system (designated as Department B), either the users and/or the traders supply cloth for preparing garments according to their own specifications and the tailors charge for their services and for petty items of input such as thread, buttons, etc, supplied by them. Some of the shops follow both the systems. The major portion (about 60 per cent) of the total production is, however, account-

ed for by Department B where the average rate of earning per piece is also higher than that in Department A.

Fixed assets in the industry include mainly pedal sewing machines, a few ordinary irons, cheap wooden tables, chairs and a few cheap almirahs and scissors. Power driven sewing machines are totally absent. The electric fan is a luxury item of furniture and only a few shops possess them. The space occupied is generally part of the rented residential house of the family, or a corner of a cloth shop or a small room in a house hired for rent.

Average gross earning (including depreciation on fixed assets) per shop is about Rs 170 per month. Out of this, it pays, on an average, wages to hired workers at Rs 38 and rent for working space at about Rs 20 per shop per month. The owners and members of their family earn more per month (about Rs 90) than the hired workers (about Rs 54). A worker engaged in this trade, it was found produced Rs 136.71 worth of garments in Department A and earned Rs 75.35 as tailoring charges for his work in Department B at a total material cost of Rs 125.00 with the help of Rs 300.00 worth of fixed assets.

Main Findings

The tables give estimates for the tailoring enterprises by the two sub-samples in addition to those for all of them. Separate figures have also been given for Departments of A and B for own-account manufacturing and for servicing respectively.

From the data it is clear that a larger number of garments are prepared in Department B. This indicates that inspite of the huge expan-

sion of ready-made garment stores, people generally prefer to have garments made to order. For this they do not mind paying more as tailoring charges. This is indicated by the fact that the average gross earning per piece of garment is higher in Department B than in Department A.

Use of Fixed Assets

As already stated, none of the shops here owns any asset in the form of land and building and all the working space is hired for rent. Estimation of capitalised value of such assets is not possible from the available data. Although the average rent paid for hired working space is shown in Table 1, the estimate of fixed assets used in the trade excludes value of such hired space.

On an average an area of nearly 100 sq ft of floor space accommodates each shop and each worker occupies a little less than 50 sq ft (Table 1). For this, each shop has to pay an annual rent of Rs 241.64 or about Rs 20.00 per month; monthly rent per worker comes to Rs 10.00.

The value of fixed assets used includes only sewing machines and fixtures and furniture. Capital employed per shop is estimated at Rs 826.04 or about Rs 310.00 per worker. Each of the shops has less

than two sewing machines the value of which comes to about Rs 407.27 at installation. One machine can keep more than one person engaged — that is, if a worker works on the machine for sewing, another is required for cutting the cloth, fixing buttons, preparing button holes, etc. Per shop and per work estimates of value of fixture and furniture come to Rs 218.77 and Rs 108.15 respectively.

The capital-output ratio shows that by employing a rupee worth of capital for a year, Rs 3.56 worth of gross domestic product can be generated and out of this the workers' earning is Rs 3.17. Estimate of capital employed per worker comes to Rs 309.50 and with the help of this a worker may earn Rs 980.95 in a year.

Employment and Earnings of Workers

Figures in respect of employment and working conditions have been presented in Table 2. Workers have been classified into three groups according to their status of employment, viz, (i) owner-worker, (ii) family worker, and (iii) hired workers (i e employees). The owner of the shop himself works as a hired-worker in almost all shops in addition to his other duties like collecting orders, purchasing materials, etc.

The members of the owner's family also help the owner-worker in various ways including sewing or cutting.

On an average, two workers are engaged per shop of which hired labour is less than one. This indicates that many of the shops are run exclusively by the owner and/or members of his family. The owner/family workers work in their shops for a few days more in a month than hired workers. They work for about 23 days in a month (Table 2) against the hired workers' monthly attendance of 20 to 21 days. The former also stay at their shops a little longer on each working day in comparison with the latter.

Average monthly earnings of each type of worker have been estimated in Table 3. First, average gross value added per month per shop has been arrived at separately for the two departments. Combination of the two gives the average gross value added per shop per month. Average wages per shop for hired workers per month, and average monthly rent paid for working space per shop have been deducted from the above to arrive at the earning of owner/family workers per shop and per capita. Incomes of owners and family workers have been assumed to be the same.

The estimate of average monthly earning of all types of workers en-

Table 1: Quantity and Value of Fixed Assets Used in the Enterprises Per Shop and Per Worker

Items	Unit	Quantity			Value (annual rent for space)		
		SS 1	SS 2	Combined	SS 1	SS 2	Combined
Estimate per shop							
(1) Working space	sq ft	93.86	107.45	100.66	241.64	244.77	243.20
(2) Sewing machine	no	1.86	1.50	1.68	447.82	366.73	407.27
(3) Other fixture and furniture					205.62	232.22	218.77
(4) Total (2+3)					653.14	598.95	626.04
Estimate per worker							
(1) Working space	sq ft	41.30	60.62	49.77	106.32	138.08	120.23
(2) Sewing machine	no	0.82	0.85	0.83	197.04	206.87	201.35
(3) Other fixed assets					90.34	130.99	108.15
(4) Total (2+3)					287.37	337.87	309.50
No of observations		22	22	44			
No of workers		50	39	89			

Table 2: Average Number of Workers, Working Days, Length of Working Hours and Monthly Earning Per Worker

Item	SS 1	SS 2	Total
Owner-Worker			
(1) No per day per shop	0.88	0.91	0.88
(2) No of working days in a month	23.31	23.00	23.15
(3) Length of duty per day (hours)	8.61	7.25	7.91
(4) Monthly earning per worker (Rs)	108.41	86.73	97.11
Family-Worker			
(1) No per day per shop	0.27	0.32	0.30
(2) No of working days in a month	25.00	23.71	24.31
(3) Length of duty per day (hours)	7.03	8.57	7.88
(4) Earning per month per worker (Rs)	108.41	86.73	97.11
Hired-Worker			
(1) No per day per shop	1.14	0.54	0.84
(2) No of working days in a month	21.48	19.83	20.95
(3) Length of duty per day (hours)	7.56	7.67	7.59
(4) Monthly earning per worker (Rs)	61.14	58.75	60.37
All-Workers			
(1) No per day per shop	2.27	1.77	2.02
(2) No of working days in a month	22.60	22.15	22.40
(3) Length of duty per day (hours)	7.89	7.62	7.78
(4) Earning per month per worker (Rs)	84.13	78.37	81.86
Classification of Workers			
(1) Total No of owner workers	19	20	39
(2) Total No of family workers	6	7	13
(3) Total No of hired workers	25	12	37
(4) Total No of workers	50	39	89

Table 3: Monthly Average Gross Earning Per Shop, Per Owner/Family Worker and Per Hired Worker

(in Rs)

Items	SS 1	SS 2	Combined
Dept A Value of output per shop	169.19	443.44	306.31
less input per shop	116.27	366.44	241.35
Gross value added per shop	52.92	77.00	64.96
Dept B Service charges received per shop	171.81	105.63	138.72
less input per shop	12.43	23.68	18.26
Gross value added per shop	159.38	81.95	120.46
Gross value added (for A and B)	212.30	158.95	185.42
less rent for working space per shop	20.14	20.40	20.27
Earning of all workers per shop	192.16	138.55	165.15
less wages paid per shop	69.48	32.04	50.76
Earnings of owner/family workers per shop	122.68	106.51	114.39
Earnings per worker	84.65	78.28	81.76
Earnings per owner/family worker	108.57	86.59	98.94
Earning per hired worker	61.14	58.75	60.37
No of workers per shop	2.27	1.77	2.02
No of owner/family workers per shop	1.13	1.23	1.18
No of hired workers per shop	1.14	0.54	0.84
No of shops	22	22	44

gaged in this trade comes to Rs 81.76. Earning of hired workers is much less than that of owner/family workers. The former is paid about Rs 50 per head per month whereas the monthly earning of the owner/family worker is Rs 96.94 per head.

The average gross value added of Rs 185.42 per shop per month constituted of profit and service charges earned in Department A and only service charges in Department B. About two-thirds of the total added value is generated in Department B. After payment of wages and rent amounting to about Rs 71.00 out of gross domestic product, the balance of Rs 114.39 is the earning of the owner and family workers numbering 1.18 engaged in each shop.

Productivity

Estimates of productivity of labour measured in terms of quantity of garments are given in Table 5 and in terms of value of output and gross domestic product in Table 4. Value of output per worker consists of the total selling price of the garments produced in Department A and tailoring service charges for garments made out of cloth supplied by customers in Department B. Gross value added is estimated separately for the two departments. Cloth used in Department A in addition to the use of thread, buttons etc in both the departments constitute total input.

It may be observed from Table 5 that a worker produced 82 garments in a month or about 4 garments per working day, i e, half a garment in an hour. Value of output per worker per month amounts to Rs 151.44 in Department A and earning from service charges is about Rs 68.58. Out of this, cost of inputs of both the departments including the cost of cloth for Department A is estimated at Rs 128.35 leaving a balance of Rs. 91.67 as added value.

It may be interesting to compare figures of the two sub-samples and the two departments. Although per worker estimate of production in sub-sample 2 is much higher than that in sub-sample 1 (Table 5), gross value added in the former is lower than that in the latter (Table 4). It may be observed that the shops in sub-sample 2 have manu-

Table 4: Average Gross Value Added Per Worker Per Month and Per Piece of Garment

(in Rs)

	Per	Worker Per	Month	Per	Piece of	Garment
	SS1	SS2	Combined	SS1	SS2	Combined
Department A						
Value of output	74.44	250.15	151.44	8.16	3.43	4.08
less value of input	51.16	206.71	119.32	5.85	2.97	3.36
Gross value added	23.28	43.44	32.12	2.31	0.46	0.72
Department B						
Tailoring charges received	75.60	59.59	68.58	1.52	1.52	1.52
less value of input	5.47	13.36	9.03	0.12	0.34	0.20
Gross value added	70.13	46.23	59.55	1.40	1.18	1.32
Average gross value added (A and B)	93.41	89.67	91.67	1.59	0.80	1.11
No of all workers	50	39	89			
No of all garments in Department A				456	2848	3304
No of all garments in Department B				2486	1532	4018

Table 5: Quantity of Output Per Worker

(Number of Garments)

Items	Sub-Sample 1				Sub-Sample 2				Combined			
	Shirt	Trousers	Blouses	All Types	Shirt	Trousers	Blouses	All Types	Shirt	Trousers	Blouses	All Types
Per worker-month												
Department A	4.72	2.38	0.38	9.12	5.77	1.77	44.15	73.03	5.18	2.11	19.56	37.12
Department B	21.88	3.92	6.00	49.72	21.03	3.41	4.15	39.28	21.51	3.70	5.19	45.15
Total (A+B)	26.60	6.30	6.38	58.84	26.80	5.13	48.30	112.31	26.69	5.81	24.75	82.27
Per worker-day												
Department A	0.21	0.11	0.02	0.41	0.26	0.08	1.99	3.30	0.25	0.10	0.95	1.80
Department B	0.99	0.18	0.27	2.25	0.95	0.15	0.19	1.77	1.04	0.18	0.25	2.19
Total (A+B)	1.20	0.29	0.29	2.66	1.21	0.23	2.18	5.07	1.29	0.28	1.20	3.99
Per worker-hour												
Department A	0.03	0.01	0.00	0.05	0.03	0.01	0.26	0.43	0.03	0.01	0.12	0.23
Department B	0.13	0.02	0.03	0.28	0.12	0.02	0.02	0.23	0.13	0.02	0.03	0.28
Total (A+B)	0.16	0.03	0.03	0.33	0.15	0.03	0.28	0.66	0.16	0.03	0.15	0.51

	Sub-Sample 1	Sub-Sample 2	Combined
No of workers	50	39	89
No of worker-days	1104	864	1838
No of worker-hours	8721	6574	14305

Table 6: Average Value of Inputs Per Piece of Garment

(in Rs)

Items	Dept A			Dept B		
	SS1	SS2	Com-bined	SS1	SS2	Com-bined
Cloth	5.61	2.84	3.21	—	—	—
Thread	0.09	0.03	0.04	0.03	0.06	0.04
Buttons	0.07	0.01	0.02	0.01	0.03	0.02
Electricity	0.03	0.01	0.01	0.03	0.03	0.03
Other stores and services	0.05	0.08	0.08	0.05	0.22	0.11
Total	5.85	2.97	3.36	0.12	0.34	0.20
No of garments	456	2848	3304	2486	1532	4018

factured more garments out of their own cloth and those in sub-sample 1 have tailored more garments out of customers' cloth. As the rate of earning per piece is higher in Department B than in Department A, workers in sub-sample 1 have benefited more.

Material Cost of Production

Data in respect of all items of inputs consumed in both the departments was not directly available from the informants. Value of cloth used in Department A by type of garments is available. Estimates of other items of inputs have been made in an indirect way. Information on such inputs of shops that are exclusively engaged in tailoring activities in Department B belonging to the different sub-samples have been used to arrive at estimates of inputs per piece of garment irrespective of type manufactured in the department. With the help of this average, the share of this department out of the total for both the systems has been arrived at and the remaining has been taken as the share of Department A. Equal consumption of those petty inputs for

all categories of garments has been assumed.

Table 6 gives details of cost items separately for the two departments. So far as Department A is concerned, cost of cloth is the major item. Out of the total average cost of materials of Rs 3.36 per garment in this department, the share of cloth is Rs 3.21 leaving a balance of 15 paise for thread, buttons, electricity and other stores.

Generally, cheap materials are used in Department B.

Note