



# Richer Bosses, Poorer Workers

Bangalore's Garment Industry

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**CIVIDEP**

**July 2009**

## Colophon

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July 2009

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## Introduction

The garment industry contributes 16.63% to the foreign earnings of India and it employs over 3.5 million workers. There are five different garment production hubs in India, all specialize in different types of garment production. Bangalore is one of the centres of production of garment and has somewhere around 1200 big, small and medium sized garment factories. Workers employed in this sector in Bangalore are nearly five hundred thousand.

With the phasing out of the Multi Fibre Agreement (MFA) in 2005 the world garment industry was put on one platform where the countries had to compete with each other to grab business. On the one hand work pressure has been constantly rising while on the other working conditions in the factories are going from bad to worse. While the garment industry is one of the biggest sources of export<sup>1</sup>, with considerable and rapid increase in growth (much of it over the last four decades), there has been a corresponding race to the bottom insofar as labour standards and wages are concerned.

This study was conceptualized in the above context; it focuses on working conditions and corporate social responsibility in the Bangalore garment industry. The first part of the report talks broadly about the garment and textile industry in India. The second part deals specifically with the Bangalore garment industry. Labour conditions in the Bangalore Garment industry are discussed in detail this section also contains profiles of factories which produce for big retail brands like Tesco, Wal-Mart (Asda/ George) and M&S.

### Methodology

For this study data were collected from eighty garment workers in three industrial areas of Bangalore: Mysore Road, Peenya II Stage and Bommanhalli. Apart from collecting data on working conditions and wages, the questionnaire also collected information on social audits and codes of conduct of the companies followed in respective factories.

A multi stage selective sampling procedure was adopted. The first stage was selection of areas, followed by the factories from the selected industrial areas of Bangalore, and finally selection of workers. Factories were selected through a purposive sample.

#### *Primary data*

Workers interviews: Personal interviews with eighty garment workers were conducted to understand the situation of garment workers. Workers were employed in seven different factories. Intensive interviews were done in three factories which were producing for retail giants.

To ensure anonymity all names of workers have been changed in this report.

Management interviews: Six interviews with people from the management and people directly concerned with the garment industry were conducted. Owners of garment factories, those associated with a government body looking after garment and textile industry, one association of garment manufacturers were among those interviewed. Talking to them gave an insight of their perspectives on the condition of the garment industry in India.

Focus group discussion: Three focus group discussions with garment workers were conducted. Each group had ten to twelve members residing in the same locality and employed in the factory in various capacities. One topic of discussion was the effectiveness of social audits done by the companies. These discussions took place in the community setting.

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<sup>1</sup> Annual Report 2007-08, Ministry of Textile

Case studies: Five case studies of garment workers are included in this research report. These case studies capture the stories of individual workers talking about their family and work life.

#### *Secondary data*

Secondary data like industry statistics were collected from relevant books and periodicals. Referring to previous research studies on the same sector proved very useful. Internet surfing largely gave the background material of the industry. Latest developments in this sector were traced from newspapers and magazines.

#### **Review of factory profiles**

This study contains the profiles of factories producing for Tesco, Wal-Mart and M&S. The draft factory profiles were sent to these companies requesting their input. Both Tesco and Wal-Mart responded to the review request. M&S did not respond.

#### **Tesco**

Tesco visited one of the factories and discussed the profile information. Tesco returned the draft profile with their comments on the issues raised therein. Tesco stated that their have been improvements over the last few year but that there is probably room for more improvements

Tesco stated that they do not have a direct relationship with the second factory included in the profile. Tesco did however confirm that this factory supplies denim fabric to their product manufacturers.

As both of the factories supply several ETI members, Tesco proposed to involve the ETI to facilitate joint projects to support improvements at these factories.

#### **Wal-Mart**

Wal-Mart responded to the draft profiles requesting the name and location details of the factory. They did however not respond to repeated requests as to what kind of follow up actions Wal-Mart was planning after receiving the contact details. It was therefore decided to not to disclose this information.

A few months after the research was carried out, on June 10 2009, the factory described in the Wal-Mart profile was shut down leaving more than 1500 workers without a job.

The Garment and Textiles Workers Union (GATWU) has filed a case against the factory at the Labour Department stating its closure was illegal as no permission was taken from the state government nor a prior notice was given to the workers.

#### **H&M**

H&M also responded to the draft profiles. H&M confirmed to be sourcing from factory nr.1 discussed in the Tesco profile. They have been visiting the factory frequently as there were concerns about suspected termination related to union activity. H&M indicated to be in dialogue with the group management about the importance of respecting the workers' right to freedom of association.

H&M was also sourcing from the factory described in the Wal-Mart profile but stated that this unit recently shut down.

# 1. Indian textile & garment industry

## 1.1 The Indian textile and garment industry: facts and figures

The Indian textile industry has direct linkages to the rural economy and the agriculture sector. It is estimated that one out of every six households in the country depends on this sector, either directly or indirectly, for its livelihood. The Indian textile industry contributes substantially to India's export earnings. The export basket consists of a wide range of items containing cotton yarn and fabrics, man-made yarn and fabrics, wool and silk fabrics, made-ups and a variety of garments. India's textile products, including handlooms and handicrafts, are exported to more than hundred countries. However, USA, EU member states, Canada, U.A.E., Japan, Saudi Arabia, Republic of Korea, Bangladesh and Turkey are the major importers of our textile goods.

India is the largest exporter of yarn in the international market and has a share of 25 per cent in world cotton yarn exports. It accounts for twelve per cent of the world's production of textile fibres and yarn. India is the largest producer of jute in the world and is the second largest producer of silk and the only country to produce all four varieties of silk - mulberry, tusar, eri and muga.<sup>2</sup>

Mr. M. K. Panthaki, Director, Clothing Manufacturers Association of India (CMAI) in his interview with FACE2FACE in June 2008 said that the Indian garment industry is worth US\$ 42.5<sup>3</sup> (Rs.1.7 trillion) and manufactures about 7,200 million pieces in over hundred varieties of Western-style garments of which 1,800 million pieces are exported, the remainder is for domestic consumption. Production of ethnic garments is estimated at 2000 million pieces. Talking about the distinctions of the Indian textile industry from the clothing industry, Mr. Panthaki says that the Indian textile industry deals with yarns, fibres and made-ups (like bed-covers, pillowcases, tarpaulins and towels). Even 'sarees' and 'dhotis' come under their purview since basically these are fabrics with edges stitched. On the other hand, the garment industry deals with apparel and includes accessories that normally go with a garment like shawls, scarves, 'odhanis', socks, stockings, gloves, handkerchiefs, etc. Garments are the end product of the supply chain and hence considered the maximum value-added product.

There are around 30,000 garment manufacturing companies in India producing just for export. Out of these some 5,000 companies are well established in the sense of performance and stability. Among these 5,000 companies, Gokaldas Exports, based in Bangalore is undisputedly the largest manufacturer of garments in India with over 44,000 workers working in around forty factories in and around Bangalore. They manufacture solely for export and have an annual turnover of around US\$ 250.5 million (Rs. 1000 Crores). Orient Craft and Shahi Exports are second and third in the line with a turnover of above US\$ 200 million (Rs. 800 Crores) and US\$ 150 million (Rs. 600 Crores) respectively. Then there is an array of garment manufacturing companies which can be placed subsequent to the top three. K. Moham & Co., Texport Industries, Gokaldas Images, Ambatin Clothing, L.T.Karle to name a few<sup>4</sup>.

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<sup>2</sup> <[www.ibef.org](http://www.ibef.org)> India Brand Equity Foundation (IBEF) is a public-private partnership between the Ministry of Commerce and Industry, Government of India and Confederation of Indian Industries

<sup>3</sup> US\$ 1 = INR 40

<sup>4</sup> <Mr. A. Cyril Devaraj, Regional Secretary, Clothing Manufacturers Association of India- Karnataka Region>

## Trends

Apparel exports witnessed a significant decline in 2007 after five years of consistent growth. Due to the problem of dollar depreciation in terms of rupees during the year, rupee realizations declined, affecting profitability of apparel units. While the big ones managed to stay afloat, several smaller units closed down. Last year it was the depreciating dollar and the rising operational costs that affected the garment industry. But now, in early 2009, the economic recession in the US is expected to impact the industry that is one of the largest-employing trades in India. Export numbers having gone down in the recent past, the garment industry, which witnessed a drop of 11 percent in profit margins because of the depreciating dollar, is likely to be affected in the near future with the threat of recession becoming real and significant from March 2009<sup>5</sup>.

The last year has also seen a few big mergers and acquisitions in the garment sector. India's largest apparel exporting firm Gokaldas Exports Ltd sold 67.88% of its shares to a large private equity player, Blackstone from the US. Although the equity changed hands, the Hinduja family continues to have operational charge<sup>6</sup>. On 4<sup>th</sup> July, 2007 all the leading newspaper carried reports of a textile major, Bombay Rayon Fashions Ltd (BRFL), acquiring a controlling stake in Leela Scottish Lace for US\$ 38.8 million (Rs. 155 crore). Leela Scottish Lace belongs to the hospitality major, the Leela Group, and has 17 manufacturing facilities spread across Chennai, Bangalore, Kochi and Thiruvananthapuram. Nearly 16,000 employees of Leela Scottish and the business were transferred to the new subsidiary and all customers of Leela Lace were integrated. Gap, Liz Claiborne, Polo Jeans, Tommy Hilfiger, JC Penney, Macy's, Van Heusen, and Walmart among others were its famed clientele.

Indian exports to United States, Canada and European Union comprise 80% of the total garment exports, the remaining 20% goes to rest of the world. In India, Delhi's contribution towards garment exports stands highest at 30% and then Tirupur with 25%. Mumbai and Bangalore come next with 20% and 15% respectively and lastly Chennai with the least contribution of 10%.

## Trade opportunities and barriers

After a boom of nearly six years the world economy is in distress, variously characterised as recession, down-turn or a slow-down. This has made business and commercial enterprises hesitant to take risks to enter into new business. In the garment and textile industry, while there are many opportunities for growth after the quota regime ended, there are, what commentators call non-tariff barriers.

Mr. Monappa, Managing Partner of a garment factory named Cotton World says that opportunities in this sector are great but only the financially strong and technically competent producers will survive in this gamble. According to Mr. Devaraj (CMAI), the biggest opportunity now that exporters can export to any country and in any quantity is that they will have to face competition with other countries. The domestic market has also a lot of potential the consumption of clothing is increasing with the growth of the employed class, especially women.

Talking about non-tariff barriers Mr. J.D. Burman, Deputy Director of the Textile Committee, Ministry of Textile, Govt of India says that there are a few non-tariff-barriers in garment exports. The social compliance issue - related to labour, environment and standard of products – which was not a part of the WTO agreements but has to be adhered to, could be considered as a non-tariff barrier to restrict exports from the developing countries like India.

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<sup>5</sup> The Hindu, 16 April 2008, Page 8

<sup>6</sup> Economic Times, 22 February 2008, page 7

International buyers, with the pressure from non-governmental organizations, are now asking for 'ethically correct' processes in the manufacturing of garments. Corporate Codes of Conduct have been introduced to implement it. Big brands are apprehensive of negative publicity hence they see that these codes of conduct are followed. Mr. Devaraj goes ahead to add that ethically made garments are a must now. For e.g.; there is hardly any child labour in factories but isolated cases are highlighted and the industry suffers. Non tariff barriers like social accountability, use of organic cotton (cotton grown without using synthetic fertilizers), and users becoming increasingly conscious of environmental issues all have 'restrictive' impacts on the supply of garments.

Mr. Monappa mentions some impediments to the growth of the India garment export industry like excessive competition, high cost of production, shortage of skilled workers and Rupee strengthening.

## 1.2 India's garment retail industry

The organized retail industry in India had not evolved till the early 1990s. Until then, the retail industry was dominated by the unorganized sector. It was a sellers market, with a limited number of brands, and little choice available to consumers.

Since a few years, India is witnessing an unprecedented consumption boom. Growth of the economy at the rate of eight per cent in the recent years has resulted in greater income dynamics, driven by factors such as favourable demographics and growth in 'conspicuous' consumption.

The size of retailing in India is currently estimated to be \$200 billion, of which organised retailing (i.e. modern trade) makes up three per cent or \$6.4 billion. Organised retail is expected to grow at 25-30 per cent every year, and is projected to attain US\$23 billion by 2010<sup>7</sup>. India's retail industry has attracted the interest of international retailers such as Metro, Wal Mart, Carrefour, Tesco etc. Global players are entering India indirectly, via the licensee/franchisee route, since Foreign Direct Investment (FDI) is not allowed in the sector.

Increase in the young working population; hefty pay-packets; nuclear families in urban areas; increasing working-women population; increase in disposable income and customer aspiration; increase in expenditure for luxury items and; low share of organized retailing are some of the factors driving the retail market. India's retail boom is manifested in sprawling shopping centres, multiplex malls and huge complexes that offer shopping, entertainment and food all under one roof. Sixty per cent of the total population below thirty years of age is expected to have high purchasing power. Increasing double income families in cities have resulted in higher disposable income for consumers. Market liberalisation, a growing middle-class, and increasingly assertive consumers are sowing the seeds for a retail transformation that will bring more Indian and multinational players on the scene. Indian consumers' self-esteem needs are satisfied by purchasing things from big multinationals like Wal-Mart.<sup>8</sup>

The challenges facing the organised retail industry in India are:<sup>9</sup>

Competition from the unorganised sector. The unorganised sector with its low cost structure, mostly owner-operated, has negligible real estate and labour costs and little or no taxes to pay. Consumer familiarity that runs from generation to generation is one big advantage for the traditional retailing sector. In contrast, players in the organised sector have big expenses to meet, and yet have to keep prices low enough to be able to compete with the traditional

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<sup>7</sup> S.D. Naik; Retail Boom; FDI can give extra thrust

<sup>8</sup> Business Line, 14 December 2006

<sup>9</sup> <<http://www.indiaonestop.com/retailing.htm>>

sector. High costs for the organised sector arise from: higher labour costs, social security to employees, high quality real estate, much bigger premises, comfort facilities such as air-conditioning, back-up power supply, taxes etc. Organised retailing also has to cope with the middle class psychology that the bigger and brighter the sales outlet is, the more expensive it will be.

### **Apparel retailing**

Over the past couple of years there have been sweeping changes in the general retailing business, mainly in apparel retailing, which was once strictly a made-to-order market for clothing and has now changed to a ready-to-wear market. The fashion element and design content was minimal in the pre-1990s, owing mainly to the lack of national level brands.<sup>10</sup> It took quite a long time for brands such as Allen Solly and Van Heusen to create a respectable market share in the ready-to-wear market. Big players like Tata, Raheja, Biyani have intensified the competition with their professional retail chains like Westside, Shopper's Stop and Pantaloons. Recently, India is increasingly being looked upon as a major supplier of high quality fashion apparels and Indian apparels have come to be appreciated in major markets internationally.

India, apart from being a potential market for the retail industry over the world, also supplies production for some giant retail brands like Tesco, Carrefour, Wal-Mart, M&S etc. Not many Indians know that the branded garments they are buying may very well be made in their own cities. Delhi, Bangalore, Mumbai and Tirupur are some of the hubs of garment production where big brands mentioned above buy the garments from. It is even more unlikely that the customers know under what working conditions were these garment made. Given the huge profits made by these global brands it pains to know that the labour cost involved in it is hardly 4-5% of the retail cost of the garment.

## **1.3 Legal protection to labour**

### **The Factories Act, 1948**

The main objective of this legislation is to ensure that the interests of workmen are protected and that there are better conditions of work. Moreover, the legislation also seeks to ensure safe and healthy work conditions inside factories<sup>11</sup> and further bring about uniformity in the number of working hours and leave with wages. Thus, the Factories Act provides for measures such as setting the maximum number of working hours at nine hours per day and 48 hours per week which can only be exceeded with the Chief Inspector's approval<sup>12</sup>. The legislation provides for welfare measures such as crèches in factories where more than thirty women are employed as well as mandatory first aid facilities and provision of canteens in undertakings employing more than 250 workers<sup>13</sup>. The legislation also specifically provides for a Register of adult workers, which is to be maintained by the manager of the factory and which is to show the name of each adult worker in the factory as well as the nature of his work etc.<sup>14</sup> This register is an important document while computing gratuities and pension benefits as well as acknowledgement of the worker being in the employment of the manufacturing unit<sup>15</sup>.

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<sup>10</sup> Cygnus; Apparel retailing in India

<sup>11</sup> S.7 A (2): General Duties of the Occupier. See also S.7 B : General Duties of the Manufacturer. See also Chapter IV of the Factories Act

<sup>12</sup> Chapter VI, Factories Act, 1948: Working Hours of Adults

<sup>13</sup> Chapter V, Factories Act, 1948 : Welfare

<sup>14</sup> S.62, Factories Act, 1948.

<sup>15</sup> H.L.Kumar, *Employer's Rights under Labour Law* (New Delhi: Universal Publishing House, 1997) at p.132.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act has been revised several times (namely in 1950, 1953 and 1963). The basic aim of the legislation is to provide detailed guidelines to determine the minimum wages that are to be paid to workers as also to detect violations of minimum wage laws.<sup>16</sup> The legislation provides for specific penalties for certain offences and has provisions for imprisonment and fines for defaulters. Thus the legislation provides for wages for overtime<sup>17</sup>, payment of minimum rates of wages<sup>18</sup>, penalties for certain offences<sup>19</sup>. Different states have made amendments to the basic legislation; however Karnataka follows much the same basic provisions of the Minimum Wages Act with little deviation.

### **The Industrial Disputes Act, 1947**

The IDA is a legislation that is mainly concerned with conflict resolution and which aims to providing workers and management with a machinery that will provide a just and equitable solution to conflicts through means of negotiation and conciliation<sup>20</sup>. While the import of such legislation lies in the provisions of conciliation and mechanisms for dispute redressal, there are also provisions under the legislation that provide for compensation for workers who have been retrenched.

### **The Employee State Insurance Act, 1948**

The ESI is a legislation whose basic purpose is to provide for certain benefits to employees in case of sickness, maternity and "employment injury". It states in its scope that it applies to all industries except "seasonal industries". The legislation clearly provides that the employer is not to dismiss or punish an employee through a period of sickness or in any way reduce or discharge through the period of maternity benefit.<sup>21</sup> The employee during his period of sickness is entitled to medical benefits as well as cash benefits equal to about half his/her daily wage per day for a period of 56 days per year.<sup>22</sup> Moreover, the legislation provides for the hospitals that the employee is entitled to access under the ESI legislation. These hospitals are by and large those established and maintained by the Corporation<sup>23</sup> and the provision of medical treatment is by the State Government<sup>24</sup>.

### **The Maternity Benefit Act, 1961**

The Maternity Benefit Act can be read somewhat in consonance with the provisions of the ESI legislation. It provides for establishing a benefit of pregnant workers average daily wages during their absence six weeks before and six weeks after giving of birth or miscarriage. The daily rate of maternity benefit is calculated according to Rule 56(5) of the ESI (Central) Rules Act. This legislation very importantly protects pregnant workers from being dismissed through their maternity period. If the employer has failed to provide the worker with medical care, then the legislation places the onus on the employer to ensure that a medical stipend is provided to the worker by the employer. The mother is also allowed two nursing breaks per working day.

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<sup>16</sup> S.B.Rao, *The Law and Practice on Minimum Wages Act, 1948* (Allahabad: Law Pub House, 1999) at p. 12

<sup>17</sup> S.14, Minimum Wages Act, 1948

<sup>18</sup> S. 12, Minimum Wages Act, 1948.

<sup>19</sup> S.22, Minimum Wages Act, 1948.

<sup>20</sup> O.P.Malhotra, *Law of Industrial Disputes* (Bombay: N.M.Tripathi Ltd., 1985) at p.10

<sup>21</sup> S.73(1), Employee's State Insurance Act, 1948.

<sup>22</sup> *A.S.Hakka v. Maharashtra Small Scale Industrial Development Corporation*, 1996 LLR 249.

<sup>23</sup> S.59, Employee's State Insurance Act, 1948.

<sup>24</sup> S.58, Employee's State Insurance Act, 1948.

## 1.4 Textile and garment industry and its impact on environment

Waste material generated in cut, make, trim factories (CMT) are generally very small pieces of cloth, little larger pieces and rejected garments. Very small pieces are sold to the paper making industry and larger pieces and rejected garments are sold in the local market per kilo or on piece rate depending upon how good or bad the cloth/garment is. But the factories which carry out dyeing (example jeans) and washing of garments pose serious threats to the neighbouring environment and health and hygiene of the populace.

In textile dyeing, considerable amount of dyestuff (up to 30%) of reactive dyes are lost and discharged with the effluents. Therefore elimination of dyes from textile dyeing effluents currently represents a major environmental concern.<sup>25</sup> The chemical structures of dye molecules are designed to resist fading on exposure to light or chemical attack, and they prove to be quite resistant towards microbial degradation.<sup>26</sup> This has led to several research studies focusing on the effects of dyes and colorants on environment and the people who come in contact with these substances directly or indirectly.

The Indian dye industry is valued at around US\$ 3 billion, with exports of about US\$ 1 billion. The per capita consumption is very low (50 gms) as compared to average global consumption (400gms). The industry is highly fragmented with 50 players in the organized sector and 900 in the unorganized sector. The industry has undergone tremendous changes over the years, starting as an intermediate manufacturing industry to a full fledged industry with huge export potential. At present, India's share of the dye output globally stands at 5%, with a manufacturing capacity of 150,000 tons per annum. India is the second largest exporter of dyestuffs and intermediates among developing countries, after China. The textile industry accounts for the largest consumption of dyestuffs, at nearly 80%.<sup>27</sup>

Water used in fabric processing is almost entirely discharged as waste, the average being 150 to 175 litres of wastewater for every kilogram of fabric processed. This process uses up a huge quantity of ground water. Untreated effluents contain substances that could endanger aquatic life. Some of the dyes present in the wastewater are carcinogenic and harmful not only to human beings but also to plants and animals.<sup>28</sup> In a study conducted in Tirupur, which is one of the main production centres of knitted garments, it is stated that ground water in Tirupur is highly brackish<sup>29</sup>. In the vicinity of this town the ground water quality has resulted in damage to agricultural crops and has caused skin disorder<sup>30</sup>.

### Unclassified chemicals used in textile industries

The chemicals used in industry processes like bleaching and dyeing raises serious ecological concerns. The textile industries use synthetic organic dyes like yarn dye, direct dye, basic dye, vat dye, sulphur dye, naphthol dye, developed dye and reactive dye. A large variety of chemicals used in bleaching and dyeing process render them very complex. These chemicals are used in an attempt to make more attractive popular shades of fabrics for a competitive market<sup>31</sup>. The textile industries are to satisfy the ever-growing demands in terms of quality, variety, fastness and other technical requirements, but the use of dyestuffs has increasingly become a subject of environmental concern. Therefore, it is essential to evolve regulations

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<sup>25</sup> K. Kandelbauer & G.M. Guebitz, 2005

<sup>26</sup> K. Kandelbauer & G.M. Guebitz, 2005

<sup>27</sup> N. Mathur, 2005

<sup>28</sup> Rugunatha, 1977

<sup>29</sup> Jacks, et al 1994

<sup>30</sup> Prabakaran, 1994

<sup>31</sup> Rajagopalan, 1990

designated to safeguard health and safety and the human and natural environment. In India different textile processing units use a number of chemicals that are likely to be from the Red List Group, which is reported to be harmful and unhealthy<sup>32</sup>.

### Harmful chemicals used in textile industries<sup>33</sup>

Chemicals used in Indian textile industry	Hazards
a. <b>Detergents:</b> Non-ionic detergent based on nonyl-Phenol Ethoylates	problem on biodegradation, generates toxic metabolites highly poisonous to fish
b. <b>Stain remover:</b> Carry solvents like CC14	ozone depletion, capacity of ten times more than CFC
c. <b>Oxalic acid</b> used for rust stain removal	toxic to aquatic organisms boosts COD
d. <b>Sequestering agents:</b> Polyphosphates like Tricsodium, Polyphosphate, Sodium hexameta phosphate	banned in Europe still used in India in water and house hold detergents
e. <b>Printing gums:</b> Preservative Pentachlorophenol is used in Europe & India	dermatitis, liver & kidney damage, carcinogenic banned
f. <b>Fixing agent:</b> Formaldehyde and Benzindie	harmful internationally banned
g. <b>Bleaching:</b> Chlorine bleaching	itching, harmful
h. <b>Dyeing:</b> Amino acid liberating groups	carcinogenic, internationally banned

### Ground water pollution

Untreated textile effluents released from industries on open land seeps into the aquifer and increase the concentration of electrical conductivity, TDS (total dissolved solids), Sodium & Calcium. Contamination of ground water in India has been reported in other places in India too because of large number of dyeing and printing units within the city of Mathura (U.P) (Rastogi & Gaumat 1990) and in Pali (Rajasthan) (Gupta and Jain 1992) as well.

The textile industry is responsible in many cases for the pollution of air, surface soil and groundwater. Treatment of waste water is insufficient. Other health and environmental risks are excessive use of water by textile industry causing a lack of drinking water and water for domestic and agricultural purposes and deforestation due to the use of fossil fuel for boilers in textile factories. Workers in dyeing and bleaching factories handle chemicals without proper protection measures. They are faced with chronic health problems, skin diseases and hair loss. Monitoring of environmental standards in relation to the textile and garment industries by the government agencies and civil society leaves much to be desired.

<sup>32</sup> Ravi Kumar and Dutta, 1996

<sup>33</sup> <http://www.xlweb.com/heritage/asian/jacob.htm>

## 2. The Bangalore garment industry

### 2.1 Background

The State of Karnataka in the Indian Union has a sizeable presence in the garments and textiles sector. There are around 1200 big, medium and small garment factories in the city of Bangalore with nearly five hundred thousand workers working in these factories. Of these, seventy percent are women, and most are first-generation migrants from rural Karnataka.

In Bangalore there is no Special Economic Zone marked for the production of garment and textiles. One Apparel Park has come into being just outside the city at Doddaballapur which has started operations two years ago. Factories are located in different industrial areas in the city with a concentration in three locations. The workers stay with their family and work in a factory setting. They are not allowed to take any part of their work home and are paid wages on a monthly basis and not on the basis of piece rate. During their eight hours working duration they get a break of half an hour for lunch.

### 2.2 Workers' profile

In Bangalore, more than two third of the garment workers are women. Among the eighty workers who were interviewed the average age is between 25 and 28 years. More than half of these workers have been to school for their primary and secondary education. It is noteworthy that almost one third of the workers interviewed had completed their senior secondary schooling before they had to either leave their studies to help the family or they were 'married off'. Many women workers in the garment factories are either divorced or separated. There are a large number of young unmarried girls working in these factories to supplement their family income. Garment workers tend to quit work and join other factories very often. Many reasons are attributed to this, the major being retrenchment of workers by the factory when they are about to complete five years in the factory. Law requires that workers who have completed five years of work in a company are qualified for a gratuity payment. Managements try to avoid this payment.

When asked why they chose to work in the garment factories, some of the workers said that they came from poor families and needed the income. The rest said that since they did not have educational qualifications they were not employable in other sectors, garment factories being the only option. Before joining the factories most of them were involved in household work and agriculture in their native villages. A quarter of those interviewed were attending school before they started working in the factories in the city. Many other workers used to work in the 'Beedi' (a crude cigarette) rolling factories in their village. The woman garment worker is often the only member in the household who earns a regular monthly income. In most of the cases their husbands work as vegetable sellers, porters, plumbers and agricultural labourers.

Yamuna, 28 years old, started working in a garment factory fifteen years ago. She says, *"When I was unmarried I worked to help my mother to support the family and after my marriage I have to work because my husband is not responsible and does not support the family"*. Talking about her husband she says, *"My husband works in a government office in my native village but he does not contribute any money to the family"*.

*Shradha, a 26 year old garment worker who has studied up to middle school says, "With my educational level it is hard to get another job outside the garment industry. Had it not been here I would be working as a domestic servant in someone's house."*

A large number of workers from villages come to Bangalore as migrants in search of work. More than half of those interviewed had migrated from villages within the neighbouring districts of Bangalore. They live in rented houses, in precarious conditions. Hygiene and sanitation in these areas are very poor.

## 2.3 Working conditions

### Working hours and overtime

Chapter VI Sec 51 of the Factories Act, 1948 says that "No adult worker shall be required or allowed to work in a factory for more than forty eight hours in a week" and Sec 54 adds that "no adult worker shall be required or allowed to work in a factory for more than nine hours in any day". Where a worker works in a factory for more than nine hours in any day or for more than forty-eight hours in any week, he/she shall, in respect of overtime work, be entitled to wages at the rate of twice his ordinary rate of wages<sup>34</sup>. In reality every garment worker ends up working for nine to ten hours daily and this is not always recorded as overtime work. *Shashikala, 26 years, says, "Overtime work during week days is unpaid. Only if we work on Sundays we are paid at overtime rate"*. Apart from regular work hours, workers interviewed reported 22 hours of overtime work on an average per month. Often overtime work is not voluntary and workers are compelled to do overtime work to complete production targets. Some workers feel that working overtime is good for them as it ensures more income by the end of the month.

### Wages

The statutory minimum wage in Karnataka for the year 2007-08 ranged from US\$ 2.53 for highly skilled workers to US\$2.35 for unskilled workers in Zone I. For Zone II and III wages varied from US\$ 2.5-2.3 and US\$ 2.48-2.27 respectively. Wages for Zone IV ranged from US\$2.37 for highly skilled workers to US\$2.11 for unskilled workers. (Zone I- Bangalore City Agglomeration Area, Zone II- District Headquarter Agglomeration Area, Zone III- Town Municipal Area, Zone IV- Other than places mentioned in Zone I, II,III ).

The average monthly wage of the workers interviewed is somewhere around Rs. 3200/ (US\$ 80.08). Out of this income they have to pay their house rent, provide for children's education, meet household and medical expenses and also provide for occasional social expenses like festivals. Most of the garment workers have only one source of income, i.e. their wages from the garment factory work. Their men folk are in low paid, unprotected, irregular jobs. Workers find it difficult to run a family with this income. *Shylaja* had to take loan from others to be able to feed the family; *Mangala*, to supplement her monthly income from the factory, does housework and stitching after returning from factory work at 7 pm. Usually, there is an annual increment of about Rs 150-200 (US\$ 3.75-5.00) to compensate for the increase in the costs of living. There is no increase in the real wage of the workers as the increase is offset by inflation. Annual increment for the year 2008-09 is US\$ 5.18 (Rs. 206.10). It is to be noted that the statutory minimum wage for the state of Karnataka has not been revised for the last six years.

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<sup>34</sup> Sec 59, Chapter VI, Factories Act 1948

### **Work shifts and transportation**

An amendment to the Factories Act of 1948 in 2005 allows women employees to work night shifts. This amendment lays down that night shift for women shall be allowed only if the employer ensures safety, adequate safeguards in the factory as regards occupational safety and health, equal opportunity for women workers, adequate protection of their dignity, honour and transportation from the factory premises to the nearest point of their residence. Employers need to take prior permission from the labour department for employing women in night shifts.

Women workers in the garment sector do not do night shifts in Bangalore. They are allowed to work latest till 7.30 pm whereas men workers may work in the night shifts as well. Garment workers do not take their work home. There are a few factories which provide for transport to and from the factory. One third of the interviewees said that they can make use of this facility. Others walk or use public transport to get to their factories. Those who walk on an average cover nearly three kilometres every day to go to work.

### **Gender discrimination**

Gender discrimination (wage disparity, harassment, preference for higher positions, lack of enabling provisions like maternity leave, child care etc.) was not explicitly mentioned during the interviews. However, from various comments of the workers, it was evident that many practices at the factories would be tantamount to gender discrimination. The garment industry is a 'women's industry' but its men who do the better paid packing and labelling jobs in the garment factories. Women garment workers state that men workers get higher wages than women workers. The reason for this disparity in wages, they believe, is that men do harder manual work. One of the women workers, *Nussrat* said, "*Men get higher wages even if they work less. My monthly wages after working for ten years in the garment factory is just US\$ 100.5 (Rs 4000/-) and this is the upper limit of any women garment worker. However, for male workers, monthly wages starts at US\$ 87.94 (Rs 3500/-)!*"

### **Labour contracts**

More than half of the workers we interviewed said that they did not sign any kind of contract or document when they were hired for work. Those who signed a contract had only a very vague idea of what the paper contained. A few said that it contained factory rules and regulations and the designation and wages; others said that they were asked to fill in their name and address, husband's name and contact number. In some cases there was nothing in the appointment letter about the terms of employment and about the factory and its rules and regulations. *Kamamma*, one of the workers says, "*The manager just asked me to sign in the papers and leave. I was not given enough time to look at the contents of the documents.*"

All workers feel that there is no job security and that they are always under the threat of being dismissed by the management. Minor mistakes in work, non-completion of production targets, reporting late to work even by a few minutes and talking back when shouted at, are all used as grounds for dismissal.

### **Employees' benefits**

Women workers get a maternity leave of three months, wages for this period are fully paid by the ESI<sup>35</sup>. Women with infants do not get extra time to feed their children in the factory

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<sup>35</sup> The promulgation of Employees' State Insurance (ESI) Act, 1948 envisaged an integrated need based social insurance scheme that would protect the interest of workers in contingencies such as sickness, maternity, temporary or permanent physical disablement, and death due to employment injury resulting in loss of wages or earning capacity. The Act also guarantees reasonably good medical care to workers and their immediate dependants.

premises. They leave their child at home as very few factories have crèches. Women workers are not allowed to come late or go early or take longer breaks to attend to their infants. These women feel that they could produce and earn more if their children were cared for in a workplace crèche while they are at work.

Workers are entitled to fourteen days leave in addition to Sundays and national holidays. In reality workers find it very difficult to avail of leave. Workers said that it was only in the case of dire emergencies that the factory management gave them leave on normal working days. One of the workers said that their wages are deducted if they take even a day's 'unauthorized' leave.

### **Health and safety**

Most of the workers said that the workplace is safe and well ventilated. There are enough windows for fresh air and fire extinguishers are in place. But long hours of sitting take a toll on their health. Nearly half of the respondents complained of backaches and breathing problems because of the work they do. Workers also complained of occasional incidents of injury from needles. Very few workers get masks to wear during work. *Shylaja*, a forty year old tailor, says, *"I suffer from backache, leg and knee pain due to constant bending over the table to see the needle."* Illnesses like asthma and other respiratory problems, backache, weak eyesight, piles and anaemia are very common among the garment workers.

### **Workplace harassment**

Workers have to meet hourly production targets of around 150 pieces per hour depending upon the particular style that is being produced at the moment. If they lag behind in meeting targets they have to bear yelling and shouting by their supervisors. Hourly production targets are set way higher than what a healthy worker of average skills can produce. Workers have to speed up their work to very stressful levels to meet targets. Very often they skip their lunch and work during the lunch break (workers are given half an hour for lunch break) to escape the wrath of supervisors. One of the respondents *Geetha* says, *"When production is not completed on time or there are faults in the work there is verbal abuse from the managers."* *Shylaja* adds, *"I have been verbally abused many times whenever I don't meet the production targets and cloth lengths were thrown at my face."*

Women workers are also susceptible to sexual harassment at the work place, workers express this subtly and not explicitly. Supervisors pass comments with sexual overtones. Workers do not react to avoid further harassment and termination. Not many workers take the courage, understandably so, to speak up to higher managers when they feel uncomfortable with the supervisors' behaviour *Sangitha*, says, *"The supervisor talks to me so sweetly and in a personal way. He does not touch me but I feel harassed by his way of talking. I have to tolerate it if I want to keep my job."*

## **2.4 Workers' awareness about labour laws and trade unions**

About half of the workers interviewed had some general understanding of the Labour Laws applicable to the industry. They knew that the workers should be paid the legal minimum wage. They were aware that illegal termination of workers was not allowed in law and that crèche and safe drinking water was a legal requirement. Most of them are also aware that they have a right to form a union. Many workers said that the factory management would not allow them to join a union. Workers are free to leave employment in the factory but some said that they have to give a month's notice to the management. *Lakshmi*, a 35 year old tailor says, *"I have to give one month's notice in advance but my employer did not give any notice"*

*before he terminated me. The production manager came to me at 8.30 am and snatched my ID card and told me that I have to resign tomorrow. So the following morning I had to resign". Shalini, 26 years, who had been working in the factory for fifteen months says, "I have to give notice fifteen days in advance but why is this only applicable for the workers and not for the employer?" Only a few of the workers knew what a trade union is and took part in union activities. When told about the role of a workers' union many of those interviewed said that such an organization would benefit them. Most of the garment workers are not part of any work place committees that are mandated by the law.*

## 2.5 Codes of conduct and social audits

Most of the workers are not aware of the codes of conduct. *Gangamma, a 28 year old worker says, "There is a big board with small English letters but we do not know if this is a code". When she was told about the codes of conduct she responded, "It's all good but it doesn't help workers if it is not implemented"! Shantamma, who is a member of a union and works as a tailor in one of the factories, says, "Codes of conduct are very useful for the workers. If management would comply with it we would all be very happy".*

Social audits are conducted in all the factories at the behest of one or the other brand sourcing from the factories. There are also some inspections from the State Labour Department but these are at best perfunctory. A few workers are handpicked by the management and are trained on what they should say to the "foreigners/people from the buyers". If workers do tell the truth about working conditions during the audits, they risk losing their jobs. *Geetha, a final checker of 32 years, says "audits are done in our factory but auditors do not come to the line to speak to us. They just look around the factory and sit in the manager's cabin". There were a few instances where workers said that auditors talked with the workers as well. When asked who has spoken with any auditor, a tailor Manjula said, "I was interviewed by a buyer. Workers who are to be interviewed are chosen by the supervisors and instructed. We (workers) were told to clean our workplace and I was instructed by the floor in-charge/supervisor to say that I earn Rs 130 (in reality she earned Rs. 115 per day) and that we stop work at 5.30 pm which is a lie. Supervisors and two other workers were around when I was interviewed".*

## 2.6 Factory profiles

### 2.6.1 Working conditions in factory producing for Wal-Mart (ASDA/George)<sup>36</sup>

The \$288- billion Wal-Mart Stores, Inc. has announced their intention to enter India in a big way. At present Wal-Mart has a presence only in Bangalore through a subsidiary, which used to function as a liaison office till last year; it sourced goods worth about \$1 billion from India last year. It is now in the process of setting up offices in New Delhi and Mumbai.<sup>37</sup>

The factory we chose to research on is over ten years old and employs around 2000 workers. Wal-Mart /ASDA have been placing orders with this company for the last eight years. Amongst its other buyers is H&M. This factory produces shirts, pyjamas, T-shirts and pants.

Attrition rate of this factory being high the management prefers to take fresh migrants from the villages for reasons best known to them. Our guess is that new migrants to the city are more

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<sup>36</sup> On 10 June 2009, a few months after the research was carried out, this factory was shut down.

<sup>37</sup> S.D. Naik, Retail Boom: FDI can give the extra thrust

vulnerable, dependant upon their jobs, have no social circles in the city that can be a support to them and are less likely to protest against poor working conditions or join a union.

### **Issues Related to Working Conditions**

**Working hours:** Workers have to work for eight hours a day officially but they end up working nine to ten hours daily, these extra hours are not considered as overtime work. Overtime work is not compensated at the statutory rate of double the normal hourly wages. Workers have to be at the factory gate fifteen minutes before the gate opens and if anyone is late even by five minutes the worker is asked to wait at the gate for three to four hours until the supervisor comes and asks the worker in if at all. Later the worker has to compensate for the work hours lost on that day.

**Wages:** The average wage earned by workers in this factory is US\$ 70.5 (Rs. 2820) per month. With this earning they have to feed their family, see through the expenses of their children's education and meet all other costs of day to day living. Most workers work overtime to earn some extra money. *Vijayalaxmi*, 29 years, tailor in this factory, earns US\$ 82.5 (Rs 3300) a month even after having an experience of five years working for the same factory. She lives with two children and their food and education alone costs US\$ 75.0 (Rs 3000) a month.

**Overtime work:** Workers are asked to do overtime to complete the target. Men workers have to work in night shifts as well but none of the workers get paid for their overtime according to provisions of the law. *Deveswamy*, 28 years, works as a cable operator in one of the factories producing for ASDA/George. He has an experience of three years in this factory. During night shifts he has to work nine hours each night except on Sunday. If he has to work on Sundays he is paid only at the normal hourly rate. When asked for increase in payment for over time work and attendance bonus, the production manager said, "*You can leave the job; others are waiting at the gate for work.*" All the employees are compelled to do overtime to complete production targets.

**Work pressure:** Work pressure is so high in the factory that workers are forced to do overtime almost on a regular basis. Nagesh, 21 years, working as a finishing packer says, "*In any given month I have to work for four full nights following the day's work*". He works till 2.30 am everyday for which he gets paid US\$ 50.0 (Rs 2000) every month apart from his monthly salary of Rs. 2800. Nagesh also added that when workers refuse to work on Sundays when asked they will get bullied by the supervisor and have to stand outside for one hour as punishment on Monday.

**Work place facilities:** Workers of this factory complained that there is no good drinking water facility inside the factory. Even the toilets are not clean. No safety equipments are given to the workers while at work. Only when the buyers come things are in place.

**Work place harassment:** Workers related instances where the floor manager or supervisor spoke to workers in sexually suggestive language. They also throw cloth lengths at workers and shout at them. Women, in their attempt to avoid this unsavoury treatment, try to complete their work even if they have to work late. They don't get paid for the extra work they do.

**Collective bargaining:** Collective bargaining is unheard of in these factories. Workers are not allowed to talk among themselves. Men workers are not allowed to mingle with other co-workers (men) because of the fear that hat they may 'hatch conspiracies' against the management.

**Social audits:** Buyers frequently commission social audits and the factory management gets prepared to show the buyers a bright picture. *Gowramma*, 30 year old, A-grade tailor having an experience of four years says, “*When buyers visit the factory, workers who are known to share their problems with auditors are given out-pass and sent home.* There is a board displayed inside the factory saying “*Quality is our Main Priority*”, and also giving leaves and work timings. But these are put up only when buyers visit. “*Safety equipment for workers like masks and gloves is provided only during visits by buyers*”. *Nagesh*, 21-year young man working as Finishing Packer adds.

#### **Sowmya**

I am a 22 years old married woman worker. I started working in the garment factory two years ago. I took up the job in the garment factory because I had taken a loan that I had to pay back. I earn US\$ 50.0 (Rs 2000) per month, most of which is used up in paying the instalment of the loan amount and the rest of the wage I give to my husband. There are five members in my family and I have to look after them too. I find it very difficult to meet my family needs with this meagre amount. I don't buy anything for myself. I also have to pay for my children's education. There are no savings at all. I have to do overtime to earn more to repay the loan amount. Due to this I get less time to spend with my family. I am worried about my job because there is no job security and the management can throw me out if I don't perform well. My main concern now is to repay the loan. I can't maintain my family and take care of my children with whatever I earn.

### **2.6.2 Working conditions in factory producing for Tesco**

Tesco, one of the leading retail brands of Britain sources part of its production from India.

#### **Factory profile: No. 1.**

This factory is situated in Kengeri on Mysore road, Bangalore. Some 2000 workers work in this factory. This factory produces men's shirts for Tesco. Other companies, including H&M, are also sourcing from this factory.

The working hours in this factory are 9 am to 5.30 pm. All the workers have to be at the factory gate by 8.45 am and work till 6 pm. About thirty minutes of unpaid overtime work is put in by all the 2000 workers almost on a regular basis. In their reaction Tesco stated that *workers are not made to work before 9.am and after 5.30pm without paying overtime.*

The factory premises are clean but the windows are very small and they are placed high on the wall. This building was earlier a warehouse and was converted into a factory only in 2005. Workers say that the ventilation in the factory is very poor. Tesco claims that *ventilation has been improved.*

There is a canteen in the factory premises but as workers again say “the food is not good so we don't feel like eating anything from the canteen”. According to Tesco *complaints of workers about the canteen food are being addressed.* There is a nurse in the factory who dispenses medicines for headaches and fever.

A new General Manager had taken charge in mid May 2008 and he announced that twenty workers would be removed from the housekeeping section (there were 58 of them). Workers in the housekeeping section are under constant threat as they face the axe during any downsizing. Workers of above forty years of age are also hit badly by attempts at trimming the workforce.

Tesco states that *the factory had 51 workers in house keeping and that during factory automation the number of workers required for cleaning waste form the factory floors was reduced as the facility was easier to keep tidy.* Tesco states that *11 workers from the house*

*keeping sections were assigned new job roles. At the moment there are 38 workers in the housekeeping section.*

Workers said that management is also targeting for removal of those workers who are active members of the union. *This is denied by the factory, although they acknowledge having had disagreements with workers in the past.*

The new General Manager had a meeting with the security staff and gave instructions that workers should not use toilets from 9 a.m. to 10.30, from 11.30 – 12.30 and from 4.30 p.m. onwards. One lady security staff is asked to make a note of token numbers of workers who use the toilets more than three times a day. The worker is called by the personal department and warned not to use toilets 'excessively'. Supervisors complain to managers that workers visit toilets frequently to escape from work. In their reaction Tesco claims that *security has been placed near toilets as these are located near vacant land adjacent to factory premises and the boundary wall is not high enough to prevent people from misusing the facilities. The factory claims that workers may use the toilets as many times as they wish without restriction. However, if any workers are found constantly chatting with colleagues near toilets, then they are asked to go back to work.*

**Wage table:**

S. No	Type of job	Monthly wage (In Rupees)	(In US\$)
1.	Tailor	3500-5000	75 - 125
2.	Ironer	2500-3000	62.5 - 75
3.	Checker	2500-3500	62.5 - 87.5
4.	Quality Checker	3000-3500	75 – 87.5
5.	Packer	3000-3500	75 – 87.5
6.	Store Keeper	4000-5000	100 – 125
7.	Helper	2500-3000	62.5 – 75
8.	Supervisor <sup>38</sup>	5000-10000	125 - 250

**Factory profile: No. 2.**

This factory is located in one of the major industrial areas of Bangalore, Peenya. There are around five thousand workers in this factory out of which seventy percent are women. Workers leave employment at the rate of about 20% per month and new workers join in. Work is carried out in batches. In each batch there are five lines and in each line there are around thirty workers. Each line has to complete 90-100 pieces in an hour if they are big and 120 pieces if it's small. Workers get attendance bonus for uninterrupted attendance and also a yearly bonus.

This factory produces only jeans for different brands.

<sup>38</sup> Supervisors are considered to be a part of the management and is key in harassing and torturing workers

**Wage table:**

S. No	Type of job	Monthly wage (In Rupees)	(In US\$)
1.	Tailor	3000-3500	75 - 87.5
2.	Ironer	2800-3000	40 - 75
3.	Checker	-	-
4.	Quality Checker	6000-7000	150 - 175
5.	Packer	3000-3500	75 - 87.5
6.	Store Keeper	-	-
7.	Helper	2600-3000	65 - 75
8.	Supervisor	8000-10000	200 - 250

**Work hours & overtime:** A working day is usually of eight hours and thirty minutes (30 minutes for lunch). The working hour in this factory is from 9 am to 5.30 pm. All workers have to be at the factory by 8.45 am and work until 6 pm. The extra 30 minutes do not qualify for overtime wages.

Workers are informed of overtime work for the day, just an hour before the close of the day. Sometimes they are also asked to work on Sundays. If workers complain or refuse to do overtime work they are compelled to be absent the following week resulting in a big cut in their monthly wages. The floor in-charge/supervisor takes the signatures of workers on overtime slip to record the number of overtime hours worked by each worker on a particular day but this slip is torn later. Workers are often paid double hourly wages only for one half of the overtime work they actually put in.

**Wages:** The Average wage of a worker is about US\$ 78.43 (Rs 3200) /month. Housekeeping workers work for US\$ 61.27 (Rs. 2500) /month. *Bhagyamma*, a 42 year old, Grade A tailor, with work experience of 16 years gets US\$ 83.33 (Rs. 3400)/month as her salary (including an attendance bonus of \$ 5.00 (Rs.200)/month.). She has two daughters. Her husband died of cancer 21 years ago. One of her daughters is married and the younger one, 21 years old, is working as a tailor in the same factory.

*Puttamma* another worker, 45 years old, works as a house keeper. She has one daughter and her husband is unemployed. This is her first job and she has been into it from over two years now and earns a salary of US\$ 63.73 (Rs 2600) /month. She had taken a loan of US\$ 2450 (Rs 100,000) for the marriage of her daughter and now she has to pay back her loan.

**Renuka**

I belong to the town Chamrajnagara which is 250 kilometres from Bangalore. I came to Bangalore six years ago when I was 16 years old. After my school I did a tailoring course in my village and this helped me in getting a job in the garment factory.

Since I don't have brothers I have to look after my parents. My elder sister had to be 'married off' and hence the family took a loan which has to be repaid. I was just 18 years old when I started working in the garment factory. I earn a salary of US\$ 78.43 (Rs 3200) per month. This money is spent on rent, electricity, water and food expenses. We are just three members in the family; father mother and me. I hardly buy anything for myself. I give all my earnings to my mother. I can't save anything from what I earn. I somehow manage to run the household.

It's difficult to survive on this money as it is too little to meet all expenses. I go to my friend's house when not working. I love to go for movies but can't do so because there's little time and little money. I am not afraid of being dismissed from the present factory as I am confident of getting some job in any other factory. I am a permanent worker. I like my work very much and would continue with it.

**Leave:** Workers say that it is very difficult to get even a day's leave during any emergencies or when they are not well. Supervisors make them run around to different officers to get the final leave permission.

**Work pressure / targets:** The pressure to complete the target for the day is so high that many workers finish their lunch in about ten minutes (out of the thirty minutes allowed) and rush back to work. Sometimes they do not even eat food because of the fear of supervisors. Workers do not drink sufficient water to avoid going to the toilet 'too often'.

*Bhagyamma*, a Grade-A tailor in one of the factories producing for Tesco says: "*in one hour we can normally complete 60 pieces but the supervisors ask us complete 120*".

**Job security:** The supervisor or the production manager always threatens to dismiss workers in case they are late for work on two consecutive days even for five minutes and for other reasons. Asking for sick leave or non-completion of targets are also reasons for dismissal. Workers who are around 40-45 years of age fear that they will be removed from the job any day as they would not be able to maintain the speed of production anymore. They said that they will not get jobs in other factories as well because of their age.

**Work place harassment:** Verbal abuse on the shop floor is prevalent. Workers often get abused for asking leave and when they do not meet the target. Workers are hesitant to talk about sexual harassment but union members are more forthcoming and say that sexual harassment is quite common.

**Collective bargaining:** Factory management had arranged a programme where a lawyer addressed the workers and gave misleading information about their rights. He said that if workers had any problems they should approach the management and never a trade union. One worker who is a member of the union informed her co-workers inside the factory about a forthcoming union meeting. The management somehow came to know about it and they immediately required all the workers to do overtime work on Sunday so that none could attend the union meeting.

**Social audits:** During buyers' visits the workers are given strict instructions that they should give information as instructed by the supervisors or production manager. They should not say anything more than what has been told to them.

#### **Collective bargaining and work pressure**

Mala, a 35 year old tailor who has worked for twelve years in the industry and has been working in this particular factory producing for Tesco for the last two years and four months. She is getting a salary of US\$ 85.78 (Rs.3,500) per month. The General Manager is aware that Mala is a member of the union and he once asked her "Why do you go to outsiders with complaints? We would solve your problem".

Later, when Mala asked the GM to pay bonus to workers who qualified, he said he could not do so. From that day on she was given unreasonably high targets for production. When she could not complete the work, the production manager said, "You have grown fat and lazy". In two months (April-May 2008) they have continuously changed her batch alleging that she was talking to other workers and playing politics.

On May 13<sup>th</sup>, 2008, in one of the sections, boiling water spilled on a worker and her leg got swollen. She had asked for leave for treatment and recuperation, which was denied. Mala being a union member went to the production manager and personnel officer and requested leave for the worker. The officers yelled at her saying, "Who are you to ask leave for her, she can do it herself, you get back to work!"

### 2.6.3 Working conditions in factory producing for Marks & Spencer

Britain's clothing and food retailer Marks & Spencer entered into a joint venture with Reliance Retail with an investment of US\$ 57.5 million (around Rs 230 crore), making its foray into India. The British company will hold a 51 per cent stake in the JV, to be named Marks and Spencer Reliance India Pvt. Ltd. The new joint venture will have the right to operate Marks & Spencer stores in India, selling items such as home-wares and clothing for women, men and children.<sup>39</sup>

The factory under study is located in the outskirts of the city. It is around thirty kilometres away from Bangalore city and hence comes under Zone IV of the Minimum Wage category.<sup>40</sup> Minimum wage for factories in this zone is the lowest.

Workers of this factory get paid on a monthly basis as is the practice in all of Bangalore. The work atmosphere in the factory was described as good by the workers we interviewed. Workers are not pressured to finish the target. If they feel that the target is high they tell the supervisors that they will try their best to finish it. This factory pays incentives if workers complete more than 500 pieces a week and if they complete their target in a sustained manner. There are factory buses to pick up and drop off workers who live far from the factory premises. Workers also get attendance bonus of Rs. 200 per month if they do not take any leave during the month.

In each line there are twenty workers. Every line has to finish 60-70 garments (big size) per hour and if it's of small size 150 pieces. Factory workers get a salary slip at the end of the month with break ups of wages and social security payments. If there are any doubts regarding the salary slip they raise questions about it. In case of any accidents inside the factory premises the worker is taken to the hospital. This factory also has a crèche for children. No contract workers are employed in this factory.

Medical facilities are available inside the factory. First aid, general check-up and counselling services are also available. One nurse is permanently employed. A doctor visits the factory twice a week. It is clean and properly ventilated. Safe drinking water is available. The factory management provides for masks and coats to wear as a safety measure.

#### Wage table:

S. No	Type of job	Monthly wage (In Rupees)	(In US\$)
1.	Tailor	2700-3500	67.5 – 87.5
2.	Ironer	2600-3200	65 - 80
3.	Checker	2500-2700	62.5 – 67.5
4.	Quality Checker	4500-5000	112.5 - 125
5.	Packer	2500-2700	62.5 – 67.5
6.	Store Keeper	2500-2700	62.5 – 67.5
7.	Helper	2000-2500	50 – 62.5
8.	Supervisor	> 5000	> 125

**Wages:** Workers feel that the wages are not enough to maintain their family. They do not have any other source of income. They are forced to take loan or run into debt to make ends meet. They want to do overtime but overtime work is very rare in this factory. With this wages they have to look after a family of usually four people. In many cases there are two working

<sup>39</sup> Financial Express, 18 April 2008

<sup>40</sup> Refer Part II- Garment Industry: Bangalore Study, 'Wages'

people in the family yet they find it hard to meet all the needs of the family. *Savithri* is a 22-year-old girl who has been working with this factory since the last five years says that those who are working for the last 5-6 years and those who joined recently (May 2008) are all getting the same wages of US\$ 61.27 (Rs.2500).

Workers don't get any training for their jobs nor are there any scope of promotion to a higher skill and wage category.

**Working hours and overtime:** Work is for eight hours a day and six days a week. There is hardly any overtime work done at this factory. Overtime is only during peak production period and it is announced a day before. Workers here feel that they should get more overtime work as they would earn more. Workers are asked to do overtime only when the target is not complete or when there are high orders and then they get paid at double the normal wage rate. They are free to say no to overtime. Workers can take leave when required but they should inform the supervisor beforehand.

**Flexibility of work:** The factory allows up to two days of leave at a time, but the time lost must be compensated later. Job security is an issue. When there are faults in work and the production targets are not reached supervisors and managers begin to be rude. They sometimes ask the worker to leave the factory. Workers who had been working in this factory for the last 2-3 years are made permanent now. Workers do not want to work on contract basis as then they would not get any benefits like provident fund, gratuity, Employee State Insurance etc.

**Collective bargaining:** There is no union within the factory but they have Works Committees. In the month of April 2008 workers demanded for a salary hike from the management. A month later their salary was increased by Rs 100 per month. Workers know very little about unions.

**Discrimination:** There is no discrimination on the basis of 'caste' or sex on the shop floor. But workers say that some jobs are specifically assigned to male workers like packing and ironing.

**Health and safety:** Workers get ESI leave during their pregnancy. They also get leave during the last three months of their pregnancy and get paid for the months (half the salary by ESI). Workers suffer from allergy, backache, knee pain and headache which they attribute to the long hours of sitting work in the factory.

#### **Anuradha**

I am 24 year old and have been working for a factory producing for M&S for the last one year. I had to discontinue my studies when I was 15 because of poverty. I was working as a porter and an agriculture worker in my village called Kanghar, which is around 30 kilometres from Bangalore.

*I got married and came to Bangalore with my husband. He had taken some loan, which had to be repaid. I thought of helping him and so decided to work in this factory. My salary is US\$ 68.63 (Rs 2800) per month and I have to meet all the household expenses and also settle the loan amount. There are 10 members in my family. My husband and I barely manage to provide food for everyone after paying the loan instalment. I don't spend a single Rupee on myself. My family leads a very poor life.*

*We hardly get any opportunity in the factory to work overtime. So I cannot earn more than what I get. Only if there is high production order we are asked to undertake overtime and get paid more. My greatest worry is my children's future.*

### 3. Conclusion

With the ending of the Multi Fibre Agreement (MFA) in 2004, India was identified to be the major beneficiary after China and has witnessed not only an increase of exports that came along with an increase of orders from global buyers, but also a growth in investments in its garment sector, as more and more retailers source their production from India. Over the years many international brands have set up offices in India to enjoy the low cost of the Indian labour force. The garment industry in Bangalore is growing rapidly. The trend is towards larger factories, and higher concentration of capacity and workforce. This is the result of Bangalore becoming the preferred destination of large brands like Wal-Mart, Tesco, Gap, H&M, etc. There is substantial industry confidence in the continued growth and profitability of the sector. This is evident from the various industry transactions of major capital restructuring.

Although it can be claimed that the abolishment of the MFA has led to a consolidation of the Indian garment industry, it did not go hand in hand with an improvement of working and living conditions of garment workers. In contrast, the increase in orders from retailers all over the world led to rising daily production targets for garment workers in Bangalore, which are the cause for increasing and often unpaid overtime work, verbal abuse and harassments by supervisors.

The garment sector is a labour-intensive sector with low entry barriers and level of skills. The characteristics of the production network of garments in Bangalore is of a female workforce (more than 70% of the garment workers are women) who has to handle a double workload of factory and household work. The garment industry has given an opportunity to women to work and earn but they are poorly paid, irregular, insecure jobs. Their wages are not a 'living wage' by any stretch of the imagination. Men working in the garment factories get better paid than women.

Women's work in the garment factories has helped redefine the power relations in their households. Considering the patriarchal society India is the greater bargaining power of the women workers in the family due to the fact that they have become providers is a welcome change. On the flip side of it, women from the low income households are exploited through the 'feudal' or traditional family and gender social relations within the households and also through the exploitative industrial relations at the work place.

Anti-union attitudes of most managements that fear that unionisation and the quest for higher wages threatens their global competitiveness leads to a race to the bottom in wages and the industry's ability to shift production across national borders.

The strategy of most brands and retailers is to reduce their number of suppliers, in order to be able to ensure compliance with international labour standards and their codes of conduct. This may lead to a growing interdependence and formalisation between buyer and supplier across the supply chain which makes suppliers more vulnerable to buyer demands on labour standards<sup>41</sup> but could also strengthen their bargaining capacity to negotiate fairer prices with their buyers. These developments are expected to increase accountability within the global garment supply chains and improve the possibility for collective bargaining structures. It has yet to be seen whether these developments on the global level will translate into improved working and living conditions for garment workers on the local level. This process clearly requires action on different levels.

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<sup>41</sup> Asian Floor Wage Alliance, 2005: 11

The present situation demands a healthy collective bargaining practice. This would be beneficial to the industry as a whole. It can help workers by allowing for better regulation of wages and working conditions. It can also help management in modernising its workforce, and making productivity and quality gains. However, it is unlikely that the management of garment companies would be agreeable to any such suggestion. They are used to a paternalistic style of functioning. They counter any demands for wages and working conditions by stating that the industry will be forced to shut down. They claim that the industry can not afford to increase wages if it has to remain competitive. We see that when we look at the industry as a whole, the wage component of the price to the consumer is less than five percent. This is extremely low for a labour intensive industry.

## 4. Recommendations

In order to have a conducive working environment the management of the studied factories should understand the importance of a committed workforce motivated to do a better job. For this the first step would be that every factory should allow trade unions in their premises. This will be an answer to most of the labour related problems. Workers will get a platform to discuss their issues and talk to the management collectively without jeopardizing any individual worker's job.

Secondly global brands should see to it that the Social Audits conducted by them give a true picture of the ground realities. Auditors should talk to the workers in a friendly environment and should encourage them to say the truth. Every brand claims that the audits are regularly done but the conditions of the factory do not seem to change. This points out that there must be some flaw in the audit mechanism or the factory management who do not adhere to the audit reports. The workers would be more dedicated to their work if they could feel that they benefit from the factory profits and of the growing of their country. The way the management involve the workers is the key to a well run factory.

Thirdly consumer action on the global level is needed to pressure international brands to ensure the compliance with labour standards within their supply chain. Fourthly changes of legislation with regard to wages and working conditions from the Central and State governments of India are required. This process should involve action on the local level by representative workers' organisation which create awareness and disseminate information on labour rights violations.

Only combined action on different levels and arenas involving a variety of actors (national and state governments, Transnational Corporations, NGOs, unions, community organisations, international campaigns and consumers) can result in an improvement of working conditions and in a broader sense living conditions for workers in one of the most globalised industries in the world.