

### Lesson at a Glance

- **Cultivation** of cotton is a very complicated and difficult task. It is very expensive too because it requires high levels of inputs such as fertilisers and pesticides. Farmers therefore have to incur heavy expenses for which they need to borrow money from the local traders.
- The **local traders** are very clever people. They give loan to such farmers and in turn make them promise to sell all their cotton to them. Thus, they take advantage of the poor financial condition of the farmers. Here, we can give example of Swapna, who is also a cotton farmer and takes loan from a local trader to meet all the expenses on cotton cultivation. As a result she has to sell all her cotton to that local trader at a low price. Thus, farmers, in spite of their hard labour, never get a fair price.
- A large variety of cloth is sold in Erode's bi-weekly cloth market in Tamil Nadu. Cloth that is made by weavers is also brought here for sale. This cloth is bought by the **cloth merchants** and other traders.
- There are other weavers who make cloth under the instruction of the cloth merchants. These merchants supply cloth on order to garment manufacturers and exporters around the country. They purchase the yarn and give instructions to the weavers about the kind of cloth that is to be made.
- The weavers are happy because they do not have to spend their money on purchase of yarn. They also get rid of the problem of selling the finished cloth. But at the same time they lose their freedom. They begin to depend on the merchants both for raw materials and markets.
- The arrangement between the merchant and the weavers is termed as **putting-out system**.
- The Erode merchant supplies the cotton cloth produced by the weavers to a garment exporting factory near Delhi. The garment exporting factory use the cloth to make shirts to export them to foreign buyers. These foreign buyers are powerful business persons. They demand **lowest price** from the supplier. In addition, they set **high standards** for quality of production and **timely delivery**.



- These conditions put the exporter in a light situation. Still they accept the deal, because they have nothing to do at the cost of their own benefit. They start cutting costs. They get the maximum work out of the workers at the lowest possible wages. Thus, their profit remains intact. The sufferers are always the workers/labourers who hardly fulfil their day-to-day needs. The weavers too are a exploited lot. Thus, everyone does not gain equally in the market. Some make huge profits, some make moderate profits. But nobody thinks about those who are working at the root level. They remain poor inspite of their hard labour.

### IN-TEXT QUESTIONS SOLVED

Q. 1. Did Swapna get a fair price on the cotton?

(NCERT Textbook, page 105)

Ans. No. Swapna did not get a fair price on the cotton. The local trader paid her low price.

Q. 2. Why did the trader pay Swapna a low price?

(NCERT Textbook, page 105)

Ans. The trader had lent Swapna money at the beginning of the cropping season on a condition that she would sell all her cotton to him. Thus, Swapna was in his grip. The trader took advantage of this situation and paid her a low price.

Q. 3. Where do you think large farmers would sell their cotton? How is their situation different from Swapna?

(NCERT Textbook, page 105)

Ans. Large farmers would sell their cotton in the market. Their situation is different from Swapna. Unlike Swapna, they grew cotton on their own and therefore they are free to sell them anywhere they wish.

Q. 4. What are the following people doing at the Erode cloth market—merchants, weavers, exporters?

(NCERT Textbook, page 107)

Ans. • **Merchants.** They supply cloth on order to garment manufactures and exporters around the country. They purchase the yarn and give instructions to the weavers about the kind of cloth that is to be made.

• **Weavers.** They make cloth and bring this to the Erode cloth market for sale. They also make cloth on order from the merchant.

• **Exporters.** They use the cloth to make shirts to export them to foreign buyers.

Q. 5. In what ways are weavers dependent on cloth merchants?

(NCERT Textbook, page 107)

Ans. Weavers are dependent on cloth merchants for raw materials and markets.

Q. 6. If the weavers were to buy yarn on their own and sell cloth, they would probably earn three times more. Do you think this is possible? How? Discuss.

(NCERT Textbook, page 108)

Ans. In such a situation the weavers would definitely earn more. They would buy yarn at the lowest possible price and would sell cloth at the highest possible price. They would select the market of their choice for better price.

Q. 7. You might have heard of cooperatives in your area. It could be in milk, provisions, paddy, etc. Find out for whose benefit they were set up?

Ans. They were set up for the benefit of those who were in want of capital.

Q. 8. What are the demands foreign buyers make on the garment exporters? Why do the garment exporters agree to these demands? (NCERT Textbook, page 109)

Ans. • They demand the lowest prices from the garment exporters.

• They set high standards for quality of production and timely delivery. Any defects or delay in delivery in dealt with strictly.

The garment exporters agree to these demands because they are able to gain maximum profits even after that.

Q. 9. How do the garment exporters meet the conditions set by the foreign buyers? (NCERT Textbook, page 109)

Ans. The garment exporters cut costs. They get maximum work out of the workers at the lowest possible wages.

Q. 10. Why do you think more women are employed in the Impex garment factory? Discuss. (NCERT Textbook, page 110)

Ans. More women are employed in the Impex garment factory because they agree to work even at the lowest possible wages.

Q. 11. Compare the earnings per shirt of the worker in the garment factory, the garment exporter and the business person in the market abroad. What do you find?

(NCERT Textbook, page 111)

Ans. The business person abroad makes profit of Rs. 600 on one shirt and the garment exporter gains Rs. 100 on one shirt. So far the worker's earning is concerned, he gets only Rs. 15 per shirt.



