

*Uncut Diamonds:
Making the diamonds shine brighter*

Author- Anushka Rose



Centre for Labour Research and Action

Supported by

Rose Luxemburg Stiftung – South Asia

2022

***Uncut Diamonds: Making the diamonds
shine brighter***

2022

Anushka Rose

Centre for Labour Research and Action

Supported by

Rose Luxemburg Stiftung – South Asia

Contents

Foreword

Acknowledgement

Executive Summary

- Chapter 1: Introduction
- Chapter 2: Methodology
- Chapter 3: India and the Global Diamond Trade
- Chapter 4: Status of the Workforce - Analysis and Insights from the Main Findings
- Chapter 5: Conclusion

List of Diagrams and Tables

References

Acknowledgements:

First and foremost, I would like to offer my sincerest gratitude to the respondents – men, and women – the ratna-kalakars of Surat. I am grateful to them for agreeing to be part of the endeavour, generously and patiently offering insights into their lives, experiences, and their work. This study would not have been possible at all without their cooperation and support in every step in the way.

We would like to express our gratitude to Diamond Workers Union, Gujarat. It was through their network of dedicated and committed team of workers that I could access ratna-kalakarsin Surat. I would take this opportunity to specially mention Mr. Ramesh Jileriya (President) and Mr. Bhavesh Tank (Vice President) – for their immense support throughout the period of the study.

This book would be incomplete without acknowledging the unwavering support of CLRA's funding partner Rosa Luxemburg Stiftung e.V. I wish to particularly acknowledge Mr Rajiv Kumar and his team who have always been cooperative and supported us in all our endeavours. They have encouraged us to persevere and pursue our work with the informal workers of the unorganized sector.

Last, but not the least, I would like to offer my earnest and humble gratitude towards my colleagues and team members at CLRA – especially Mr Sudhir Katiyar. From the inception of the study and till the culmination – this endeavour would not have borne fruit without his critical insights and contribution.

This study is a fruit of a collaborative effort and collective labour; however, the faults, if any, solely belong to the author.

Date: February 2023

Anushka Rose

Data collection team:

Mr. Denis Macwan, Mr. Jitu Baraiya, Mr. Dipak Vora

Executive Summary

Surat, located in the state of Gujarat, is known as the diamond capital of India and is home to a thriving diamond industry. The city is one of the world's largest diamond polishing and cutting centers, accounting for over 90% of India's diamond exports and 14 out of every 15 diamonds in the world. The present study is an attempt to understand the India's position in the global diamond trade and to investigate the condition of the workers of this industry in the city of Surat.

The diamond industry in Surat has a long and fascinating history. It began in the early 1960s, when a few enterprising businessmen started importing diamonds from Belgium and Israel to India. They then began to cut and polish the diamonds, primarily for export to foreign markets. Over the years, the industry grew rapidly, and Surat emerged as the global leader in diamond manufacturing.

Today, Surat's diamond industry employs around 1.5 million people, making it the city's largest employer. The industry is highly competitive, with thousands of small and medium-sized enterprises (SMEs) and a few large companies competing for business. The industry is also highly specialized, with each SME focusing on a specific part of the diamond cutting and polishing process.

Surat's diamond industry is known for its high-quality diamonds, skilled labor, and cutting-edge technology. The industry has invested heavily in research and development, and its companies have developed some of the most advanced diamond-cutting and polishing techniques in the world.

Despite its many successes, Surat's diamond industry has also faced challenges. The industry is highly dependent on foreign markets and subject to the global economic trends. Any changes in demand or trade policies have a significant impact on its growth.

Overall, the diamond industry in Surat is an important part of India's economy and has played a significant role in putting the country on the global map as a major diamond manufacturing hub. What gives the industry its edge is its highly skilled labour force adept at sophisticated technology at lower operating costs. It is because of this eight lakh strong workforce (employed in more than 6000 polishing and cutting units in the city) that the industry has been able to bounce back from each and every setback suffered due to national and international events.

While the owners of the units have continued to prosper despite the challenges, the prosperity has not translated to its workforce. Once known for its relatively higher wages and secured jobs, today the sector is plagued with stagnant salaries, with no job security and no social protection. The discussions with various respondents and DWU actors associated with the sector have indicated that over the years the condition of the workers has rather taken a downward turn. While the wages paid remain just above the stipulated minimum wages, yet these wages have failed to rise in tandem with the rising cost of living in the city. Coupled with long shifts of 12 hours often stretching to 14 hours during the peak season, strenuous working conditions, immediate impact of economic events that lead to layoffs, widespread informality leading to lack of regulation of workshops with no social security and no social protection schemes (such as the EPF, Gratuity) leave workers to fend for themselves.

Even though there have been some programs and schemes in the last decade, designed for the welfare of the karigars, these have not been implemented properly. The condition of the work and payment in the last decade and a half has been such that many working in this sector have been driven to take extreme steps such as committing suicide.

The discussion in this report is divided into two parts. The first part discusses where India is placed in the global supply chain and the processes that are undertaken in Surat. The second part divulges the findings and observations from a mapping of the karigars, their condition of work, the remuneration and elaborating and dwelling on their major concerns and issues.

The report concludes with chapter on what could be a possible way forward to improve the condition of the workforce that fuels the growth engines of diamond cutting and polishing sector in Surat.

Chapter 1: Introduction:

As one travels through Varachcha and Katargam in the heart of the city, one will hear a low coordinated hum of the diamond polishing wheels. Skilled artisans sit around diamond polishing wheels, working carefully shaping and smoothing the stone to enhance its colour, clarity and overall appearance.

A skilled and intricate process, what gives Surat an edge is the availability of highly skilled labour at low costs adept to work with advanced and sophisticated technology.

Historically Surat as a port city had always been in the intersection of global trade, as an important centre for the trade of textiles, spices and precious gems. Although the diamond cutting and polishing in Surat began in 1910, the industry took a concrete shape in 1960s through the 1970s with its ability to cut low quality diamonds. Guha Ray (2019) tracing the history of diamond trade in India elaborated that ‘Surat would process diamonds that centres such as Antwerp and Tel Aviv would not touch’. While the larger stones are routed to the cutting and polishing centres in Europe and North America, the low quality stones are processed in countries like China, India, and Thailand (ibid).

For many centuries, diamonds have been talismans of magic, passion and success. They were once regarded as the “Tears of the Gods,” and were thought to hold mysterious qualities and possess supernatural powers. Many myths and legends surround diamonds. Diamonds are valued in almost every culture on the planet. They were first mined in India over four thousand years ago. “Indians thought they were formed by the goddess Indra, who sent them as bolts of lightning. During the Middle Ages, diamonds were used by doctors to help ward off illnesses. It was also during the Middle Ages that diamonds became highly valuable as jewellery (Koonar 2006). In the late 1940s, the De Beers Company, a leader in the diamond industry, created the advertising slogan, “A diamond is forever” (Rudnicka et al 2010). Most diamond deposits are found in Australia, Botswana, Zaire, South Africa, Angola, Namibia.

Global diamond trade is now on a new chapter, and India has been playing an important role. Diamonds are the second-largest export commodity from India after mineral fuels. With more than 80 per cent of the world's diamonds being cut and polished in Surat, India has become the processing house for the world's diamonds (Ray Guha 2019).

At present, India is reckoned as the world's largest cutting and polishing centre for diamonds – with Surat as its hub for the units and Mumbai being its trading centre. This is attributed to factors such as the easy availability of high skilled labour at low cost, cutting-edge technology, and lower costs of operation(Nidhi 2021).

The diamond polishing industry in India is concentrated in the western part of the country, specifically the cities of Surat, Jaipur and Mumbai. The Trade Promotion Council of India (TPCI) in 2019, estimated that it was a US\$ 23 billion industry with around 6,500 manufacturers. Over the years, India's unique selling point has been its low-cost labour as well as easy and quick adaption of the latest technology (Nidhi 2019). With this advantage Surat has become a hub for cutting, polishing and processing rough diamonds – exporting 85% of the diamonds.

This study was born out of the need to

- a. Understand India's position in the Global Supply Chain
- b. Document the condition of the workforce in the cutting and polishing units.

The report is divided in two parts.The first section elaborates on India's presence in the global supply chain of the diamond trade. The second part details the findings from the primary data collection of the workforce in the diamond sector in the city of Surat. The report discusses the methodology adopted for the data collection before discussing the findings of the mapping exercise. The report concludes with remarks and possible way forward.

Chapter 2 - Methodology:

For the first part of the report, comprehensive secondary data analysis was undertaken both to understand the processes involved, global supply chain and India's position in the Trade

For the second half of the study, primary data mapping exercise was undertaken.

During the conception of the study, the research team had engaged with representatives of the Diamond Workers Union. The representatives informed us about the layout of the industry in the city, the location of the units, and supported the team to access the respondents.

The units in Surat were concentrated in Katargam and Varachha in Surat. These are also the locations where the diamond workers are settled. Given the concentration of workers in the two locations and given the time span of the study – the two locations were selected.

The methodology for the study was mixed methods, with snowball as the sampling strategy. The data collection was undertaken from September to November 2022.

Data collection for the study was executed through canvassing structured questionnaires as well as focussed group discussions, case studies and in depth interviews. The enumerators canvassed the questionnaires with respondents employed in the units. The respondent's consent was obtained before administering the questionnaire.

In the beginning of the study, it was proposed that the workers would be mapped across workshops and companies so that the conditions of the workers can be compared. It was proposed that the sample size would be 300 workers from 60 workshops canvassing 5 workers from each unit of various sizes of workshops:

- Large scale – 20
- Medium scale – 20
- Small scale – 20

The sampling technique adopted was purposive. Consent of all respondents was obtained during the mapping exercise. The data collection was complemented by group discussions and interviews.

However, during the period of data collection the team encountered constant apprehension of the respondents and hesitation. The respondents shared that they feared repercussions from

their employers. Many refused to be part of the survey. This required the team to switch the sampling strategy to snowballing.

Eventually given the respondents willingness to participate, the team was able to map 321 workers.

Table 1: Sample distribution

Size of the unit	No of workers	No of workers (%)
Less than 100 (Small scale)	225	70.09%
More than 100, less than 1000 (Medium scale)	81	25.23%
More than 1000 workers (Large scale)	15	4.67%
Total	321	100.00%

For the study, the 70% of the respondents worked in small scale units, about 25% were working in medium scale units, while only 5% respondents from large scale units agreed to participate in the study.

Challenges:

From the inception of the study, the team was aware that accessing respondents would be a primary challenge during the period of data collection. The karigars undertake long 10 to 12-hour shift, and once they enter the premises, they cannot be accessed till the shift was over. The team was informed that the majority of workers leave for work at 8am to return after 12 hours only. Furthermore, apprehension of the workers to interact with the research team was another anticipated challenge. To counter this, the team collaborated with the Diamond Workers Union (DWU) to aid the team to reach out to the respondents. The team devised a strategy in coordination with the DWU as to how they can access respondents and carry out the study.

The challenges anticipated in the beginning of the study posed considerable obstacles during the data collection.

The study period coincided with the time when the diamond work attains a peak. Before Diwali, the work load attains pace that required workers to work long hours even on holidays and all through the week. Difficulty to access workers during this period delayed the period of the study. Secondly a lot of apprehension was encountered from the respondents particularly from those working in the larger companies driven by the fear of reprimand or dismissal if the employers came to know of the respondent's participation. In spite of repeated assurances about maintaining anonymity of the respondents, the workers displayed reluctance and refused to share their responses.

Chapter 3: India and the Global Diamond Trade

The Global Diamond Trade

For long, Antwerp's diamond business was associated with its Hasidic Jewish Community. In the popular European imagination, diamonds were associated as Jewish fiefdom. Even though the second world war had exterminated 65% of the Jewish population of the city – those that remained, joined by others fleeing from Nazi occupied countries in Eastern Europe, had been able to regain the control of the centuries old diamond trade.

This unchallenged dominance of the Jewish community over the control of the trade was true till 1960s, when the Indians first began arriving to Hoveniersstraat. The community began at the bottom of the trade – processing low quality roughs with very small margins of profit (drawing little interest of the established Jewish diamantaire houses). These roughs were then routed to the family members back in India for processing where the labour costs were a fraction of Antwerp's. Over time Indians have come to control almost 75% of the Antwerp's diamond industry. Aiyar (2015) discusses how the Mehtas and Shahs (with over 400 Indian families – majority of whom belong to Palanpur, Gujarat) came to rule over the Belgian city from the Epsteins and Finkelszteins. Companies that began as a single person operation – dealing with handful of diamonds - have grown into multi-billion-dollar global enterprises employing lakhs of workers with units and offices sprinkled all across the world.

Aiyar (2015) described that the cost of polishing and cutting diamonds in factories in Surat, the main diamond-processing centre in India, is as little as a tenth of the equivalent price in Europe. The inexorable logic of costs and demographics has meant that over the years the cutting and polishing business has almost disappeared into oblivion in European cities like Antwerp and relocated to Asia, in particular India. The author discussed that back in the 1970s Antwerp had boasted a skilled diamond processing labour force of between 25,000 and 30,000. This number had now come down to less than 1,000. In contrast, Surat employs some 450,000 people in the business, and over 80 percent of the world's rough diamonds are now processed in India.

According to Trade Promotion Council of India's estimates, the major exporters of the polished diamonds was India, followed by the United States of America, Hong Kong and Israel. Of the total global export value, India (27.5% share) was found leading in export share and untapped potential for the top 10 exporters that accounted for 94% of the total exports.

India's global exports of diamond stood at US\$ 24.24 billion for the year (Trade Promotion Council of India, 2019).

Further, the major importers of diamonds USA, Hong Kong and India were in the lead. In fact, the three countries accounted for more than 50% of global trade of polished diamonds (ibid).

The Diamond industry in India

India's diamond cutting and polishing sector has a four-tier structure and has been well organized. The Gem and Jewellery Export Promotion Council (GJEPC) claims the place at the head of the system (GJEPC). The Council is a conduit between business and government and promotes India's jewellery sector internationally.

The second tier comprises the biggest private export and import businesses. The diamond cutting and polishing business include all of these. The third tier comprises the industry's large and medium-sized companies with contracts with significant rough importers. The small-scale businesses in this industry that were skilled at processing very tiny diamonds made up the fourth tier.

The Indian Diamond Industry being one of the fastest-growing sectors (mostly export-oriented and labour intensive) contributed around 7% to the country's GDP and 15% to India's total merchandise export (Rough- Polished, 2022). Employing more than 5 million people in 2022, it was expected to reach 8.23 million by 2022 (ibid). According to the Gems and Jewellery Export Promotion Council of India (GJEPC), India's diamond exports in the financial year 2020-21 were worth around USD 18.66 billion, a decline of around 12% compared to the previous year due to the impact of the COVID-19 pandemic on the industry.

The Global Supply Chain

Supply Chain is the integration of activities that procure materials, transform them into goods and deliver them to the customers. This diamond supply chain consists of the diamond exploration process, mining, sorting, cutting and polishing, jewellery creation, regulation and selling of the final product.

Today, some of the largest diamond companies in the world include De Beers, ALROSA, Rio Tinto Diamonds, Dominion Diamond Mines, and Petra Diamonds. These companies employ

thousands of people and have operations that span the globe, from diamond mines in Africa and Canada to cutting and polishing factories in India and China, with offices in major cities around the world. The rough diamonds arrive from these mines to the Indian centres to be processed into finer diamonds. Before moving to the India's role, it would be beneficial to view the stages involved in the global supply chain for Diamond Industry:

Diamond exploration & extraction – Careful study mapping, planning, observation and testing are done before an area can be excavated. After diamond exploration, extraction process and excavation of diamonds can happen through artisanal mining, hard rock mining, marine mining, open pit mining and placer mining

Diamond Sorting process – after mining, diamonds are sold to wholesalers that sort the rough diamonds based on 16000 individual categories of shape, colour, size, and carat (Koonar 2006). The wholesalers select diamonds based on demand and these four sorting categories.

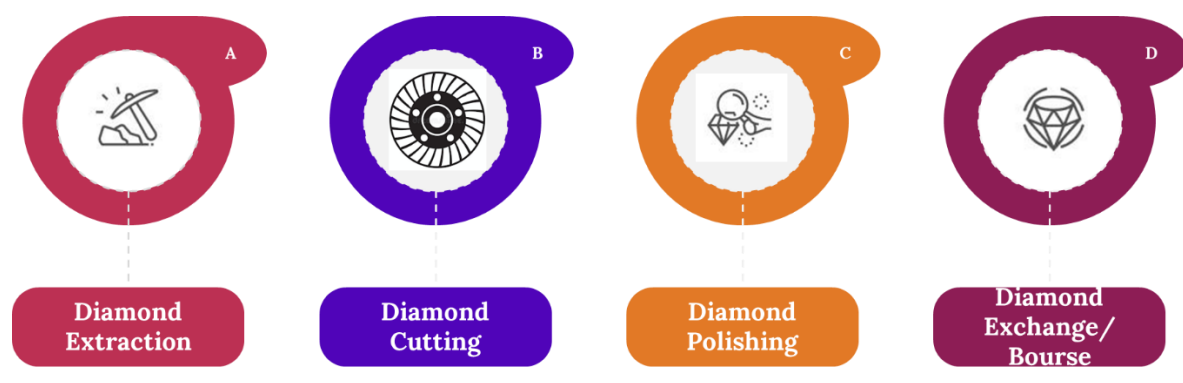
Diamond Cutting and Polishing- Diamond cutting calls for highly specialised artisans, tools, equipment and techniques. There are few places in the world that specialise in the cutting and polishing of diamonds. The main cutting centres are found in Antwerp (Belgium), Amsterdam (The Netherlands), Johannesburg (South Africa), New York (United States of America) and Tel Aviv (Israel). Antwerp is home to all major diamond mining companies, which source diamonds for thousands of diamond dealers across the globe. After the end of the Second World War, the vibrant Jewish community dominated this industry, elevating Antwerp to its status as an epic centre of the world diamond trade.

Due to the low cost of labour, over the decades diamond cutting centres have been set up in China, India and Thailand. The cutting and polishing centres located in Gujarat handle a large number of small diamonds owing to the availability of low-cost labour equipped with high skills. Large diamonds in smaller quantities are sent for cutting and polishing to the centres in Europe and North America.

The process of cutting: The planning stage of the diamond preceding the cutting process is considered far more critical than the actual cutting of the diamonds. A skilled cutter gets very few chances to make the right cut. Scanning devices take pictures of the rough diamond, and the shape is transmitted into a 3-D computer analysing program. The diamond shape is scanned into the computer and the shape is then analysed. The program helps the cutter

determine the optimal shape for the diamond and the best way to go about cutting it. The diamond's natural shape and the market demand for certain shape are considered when cutting the diamond. As larger diamonds are more expensive and gain a higher profit, cutters desire to produce very little waste during the cutting process. Once a plan is in order, the rough diamonds go through a process called cleaving when a rough diamond is separated into smaller diamond pieces, to be finished separately. A diamond saw can be used to cleave a rough diamond. Bruiting phase where two diamonds are set onto spinning axles turning in opposite directions to grind against each other to shape each diamond into a round shape follows cleaving. The facets are then cut into the diamond and the entire diamond is polished, cleaned in acids, and inspected for quality.

Diagram 1: Stages in Diamond Supply Chain



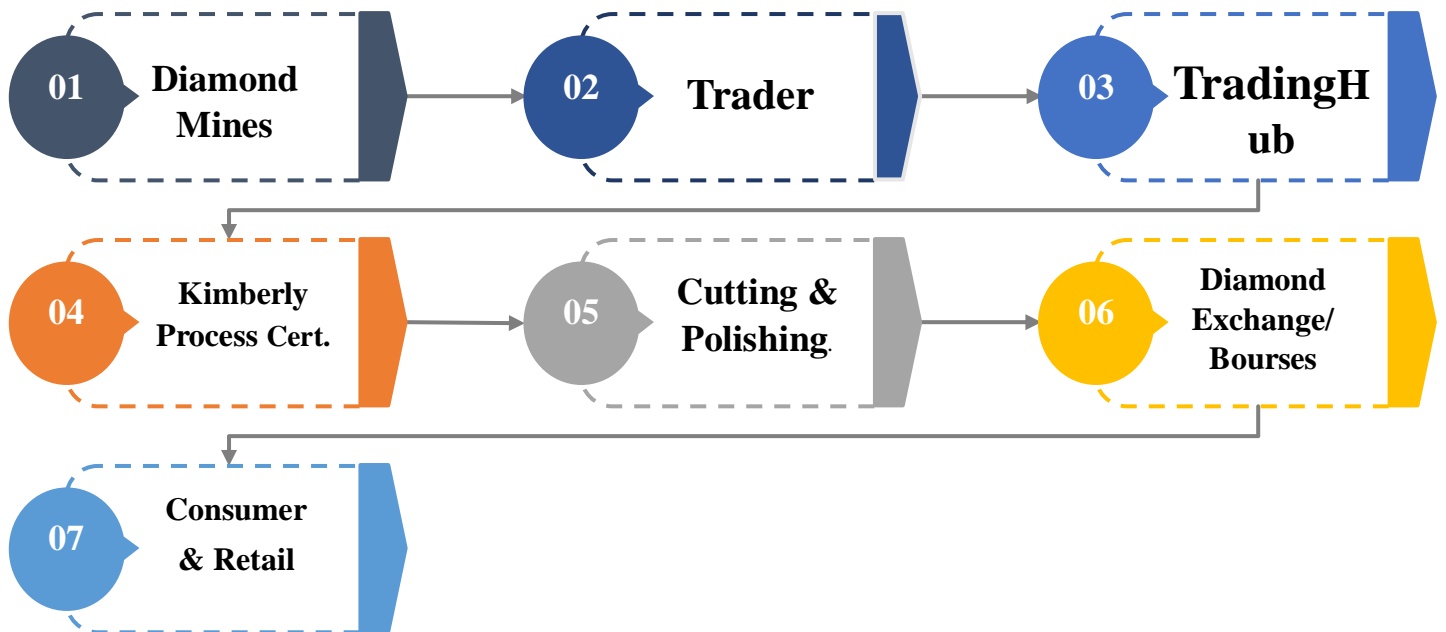
Diamond Exchanges/Bourses :Once the diamonds have been cut, polished and approved as per the quality checks, the diamonds are traded on diamond exchanges called bourses. There are currently 30 registered bourses in the world¹. Bharat Diamond Bourse located in Mumbai is today the largest diamond exchange. The diamonds may be sold as loose diamonds or as diamonds already set in jewellery. Either before or after the diamonds are sold on the diamond exchanges, the diamonds are set into fine pieces of jewellery. This highly specialized job requires great craftsmanship, equipment, and tools. Before a piece of jewellery can be created, the design must be created.

Diamonds in Retail Store: Retailers may purchase loose diamonds directly from the bourses or diamonds may be purchased after they have been set into jewellery. Over the years,

¹ World Federation of Diamond Bourses headquartered in Antwerp, Belgium, was created in 1947 to provide bourse trading in rough and polished diamonds as well as precious stones with a common set of trading practices. While Bharat Diamond Bourse (Mumbai) is registered exchange with the World Federation of Diamond Bourses, Gems and Jewellery Export Promotion Council of India (GJEPCI) is an associated member.

jewellery has become a leading retail industry. On the market side of the diamond distribution, Switzerland, Japan, and Thailand make up the three largest exports for U.S precious metals.

Diagram 2: Diamond Global Supply Chain



India’s role in the Global Supply Chain:

Following from the discussion above, the discussion below elaborates the processes undertaken in India granting it a critical position in diamond cutting and polishing. India’s advantage is processing low quality stones coupled with availability of skilled labour adaptable to new technologies at low operational costs. India has a host of centres across Tamil Nadu, Kerala, Maharashtra, Rajasthan, and Gujarat where the processing of raw diamonds is undertaken on a large scale. Once the rough diamonds are routed to India, the stone undergoes the following processes before it is shaped into the shining stones:

Planning: Planning to cut a rough stone is one of the most important things to get right. While it can be a time-consuming process, this is also the step that determines the final value of the finished products. In India, the process is carried out through specialised software. In this stage the cutter will find the best possible shapes of the diamond to minimize waste and get the maximum yield from the rough stone. This mapping is done with Sarin Machine to

generate accurate measurements. With the data so obtained, the software generates a 3D model that will show the cutter best possible ways to shape the rough.

Cleaving : The rough is split into separate pieces as part of the cleaving process. This allows the cutters to work on the pieces separately. While some workshops undertake mechanical sawing, many of the workshops have now been using lasers to cut the diamonds from the rough.

Bruting: mechanical bruting is performed to round the separated roughs, a process also known as girdling. The process entails placing two diamonds on spinning axle across each other. The two diamonds are spinned against each other in the opposite directions so that the grinding creates a rough girdle finish.

Polishing: Once the rough attains a rounded shape, the craftsmen work to create facets of the diamond. The cutter places the rough on a rotating arm and polishes it with the help of spinning wheel. This process ensures a smooth and reflective facet on the diamond. While a lot of mechanization has taken place up till bruting, polishing remains a labour intensive. The polishing process is further divided into

- a.) Blocking process – 8 pavilion mains, 8 crowns, 1 culet and 1 table facet – added to make a single cut stone
- b.) Brillianteer will finish the diamond by adding the remaining facets.

Inspecting: The final process requires a checker to ensure that the piece meets the specifications as set out by the manufacturer.

Historically Diamond Trade in India processing first began in 1910.the trade grew exponentially since 1960s through 1970s. Surat as a port city had always been in the intersection of global trade, as an important centre for the trade of textiles, spices and precious gems. Although the diamond cutting and polishing in Surat began in 1910, the industry took a concrete shape in 1960s through the 1970s with its ability to cut low quality diamonds. As discussed above, while the larger stones are routed to the cutting and polishing centres in Europe and North America, the low-quality stones are processed in countries like China, India, and Thailand.

Once the rough stones arrive in Ind-a - the lion's share of markets is taken away by Gujarat alone. In Gujarat processing units are located in Surat, Ahmedabad, Mehsana, Banaskantha, Patan, Rajkot, Amreli, Junagadh and Bhavnagar. Out of every variety of 12 diamonds made

in the world, of these 11 were processed in Gujarat diamond industries especially in Surat – establishing India as the world’s largest diamond processing centre.

Almost 96% of the business in the sector is un-organised and family owned while the remaining 4% is in the organised sector (Arora 2014). Surat has more than 6000 processing units (Surat Diamond Association cites has more than 5300 members) employing about 800,000 karigars (another 5-6 lakh workers in ancillary operations as per Surat Diamond Association).

Chapter 4: Status of the Workforce - Analysis and Insights from the Main Findings

Following from the discussion in the previous chapter on methodology and challenges encountered during the period of study, the sampling strategy had to be changed to snowballing due to the obstacles faced while canvassing the workers from the bigger companies. Once the sampling strategy was revised, the team of enumerators were able to canvas 321 workers. Of the total respondents 97.5% were male workers, while 2.5% workers were female. Although the respondents shared presence of women workers at the sorting stage, they were hesitant to be part of the study, and hence the sampling in the study witnesses predominance of male workers.

Table 2: Sex distribution

Sex	No of Respondents	No of Respondents (%)
Female	8	2.49%
Male	313	97.51%
Total	321	100.00%

Of the total workers that were enumerated, it was found that 69% of all workers were in the 30 to 45years of age. A clustering was observed in 35 to 45 years age group with 53% workers, followed closely by the workforce in the age group of 25-35.

Table 3: Age Distribution

Age(inyears)	No of Respondents	No of Respondents (%)
18-25	22	7
25-35	83	26
35-45	170	53
45-55	40	12
Above 55	6	2
Total	321	

Coincidentally, this age clustering coincides with the workers who have dependents under the age of 18 years. Of these 88% of the respondents that were married, 85% of them had at least two children. The respondents shared that household responsibilities often did not allow the mobility to upskill or look for other alternatives for work, unlike their counterparts who were either younger (18-25 years) or were unmarried. Hence, they found themselves stranded in the trade and unable to move to a better alternative. Younger workers on the other hand had avenues to upskill and move upward in the diamond industry or look for alternative careers.

Table 4: Education level

Education level	No of Respondents (%)
Illiterate	2
Primary	59
Secondary	31
Higher Secondary	7
Graduate	1
n=321	

About 59% of the respondents had completed only primary education, 31% had studied till Secondary level. A minority had attained senior secondary or graduation degree. Discussion with the respondents revealed that those who complete their schooling enrol themselves in the innumerable training schools sprinkled across Varaccha and Katargam. These training schools equip the trainees in the computer software required for planning and cutting and laser machines that can provide a better job in the industry.

Table 5: Number of migrants in the sample

States	No of Respondents
Gujarat	288
Haryana	1
Madhya Pradesh	6
Maharashtra	23
Rajasthan	2
Uttar Pradesh	1
Total	321

Table 5 discusses the presence of migrants from various states across the country. As revealed from the discussion, with the expansion of the sector and subsequent generation of diamond workers seeking livelihood opportunities beyond the cutting and polishing sector, this has opened the doors for the migrants from other states of the country. While the sector continues to be dominated by the presence of Gujarati workers – inter-district migrants hailing from various parts of Saurashtra, the respondents shared that in the polishing units one can observe few inter-state migrants as well working at the lower wrung. The number of these migrants still remains on the lower side even though these workers are willing to work at lower wages..The work that requires skill such as cutting processes or counting of the stones on their arrival is still designated to the Gujarati workers.

The table below discusses the distribution of respondents according to the type of work they were employed for in the unit.

Table 6: Type of work undertaken by the respondents

Type of work	No of Respondents (%)
Cutting	36%
Polishing	51%
Other operations	12%
n = 321	100%

The respondents canvassed during the study were involved across various processes concerning cutting and polishing of the stones, involving the following:

The cutting work included processes such as the planning, marking, diamond cutting, diamond extraction, sawing – all of which were performed on machines and through software. While the respondents categorised undertaking polishing, they performed work such as blocking /4P, shaping the crown, facets, the bottom of the stone, and shining the stone. The shining work was done through machine as well as manually.

Table 7 : Average Monthly salary

Monthly Salary	No of Respondents (%)
Rs.7000-10000	2%
Rs.10000-20000	28%
Rs. 20000-30000	63%
Rs. 30000-40000	6%
Rs.40000-50000	2%
above Rs.50000	0%
n=321	100%

In terms of the monthly remuneration, majority of the workers agreed that the industry manages to meet the statutory minimum wages. As was reflected by the sample, 63% respondents earned an average of Rs20000 to Rs 30000 per month. The workers earning less than Rs. 20000 were workers who were in the polishing process earning piece rate wages. Piece rate wages were more prevalent for workers in the polishing units, where the rates were determined by the shape that was being crafted. For instance, the shape of the crown earned the highest wages, while the top flat table had the lowest rate. Depending on the nature of work, the craftsmen were paid accordingly. During various discussions the respondents shared the following rates:

- 8 Facets (8 pel)- Rs 6.5 to Rs 7 per stone
- Crown – Rs. 5 to Rs.5.5 per stone
- Bottom – Rs. 10 to Rs 25 per stone
- Table – Rs 1 to Rs.1.5 per stone

- 4 facets (4P) – Rs 1 to 1.5 per stone

Depending on the skill and the experience of the craftsmen - skilled polishing work(such as bottom of the stone)reported as earning a fixed monthly salary.

Based on work the respondents in the sample reported that 85% received fixed salaries, while 15% were employed on piece rate. 73% respondents reported that they were given a monthly pay slip. Further, 78% workers received annual increments for the salaries. With the rising inflation, 93% reported that they found their present salaries inadequate to provide them and their families with a decent and dignified living.

Working Conditions:

During peak hours, 8 am to 9am in the morning, and 8 pm to 9pm in the evening – the traffic in the city of Surat is formidable. It is at this time when thousands of diamond industry workers can be seen moving in swarms of bikes. There is a popular saying prevalent in Surat ‘*Hira kalakarsurajnahidekhta*’ – a diamond crafts man does not see the day light

This is primarily because the diamond workforce is known to have a 12 hour shift. Once the workers enter the premises of the employer, they are scarcely allowed to leave. Some small and medium size workshops allow workers to return to their residence for 1 hour lunch break. However, once the workers are back in the premises they can only leave after the shift is over. The rules do vary across the size of the units, but the norm remains that the worker in a diamond unit will more often than not work a minimum of 10 hour shift.

The data collected also revealed that 42% respondents worked a 10 hour long shift while 38% were working for 12 hours. About 15% reported working an eight hour shift as well.

Table 8: Length of the Shift

Working hours	No of Respondents (%)
10 Hours	42.06%
11 hours	4.98%
12 hours	37.69%
8 hours	15.26%

The respondents revealed that while working 12 hour shift has become an accepted norm, during the seasons when the demand was high for the polished stones. ,the workers were

required by their employers to work additional hours given the rise in demand and work load especially during the month of Diwali. For the additional hours of work, only 37% reported that they received an over time payment as per the law, however the rest 63% continued to be paid their usual rate and not the double rate as per the law.

During this period of excessive work load, the workers are also expected to work during their weekly off. The data revealed that 66% workers received a weekly off while the 34% of the craftsmen were found to be working all through the week.

Of the total sample, only 17% reported that they received paid leaves through the year, while the rest 83% did not.

During the peak seasons, 34% respondents stated that they were asked by their employers to forego their weekly holidays and work even during festivals for longer hours than their usual shifts.

Freedom of Association:

In terms of the presence and freedom of organizing and association, 58% reported that they were members of a collective. All of these were associated as members of Diamond Workers Union Gujarat. DWU has been working for the benefit of the workers in the diamond sector for more than a decade and has a membership base of more than 20000 karigars in the city of Surat alone. The respondents disclosed that DWU had come to their aid in the event of unfair dismissals and non-payment of dues. Slumps in the sector particularly due to demonetization, recession, COVID-19 and international events such as the ongoing Ukraine and Russian war – that had impacted the volume of rough diamonds received for processing – the workforce has been known to be laid off by the unit owners.

With a workforce of 8 lakh cutting and polishing level and 7 lakh employed in ancillary activities within the sector, the level of collectivisation was found to be very low. While on one hand the DWU has been able to build its membership base of more than 20000 members, sector's work force largely remains outside the ambit of being unionised and thus unable to reap the benefits of collective bargaining and negotiations. The members of DWU and the respondents themselves divulged that it was only when the workers were dismissed or wages are not paid, that the workers approach the union and rely on DWU to advocate on their behalf.

The workers disclosed that there were mechanisms in place to address their grievances regarding the working conditions or emoluments. However workers who are known to raise issues repeatedly are often either given extra work or dismissed later. The respondents shared that even though 58% responded that their place of work had a grievance mechanism, they do not use the same due to the fear of backlash. Hence the same set of workers relied on DWU to raise their issues with their employers.

Social Protection and Security Benefits:

During the discussions and interviews, the respondents shared that only the large companies registered under the Factories Act (often these units employed more than 1000 workers) had provisions for Provident Fund, ESI and Gratuity – as per the law. Majority of the units, where the respondents were employed were largely unregistered, unregulated and did not follow any of the measures pertaining to social protection of their employees. Quite a few respondents revealed that the owners also ensured that they have multiple small-scale workshops instead of a large unit – since the sheer number of small units present in the city makes regulating a difficult task. As per the responses received, 94% workers reported that they had no ESI deductions, 97.5% respondents did not have a gratuity cover and 85% workers did not have any Provident Fund Deductions.

Table 9: Access to Social Security in the units

Social Security	No of respondents (%)
ESI cover	6
Gratuity	2.5
Provident Fund	15

The table above starkly highlights the miniscule proportion of respondents that reported access to social security. In a sector that is vulnerable to the impact of the national and international events, absence of social protection leaves workers highly exposed to the vagaries of economic shocks.

The respondents further revealed that often as the unit expands and attains a scale to be classified as a medium scale or large scale units, the owners break up the unit so as to divide it into two smaller workshops. The units also resorted to shutting down the unit or re-

opening the unit under a new name (with the same workers employed under them) every five years so that they are not liable to provide for gratuity amount.

Miniscule number of respondents shared that during their tenure of work they had received support from their employers in the form of educational support (3%), financial aid (2%), or through medical support (7%). The rest of the respondents unanimously agreed that –‘no one gave anything in the diamond sector to the karigars’.

Occupational Health related issues:

About 97% of the respondents shared that they had received no occupational and safety training. Given that cutting and particularly polishing was gruelling work, about 51% workers respondents that they suffered from health issues due to the nature of their work. The respondents reported that 83% had work related stress – relating to completion of tasks, 64% reported strain on their eyes, 59% back pain and body ache as primary health issues that arose due to the nature of work.

Furthermore, with restrictions on mobility – as indicated by 51% of the respondents, working on the stations for long extended hours has added to body ache and back aches. Particularly the karigars working on the diamond polishing wheels sit hunched on stools without any back support hunched on the wheel polishing the stones.

Restrictions regarding free movement in the work premises – 51% respondents shared that once the workers entered the premises they could not step out. They were required to deposit their phones, sit in one place to work on the polishing wheel for the entire duration. However, 49% of respondents did not view these as restrictions and said they did not feel restricted by the employer.

During the interviews and group discussion the respondents shared that one of the main concerns at present was that the remuneration of the karigars did not increase at the rate of the inflation. With soaring inflation, the karigars experienced a decline in their real wages with no annual increments. Certain respondents further shared that they were required to return a part the amount credited to their accounts to their employers. Respondents expressed that Professional tax (Rs.200) that was deducted from their salaries must be stopped. Respondents further demanded that paid weekly offs should be ensured on Sundays.

When compared with large units – respondents shared that working conditions were flexible in smaller workshops (relaxation in restriction of movement, no phone deposits) however no rules and regulations pertaining to social protection were followed in smaller workshops. The smaller units ensured that the employees were not allowed to have a continuous employment of 5 years in one workshop so that no benefits or bonuses accrued to them. Social protection in terms of EPF and gratuity would help workers to deal with dismissals due to slump in the international markets leading to job loss or when the work was reduced often forcing workers to go on leave without pay.

These were insights that emerged from the mapping of the ratna-kalakars in the diamond sector of Surat. To give reader some more insights below is a case study that details the how workers of a unit were dismissed. Further, the discussions revealed that experienced workers are often required by the units to work in the units located outside India. The case studies below elaborate on the ratna- kalakars experience.

Case Study 1 - Unfair Dismissals

Ketanbhai (26 year old) has been working in the diamond processing industry ever since he passed out of school at the age of 17 years. Originally from Babra district in Amreli, Ketan recalled that his father migrated to Surat for better prospects of work. The family owned 8.5 acres of non-irrigated land back in the village. Born and brought up in Surat, Ketan shared that his father worked as a crane driver and their family returned to the village only on the occasions of festivals or rituals. The family has been able to buy a house of their own in Varachha, where Ketan at present lives with his mother, wife and a young child.

Ketan found work in the industry through one of his uncles who had been working in the polishing units for decades. He described that when he joined the sector, employment through kin ties was still a preferred mode of employment. The karigar was hired on the guarantee of his relative. Just as his uncle helped Ketan get employment, over the years Ketan too has helped his cousins to join the diamond sector workforce. However, over the years, the sector has opened to migrant workers from Bihar, Madhya Pradesh, Uttar Pradesh – but they are employed largely in the piece rate polishing related work. The units also employed migrant workers from Nepal – however, they were employed in the capacity of housekeeping/office boy.

For the first two years, the respondent worked as an apprentice with his uncle. Ketan joined the workforce to work in the 4P process at the age of 19 years, and enrolled himself in night classes to learn the craft of shining. The classes cost him Rs.7000 for three months. After his training, he worked across units of all sizes over 11 years, employed both on mechanical as well as manual shining processes.

Evaluating his experience of being in the diamond sector – Ketan elaborated that over the years the economic condition of the workers has become precarious. The external economic events – such as COVID-19, global recessionary trends, and Ukraine-Russian war causing slumps in the diamond trade have aggravated the karigars situation. Furthermore, the inflationary trends have further reduced the real wages of the karigars – often pushing many into grave economic conditions.

Long working hours, pressure to over-work during the peak season without commensurate compensation, no annual increments, no gifts or bonuses, lack of social protection – leaves the workforce vulnerable to any economic shocks. The situation was compounded by medical exigencies – which were experienced wide scale during COVID-19 – plunging many below the poverty line. Ketan himself has a debt of over Rs.7 lakhs due to medical expenses incurred when his father was diagnosed with COVID-19.

The team met with Ketan at the office of the DWU in the first week of December 2022. Ketan had come to address his grievance with the DWU representatives. He along with other 55 karigars had just been laid off without any prior information. The employers had been delaying the re-opening of the workshop since November 15th, when the work begins to resume after break post-peak work season during Diwali. The respondent shared that in order to avoid any discord or violent conflict with the karigars, the owner had in turn told his workers that he was forced to shut the unit because the business was becoming unsustainable. Ketan later came to know through his connections that the owner had decided to relocate to Bhavnagar to cut down on operating costs.

The turn of events – that suddenly made karigars like Ketan unemployed overnight – was not an exception. This, Ketan described was a characteristic of the unit owners (of medium and small sized units) and the sector at large. The small units often resorted to either changing the name of the unit to ensure that no worker worked for more than five years. The owners did not conform to any of the rules in place to protect the workers; instead they made the karigars work for long hours without any overtime. If any karigar retaliated, they were given a bad

batch of stones the next day or were penalised for damage at the end of the month and then dismissed.

Unfortunately, Ketan shared, there were numerous such cases where karigars have been unduly dismissed, workshops closed, karigars harassed so that they may leave. This was becoming a trend – where in the workers were increasingly being treated as dispensable resources. Ketan stated that increasingly the workers felt with no safety nets or protections to safeguard them from such instances, they are left to fend for themselves from economic shocks and crises in spite of working in the sector for decades.

Case study 2:Horrors of working in a foreign land

Jethiyabhai (48 years) native of Bhavnagar has been employed in the sector for the last two decades as a polisher. In February 2020 he was informed by his employer – a large scale diamond processing company with units across India and overseas – that he would be required to go the city of Gabon, Botswana to teach the local workers the craft of diamond polishing. The contract stated that he would be paid Rs.90,000 per month with annual increments (as against Rs.40000 per month in India) in Botswana for a period of five years. Jethiyabhai saw this as an opportunity to improve his family's economic condition.

Jethiyabhai was aware that many diamond processing companies had units located in Botswana. And given that the workshop was located outside of India, the unit would comply with all the labour laws. His manager in India informed him that along with better pay, the shift would be 8 hours long, the boarding and lodging would be taken care of by the employer in addition to the visa permit costs. Jethiyabhai stated that he agreed to the assignment and arrived in Gabon in early March of 2020.

The first few weeks of the posting went well. However, once the lockdown began to be imposed globally, he suddenly found himself working for longer hours. The manager who had arrived with him, returned to India. Jethiyabhai reported that with him there were only four other Indians. COVID-19 lockdown unleashed uncertainty where in he and his colleagues found themselves struggling for groceries and fend for themselves. The work conditions became tough, with local workers turning hostile. When he raised the issue with the unit owner in Gabon - he was punished and allotted work to clear out the garbage in the

unit. Jethiyabhai was not given masks or PPE suit, while clearing out the bins in the entire units containing used masks, PPE suits and wipes. He felt scared for his health.

The accommodations provided was an apartment with three workers sharing a room. Often this establishments had no security or cameras. The establishments housing the immigrants were often robbed by the locals. He shared images with the research team of how a group of locals had brutally beaten up Indian workers and then robbed them. Jethiyabhai stated when this was taken up by the employers – they shrugged it off, and blamed the victims for being irresponsible.

By June 2020, Jethiyabhai was desperate to return to India. He called his family, his employer in India – but neither the employer nor the manager responded. In December 2020, the respondent was able to return home through the Vande Bharat Airlines that the Indian government had plied to bring the nationals stranded abroad to return home. After managing to get air tickets, Jethiyabhai fled in the middle of the night and did not tell his manager in Gabon that he was leaving.

Once the respondent was back home, he contacted the employer and told him about his harrowing experience. The employer in turn accused Jethiyabhai of damaging the stones and theft back in Botswana.

After this experience, Jethiyabhai shared he turned to DWU to assist him in getting his remaining salary and compensation for the abuse.

At present, Jethiyabhai continues to work in a polishing unit. He concluded that he knew the conditions in Surat, the conditions of work and pay were bad for the karigars, but the kind of treatment and abandonment that was meted out to him and others in Botswana was far worse – an unimaginable horror in a foreign land.

RameshbhaiJileriya and Bhaveshbhai Tank elaborated that their collective receives many cases similar to the case of Ketanbhai and Jethiyabhai. As the industry has prospered and grown, the cases of non-payment of dues, dismissals, lay offs have multiplied. The testimonial below discusses the change in the relationship between the employers and the ratna-kalakars and the impact it has had on the well- being of the hands that shape and shine the single cut diamonds in Surat.

Testimonial – Ramesh Jileriya, President, Diamond Workers Union, Gujarat (RG-G6644)

Rameshbhai Jileriya has been associated with the Diamond Workers Union, Gujarat since 2013. As its president, he has been leading the Union in its commitment to work towards improving the condition of the artisans across the state of Gujarat. As a former diamond processor himself, he shared that over the last two decades, as the diamond processing industry has grown and evolved, he has witnessed the employment structure in the industry undergo a transition and the condition of the artisans has deteriorated.

Rameshbhai opined that the relationship between employers and artisans in the diamond industry has undergone a significant transformation over the years. When the industry started and was gaining a foothold in the diamond processing trade, the artisans were employed through a network of kin-ties. Only relatives of the existing employees were employed. The employment was rooted in the guarantee of the existing employee. The employers would look after their artisans, ensuring that the benefits of the industry were often transferred to the artisans in the form of better pay and job security. He shared that about two and half decades ago – if a groom was employed in the diamond industry – it was perceived as a good signal and an assured guarantee to the family of a prospective bride – that the groom would be a good match for their daughter. However today, the scenario has undergone a drastic change.

Rameshbhai shared that in the last two decades, the relationship between employers and artisans has eroded and has taken a more transactional form. As productivity increased, profitability increased, the industry expanded; the kin-ties eroded as profit maximization and minimization of cost took imminence. The focus shifted from trust and kin ties to profit and productivity. The artisans are no longer just part of an extended family, but they are now considered mere employees. This has led to a decline in job security and welfare benefits for the artisans.

Drawing from his own experience of working in the sector in Rajkot – Rameshbhai faced backlash and resistance from the employer when he raised his issues concerning the terms of his employment and conditions of work. He was immediately dismissed from his unit, and the employer registered a case against him for inciting and provoking other artisans. He was arrested and had to spend a week in jail until his family paid the bail bond. The case went on to last for over a decade. During this period he was forced to sell his landholding to repay the debt he was forced to borrow to make ends meet and he shifted to Surat to find a better

livelihood opportunity. Only in 2018, the court declared the judgement in Rameshbhai's favour.

Rameshbhai argued that at present the city of Surat employed about 8 lakhs to 9 lakhs artisans in more than 6000 units across the city – working in processing units concentrated in Varachha and Katargam – located in the heart of the city. Over the years, there has been influx of migrant artisans from Uttar Pradesh, Madhya Pradesh, and Bihar. Rameshbhai elaborated that often the migrants employed in the smaller workshops often stay within the premises. They do not get weekly offs and were required to work during the holidays as well.

Speaking about the condition of work – Rameshbhai informed that the norm of 12 hour shifts with no paid leaves has emerged as a norm. Given that the sector is linked globally, the events or economic shocks occurring internationally impacted the workers directly. The effects of the recession resulting in the contraction in the market directly impact the artisans that experience a contraction in their remunerations. There are no measures implemented to protect the workers from external shocks. Furthermore, with no implementation of social security schemes and protection – the artisans are left vulnerable to any domestic and international shocks.

'Mandi badhne se karigar ki pagarghattihai'

To add to their difficulties, workshop owners ensure that no artisan is allowed to work for a period of five years, or else they would be liable for the gratuity amount. Other times, the workshops close their units, and re-open under a new name even though the artisans from the earlier establishments are retained. There are no annual increments in accordance with the rising inflation rate. If the artisans raise their grievances they are subjected to a backlash in various forms. One such is immediate dismissal. Other is creating obstacles in the work of the artisan. Given that much of the polishing work was piece rate – the management ensures that either the number of pieces allotted to the artisan was less – so that they were able to less than their usual remuneration. Another measure frequently adopted was that the artisan was given fragile pieces – which was bound to get damaged during processing. The employer then penalizes the artisan by way of deductions from their salaries. Thereby pushing the artisan at the brink of economic crisis. For workers who had fixed pay (such as the cutting units) yet another measure adopted wherein the worker would be given no work at all but would be forced to sit in the workshop idle (at times for three months at a stretch), even though he was given a fixed salary. This, Rameshbhai stated amounted to mental harassment. To aggravate

the situation, such a worker was also reported across units and red flagged as a trouble maker through the network of unit owners to ensure that the said worker was unable to find employment. Over the years, such kind of practices coupled with economic shocks, inadequate salaries and with no social security have driven many workers to commit suicides.

Furthermore, Rameshbhai elaborated there were no implementation of any provisions under the Factories Act. There were many irregularities in the name of remuneration as well. No pay slips were given. Many a times workers received part salaries. Certain employers kept the ATM cards of their employees with themselves. They would withdraw the salaries credited into the account of their employees, and then pay part of the amount credited to the artisan in cash. There were no over time payments, and no bonuses or gifts were given to the artisans. Rather, certain large diamond company owners run a façade in the name of giving bonuses. In one such case, Rameshbhai stated – a certain owner received a lot of good publicity when it was published that he had given cars to his employees. When DWU investigated the matter – it was revealed that the said owner had been deducting Rs.4000 every month from the salaries of their employees for the last three years. The accumulated fund was used to pay the downpayment, and the rest of the amount was arranged in EMIs that was to be deducted from the employees/artisan's salaries. The artisan had no say in the matter. While the owner received applause for his initiative of giving cars to his employees for Diwali. DWU pursued the matter, revealing the scam. Eventually the owner of the company was penalised by the court. Unfortunately, Rameshbhai argued this case was not an exception. There were many owners who have been gifting bikes, flats and other endowments – while recovering the cost from the employees. This Rameshbhai described as a PR gimmick. However, DWU's intervention in car case came to light – many employers have refrained from such activities.

However, organizations like the Diamond Workers Union are working towards improving the conditions of the artisans. With a membership of more than 20000 artisans in Surat – the collective has been working diligently to help their members get benefits including salaries, gratuity dues, and social security protection. Rallies or strikes, Rameshbhai shared was one of the last resorts. The DWU seeks to work within the ambit of the legal laws and provisions.

Today the condition was such that families do not want to marry their daughters to an artisan in the diamond sector due to long shifts, low remuneration and lack of job security.

What could be the way forward then? Rameshbhai proposed that in addition to implementing the provisions of the Factories Act in the workshops of all scales – schemes and programs for

the benefit of the artisans – such as Ratnadeep Yojana need to be re-started and workers' welfare board that was disbanded a decade ago needs to be re-instated.

Further a certification similar to the Kimberly Process Certification can be initiated wherein the employers have to seek a certification from the DWU indicating that the diamonds have been processed ethically and there was no exploitation of the workers involved during the processing of the rough stones.

Closing Remarks:

Over the last two decades - the industry suffered setbacks due to both national and international events such as to the recession in 2008, demonetization, Covid pandemic and then the sanctions imposed by the USA due to Russian invasion on Ukraine; yet the industry revived itself proving to be a survivor. As Indian diamond industry continues to grow and thrive – with introduction of advanced and sophisticated technology – the survival of the industry would be impossible if not for its skilled workforce. The workforce employed in the diamond industry is predominantly constituted of the settled migrants from Saurashtra – a community of upper caste landowning caste of Patels – which is a conglomerate of the subgroups under Patidars. It was in the 1960s and 1970s when the Patidars first began migrating from Saurashtra. The industry was initially closed to other groups. The gatekeeping ensured that the employment was granted only to the kins of the existing workforce. However, as the Patidars rose in ranks and as subsequent generations began choosing employment opportunities in other sectors, the employers began to employ the migrants from Bihar, Uttar Pradesh, Madhya Pradesh, and other parts of India for work at the lowest rung. A relatively recent change, the change is slow but note-worthy. With time as the industry expanded its scale, the workers adapted to the technological advances to ensure that the stones can be processed with sophistication at lower costs – granting Surat an edge in polishing and cutting of rough stones.

The report highlights time and again that what grants Indian diamond industry its competitive edge over other centers for cutting and polishing is its skilled labour force and low operating costs. An employer of over 8 lakh of cutting and polishing workers in Surat across more than 6000 units, while another 7 lakh are employed in subsidiary work within the industry. The estimates for units range from 6500 to 8500 units (Ray Guha 2019), employing millions of workers indicating the strength of the industry. However, the economic condition of the workers themselves is not as resilient as the sector to which they have contributed immensely. The karigars rather are the first ones to experience shock when the diamond trade undergoes a downturn.

In January 2023, the Economic Times (Ghosal 2023) reported 20000 jobs were lost as the demand for polished diamonds fades. India's diamond exports began slowing in November last year. According to data from the Gem & Jewellery Export Promotion Council (GJEPC),

overall gross exports of cut and polished diamonds in the April to November period of FY23 declined by 5.43% from the year-ago period.

One of the prime reasons cited was the dropping price of the polished pieces. While the price of rough diamonds continues to remain high, that of the polished ones have softened due to low demand, impacting the margin.

“With the pandemic in China making a comeback and there are no signs of respite from the war between Russia and Ukraine, inflation soaring in some parts of the world, we are out there for some tough times,” said Vipul Shah, chairman, GJEPC (Ghosal 2023).

This view was shared by other insiders in the industry – like Damji Mavani, secretary of Surat Diamond Association (SDA). He opined that Surat – home to more than 4000 units, has been experiencing work contraction for months, forcing the units to work at 60-70% capacity. This also meant fewer workers were needed.

A high rolling industry for a commodity such as diamond polishing and cutting – the workers’ access to their rights and entitlements were found to be sporadic through-out the units irrespective of their size as revealed by respondents as well as discussions with Rameshbhai Jileriya (President) and Bhavesh Tank (Vice-President) of Diamond Workers Union. The Union has been working for the welfare of the workers to ensure that they receive their legal entitlements. The union has been engaged primarily on issues of adequate compensation for the workforce, better working conditions and entitlements concerning with public goods and services. In the recent years, DWU has been a vocal advocate for the workers from Saurashtra and their work gained force when the workers were impacted by the slow down, during the pandemic and even as the impact of the Ukraine – Russian war when the units were shut and the workers were laid off unceremoniously. The Economic Times reported that before the pandemic there were 600,000 workers in Surat’s diamond trade. The number has fallen to around 475,000 (Ghosal 2022). About 250,000 workers employed at Surat's diamond polishing and cutting units have been asked to go on leave for 15 days from May 16, 2022, as the supplies of rough stones from the biggest diamond miner, Alrosa, which is partially owned by the Russian government had been frozen amid the Russia-Ukraine conflict (Ghosal 2022). The fresh crisis came right after the industry had just recovered from the Covid-19 pandemic-induced slowdown with gems and jewellery exports rebounded in

2021-22 to touch \$39.15 billion, up nearly 55% year-on-year(ibid). Further the US imposed sanctions on diamonds sourced from Russia has also impacted the industry in India.

The Union's Surat unit in 2020 presented a memorandum to Gujarat chief minister Vijay Rupani seeking financial aid for the diamond workers. The memorandum stated there were more than two million workers employed in the diamond factories in Surat, Navsari, Ahmedabad, Bhavnagar, Botad and Bhavnagar (ibid). The DWU reported that the workers in the smaller workshop had reduced access to social security schemes such as the Pension Fund, EPF and gratuity with conditions of work that led to diseases such as cervical, blindness, general stress (due to the high value of the commodity), lower back pains, and lack of mobility (when in the premises) as also evidenced and reported in the present study. Although the bigger workshops and factories have better conditions of work and compensations. For middle and smaller scale units, DWU representatives stated that once a workshop reached a certain scale it was broken into smaller units to save the unit from higher taxes and implementation of labour laws.

Bhavesh Tank (DWU) elaborated that the workers cannot retaliate concerning the conditions of work or raise any other grievance. Such workers were often suspended if found to be raising objections of any kind - as was also reported by the respondents. The implementation of labour laws in the small and medium units was often found to be sporadic.

In 2009, RBI constituted a Task Force to facilitate constitution of the Surat Diamond Exchange and how the financial system can help aid the workshop owners to expand the sector.

Taking cognizance of the state and distress of the workers in sector, among the four key recommendations, two were focused on ensuring social security schemes for forcefully unemployed diamond. The report proposed schemes such as the following:

- Retaining, Re-skilling, Rehabilitation of displaced workers – suitable training programmes will be organised at district level by the district administration to train displaced diamond workers for alternative employment. The district authorities may also identify and sponsor all eligible workers for appropriate financial assistance / loans under various Government Schemes.

- *Financial Relief* –With a view to helping the diamond sector workers to tide over the distress caused to them on account of loss of jobs / work, soft loans with elongated repayment cycle, would have to be considered, based on their identification by their employers. The diamond sector units would be needed to sponsor such workers to the banking system. Banks may consider rescheduling of existing housing, educational and personal loans of diamond workers on a case to case basis. Small monetary limits may be considered by banks for workers through General Credit Cards (GCCs), with relaxations, as may be appropriate.
- *Education fund* to be constituted to help payment of school fees of children of displaced diamond sector workers.

However, the programs and schemes have still not been implemented and remains on paper only.

Ratnadeep Kaushalya Vardhak (Ratnadeep skill upgradation) scheme by the Gujarat state government, was launched in the aftermath of the 2008 financial recession. The scheme sought to benefit nearly 15,000 retrenched diamond workers were to be selected in the first phase for skill upgradation training at Indian Diamond Institute (IDI) at the daily stipend of Rs 100. The government has earmarked Rs 12 crore to be paid as stipend. Thomas (2009) reported that there were hardly any takers for the scheme. In order to avail the benefits of the scheme, the worker had to submit an experience letter from their employers. Since many workers were unable to obtain the document either because the workshop had closed or the employer was unwilling to give the document. Eventually the scheme was withdrawn.

Suicide among the diamond workers

Over the past decade, an uncertainty in the international demands for polished diamonds and economic downturn has aggravated the situation of the workforce in the diamond industry. As the demand declines, reducing the working capacity of the units, the immediate distress is felt by the workers that were laid off to reduce the costs of operations. The distress of job loss has driven many workers to commit suicide. The worst impact of job loss was felt due to the financial recession of 2008, wherein over 70 workers committed suicide.

Over 5,000 suicides have been reported in the city of Surat since 2010 according to Surat Police data shared with the Thomson Reuters Foundation. Moreover, the foundation found that, out of 23 suicides that took place between January and April in 2018 analysed, there

were six cases of diamond workers hanging themselves; drinking poison; and lighting themselves on fire. Similar cases were also uncovered in the Saurashtra region. Interviews also revealed nine diamond worker suicides since November 2017.

This report by Srivastav (2018) for Thomas Reuters highlighted the growing incidence of suicides in the Indian diamond sector. This led to many more such reporting from across the world highlighting the distress of the Indian workers who were being driven to commit suicides due to lack of work and under-pay in the industry. Lack of jobs, inability to sustain family and uncertainty of future have driven workers to take this step. The industry insiders shared that the incidence of suicide was far more serious than was being reported in the newspapers.

In September 2019, sensing the growing restlessness and anxiety among workers and small traders, who were rendered jobless by the worst slowdown in more than a decade, the Gujarat Chapter of the Gems and Jewellery Export Promotion Council (GJEPC), in partnership with trade body Surat Diamond Association (SDA) and workers' body Ratna Kalakar Vikas Sangh, convened a motivational workshop for workers (Vora 2019). The workshop looked to build positivity and overcome the feeling of helplessness among workers and prevent them from taking the extreme step. Some attributed this plight to the demonetisation in 2016, some blamed it on GST roll-out and the hike in import duty of gold, while some others hold global factors responsible for the slump (Vora 2019). The sector experienced a contraction in demand for polished diamonds by 30% forcing smaller units to either shut shop or lay off employees to space the extra financial burden; while the bigger units did reduce the workforce but they did reduce the shift timings thereby impacting the earnings of the workers.

The lockdown of 2020 resulting in subsequent shutting down of all polishing and cutting units, drove 16 diamond workers to suicide (Dhar 2020). Many of these workers had already been on a lookout for job for months. With the lockdown, their hope to find jobs was extinguished, thus driving them to commit suicide. Notably in September 2020, the president of Surat Diamond Polishers Union died by suicide after struggling with financial crises for months (ibid). post lockdown, when the units resumed work – only 70% of the workforce managed to get their jobs back. Most of these workers were found to be working for half of their original salaries for 12 to 14 hours of work (Dhar 2021). Most companies had reduced

salaries when the government had directed to pay less but not cut jobs, continued to pay less even after the lockdown was over.

In a period of nine months from September 2020 till May 2021, Bhavesh Tank reported that the lockdown induced economic crises resulted in twenty workers that committed suicide. During the lockdown many workers were forced to make borrowings in order to support their families. As lockdown was relieved, the units began to resume work, the workers had hoped that they will be able to repay their loans. However, with no financial aid from the government or the employers, with reduced salaries and the inability to find work – these factors compounded the precarity of the workers, leading them to commit suicide.

DWU claims that the prevalence of suicide was more than what came to light. Any economic downturn is often the death knell for the workers – many of whom are single earners in their families. While the owners of the units manage to escape the shocks, and the industry eventually crawls back to its former glory; the families of the victims continue to struggle and suffer after the loss of their families members.

Way forward:

There are several concrete ways to create a more inclusive, equitable and secured future for the cutters and polishers of Surat. Some of these were quoted by Rameshbhai himself in his testimonial and are reiterated here:

1. Ensuring implementation of labour laws across all units particularly in the small and medium units where it was often found to be sporadic
2. Implementation of Social Protection through social benefit schemes from the State and employers so that there is a safety net in terms of social protection for the workers and their families in the face of national and international trade slumps and recessionary trends.
3. Ensuring that all workers have access to social protections, with contracts in place and access to membership-based organizations such as trade unions, is a start.
4. Raise awareness about the incidence of suicide rate and conscious attempts be made to prevent these amongst diamond polishers attributed to low wages and lack of social benefits by setting up helplines and financial aids by the state and the employers' associations

5. Implement schemes to retain, re-skill and rehabilitate displaced workers to prepare them for alternative employment
6. Set up financial relief for diamond sector workers under economic stress in terms of soft loans with elongated repayment cycles
7. Educational fund to help assist the workers for payment of school fees for diamond workers in distress
8. Restart schemes such as Ratnadeep Kaushalya Vardhak Yojana (Ratnadeep skill upgradation scheme) by the state government. However the state should be mindful to ensure that the process of enrolment allows workers to self-attest, so that they do not have to rely on their employers for a work experience certificate.
9. Establish a certification system that would certify that diamonds are ethically polished in Surat without any labour law violation. Such certification system should involve existing workers collectives such as DWU to ensure that no labour laws have been flouted.

It's also critical that these measures complement the creation of more formal-wage jobs, as well as efforts for making sure workers have access to them. Given the international linkages of the global supply chain, workers collective can also highlight the plight of the workers through advocacy with the organizations that are internationally linked and enforce ethical processing of the diamonds.

These are some steps that could help ensure a brighter future for lakhs of ratna - kalakars and their families. Till then the karigars await the time when the prosperity of the sector enjoyed by diamantaires and India as a whole will trickle down to them.

List of Diagrams and Tables

Diagram 1: Stages in Diamond Supply Chain

Diagram 2: Diamond Global Supply Chain

Table 1: Sample distribution

Table 2: Sex distribution

Table 3: Age Distribution

Table 4: Education level

Table 5: Number of migrants in the sample

Table 6: Type of work undertaken by the respondents

Table 7: Average Monthly salary

Table 8: Length of the Shift

Table 9: Access to Social Security in the units

References

- Aiyar, Pallavi. 2015. *How Indian families took over the Antwerp diamond trade from the orthodox Jews*. July 23. <https://qz.com/india/459422/how-indian-families-took-over-the-antwerp-diamond-trade-from-orthodox-jews>.
- ANI. 2021. *Diamond workers quitting jobs due to low wages*. July 27. <https://hr.economictimes.indiatimes.com/news/industry/gujarat-diamond-workers-in-surat-quitting-jobs-due-to-low-wages/84785489>.
- Arora, Neelam. 2014. *Indian Diamond Industry - Problems and Prospects*. Mumbai: Himalaya Publishing House.
- Dhar, Damayantee. 2021. "Death and hunger stalk diamond polishing workers in Surat, in Modi-Shah duo's home state Gujarat." *National Herald*. May 25. <https://www.nationalheraldindia.com/opinion/death-and-hunger-stalks-diamond-polishing-workers-in-surat-in-modi-shah-duos-home-state-gujarat>.
- . 2020. "Gujarat: of Death Knells and Suicide in the Diamond Industry." *Newsclick*. September 18. <https://www.newsclick.in/gujarat-death-knells-suicide-surat-diamond-industry>.
- Ewa Rudnicka, Lauren Mamros, Brian DeRiggi, Branden Mushower. 2010. "The Diamond Supply Chain." (Eighth LACCEI Latin American and Caribbean Conference for Engineering and Technology).
- Ghosal, Sutanuka. 2023. *20,000 jobs lost in Surat as diamond demand fades*. January 6. https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/20000-jobs-lost-in-surat-as-diamond-demand-fades/articleshow/96773814.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst.
- . 2022. *Ukraine Impact: About 250000 workers in Surat Diamond units sent on leave, job losses loom*. May 19. <https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/ukraine-impact-about-250000-workers-in-surats-diamond-units-sent-on-leave-job-losses-loom/articleshow/91651815.cms?from=mdr>.
- Hirway, Indira. 2009. "Losing the Sparkle : Impact of the Global Crisis on the Diamond Cutting and Polishing Industry in India." *UNDP, India*.
- India, Today. 2009. "Over 70 Surat diamond workers commit suicide." February 19. <https://www.indiatoday.in/india/video/over-70-surat-diamond-workers-commit-suicide-835760-2009-02-10>.
- Kanani, Gautam. 2007. "The State of Labour in the Diamond Industry in India with Special Reference to Gujarat State (PhD Thesis)." Rajkot: Saurashtra University - Rajkot, January.
- Koonar, K. 2006. *Diamond Industry Social and Economic Responsibilities*. <http://www.websitemba.com/Diamond-Industry.php>.
- Nidhi, N. 2021. *Indian Diamond Industry: From a rough patch to a glittering performance*. October 21. <https://www.tpci.in/indiabusinesstrade/blogs/indian-diamond-industry-from-a-rough-patch-to-a-glittering-performance/>.

- Polished, Rough-. 2021. *Indian Diamond Industry in 2020*. January 11. <https://www.rough-polished.com/en/analytics/119913.html#:~:text=It%20is%20one%20of%20the,reach%208.23%20million%20by%202022>.
- Ray, Shantanu Guha. 2019. *The Diamond Trail : How India Rose to Global Domination*. 1. HarperCollins India.
- Reuters. 2018. *Suicides wipe the shine off the Surat's diamond trade*. July 10. <https://www.thehindu.com/news/national/other-states/suicides-wipe-the-shine-off-surats-diamond-trade/article24378534.ece>.
- Rouse, Jill. 2022. *Why is Antwerp the Diamond Capital of the World?* March 29. <https://www.bayareadiamond.com/blog-post/why-is-antwerp-the-diamond-capital-of-the-world#:~:text=Antwerp%20is%20home%20to%20all,of%20the%20world%20diamond%20trade>.
- Sector, Task Force for Diamond. 2009. *Report of the Task Force for Diamond Sector*. Ahmedabad: Reserve Bank of India.
- Srivastav, Roli. 2018. *Death by Diamonds : Suicides wipe the shine of the India's gem trade*. July 10. <https://www.reuters.com/article/us-india-diamond-idUSKBN1K000M>.
- Thomas, Melvyn. 2009. *No takers for Ratnadeep scheme in diamond hub*. May 27. <https://timesofindia.indiatimes.com/city/surat/no-takers-for-ratnadeep-scheme-in-diamond-hub/articleshow/4585650.cms>.
- . 2020. *Surat: 63-year-old diamond trader commits suicide under running train*. July 10. <https://timesofindia.indiatimes.com/city/surat/surat-63-year-old-diamond-trader-commits-suicide-under-running-train/articleshow/76898093.cms>.
- Vinod Sen, Mukesh Kumar Solanki, Jadhav Kishor Kisan. 2016. "Global Recession and Diamond Industry Workers: A socio-economic perspective." *Economic Literature* XI: 47-33.
- Vora, Rutam. 2019. "Slowdown blues: Rising jobless number spark unease in Surat diamond sector." *Business Line*. September 22. <https://www.thehindubusinessline.com/news/national/fearing-suicides-surat-diamond-industry-holds-motivational-seminar-for-workers/article29477482.ece>.

Centre for Labour Research and Action

Centre for Labour Research and Action (CLRA) promotes workers' rights in the vast informal sector economy of India. It undertakes research to document the work conditions in the informal sector followed by policy advocacy with the state so that the workers receive their due entitlements. The centre has done pioneering work in documenting the seasonal migration streams that feed labour to labour intensive industries like agriculture, brick kilns, building and construction. Its work has facilitated development of an alternative paradigm of organizing workers that factors in the constant movement of workers, the critical role of middlemen, the nature of production process, and the socio- economic profile of workers.

Rosa Luxemburg Stiftung

The Rosa Luxemburg Stiftung (RLS) is Germany based foundation working in South Asia and other parts of the world on the subjects of critical social analysis and civic education. It promotes a sovereign, socialist, secular, and democratic social order, and aims to present members of society and decision- makers with alternative approaches to such an order. Research organizations, groups working for social emancipation, and social activists are supported in their initiatives to develop models that have the potential to deliver social and economic justice.

Disclaimer:

“Sponsored by the Rosa Luxemburg Stiftung with funds of the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany. This publication or parts of it can be used by others for free as long as they provide a proper reference to the original publication”.

The content of the publication is the responsibility of the partner Centre for Labour Research and Action, and does not necessarily reflect a position of RLS.



**Centre for Labour
Research and Action
(CLRA)**



**Rosa
Luxemburg
Stiftung- South
Asia**

Centre for Labour Research and Action

Centre for Labour Research and Action (CLRA) promotes workers' rights in the vast informal sector economy of India. It undertakes research to document the work conditions in the informal sector followed by policy advocacy with the state so that the workers receive their due entitlements. The centre has done pioneering work in documenting the seasonal migration streams that feed labour to labour intensive industries like agriculture, brick kilns, building and construction. Its work has facilitated development of an alternative paradigm of organizing workers that factors in the constant movement of workers, the critical role of middlemen, the nature of production process, and the socio- economic profile of workers.

Rosa Luxemburg Stiftung

The Rosa Luxemburg Stiftung (RLS) is German- based foundation working in South Asia and other parts of the world on the subjects of critical social analysis and civic education. It promotes a sovereign, socialist, secular, and democratic social order, and aims to present members of society and decision- makers with alternative approaches to such an order. Research organizations, groups working for social emancipation, and social activists are supported in their initiatives to develop models that have the potential to deliver social and economic justice.

Disclaimer:

“Sponsored by the Rosa Luxemburg Stiftung with funds of the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany. This publication or parts of it can be used by others for free as long as they provide a proper reference to the original publication”.

The content of the publication is the responsibility of the partner Centre for Labour Research and Action, and does not necessarily reflect a position of RLS.