

The Dark Sites of Granite

- Abstract -

Modern slavery, child labour and unsafe work in Indian granite quarries

What should companies do?

Introduction

India is a top producer and exporter of granite, widely used for wall and floor tiles, tomb stones and kitchen tops in western countries. Western governments are an important end-buyer of granite for buildings, pavements, public squares etc. Half of the total world exports of raw granite originates from India. But this decorative and highly valued natural stone comes with a high price, mainly 'paid' by the workers in South Indian granite quarries.

New research, commissioned by the *India Committee of the Netherlands* and *Stop Child Labour*, reveals that modern slavery, low wages and unsafe and unhealthy working conditions are rampant in granite quarries in South India. In some quarries child labour is found. There is also an enormous difference in working conditions between permanent workers (mainly those in supervising positions) and casual workers. The first group receives safety equipment, insurances and employment contracts, while casual labourers,

who do the manual work, lack those fundamental labour rights.

The research shows that granite sourced from the investigated quarries are imported by 31 natural stone companies and 3 banks, such as Daltile Corporation, M S International and World Rocks in the USA, Blyth Marble, Grantech, KSG UK, mistermarble and Nile Trading in the United Kingdom and Worldwide Stone in Canada.

Few companies are member of sustainability initiatives that aim to improve working conditions in the natural stone sector, though these initiatives still hardly tackle the deplorable working conditions in quarries. Therefore, both these initiatives and all companies sourcing or trading granite from South India should start acting to systematically eradicate these violations, by increasing transparency in granite supply chains, conduct risk assessments and implement improvement plans.

The research

The research was conducted in 22 quarries and six waste stone processing sites in the states of *Andhra Pradesh, Telangana* and *Karnataka* in South India. These three states account for 75% of the granite production in India. Almost half of the sampled quarries have direct linkages with foreign importers. Other quarries also produce granite for export markets, but this is traded through intermediaries. Major importers of Indian granite are China, the USA and European countries, with Germany, Italy and the United Kingdom as biggest buyers. As China is found to be a major processor and re-exporter of Indian granite, this granite is likely to enter the international market via China as well. Despite the conservative and non-transparent nature of the natural stone sector, 31 natural stone companies and 3 banks were identified, having direct links to 9 of the 22 investigated quarries. All companies and banks were requested to react to a draft version of the report. Only five companies (Arte, Beltrami, Jetstone, Kerasom and Michel Oprey & Beisterveld (MO&B)) and one bank (The Royal Bank of Scotland) did so.

To protect interviewed workers from reprisal, the names of 22 researched quarries are anonymised and quarries have been given a number.

Importing companies mentioned by name in the report are not the only companies sourcing granite from the researched quarries, but they are the ones that could be identified as buyers through the analysis of export data (except for Arte, who gave insight in their supply chain). Addressing labour rights violations that are described in the report is not the sole responsibility of the buying companies named in the report, but of all companies sourcing and trading granite that originates from South India, including end-users in the funeral, retail and building and construction sectors.

Poor working conditions and rights violations

Granite quarrying in India is labour-intensive with a limited level of mechanisation. The work entails stone 'harvesting' with drills and explosives, block splitting, lifting and transportation. To measure the performance of quarries on decent work the quarries are ranked on six decent work criteria: child labour, bonded labour, wages and benefits, safety management, health management and freedom of association. None of the 22 quarries is fulfilling all those criteria.

Workers loading waste stone in a truck









The performance on decent work criteria of quarries whose buyers were identified

 rights respected
 









 rights seriously violated







quarry 8 | buyers: Arte (NLD), Daltile Corporation (USA)

					
no child labour, but no age verification system and no prevention and rehabilitation system	debt bondage unlikely but wage advances paid	legal minimum wages and over-time paid, no pension scheme and no paid holidays	1 basic safety equipment provided to casual workers	no health insurance for casual workers; safe drinking water provided	no active labour union, few workers member of labour union







quarry 15 | buyer: KSG UK (GBR)

					
no child labour, age verification system but no prevention and rehabilitation system	debt bondage unlikely but wage advances paid	legal minimum wages and over-time paid, no pension scheme and no paid holidays	2 basic safety equipment provided to casual workers	no health insurance for casual workers; safe drinking water provided	no active labour union, workers member of labour union







quarry 16 | buyers: Deisl Stein (AUT), M S International (USA), mistermarble (GBR)

					
no child labour, age verification system but no prevention and rehabilitation system	risk on debt bondage due to high wage advances	legal minimum wages paid, overtime not paid at the legal rate, no pension scheme and no paid holidays	1 basic safety equipment provided to casual workers	no health insurance for casual workers; safe drinking water provided	no active labour union, workers member of labour union







quarry 17 | buyers: M S International (USA), Nile Trading (GBR)

					
no child labour, age verification system but no prevention and rehabilitation system	risk on debt bondage due to high wage advances	legal minimum wages paid, but overtime not as per the law	1 basic safety equipment provided to casual workers	no health insurance for casual workers; safe drinking water provided	no active labour union, few workers member of labour union







quarry 18 | buyer: Beltrami UK (GBR)

					
no child labour, age verification system but no prevention and rehabilitation system	risk on debt bondage through high wage advances	legal minimum wages and over-time paid, no pension scheme and no paid holidays	1 basic safety equipment provided to casual workers	no health insurance for casual workers; safe drinking water provided	no active labour union, workers member of labour union







quarry 19 | buyers: Allied Irish Banks (IRL), Grantech (GBR), HABU Granit-Marmor (DEU), HSBC Bank (GBR), Jetstone (NLD), Just Naturstein (DEU), M. Lampe Natursteine (DEU), M S International (USA), Magna Naturstein/ Magna Westfalia (DEU), Michel Oprey & Beisterveld (NLD), Naturstein Risse (DEU), Royal Bank of Scotland (GBR)

					
instances of child labour, no age verification and no prevention and rehabilitation system	prevalence of debt bondage through recurring wage advances	legal minimum wages and over-time paid, pension scheme in place, no paid holidays	1 basic safety equipment provided to casual workers	no health insurance for casual workers; no safe drinking water provided	no active labour union, workers member of labour union







quarry 20 | buyers: Beltrami (BEL), Blyth Marble (GBR), Cereser Marmi (ITA), Cosentino (ESP), Dalle Nogare (ITA), General Stone Trading (LIE), Levantina (ESP), M S International (USA), Marmi Bruno Zanet (ITA), Tiger Stone (ITA), World Rocks (USA), Worldwide Stone (CAN)

					
no child labour, age verification system but no prevention and rehabilitation system	risk on debt bondage due to high wage advances	legal minimum wages and over-time paid, no pension scheme and no paid holidays	1 basic safety equipment provided to casual workers	no health insurance for casual workers; safe drinking water provided	no active labour union, few workers member of labour union

quarry 21 | buyers: Deisl Stein (AUT), General Stone Trading (LIE), Hullebusch (BEL), Kerasom (NLD), Magna Naturstein (DEU), Marimar (ITA), Schulte Naturstein (DEU)

					
instances of child labour, no age verification and no prevention and rehabilitation system	prevalence of debt bondage through recurring wage advances	legal minimum wages and over-time paid, pension scheme in place, no paid holidays	1 basic safety equipment provided to casual workers	no health insurance for casual workers; no safe drinking water provided	no active labour union, workers member of labour union

quarry 22 | buyers: Arte (NLD), Daltile Corporation (USA)

					
no child labour, age verification system but no prevention and rehabilitation system	debt bondage unlikely but wage advances paid	legal minimum wages and over-time paid, pension scheme in place, no paid holidays	1 basic safety equipment provided to casual workers	no health insurance for casual workers; safe drinking water provided	no active labour union, workers member of labour union

Modern slavery

More than 70% of the workforce in granite quarries are casual labourers employed on a daily wage or piece rate basis. With wage advances equivalent to a wage of one to three months, and high interest loans, the quarry owners have found a method to tie the workers to the job. Nearly 25% of the workers, mostly in *Telangana* and *Karnataka*, are recruited by providing loans, with annual interest rates of 24% to 36%. In *Telangana* 42% of the local workers and 58% of the migrant workers interviewed reported that they owe large sums of money varying from INR 10000 (EUR 141.90) to INR 20000 (EUR 283.80) to quarry owners or contractors. Substantial advances create debt bondage, as workers must clear the owed amount before they can change to another employer. In nine quarries debt bondage is prevalent. Debt bondage is a form of modern slavery.

Casual labour

Middlemen are recruiting workers but offer them no contract. They themselves settle labour issues like wages, working hours, allowances, housing and food. Except for management and supervisory staff directly hired by the quarry owners, most workers are hired by these agents who often do not respect legal requirements. This has resulted in a large gap between directly and indirectly hired workers, with only the first group benefitting from for example medical insurance and pension services.

Migrant workers and Dalits

Casual labourers are mostly migrant workers. 75% of the migrant workers migrate from other states like Odisha, Rajasthan and Chhattisgarh, leaving behind their families. Migrants constitute 70% of the total workforce in granite quarries in *Andhra Pradesh* and *Telangana*. Migrant workers are preferred over local workers as they are likely to be more obedient, work longer hours and are more flexible as they often have fewer social or family commitments. Migrants do not switch employers frequently and are less likely to strike. Workers, including migrants, are mostly coming from so-called 'lowest caste' of Dalits (officially called Scheduled Castes) or Adivasi (officially called Scheduled Tribes). They are extra vulnerable due to their low social status in Indian society.

Social benefits

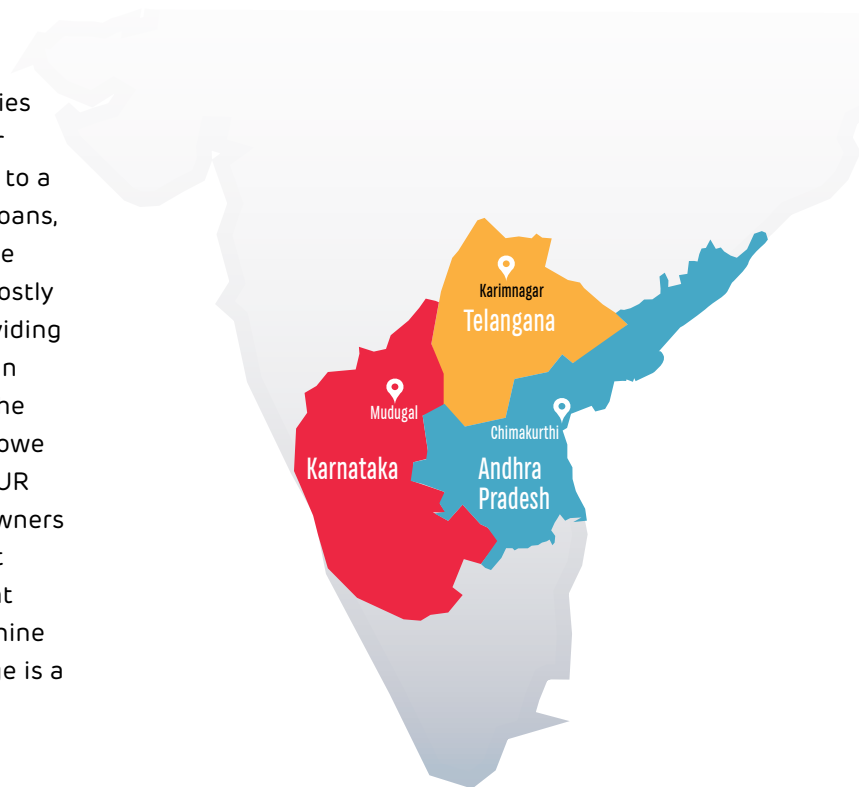
All workers, temporary and permanent, are legally entitled to health insurance and the *Employees'*

Provident Fund (EPF), a retirement scheme, to which both employer and employee contribute. But the interviewed workers reported that only directly employed workers are receiving these benefits. None of the workers hired through middlemen have access to the EPF (or are not aware of it), nor are they covered under health insurance, while these workers are most exposed to health risks. In two quarries (quarry 1 and 22) workers receive a small amount for their medical expenses. About 80% of the workers never received any form of medical benefits.

Occupational health and safety

Granite quarrying is hazardous in nature, as even a minor mistake can be fatal to workers. Quarry workers face many occupational hazards as they work with explosives, heavy wheel and trackless transport vehicles and wire saws. Many workers get injured due to large moving stones, the accidental fall of stones and materials as well as the breakage of metal cables of wire saws. In 2010, an accident in one quarry took the lives of 12 workers, but many deadly accidents remain unreported.

Quarry workers are furthermore exposed to noise and dust, making them vulnerable to work-related illnesses, like the incurable lung disease silicosis which is highly prevalent among stone quarry workers. Workers were often seen without any safety equipment, when cutting, shaping or drilling stone. The situation is slightly better in the bigger quarries (quarry





Migrant workers sleeping in their accomodation

4, 8, 15, 18, 19, 20, 22) although it was observed that the use of safety equipment is largely confined to permanent workers, who are mainly involved in supervising quarry activities. In none of the quarries visited, workers involved in drilling operations were seen wearing any respirator, ear and/or eye protection. Nearly 62% of the workers interviewed reported that they are not provided any safety equipment such as a helmet, goggles, boots, respirator/mask and gloves, except during labour department inspections.

Child labour

Child labour (below 18 years) used to be rampant in granite quarries in the early 2000s, but declined because of interventions by the government, industry and civil society organisations. However, the research revealed instances of child labour in main quarry operations in seven of the sample quarries. None of the investigated sites have a prevention and rehabilitation system for child labour in place.

Granite waste stone is processed into cobble stones or are pounded into granite gravel. Waste stone is mostly used on the domestic market for paving roads and constructing buildings, but also exported to western countries. Nearly 80% of waste stone processing is done by women and children. Children below 14 years account for nearly 3% of the waste stone processing workforce and 5% of this workforce is between 15 and 18 years old.

Wages and overtime

In five quarries minimum wages, that would help people to pay for education, medical care and other basic needs, are not paid. When taking the number of working hours into consideration, the wages in half of the researched quarries (incl. quarry 3, 5, 14, 16 and 17) do not meet the legal requirements. Overtime is sometimes paid by providing snacks and alcoholic drinks. Daily wages are fixed, depending on work classification, between INR 250 (EUR 3.55) to INR 436 (EUR 6.19) a day. Wages in waste stone processing are even lower, varying between INR 150 (EUR 2.12) and INR 250 (EUR 3.53) a day. Around 60% of the workers reported that they spend a substantial amount of their monthly earnings on medical expenses. Because of low wages workers often take loans in case of large expenses for example for health care or burials.

Living conditions

Housing provided for the workers is grossly inadequate. Workers share small common rooms, with little ventilation, water and sanitation facilities and no privacy. Half of the sample quarries lack clean drinking water. Toilet facilities were only observed in four big quarries.

Workers' organisation

In none of the researched quarries an active labour union is present.

Relative frontrunner companies and sustainability initiatives

Five of the 31 identified buying companies are member of the TFT-Responsible Stone Program and IGEP. These initiatives support companies by developing a code of conduct, forms of certification/verification and/or implementing improvement plans. The initiatives differ in terms of transparency and thoroughness. Generally, the sustainability initiatives provide little information about members, their efforts and results.

Arte, Beltrami, Cosentino and MO&B are member of the TFT-Responsible Stone Program. The TFT-Responsible Stone Program is the only initiative that makes it possible to compare individual member companies' efforts and achievements. Spanish importer Cosentino is a member of the UN Global Compact, though with a formal non-reporting status. The German company Just Naturstein is a member of IGEP, the least transparent initiative. The American importer Daltile Corporation is not a member of any initiative but publishes a code of conduct on its website. Like in the case of the sustainability initiatives, there are substantial differences between companies with regard to the thoroughness and transparency of the interventions and the results.

There seems to be a correlation between buyers with a more active Corporate Social Responsibility (CSR) policy and labour conditions at their supplying quarries; importers with an active CSR policy are buying from relatively better performing quarries.

The companies that reacted to the request to review a draft version of the report, including the Dutch importers Arte, Jetstone, Kerasom and MO&B as well as the Belgian Beltrami, recognise their responsibility and state that 'a lot needs to be done to achieve sustainable stones'. Beltrami and Arte have already made concrete efforts to address labour violations in their supply chains, while others promised to map their supply chains and/or urged their Indian suppliers to take actions for improvement. The Royal Bank of Scotland, the only bank that responded, says it has started enquiries into 'their' quarries.



Recommendations

Besides importing companies, also governments, including municipalities and state governments as well as companies at the buying end of the granite supply chain - e.g. retail companies - have a responsibility to address human rights violations. The United Nations Guiding Principles on Business and Human Rights (UNGP) and OECD Guidelines for Multinational Enterprises provide the relevant frameworks for this. These principles clarify the duty of states to protect as well as the responsibility of businesses to respect human rights, while both have to provide remedies to victims of violations. The first step for improvement in this sector is for all actors involved to start acting in line with these guidelines.

For companies and sustainability initiatives

- Implement a comprehensive human rights due diligence process as required by the UN and OECD, in collaboration with workers, unions and NGOs;
- Increase traceability and transparency of the supply chains up-to the level of quarries;
- Furthermore, all companies involved should implement Indian labour laws, respect trade union rights and provide each worker with a written employment contract and safety equipment.

For Indian Central Government and State Governments

- Enforce existing labour laws and welfare schemes and monitor their implementation.

For the European Union, its member states and other importing governments

- Strengthen and implement sustainable procurement policies and publicly report about its implementation;
- Oblige companies to be transparent about their supply chain and to perform a human rights due diligence.



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