

## Situation of Salt-pan workers during Covid -19

15 kms away from the nearest village, in a dry, barren expanse of desert land of Little Rann of Kutch, stands the lone hut of Rahimaben, a poor saltpan worker. Rahimaben's family has been working as a salt-pan worker since several generations. Like every year, Rahimaben and her family moved to the desert to produce salt in the month of October. Her husband would travel to the nearest village every 15 days to procure groceries and meager household supplies. When the lockdown was announced, they were in the desert and hence didn't even know about it... 3 days later when he contacted the trader for his next advance-installment, the trader informed him about the lock-down and refused to pay any more installments. Rahimaben's family was shocked... they didn't have any food to eat or any diesel to operate the pumps...

This is not just the story of Rahimaben, but that of thousands of poor salt-pan workers in Patan and Surrindranagar district of Gujarat. With more than 70000 saltpan workers, Gujarat is the highest producer of in-land salt in India. Year on year, the poor salt-pan workers migrate to the desert for 6 – 8 (October – May) in the months, working in inhabitable climatic conditions with temperatures soaring as high as 50 C. Using diesel worth INR 50000 – 60000, they produce 600 – 700 tons of salt for which they earn about 85000 INR.

The poor salt-farmers do not have any working capital and hence the salt traders exploit them by giving high-interest advance monthly payments of INR 12000 – INR 14000 per month for 5 months starting in November-end – out of which majority is spent in buying diesel and spare parts for the pump-sets and the rest for monthly grocery leaving the salt-farmers with no savings.

The distance between any two salt-farmer households in the desert is at least 2 kms. Also, Mar – May being the peak salt season, the whole family is very busy working in the salt-pans and hence hardly have any time to visit the neighbors or socialize. The temperatures in the desert are always a degree or two more than in the towns – so the day-time temperatures are almost touching 43 degrees in the desert. These poor workers do not have access to electricity – so they always drink warm water. Thus, for the poor salt-pan workers, the COVID-19 crisis is less of a health threat but more of a livelihood threat. Some of the major issues faced by these workers and the actions taken by SEWA are:

### Lack of access to working capital

This year, when the lock-down was announced on 22<sup>nd</sup> March, 2 more installments (March and April) were still pending for most of the salt-pan workers. However, the traders closed their businesses and moved to their home-towns due to the lock-down. Due to the lack of access to these funds, the poor salt-pan workers are in big trouble due to

1. No cash available to purchase any grocery: The salt-pan workers are very poor and live in make-shift huts. They are barely able to purchase enough grocery to last them for 20 – 22 days from the installments given by the traders – therefore when the lock-down was announced, they barely had a day or two's food supply. Due to the lock-down the local grocers are also reluctant to give any grocery on credit. Therefore, more than pandemic crisis, it became a food crisis for the salt-pan workers.
2. No cash to purchase diesel for salt production: Quantity of salt produced is directly dependent on availability of diesel and solar heat. Thus, the production is highest in months of March, April and

May as the sun shines brightest / hottest in these months. However, this year due to the lack of cash-flow, the salt-farmers have to stop production in March. This will reduce their overall yield by almost 150 – 200 tons. Generally, the annual income of salt-farmers is 85000 INR out of which they borrow INR 50000 as advance and use the rest for sustaining themselves and their families in the non-salt season. But due to lack of cash-flow, this year their income will reduce by almost INR 15000 – 20000... so their sustenance for the next 6 months is also a problem

**SEWA's Response:** SEWA immediately sprang into action to address these immediate concerns of its members – the poor salt-pan workers. Through its agri-business enterprise – RUDI, SEWA prepared food-kits and started handing them out to families that didn't have any ration – this helped address the members immediate food crisis, till the govt PDS system came into operation.

### Lack of access to tools and equipment:

As the salt in the salt-pans starts crystallizing, the sides of the salt-pan needs to be strengthened. If timely strengthening is not done, due to the sides start crumbling leading to spill-outs and hence reduced productivity by almost 100 tons. This activity needs to be done in the month of March-end / April beginning. For doing this, there is a need for welding a special tool to a tractor. However, due to the lockdown, all blacksmith shops were also closed.

Upon the announcement of lock-down, SEWA started reaching out to its members through phone to understand their immediate issues and challenges and help find a solution if possible. Within a couple of days of the lock-down, majority of the members raised this issue of inability to strengthen their salt-pans.

*“The traders have expressed his inability to provide us the remaining two installments... so we will not be able to purchase diesel... so a loss of 100 tons of salt... and now... we can even strengthen the salt-pans... if one of it breaks... we will lose another 100 – 150 tons of salt... then we will be devastated...”* said a tearful Kamalben from Kuda village, in a choking voice

**SEWA's Response:** As a response to this issue, SEWA prepared an appeal to the State as well as District authorities describing the situation of the poor salt-farmers and requesting them to allow black-smiths to open their shops so that not only SEWA's members, but 1000s of other poor salt-farmers across Surrendranagar and Patan district can access the welding service and thus protect their livelihoods.

After continuously visiting the district collector's office for 5 continuous days to represent these salt-farmers and requesting the District collectors in person, SEWA's appeal was accepted and the 2 – 3 welding shops per village in both districts were given permission to operate. The govt also arranged a token system, to avoid crowding at the welding-shops and thus facilitating salt-farmers access to welding service while maintaining social distancing.

### Lack of access to transportation service:

Due to lack of access to working capital, many salt-farmers have to wind up their salt production this month. However, due to the lock-down, no transportation services is available. In the dry and arid desert,

the sand blows over the salt and discolors it – thereby lowering its quality and hence price. So, it is advisable to transport the salt as soon as it is ready.

**SEWA's Response:** The transportation of salt has to generally start around 10<sup>th</sup> April. However, due to the lock-down the transportation would not start till 14<sup>th</sup> the lock-down was extended till 3<sup>rd</sup> May. Therefore, SEWA once again approached the local authorities to allow transportation of salt from the salt-pans to the traders' warehouses. After requesting multiple times, the local authorities agreed and hence transportation of salt from the pans has started from 17<sup>th</sup> April onwards.

### Inability to re-pay loans:

In order to reduce the operational cost in salt-farming, several of SEWA's members have switched over to solar-pump sets for salt-farming over the last 5 years. Given that the initial cost of the solar pump set is very high, the salt-farmers have taken out a seasonal loan, wherein they pay EMI for the solar pumps from the advance installments (money saved in diesel) borrowed from the traders from November to March.

In the month of April, since the installment from trader stops, women continue working in the salt-pans while men work as casual laborers in neighboring villages / MGNREGA and use this income to pay the last EMI.

As per the terms of the loan, the salt-farmers has to borrow entire amount equivalent to the entire cost of the pump and have to pay 6 EMI's per year from November to April. The Govt subsidy will cover 80% of the cost of the pump which is directly paid to the bank towards the loan.

As mentioned above, the traders have expressed their inability to pay the next 2 installments for this season. Also, due to the lock-down the salt-farmers (men) are not even able to find any work in the villages and hence can't earn anything – neither to sustain their families nor pay the EMI.

Traditionally, although the salt is weighed and handed over to the trader at the end of the season, the salt-farmers get their balance payment only in the month of August. Thus, the next probable month when the salt-farmers will be able to make any payment towards the loan is in the month of August.

Although the banks have provided 3-month moratorium, the salt-farmers will continue to accrue the interest till August. Loans of many will become NPA – since they might not be able to pay the EMI before June 30<sup>th</sup>. Additionally, for over 900 salt-farmers who purchased the solar pump in this salt-season, Govt has not yet deposited their subsidy amount in the bank and hence they will be accruing interest on a larger amount – thereby increasing the total cost of their pump by almost 1.5 lakh to 2 lakhs INR. For a poor salt-farmer household, this is a huge amount – pushing her back into poverty for atleast 5 more years.

**SEWA's Response:** Therefore, SEWA has started strongly appealing to the State Govt as well as to the Central Govt for

1. Interest waiver on loans for salt-farmers
2. Extend loan moratorium till 31<sup>st</sup> August
3. Immediately deposit pump-subsidy of salt-farmers in banks.

## Impedance in Setting-up Solar Park

Today, over 2000 of SEWA's members are using solar pump-sets in Surrendranagar district of Gujarat. These salt-farmers use their solar-pump sets for salt production from November to April. At the end of the salt season they store the solar pump sets in storehouses. While their assets (solar pump sets – including pumps, VFD and solar panels) are not being used, they still continue to accrue interest on the loans that they have taken out to purchase these pumps.

Therefore, to help ease out the financial burden on these salt-pan workers, SEWA is launching an innovative initiative of establishing decentralized solar micro-grids using the idle solar panels of the salt-pan workers from May to October. The electricity generated from these micro-grids could be used to power the houses of these poor workers (thereby reducing their utility expenses) and the surplus can be sold to the Govt. owned electricity company – thereby generating an additional source of income for the poor salt-farmers using their own assets. These additional income and savings shall be used by the salt-farmers to pay-off the interest that is being accrued on their loan in non-salt season.

This initiative will not only generate an additional source of income for the poor salt-farmers, but also make the poor salt-farmers owners, manager and producer of electricity rather than just consumers – thus empowering women. The electricity generated through this micro-grid is also a small but firm contribution of poor salt-farmers to the country's NDC's.

**SEWA's Response:** On these lines, SEWA has been working on planning and designing the nitty-gritties of this initiative – including technical, technological, financial, infrastructural, logistical, legal etc. aspects – and was planning to pilot setting-up one such micro-grid in Naradi village of Surrendranagar district in the month of May 2020. However, the last step in this process was signing of the Purchase Price Agreement with the Govt. Electricity board (PGVCL), which has been stalled due to the lock-down.

Given that Electricity is one of the essential services, PGVCL offices are operational even during the lock-down phase. Therefore, SEWA has been continuously appealing to the PGVCL as well as state govt to complete this formality as soon as possible so that the solar park can be set-up this year and the poor salt-farmers have some income support in these difficult times.