

# **Raising the voice of workers in global supply chains**

## **Global leverages in the organising strategies of three 'new' labour unions in the Indian garment sector**

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## Abbreviations

AITUC	All India Trade Union Congress	MFA	Multi Fibre Agreement
AFW	Asia Floor Wage Campaign	MSI	Multi-Stakeholder-Initiative
BMS	Bharatiya Mazdoor Sangh	MEM	Mazdoor Ekta Manch
CCC	Clean Clothes Campaign	M&S	Marks&Spencer
Cividep	Civil Initiatives in Development and Peace	NCR	National Capital Region
CITU	Centre of Indian Trade Unions	NGO	Non-governmental organisation
CSR	Corporate Social Responsibility	NTUI	New Trade Union Initiative
DA	Dearness Allowance	PF	Provident Fund
ESI	Employees' State Insurance	PTS	Penn Thozhilalargal Sangam
FFI	Fibre & Fabrics International	SEZ	Special Economic Zone
GAWU	Garment Workers Union	SHG	Self-Help-Group
GAFWU	Garment and Fashion Workers Union	SLD	Society for Labour and Development
GATWU	Garment and Textile Workers Union	TNC	Transnational Corporation
GFA	Global Framework Agreement	UNGC	United Nations Global Compact
GCR	Greater Chennai Region	UWC	United Workers Congress
GDP	Gross Domestic Product	WRC	Workers Rights Consortium
HMS	Hind Mazdoor Sabha	WTO	World Trade Organisation
ICN	India Committee of the Netherlands		
ICEM	International Federation of Chemical, Energy, Mine and General Workers' Unions		
IMF	International Metalworkers' Federation		
INTUC	Indian National Trade Union Congress		
ILO	International Labour Organisation		
ITGLWF	International Textile Garment and Leather Workers' Federation		
JKPL	Jeans Knit Pvt. Ltd		

## I. Introduction

In the era of liberalisation and international competition, the garment sector has become a showcase for the growing power of transnational corporations (TNCs) in global supply chains. Transnational corporations have accumulated an immense degree of power in the global garment industry because the garment sector is a typical *buyer-driven* supply chain, "*in which large retailers, marketers and branded manufacturers play pivotal roles in setting up decentralized production networks in a variety of exporting countries, typically located in developing countries*".<sup>1</sup>

In response to increasing public anger about abusive working conditions in the industry, many TNCs started to adopt voluntary *codes of conduct* laying down social and environmental principles to be followed in the supply chains from the early 1990s onwards; this was followed by the development of an array of mechanisms to regulate worker's rights in the global garment industry. However, after more than two decades of different initiatives, the global garment industry is still characterised by abysmal working conditions, ranging from forced overtime and physical abuse to new forms of bonded labour and severe suppression of trade union activity.<sup>2</sup> Considering this persistence of severe labour rights violations, there is a growing consensus that the dominant system of governing worker's rights via private codes of conduct and auditing does not lead to sustainable improvement of working conditions.<sup>3</sup> This failure has especially been noted with regard to freedom of association, which has been described as "*labour's most threatened right in the post-quota era of textile and garment production*".<sup>4</sup>

Assuming that freedom of association is central to improving working conditions on the ground, the objective of this paper is twofold. Based on an analysis of secondary literature, it provides a brief overview on the role of local trade unions in the dominant system of governance of labour standards in global supply chains. In the second part, focusing on the case of the Indian garment industry, the paper aims at exploring the chances and challenges of local and international organising strategies in the context of the dominant corporate governance system of worker's rights in global supply chains.

For this purpose, the case of three 'new' labour unions in the Indian garment sector has been chosen: the *Garment and Textile Workers' Union* (GATWU) in Bangalore, the *Garment and Allied Workers' Union* (GAWU) in Gurgaon and the *Garment and Fashion Workers' Union* (GAFWU) in Chennai.

These unions are described as 'new' labour unions because all of them represent a fairly new approach emerging in the Indian labour movement under the umbrella of the 'New Trade Union Initiative' (NTUI),

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<sup>1</sup> Devaraja 2011: p. 2.

<sup>2</sup> Hale / Shaw 2001; Esbenshade 2004; Hurley 2005; Jones 2006; Wick 2007, 2009; Pangsapa 2007; Overrem / Peepercamp 2012.

<sup>3</sup> Anner et al. 2012: p. 2

<sup>4</sup> de Neeve 2008: p. 214. From 1974 to the 2005, the global trade in textiles was regulated by the Multi-Fibre-Agreement (MFA), a multi-lateral agreement on the trade on textiles under the umbrella of the World Trade Organization (WTO).

a trade union federation founded in 2006. The main aspects characterizing it as a federation exploring a “new” form of unionism as compared to the established Indian trade union movement are (a) the strong focus on independence from political parties<sup>5</sup>, (b) the explicit emphasis of alliance-building with non-governmental organizations<sup>6</sup>, and (c) the focus on organising the workforce in the informal sector as well as the increasing number of highly precarious contract workers.<sup>7</sup> According to Ashim Roy, general secretary of the NTUI, 20% of the unions affiliated to the NTUI are contract worker unions<sup>8</sup>, compared to the other politically independent trade union federation Hind Mazdoor Sabha (HMS), where the percentage of contract worker unions is at around 5%.<sup>9</sup> In addition, the NTUI has set out to explore a grass-roots-oriented, gender and caste sensitive form of trade unionism.

Being a young federation, the NTUI with an estimated 800 000 members<sup>10</sup> is much smaller than the established central trade union organizations<sup>11</sup>. However, in the key export oriented production hubs of the garment industry, trade union organizing has been difficult because of a largely female and/or migrant and contractual workforce.<sup>12</sup> In contrast to that, the three unions introduced above were chosen because preliminary research has shown that they have been relatively successful in organising workers in the extremely union-hostile environment of the export oriented garment industry in India. Seeking to explore the reasons for the relative success of these unions and their use of local and international strategies, the analysis looks at the following sub-questions: What are the main characteristics of the local organising strategies of the three unions and how are they integrated with international strategies? What opportunities and challenges do they encounter while using global leverages to support organising on the ground?

Methodologically, the paper is based on field research in Chennai, Bangalore and Gurgaon with semi-structured expert interviews with trade union representatives and related labour experts in the period of April – December 2013. This is complemented by analysis of press releases and internal documents of the respective trade unions as well as desk research on secondary literature. Starting out with a macro perspective, the paper traces the main trends in the governance of workers’ rights in global supply

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<sup>5</sup> Close links to political parties are a historical characteristic of the Indian trade union movement (Bhomwik 2012: pp. 118-129). Except for the Hind Mazdoor Sabha (HMS), the NTUI is the only national trade union federation that is not linked to any political party (see also Höllen 2010).

<sup>6</sup> Article 3.23 of the NTUI constitution emphasizes the association “with non-union organisations that share the broad aims and objectives of NTUI and contribute effectively to unionisation, collective bargaining, and campaigns” as an explicit objective of the federation.

<sup>7</sup> Höllen 2010: p.41

<sup>8</sup> Interview Roy 2013: p.1.

<sup>9</sup> Interview Bhosale 2013: p.1.

<sup>10</sup> Interview Roy 2013: p. 1.

<sup>11</sup> Membership claims of the largest Indian trade union federations in 2011: INTUC: 33.3 million; BMS: 17.1 million; AITUC: 14.2 million; HMS: 9.1 million; CITU: 5.7 million (Menon 2013). These numbers are still to be verified by the Indian state.

<sup>12</sup> Mani 2011: p. 12; RoyChowdhury 2005: p. 2251.

chains and the role of local trade unions. Taking up the case of the Indian garment industry, it then explores the micro perspective of three local trade unions in India and their respective organising strategies at the local and international level. Based on this analysis, the conclusion outlines key findings on the role of local trade unions in the governance of labour standards in global supply chains and on the chances and challenges for local trade unions in raising the voice of workers in the global garment supply chain.

## **II. Governance of workers' rights in global supply chains: an overview<sup>13</sup>**

Since its founding in 1919, the International Labour Organisation (ILO) brings together government, employer and worker representatives of its 185 member states in order to set international standards for workers' rights. However, the implementation of these standards especially in 'developing' countries is weak. This has led to a considerable gap between the theory of standards and the reality of implementation.<sup>14</sup> With the liberalisation of the world economy and increasing outsourcing of manufacturing processes to 'developing countries' since the 1970s, the question of corporate abuses of labour and human rights in global supply chains started to trigger increasing public attention in industrialised countries.<sup>15</sup> In response, and in line with the dominant discourse of economic liberalisation, the idea of corporate self-regulation via the concept of «Corporate Social Responsibility» (CSR) gained ground since the early 1990s. Lacking a universally accepted definition, the concept of CSR is based on the broad idea of a responsibility of business for its impact on society and human beings. Under the pressure of civil society, many transnational corporations started to adopt voluntary codes of conduct in the name of CSR, which state social and sometimes environmental principles the company aims to follow in its business actions.<sup>16</sup> Legally, a code of conduct is a '*declaration of intent*' which does not generate any legal obligation for the transnational company to ensure implementation of the same. This creates little incentive to ensure proper implementation, as in most cases, supervision of the codes of conduct remains within the company itself through mechanisms of internal monitoring. In terms of content, some codes of conduct include specific reference to conventions of the International Labour Organisation (ILO), the Human Rights Declaration or other norms of international law, whereas others consist of vague principles of

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<sup>13</sup> Due to space constraints, this chapter does not elaborate on the different mechanisms in detail, but aims at tracing the broad trends in the governance of workers' rights in global supply chains.

<sup>14</sup> Hepple 2005: p. 39

<sup>15</sup> Utting 2002: p. 72; Wick 2005: p. 11; Anner 2012: p. 5.

<sup>16</sup> Though the concept of CSR looks back on a long history (see Caroll 1999), it only became popular among TNCs since the 1990s with the emergence of codes of conduct. Except for the basic claim of a social and environmental responsibility of corporations, there is no uniform definition of CSR among academia and political stakeholders such as trade unions, non-governmental organizations, states and business. Especially in terms its scope and whether it should be voluntary or regulated by the state, the concept of CSR is highly contested (see for example Crouch 2006; Utting 2005, 2008).

behaviour. Increasing public criticism in terms of ineffective implementation of the code of conduct has pushed some companies to employ external auditors for the monitoring process. This applies however to a minority of companies and, even in cases when external auditors detect a violation of the code of conduct, it is still the company itself which decides on the actions to be taken. Voluntary company-based codes of conduct are therefore mainly corporate-driven, as it is the company itself which takes all the decisions regarding external monitoring, publishing of audit results and actions to be taken.<sup>17</sup>

In addition to the corporate governance system of codes of conduct, a number of initiatives have emerged which include other non-corporate stakeholders. On the international level, one of the largest initiatives is the UN Global Compact (UNGC), a policy network initiated by the United Nations in 2000 as a global platform for CSR. Today, with a total of over 10.000 members, including more than 7000 companies, it comprises representatives of the UN, nation states, NGOs, trade unions, research institutions and companies.<sup>18</sup> Through their membership in the Global Compact, companies agree to comply with the social and environmental principles of the Global Compact. They are then supposed to report about the implementation of principles in a so-called communication of progress, which is a statement of case studies and best practice projects in their annual reports.<sup>19</sup> The Global Compact does not contain any provisions regarding the process of monitoring the implementation of principles on the ground, nor does it assign any particular role to local trade unions or labour organisations.

Another approach to the governance of worker's rights in global supply chains are "Multi-Stakeholder-Initiatives" (MSIs). MSIs bring different stakeholders to one platform: corporations, non-governmental organisations (NGOs), trade unions, state representatives and academia. These stakeholders negotiate a code of conduct which member companies are asked to respect in their business actions. It is monitored through different mechanisms, while in most cases a joint multi-stakeholder body decides on the sanctions to be applied in case of violations of the code.<sup>20</sup> As they open spaces to include trade unions and non-governmental organisations into the governance process, MSIs are generally considered to be more effective in improving working conditions in global supply chains than unilateral corporate codes of conduct which are solely governed by the corporation.<sup>21</sup> However, Fransen and Kolk argue that MSIs are not always as inclusive in terms of multi-stakeholder involvement in their operations as they set out to be. Only a minority of MSI analysed by the authors are using multi-stakeholder monitoring bodies, which include local trade unions and NGOs, while most of them are using the same auditing companies

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<sup>17</sup> Kocher 2008: p. 199.

<sup>18</sup> United Nations 2012.

<sup>19</sup> Göpel 2003.

<sup>20</sup> Wick 2005. Examples of MSI are the Fair Labour Association (FLA), the Ethical Trading Initiative (ETI), the Workers Rights Consortium (WRC) and the Fair Wear Foundation (FWF) (Ibid.).

<sup>21</sup> Ibid.

which are hired for the monitoring of private company codes of conduct.<sup>22</sup> A new form of multi-stakeholder governance is emerging in the *Accord on Fire and Building Safety in Bangladesh*, which gained importance after the collapse of the Rana Plaza building in April 2013 killing more than 1,120 people, most of them garment workers. Signed by more than 120 transnational corporations, two Global Union Federations, seven national trade unions in Bangladesh and international workers' rights networks as observers, it aims at improving fire and building safety in Bangladesh's garment industry through independent building inspections and reports, funding obligations of buyers and a binding dispute settlement clause.<sup>23</sup> The position of local unions as signatories and their access to the factories as part of the training teams on fire and building safety reflect a stronger recognition of their role in the governance system as compared to most other initiatives. However, only practice will show how local unions are integrated in reality. Moreover, the Accord is limited to fire and building safety while ignoring the rampant problems of low wages, excessive over-time and union repression in the sector; it covers only the factory production part of the garment chain and is restricted to only one country.

A third instrument for regulating labour standards in global supply chains are "Global Framework Agreements" (GFAs)<sup>24</sup>: these are contracts signed between a multinational corporation and a Global Union Federation with regard to labour rights in the global supply chain of the respective company. GFAs started to emerge in larger numbers in the 1990s, which led to a total number of 85 active GFAs in 2012.<sup>25</sup> Most GFAs contain internal complaint mechanisms: if violations are detected, local union representatives can file a complaint to a joint committee consisting of trade unions and corporate representatives.<sup>26</sup> However, the actual power of the local union in the monitoring and decision-making process in the context of the GFA may still vary considerably. According to Fichter et al., the implementation of GFAs on the ground is often limited and the success strongly depends on the involvement of local unions and management not only in the implementation, but also at the preliminary stages of initiation and negotiation of the Agreement.<sup>27</sup> Although offering a higher scope for participation of local unions, the overall role of GFAs in the governance of workers' right in global supply chains is limited as their conclusion is voluntary, similar to the membership in an MSI. Compared to a total number of more

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<sup>22</sup> Fransen and Kolk 2007: p. 11.

<sup>23</sup> See also Gross 2013.

<sup>24</sup> An alternative term for the same kind of agreements is "International Framework Agreements" (IFAs).

<sup>25</sup> Fichter et al. 2012.

<sup>26</sup> Fichter and Sydow 2008.

<sup>27</sup> Fichter et al. 2012. Similar results have been found by Thomas (2011: p. 284) who argues that the effectiveness of IFA's is limited if local trade unions are not assigned not enough importance in the process. For a deeper discussion of the effectiveness of GFAs and the role of local unions in this context see also Bourque 2008; Gregoratti and Miller 2009.



than 82.000 transnational corporations worldwide<sup>28</sup>, the coverage of a total number of 85 active GFAs concluded until today is limited.

For the majority of companies, unilateral company codes of conduct in some cases coupled with external verification through private audit firms remain the dominant system of governing labour standards in global supply chains.<sup>29</sup> Beyond the ILO's supervisory machinery, which addresses states, and in the absence of a binding regulatory framework for holding transnational corporations accountable for human and labour rights abuses in their global supply chains, voluntary "*monitoring for compliance with codes of conduct is the principal means*"<sup>30</sup> used to address workers' rights in global supply chains. However, despite a variety of monitoring and auditing mechanisms which have been developed, research of NGOs, trade unions and civil society groups in different countries continue to detect massive labour rights violations in the supply chains of companies which have a code of conduct.<sup>31</sup> Drawing on an empirical assessment of the implementation of codes of conduct, even the World Bank concludes that the approach of unilateral top-down codes of conduct was "*insufficient and even inefficient in achieving further real and sustained improvements*".<sup>32</sup>

Notably, it has been found that codes of conduct have especially failed to yield results with regard to non-technical labour rights such as freedom of association and workplace harassment.<sup>33</sup> This correlates with the fact that the private corporate-controlled governance system is often characterised by a disconnection from workers and local trade unions on the ground: external auditors hardly speak to workers without the influence of the management and can only check working conditions in a spotlight manner, while local trade unions and workers' groups are mostly excluded from the monitoring of codes of conduct in the factories.<sup>34</sup> The role of workers in the enforcement of labor rights in this governance system has been described as "*passive or marginal*"<sup>35</sup> with codes of conduct as a new form of paternalism which assumes that workers' rights can be better assured by corporate monitoring than by self-organisation.<sup>36</sup> Also with regard to MSIs it has been found that the effectiveness in ensuring freedom of association on the ground crucially depends on the influence of trade unions in the development and implementation of the initiative.<sup>37</sup> However, corporate influence plays a dominant role in most CSR approaches while trade unions are being sidelined. Against this background, the following analysis looks at

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<sup>28</sup> UNCTAD 2010.

<sup>29</sup> Egels-Zanden 2007: p. 3.

<sup>30</sup> Locke et al. 2007: p. 20.

<sup>31</sup> See for example Hütz-Adams 2010, 2011; Wick 2007, 2009.

<sup>32</sup> World Bank 2003: p. 2.

<sup>33</sup> de Neeve 2009: p. 70; Barrientos and Smith 2007: p. 720.

<sup>34</sup> Kemp 2001: p. 16; Clean Clothes Campaign 2005: p. 41; Blowfield / Dolan 2008: p. 16.

<sup>35</sup> Thomas 2011: p. 270.

<sup>36</sup> Esbenschade 2001; Thomas 2011.

<sup>37</sup> Anner 2011: p. 2.

the strategies of three 'new' trade unions in the Indian garment sector in raising the voice of workers in the dominant system of corporate-controlled private governance and claiming their pivotal role in protecting workers' rights through a strategic linkage of local and international organising strategies. The following chapter prepares the ground for the analysis by summarizing the main features of the Indian garment industry and briefly describing its history of unionisation.

## II. The garment sector in India: a challenge for organising

*"In the post-MFA situation, the unionist's task is turning out to be tougher than before because employers adopt diverse strategies with the single objective of creating textile mills and garment factories without trade unions."*<sup>38</sup>

Based on a tradition of home-based tailoring for the Mughal royal empire in the 17<sup>th</sup> century, the Indian textile industry developed into factory production in the 19<sup>th</sup> century under the British colonial rule. In order to withstand the competition of British fabrics, production initially focused on the domestic market and was negligible in size until the 1960s.<sup>39</sup> From 1974 to the beginning of 2005, the Multi-Fibre-Agreement (MFA) of the World Trade Organization (WTO) mandated export quotas for all textile exporting countries in order to protect the domestic markets of industrialized countries. The economic liberalization of the country after 1991 and the abolition of the quota system with the end of the MFA in the beginning of 2005 boosted the growth of the textile and garment industry and made India a *"prime-location for ready-made garment assembly"*<sup>40</sup> after other major producers such as Bangladesh and China. Today, the Indian textile and garment industry represents an important source of economic growth: it contributes 4% to the country's Gross Domestic Product (GDP) and 11% to its export earnings.<sup>41</sup> Directly and indirectly employing more than 45 million people, the textile and garment industry is the country's second largest employer after agriculture.<sup>42</sup> As a sub-section of the textile industry<sup>43</sup>, the garment industry employs around 7 million people, out of which half are producing garments for export.<sup>44</sup> In 2006, the Government of India described the textile industry as *"undoubtedly, one of the most important segments of the Indian economy"*.<sup>45</sup> Within the industry, the significance of the garment sector for export-oriented growth becomes clear when considering that the garment sector accounted for 8.2 % of the countries'

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<sup>38</sup> A. Aloysius (founder of a labour rights organization in Tirupur), cited in Dorairaj 2010: 4.

<sup>39</sup> Mezzadri 2008.

<sup>40</sup> Jenkins 2012: p. 3.

<sup>41</sup> Government of India (Ministry for Textiles) 2013: p. 35.

<sup>42</sup> Ibid.

<sup>43</sup> According to Singh (2009: p. 5) products such as towels and bed-covers fall under the purview of textile, while the garment industry covers apparel and related accessories.

<sup>44</sup> The Indian Express 31.05.2011.

<sup>45</sup> Government of India (Ministry of Textiles) 2006: p. 2.

total exports in 2009.<sup>46</sup> Despite a slowdown in textile and clothing exports in the financial year 2012/13<sup>47</sup>, India's plans for the textile industry are ambitious: by the end of 2017, it is targeted to nearly double India's exports of textiles and clothing.<sup>48</sup> In order to combat the recent slowdown in the growth of textile and clothing exports, the Ministry of Textiles recommends amendment to labour laws "*at the Apparel Stage [...] to permit longer hours of overtime with due compensation, and to allow flexi-hiring of labour, i.e. according to variations in orders*".<sup>49</sup> This strategy fits into a picture in which labour flexibility and price competitiveness are the main sources of competitive advantage in the garment sector. In India, this has led to a "*race to the bottom insofar as labour standards and wages are concerned*".<sup>50</sup> In this extremely competitive environment, working conditions in the Indian garment sector are characterised by forced and unpaid overtime work leading to working days of up to 11 hours, non-payment of health and welfare benefits and minimum wages, harsh production targets, sexual and verbal abuse, lack of maternity and other leave, lack of accident insurance, absence of toilet and crèche facilities.<sup>51</sup> In case of Tirupur's textile and garment industry in the South Indian state of Tamil Nadu, an estimated 100,000 young girls from impoverished rural areas are kept in a modern form of 'forced labour' in the premises of spinning and garment factories; they receive the bulk of their salary only after the end of a 2 to 3 years contract, which prevents them from leaving the factory or complaining about working conditions.<sup>52</sup> The minimum wage for unskilled workers ranges between Rs. 4,500 per month in Karnataka<sup>53</sup> and Rs. 4,847 in Haryana in 2012<sup>54</sup>, which is far below a "living wage" level of Rs. 12,096 as calculated by the Asia Floor Wage Campaign (AFW).<sup>55</sup> Despite a wage level which is far below a living wage, business analysts fear that recent wage increases in the industry may threaten the 'competitive edge' of the Indian garment industry.<sup>56</sup>

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<sup>46</sup> Italian Trade Commission 2009: p. 4.

<sup>47</sup> Government of India (Ministry of Textiles) 2013a: p. 4-5.

<sup>48</sup> Government of India (Ministry of Textiles) 2013a: p. 1.

<sup>49</sup> Government of India (Ministry of Textiles) 2013a: p. 5.

<sup>50</sup> Singh 2009: p. 3.

<sup>51</sup> RoyChowdhury 2005; Singh 2009; Lyimo 2010; Maher 2010, Jenkins 2012.

<sup>52</sup> Verite 2010: p. 11; Overeem / Peepercamp 2012: p. 1. According to the Supreme Court of India, 'force' in a labour relationship refers to any factor "which compels [a person] to adopt a particular course of action" (Srivasta 2005: 3). The "Sumangali Scheme" can therefore be described as a new form of 'forced labour' since wages are largely withheld by the employers, thus forcing the worker to stay at the workplace until completion of the two to three years contract period if he or she wants to receive the salary.

<sup>53</sup> Khan 2012: p. 1.

<sup>54</sup> Society for Labour and Development 2012a: p. 6.

<sup>55</sup> Asia Floor Wage Campaign 2012: p. 1. The Asia Floor Wage Campaign is a coalition of over 70 trade unions, labour and human rights organizations, NGOs and women's rights groups in over 17 countries campaign for a common 'floor wage' at a living wage level across the Asian garment industry (Merk 2011: p. 122). All the three unions presented in this paper are member of the AFW, while the president of GAWU in Gurgaon, Ananya Bhattacharjee is also a steering committee member of the AFW (Asia Floor Wage Campaign 2012a). The term living wage refers to a wage which should cover the basic needs including housing, education and healthcare and basic savings for a worker and his dependants which refers to a standard size family of one partner and two children (Merk 2011: p. 124).

<sup>56</sup> Germany Trade and Invest 2013.

Geographically, the main production hubs of the industry are the National Capital Region (NCR) in the North, and Tirupur, Chennai and Bangalore in the South, while further production takes place in Mumbai, Kolkata, Jaipur and Indore.<sup>57</sup> In some pockets of the garment industry, contract work has emerged as the dominant pattern of employment: a system in which the worker is not directly employed by the manufacturer, but by a labour contractor. Theoretically, these workers are eligible for the same social security and other employment benefits as permanent workers. However, in reality most contract workers do not receive any of these benefits and risk to be terminated for any attempt of to claim their rights.<sup>58</sup> Contract work is strongly prevalent in the NCR region with more than 80% of garment workers being non-permanent<sup>59</sup> and in Tirupur with more than 90% of garment workers working on contract.<sup>60</sup> Gender-wise, the South Indian garment production is dominated by women, while the NRC region is an exception and mainly relies on a male workforce migrating from neighbouring states. Regardless of gender, most workers come from socially and economically disadvantaged sections of society and have little awareness of their rights at work.<sup>61</sup>

In terms of unionisation, the textile industry has a long history of a trade union struggle: it was the birth-place of the Indian labour movement with the founding of the *Madras Labour Union* in 1918.<sup>62</sup> The textile industry was an early stronghold of the labour movement until the gradual decline of the industry after 1946, which resulted in the retrenchment of thousands of textile mill workers until the mid 1990s and a loss of trade union strength in the sector.<sup>63</sup> In contrast, in the export oriented garment sector which gained strength after the 1990s, unionisation has been difficult. In Bangalore, there were some efforts of the established trade union movement in the 1980s and 1990s. However, in 1996 a CITU-led<sup>64</sup> strike in a major garment factory called Ashoka Garments resulted in the factories' closure and lay-off of 10.000 workers, which discouraged workers from any further unionisation.<sup>65</sup>

While Tirupur has seen some unionization by established trade union centres, Mani estimates that in total only 5% of the workforce in the garment sector is unionized and ascertains that central trade union federations generally have a very weak presence in the sector.<sup>66</sup> Despite abysmal working conditions in Bangalore as one of the main production hubs of the garment sector, RoyChowdhury states that "main-

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<sup>57</sup> Mani 2011.

<sup>58</sup> Society for Labour and Development 2012: pp. 23, 45.

<sup>59</sup> Verite 2010: p. 5.

<sup>60</sup> Mani 2011: p. 11.

<sup>61</sup> Ibid.

<sup>62</sup> Bhomwik 2007: p. 116.

<sup>63</sup> RoyChowdhury 1996: p. 7; Luce 2009: p. 2.

<sup>64</sup> The *Centre of Indian Trade Unions* (CITU) is a trade union federation with (unofficially) linked to the Communist Party of India (Marxist) (Hoellen 2010: p. 16).

<sup>65</sup> RoyChowdhury 2005, Mani 2005.

<sup>66</sup> Mani 2011: pp. 5,12

stream trade unions in the city have shown a certain marked apathy towards this relatively new and predominantly female-oriented sector".<sup>67</sup> Against the background of a mainly female, rural and widespread workforce in the case of Bangalore's garment industry, an AITUC trade unionist explained: "The Balance Sheet remains nil in terms of membership at the end of sustained unionisation efforts in the sector".<sup>68</sup> Compared to that, the three garment unions in Bangalore, Chennai and Gurgaon (NCR region) presented in this paper have indeed shown a relative success in organising workers in this difficult sector, which makes it worthwhile to explore their particular organising strategies in the context of the general exclusion of local unions from the dominant corporate governance system.

#### **IV. Between the local and the global: organising Indian garment workers**

In the following, the three garment unions in Bangalore, Chennai and Gurgaon and their respective organising strategies are introduced in the context of the respective local garment industry. Since the unions, Bangalore and Chennai are both located in South India and deal with a more similar workforce as compared to Gurgaon in North India, the analysis starts out by exploring the union work of the two Southern trade unions.

##### **1. GATWU: Organising garment workers in Bangalore**

###### **1.1. The garment industry in Bangalore**

The garment industry of Bangalore is based on around 1,200 factories and employs an estimated workforce of around 500,000 people.<sup>69</sup> Bangalore contributes 15% to the total exports of garments from India, ranking between Delhi (30%) and Chennai (10%).<sup>70</sup>

More than 70% of the workers are women, who have migrated from rural Karnataka in search for employment. The garment industry is concentrated in three pockets in the city and most of the workers live in the areas surrounding the garment factories. In contrast to other garment production hubs like Tirupur and Gurgaon, contract work is not prevalent in Bangalore: the majority of workers in the industry are permanent workers.<sup>71</sup> However, working conditions are highly problematic with working hours of up to 11 hours per day, during which workers are often not allowed to sit, verbal and physical harassment, non-payment of overtime wages, lack of appointment letters and extremely high production targets that

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<sup>67</sup> RoyChowdhury 2005: p. 2251.

<sup>68</sup> Cited in Mani 2011: p. 13.

<sup>69</sup> Singh 2009: p. 12.

<sup>70</sup> Ibid: p. 6.

<sup>71</sup> Interview Pratibha/Jayaram 2013: p. 21.

have negative implications for health of the workforce<sup>72</sup>. After Chennai, Bangalore has the lowest minimum wage level in the country with most workers earning around Rs. 4,400 per month<sup>73</sup>, which stands in sharp contradiction to the living wage level of Rs. 12,096 as mentioned above.<sup>74</sup> Due to harassment and low salaries, workers tend to change their workplace often in search for better working conditions, which compounds organising efforts.

## **1.2. The Garment and Textile Workers Union (GATWU)<sup>75</sup>**

Expecting an increased competitive pressure on workers due to the abolishment of the Multi Fibre Agreement in 2004, a group of garment workers in Bangalore decided to start organising the sector in 2002. Since it was initially very difficult to approach workers in the name of a trade union, the activists used the topic of microfinance to build the first contact with workers. In that way, the workers were first organized in Self-Help-Groups (SHG) to establish a microfinance credit system, while the forum of the SHGs was then used to approach the issue of working conditions and labour rights in the factories. In order to institutionalise this work, worker activists founded the community organisation "Garment Mahila Karmikara Munnade"<sup>76</sup> in 2004 with the help of development funds from international donors. Sustained by membership fees, Munnade is a women's organisation which works on community issues such as domestic violence, access to public services and education. However, lacking the formal status of a trade union, it is not able to take up work-related grievances in the community. For that reason, GATWU was formed in 2005 and registered in 2006. Today, Munnade employs two full-time community organizers, whereas GATWU employs four full-time organizers. The union has around 6000 members, including around 40 shop floor union leaders.

## **1.3. Organising strategies of GATWU**

On the grassroots level, GATWU is working in a symbiotic relationship with Munnade which is taking up community issues while GATWU takes up labour rights issues which emerge in the factories. If Munnade organizers are reaching out to workers and encounter work-related problems, they refer the workers to GATWU, and vice-versa. In the organising strategy of GATWU, the work of Munnade works as a "*pre-union concept*"<sup>77</sup> which helps to establish initial contact and build the trust of workers. Munnade was especially crucial in the beginning of the organising process in the industry in order to prepare the ground for union work because the management of most factories did not perceive the work of a wom-

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<sup>72</sup> Singh 2009: pp. 13, 15; Jenkins 2012: p. 5.

<sup>73</sup> Interview Pratibha/Jayaram 2013: p. 21.

<sup>74</sup> Asia Floor Wage Campaign 2012: p. 1.

<sup>75</sup> This chapter is based on extensive interviews with representatives and a legal advisor of GATWU in April 2013 in Bangalore (Interview Jayaram 2013; Interview Jayaram / Pratibha 2013; Interview Mani 2013).

<sup>76</sup> In the following the abbreviation 'Munnade' will be used.

<sup>77</sup> Interview Jayaram / Pratibha 2013: p.4.

en's organisation as a threat. Nowadays, GATWU is known to many workers in the garment industry and has established its own standing, but is still working hand in hand with Munnade in order to address the problems of workers in the factories and in the community with a holistic approach. In addition to that, GATWU works with a broad network of supporting organisations in Bangalore, including other women's organisations and many local NGOs.

Strategically, GATWU focuses both on pressurising the state as the determinant of minimum wage legislation for the garment sector as well as on holding local manufacturers accountable for the implementation of labour laws. In case of labour rights violations in a factory, illegal closures or other complaints of workers, the union tries to use the labour department and the court machinery for redress<sup>78</sup>. If these local instruments are not working, GATWU takes the issue to the respective buyer of the factory, and if even that does not work, the union contacts international pressure groups such as the Clean Clothes Campaign (CCC) or the Worker's Rights Consortium (WRC). In this context, the former vice-president of the union considers cooperation with international pressure groups and direct contact to brands to be *"very, very important. Without the international cooperation, we can't do anything"*.<sup>79</sup> The following cases illustrate the use of international leverages in the union's organising strategy.

### **The case of Fibre & Fabrics International and Jeans Knit Pvt. Ltd.**

In 2005, the Indian non-governmental organisation "Civil Initiatives in Development and Peace" (Cividep)<sup>80</sup>, which was cooperating with GATWU at that time, received complaints from workers working in the different units of the garment company "Fibre & Fabrics International" (FFI) and its subsidiary "Jeans Knit Pvt. Ltd" (JKPL), about abusive working conditions in the factory. Employing a total of 5.500 employees, FFI/JKPL supplied to a number of international brands, including G-Star as a major buyer.<sup>81</sup> Following interviews with workers of FFI/JKPL which revealed severe labour rights violations in March 2006, GATWU sent several letters to the management requesting them to address the problem. Since the management did not react, GATWU contacted the India Committee of the Netherlands (ICN)<sup>82</sup> and the international CCC who subsequently initiated a fact-finding mission<sup>83</sup> in Bangalore which confirmed the violation of labour rights in the respective factory. Since the management did not react, the CCC and

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<sup>78</sup> See Hill, Elizabeth – 2009: The Indian Industrial Relations System: Struggling to Address the Dynamics of a Globalizing Economy, in: Journal of Industrial Relations vol. 51, no. 3, pp. 395 – 410 for an overview on the Indian Industrial relations machinery.

<sup>79</sup> Interview Jayaram / Pratibha 2013: p. 24.

<sup>80</sup> Cividep is a Bangalore-based non-governmental organisation working on labour rights and on holding corporations accountable for their impact on society and the environment (Cividep 2013).

<sup>81</sup> OECD Watch 2013.

<sup>82</sup> The ICN is a dutch-based non-governmental organisation working for the uplifting of deprived groups in India and for the improvement of working conditions in the global garment and sports shoe industry.

<sup>83</sup> The fact-finding committee consisted "of representatives of various social, human rights and women's rights organisations, and social activists" (Lambooi 2010: p. 441).

ICN started an international campaign against G-Star in June 2006, asking the corporation to ensure the end of labour rights violations in the factories of its supplier FFI/JKPL. Subsequently, the two international pressure groups filed a complaint with the Karnataka Department of Labour.

Claiming that the allegations of labour rights violations were false, FFI/JKPL obtained an *ex-parte* injunction order from the Civil Court in Bangalore against members of GATWU, Cividep, NTUI, Munnade, and the CCC Taskforce Tamil Nadu.<sup>84</sup> The injunction order prohibited the concerned individuals from spreading information about the situation in the FFI/JKPL factory. Following continuing international campaigning of CCC, ICN and other international non-governmental organisations on this topic, FFI/JKPL initiated a court case before the Bangalore Magistrate Court for criminal defamation, which resulted in an arrest warrant against members of the CCC and ICN in 2007. As the situation seemed to escalate, G-star cancelled its contract with FFI/JKPL in the end of 2007, which risked leading to a bankruptcy of the latter leaving thousands of workers unemployed.

Criticising this cut-and-run approach, the CCC and ICN continued international campaigning which led to considerable involvement of political actors, including the Dutch parliament, the Dutch cabinet and the EU commission. Finally, the case was resolved through the mediation of the former Dutch Prime Minister Ruud Lubbers in 2008, including the installation of an independent ombudsman for monitoring working conditions in the factory and receiving future complaints, the reinstatement of buying relationships between G-Star and FFI/JKPL, the withdrawal of all court cases and the end of all campaigning activities of the international pressure groups and GATWU on the subject. According to GATWU, the FFI/JKPL case has led to the establishment of strong contacts of the union to international pressure groups and to a strengthening of the unions' position vis-à-vis local manufacturers.

### **The case of Texport Overseas**

In 2006, GATWU also encountered major problems in the factory Shalini Creations, a unit of "Texport Overseas" which was a major supplier to the international brand GAP employing a total of over 10.000 workers in the city. In this production unit, there were strong anti-union policies, which led to the dismissal of the then General Secretary of GATWU in 2006. This happened at the same time when the FFI/JKPL case was going on and when the FFI/JKPL obtained an injunction order from the local court to silence GATWU, the management of Texport Overseas followed that example and also requested an injunction order from the local court against GATWU. Subsequently, in early 2007 the situation was aggravated when a pregnant worker of Texport Overseas was forced to deliver outside the factory gates as she was delayed permission to leave the workplace even after severe labour pains started, resulting

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<sup>84</sup> Lambooj 2010: p. 442.



in the death of the baby. Following this, GATWU protested directly to the management of GAP who, fearing similar international campaigning as in the ongoing FFI/JKPL case, took immediate action. A representative of GAP was sent to Bangalore to talk both to the Texport Management and GATWU, along with a representative from the then International Textile Garment and Leather Workers' Federation (ITGLWF).<sup>85</sup> As a result, the injunction order was withdrawn, the pregnant worker received a compensation of Rs.150,000 and an agreement was reached that the retrenched general-secretary of GATWU would not be re-instated but would be paid by the management to do union work for GATWU. Ever since that incident, the Texport management has become much more cooperative and is eager to solve any labour disputes directly with GATWU. After the election of a new General Secretary in 2011, GATWU obtained a written permission from the management exempting its new General Secretary for seven days per month do to union work.

### **The case of payment of Dearness Allowance**

Finally, a last example of effective use of the international leverage is noteworthy. In India, the Minimum Wages Act provides for the monthly payment of a "Dearness Allowance" (DA), which is supposed to compensate workers for the wage loss resulting from inflation. The payment of DA is only mandatory for workers who work at the minimum wage level. However, in Bangalore, there is a large fraction of workers who earn beyond the minimum wage but who are still far away from a living wage; these workers are not paid a Dearness Allowance. Demanding the payment of DA to all workers in face of the extremely low wage level and inflation, GATWU pressurised first the local manufacturers and subsequently the related international brands (GAP and H&M) in 2012. As a result, many of the manufacturers started paying DA to all their workers, covering an estimated 100,000 garment workers in the city.

In addition to the cases outlined above, GATWU has used pressure on international brands in a number of other cases and is planning to intensify this strategy in the future, for example in the context of projected campaigns against workplace harassment and excessive production targets. Furthermore, GATWU is one of the founding members of the Asian Floor Wage Campaign, which works towards a common 'floor wage' for garment workers in Asia in order to combat the corporate threat of relocation. In general international leverages were emphasised by GATWU representatives as an extremely important tool of organising. In this regard, the vice-president of GATWU stated: *"We should not work with only local manufacturers, it will not work. We should not work with only the state for higher wages, it would*

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<sup>85</sup> Today, the ITGLWF (the global union for the textile industry) is part of the IndustriAll, a new Global Union which emerged from fusion of the International Metalworkers' Federation (IMF), International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) ITGLWF in 2012.

*not work. Because all the things [are] in the brands hand. If we don't go to the brand, there is not so much success in our work.”<sup>86</sup>*

As the basis for using the international leverage, GATWU has carried out a detailed brand mapping, which allows them to identify which local manufacturer is supplying to which international brand. In all of the cases summarised above, GATWU has successfully used international pressure, either directly on the brands or via international networks, to enforce the implementation of labour rights in the factories of local suppliers of international brands. In case of the Texport incident, the use of this leverage has fundamentally shifted the managements' attitude towards the union and has contributed to its support to the union's human resources through the exemption of the general-secretary for union work. Looking at the cases described by the unions, international pressure seems to have contributed considerably to enlarging the unions' bargaining power and organising capacity on the ground.

## **2. GAFWU: Organising garment workers in Chennai<sup>87</sup>**

### **2.1. The garment industry in Chennai**

According to the representatives of the “Garment and Fashion Worker’s Union” (GAFWU) in Chennai, the garment industry in the “Greater Chennai Region” (GCR) employs an estimated workforce of around 350.000 workers. Garment production is spread out over three large “Special Economic Zones” (SEZ) and another eight pockets where garment factories are located. Access to the SEZ is strongly restricted, which makes organising in the SEZ a very difficult task. In addition to that, most of the workers live in far-flung villages around Chennai, which makes it difficult for GAFWU activists to reach out to workers. Many of the workers depend on daily bus transportation provided by the garment factory itself. This is used as a means of controlling the workforce, by cutting transportation from a particular village if workers from that village start to unionize or as a way of pausing employment for a few days in order to circumvent labour laws which become applicable after 240 days of continuous employment.<sup>88</sup> Similar to the situation in Bangalore, the majority of workers are women, most of them being young and unmarried. The main concern of garment workers in Chennai is the extremely low wage level, with the state of Tamil Nadu having the lowest Minimum Wage level from all over India with currently Rs. 124 (1,62 €) per day for unskilled workers.<sup>89</sup> In addition to that, many workers do not adequately or not at all receive

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<sup>86</sup> Interview Jayaram / Pratibha 2013: p. 23

<sup>87</sup> This chapter is based on extensive interviews with trade union representatives from GAFWU in April 2013 (Interview Mody / Sukumar 2013; Interview Mody 2013).

<sup>88</sup> According to Indian labour law, workers in establishments with more than 9 or 19 workers (depending on the use of power in the establishment) are eligible for a number of benefits such as paid leave, gratuity and bonus after completing 240 days of continuous work for one employer.

<sup>89</sup> Mody 2012: p. 4; conversion as per exchange rate on 11.06.2013.

statutory social security benefits such as “Employees State Insurance” (ESI) and “Provident Fund” (PF), and there is a lack of ESI dispensaries in many areas.<sup>90</sup> Harassment at the workplace, as well as sexual harassment, is another major problem, as well as huge amounts of forced and often unpaid overtime leading to routine working days of up to 10 hours per day. If workers unionise, they become subject to all kinds of harassment by the management, ranging from public humiliation on the shopfloor to being shifted to faulty machines so that workers cannot reach production targets or forceful resignation. Moreover, over the last few years, an increasing number of production processes have been outsourced to contract workers: those are workers who are not directly employed by the manufacturer, but by a contractor.<sup>91</sup> According to GAFWU, only 60 % of garment workers are directly employed by the manufacturers, whereas 40% are contract workers. For contract workers, the working conditions are even worse, as they often do not receive any social security benefits (health or pension schemes), nor do they receive any proof of employment or payslips.<sup>92</sup>

## **2.2. The Garment and Fashion Workers Union (GAFWU)**

The Garment and Fashion Workers Union (GAFWU) in Chennai emerged out of the mobilising work of its partner organization organisation *Penn Thozhilalargal Sangam* (PTS), a trade union for stone quarry workers<sup>93</sup>, domestic workers and self-employed women in the informal sector which was founded in 2001. Catering to a membership of around 17,000 members today in the Greater Chennai Region, PTS supports informal women workers in dealing with problems such as domestic violence and pressurises the government to provide proper housing, sanitation and drinking water in the communities. Realising the increasing importance of the garment industry in the city, PTS organised a city-wide campaign with distribution of pamphlets on labour rights for garment workers in 2009. Many garment workers responded to that appeal, which led to the founding of GAFWU in 2009 and its registration as a trade union in 2010. Until today, PTS and GAFWU are intrinsically linked, with the president of GAFWU being also the head of PTS and both organisations working hand in hand to support garment workers in the factories and informal women workers in the sector mentioned above. Both PTS and GAFWU are headquartered

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<sup>90</sup> ESI is a statutory contribution-based medical insurance and sickness benefit scheme for workers. Under this scheme, employers are mandated to deduct 1.75 % from the workers’ wages and add an employer’s contribution of 4,5% of wages which will together be deposited at the ESI department of the government. Under ESI, workers are eligible for sickness benefits and a number of other health benefits as well as medical treatment for themselves and their dependants at ESI hospitals and dispensaries set up by the government (Employees’ State Insurance Corporation 2011). PF is a mandatory retirement saving scheme under which the worker and the employer contribute both 12 % to a fund administered by the government (Society for Labour and Development 2012: p. 35).

<sup>91</sup> See Article 2 (b) of the Contract Labour (Regulation and Abolition) Act, 1970.

<sup>92</sup> Legally, if there are more than 20 contract workers employed in an establishment or employed by a contractor, the contract workers are eligible for all benefits provided for regular workers including minimum wages, social security benefits and payment of bonus (Society for Labour and Development 2012: pp. 8, 11). However, in practice many contract workers are not receiving these benefits.

<sup>93</sup> Stone quarry workers are workers who crackle stones into smaller pieces to be used in the construction sector.

in the same office in central Chennai, with PTS having five branch offices and GAFWU having one branch office in the Greater Chennai Region. Funded by an annual membership fee and project-based funding from international development agencies, PTS employs seven full-time organisers. GAFWU employs two full-time organizers and is funded through an annual membership fee Rs. 120, support from the NTUI and voluntary donations from members after successful court cases or settlements. The union brings together around 1.000 members and six shop floor union leaders in different factories who are reaching out to workers at the factory level. The large majority of GAFWU members are directly employed by the manufacturers; only very few contract workers are union members. This is linked to the fact that GAFWU finds it difficult enough to organise 'permanent' workers who in practice hardly have any employment security; for contract workers, the risk of being fired for any unionization attempt is even higher.

### **2.3. Organising strategies of GAFWU**

Similar to GATWU in Bangalore, integrated factory and community organising plays a central role in the organising strategy of GAFWU. Due to the wide geographical dispersion of garment workers over the Greater Chennai Region, the work of PTS activists and its members is indispensable for GAFWU in order to identify and reach out to the garment workers in the villages. Patriarchal family structures make it difficult to organise these women, since in many cases the family does not allow them to join trade union meetings after work or to engage with the trade union in general. Here again, PTS plays a pivotal role in talking to the families and gaining their trust, in order to enable the garment workers to come to meetings of GAFWU. By working hand in hand, GAFWU and PTS can offer a platform to treat both social and work-related problems of workers. In that sense, the close cooperation with PTS is a central strategy of GAFWU to reach out and gain the trust of garment workers.

In terms of local organising strategies, GAFWU has a strong focus on educating workers about their rights via pamphleteering and training programs, for example on the right to access the health insurance and pensions schemes. Furthermore, the union uses the local state machinery such as the labour department and the provident fund department as well as sit-ins in and outside factories to pressurise the management towards implementation of workers' rights. A major success of this strategy was a settlement of over Rs. 70.000 for 115 workers who had not been paid their pensions for 4 years prior to the illegal closure of the factory in 2011-2012.

In contrast to GATWU in Bangalore, which uses international leverages as a major tool of the organising strategy, GAFWU in Chennai hardly uses international pressure as part of its organising strategy. It was used only in one case in 2010, in order to protest against the harassment of union members in Celebrities Fashion, a supplier of the US-American brand Timberland. Following intense victimisation of

GAFWU union members in the factory, GAFWU filed a complaint to the Workers' Rights Consortium who then pressurised Timberland to rectify the situation. As a result, Timberland carried out a special audit in cooperation with WRC and one of the union members who had been dismissed and physically assaulted for her union activities was re-instated and received compensation for the wage loss endured after dismissal. Following this incident, the management of Celebrities Fashion reduced the victimisation of union members, which enabled GAFWU to establish a strong team of core union activists in that factory.

### **The struggle for a higher minimum wage: difficulties in building international links**

Minimum wages for the garment sector in Tamil Nadu are the lowest as compared to all other states in India: while the minimum wage for unskilled workers in other states ranges between Rs. 256 (Delhi) and Rs. 165. (Uttar Pradesh)<sup>94</sup>, it is only Rs. 124 per day in Chennai<sup>95</sup>. According to the Minimum Wages Act 1948, the minimum wages for each sector need to be revised by the state governments every 3-5 years. However, in Tamil Nadu the minimum wage has not been revised since 2004: a group of over 30 employers had obtained an interim stay order on the minimum wage notification, arguing that a further hike of minimum wages would threaten their competitiveness on the world market. After unsuccessfully petitioning the Commissioner of Labour to ensure the lifting of the interim stay, GAFWU filed case in 2010 at the High Court of Madras demanding the lifting of the interim stay order. This was finally achieved in June 2012, when the High Court of Madras dismissed all the petitions of the employers and lifted the stay order. Complementing the court case, GAFWU started a joint "*Fair Wage Campaign*" in May 2012 together with PTS, calling on the state government for a new minimum wage notification for the garment sector and the fixing of a minimum wage for domestic workers.<sup>96</sup> Pressurising the state government for a new minimum wage notification and working towards the lifting of the stay order on the current minimum wage notification is thus a major element of GAFWU's local organising strategy. However, the president of GAFWU expressed major difficulties in linking up with international campaigns while pressurising the state to ensure the lifting of the stay order and the issuing of a new minimum notification for Tamil Nadu:

*"The minimum wages are not only fixed for Chennai, it is fixed for Tirupur, it is fixed for the whole of Tamil Nadu. So my question is what were the NGOs and the trade unions in Tamil Nadu doing on the issue of minimum wages. Including what were the campaigns which support these NGOs doing? [...]"*

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<sup>94</sup> The Hindu (05.04.2012).

<sup>95</sup> Mody 2012: p. 3.

<sup>96</sup> NTUI News 13.06.2012.

*When they are talking of living wage campaigns and all these kind of issues. Because when we went to the government in 2009 to request for revising the petition, what were they doing?*<sup>97</sup>

In sum, it seems that overall international leverages play a much more limited role in the organising strategy of GAFWU as compared to GATWU in Bangalore; as shown above, international pressure has been used only once to counter the victimisation of GAFWU members in a factory supplying to the international brand Timberland. Asked about the reason for this comparatively little use of international leverages, the president of GAWU explained that there is both a lack of personal contacts to international pressure groups, but also a lack of human resources to *“regularly deal with the international campaign part”*.<sup>98</sup> For example, GAFWU has not been able to conduct a brand mapping of Chennai in order to identify the international buyers of the major garment producing units in the city, which the union’s president perceives as *“one of the weaknesses”*.<sup>99</sup> Another reason for the union’s difficulty in using international leverages could be the strong focus on the state: a major element of the union’s local organising strategy has been the pressure for a higher minimum wage in Tamil Nadu, a topic which according to the union’s president has been sidelined by international pressure groups. In that sense it seems that linking up with international advocacy networks to support local organising strategies seems to be more difficult for a local union if the addressee of the strategy is the state, as in the case of the minimum wage campaign presented above. This difficulty in using international pressure for a state-oriented organising strategy such as the Minimum Wage Campaign of GAFWU exposes an important rupture in the context of linking local and international organising strategies to ensure worker’s rights in global supply chains. Considering the free global movement of capital while labour is largely nationally bound, it raises the more general question of the feasibility of using international pressure to hold local states accountable for their role in protecting labour rights. After taking in the perspectives of GAWU representatives in this regard, this aspect will be discussed further in the conclusion of the paper.

### **3. GAWU: Organising garment workers in Gurgaon<sup>100</sup>**

#### **3.1. The garment industry in Gurgaon**

Situated in the North Indian state of Haryana, Gurgaon is the main production centre of garments in the National Capital Region. Since almost the entire garment workforce consists of officially uncounted migrant workers from other states and neighbouring countries, it is impossible to determine their exact

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<sup>97</sup> Interview Mody 2013: p. 6.

<sup>98</sup> Interview Mody / Sukumar 2013: p. 22.

<sup>99</sup> Interview Mody / Sukumar 2013: p. 4.

<sup>100</sup> The information in this chapter is based on interviews with a representative and a legal advisor of GAWU in May 2013 in Delhi (Interview Bhattacharjee; Interview Barnwal 2013).

number in the city. It is estimated that a large portion of the two to three million migrant workers in Gurgaon are employed in the garment industry. The fact that most workers are migrant workers aggravates their living conditions, since most of them are not accounted for by the local authorities: unable to access local government services, they are often fearful to complain to the state authorities about labour right abuses. Labour right violations in the industry are rampant, ranging from illegal termination (often for attempts of raising the voice against management or attempting to organise), to verbal and physical abuse, forced unpaid leave, and illegal and unpaid overtime. Over 90% of the garment workers are contract workers. The wage difference between permanent workers and contract workers is marginal, but contract labour is used as an instrument to avoid the payment of social security benefits to workers and to enforce unpaid overtime.<sup>101</sup> Furthermore, the increasing use of contract labour is used as a means to prevent unionisation. Especially contract workers are threatened harshly by the contractors to suppress organising, using "*death threats, physical violence, abduction and even killing to break unions*".<sup>102</sup> Additionally, many factories employ so-called *goons* (local thugs) to control any attempt of workers to organise. However, both contract and 'permanent' workers are under the consistent threat of termination: "*if you unionise today, tomorrow you can be thrown out*".<sup>103</sup> The extremely repressive environment in terms of freedom of association is also expressed by the fact that there is not one single registered trade union in the garment sector in Gurgaon.<sup>104</sup>

### **3.2. The Garment and Allied Workers Union (GAWU)**

The history of the Garment and Allied Workers Union (GAWU) needs to be seen in the context of its organic cooperation with the non-governmental organisation "Society for Labour and Development" (SLD) and the worker's platform "Mazdoor Ekta Manch" (MEM) which are based in Delhi and Gurgaon respectively. The Society for Labour and Development is a grassroots-oriented labour rights organisation founded in 2006 to improve the living and working conditions of workers and marginalised groups in the National Capital Region.<sup>105</sup> It is associated to the NTUI as a non-union organisation. In 2008, SLD initiated the founding of MEM, a platform of workers in Gurgaon aimed improving the conditions of workers from different sectors at work and in the community. MEM unites trade unions from different sectors as well as community organisations in the form of a "*labour and community alliance, where la-*

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<sup>101</sup> See also Society for Labour and Development 2012 for a variety of mechanisms used by factory owners and contractors to escape the legal purview of the Contract Labour Act.

<sup>102</sup> Maher 2010: p. 14.

<sup>103</sup> Interview Bhattacharjee 2013: p. 2.

<sup>104</sup> Registration refers to the process of achieving recognition by the state government under the Trade Unions Act (Interview Barnwal 2013: p. 1).

<sup>105</sup> Society for Labour and Development 2013.

*bour and community organisations have a space together*".<sup>106</sup> In this way it also functions as a "soft entity"<sup>107</sup> to reach out to workers in the context of the extremely union-hostile environment in Gurgaon which sometimes makes it difficult to approach workers directly in the name of a trade union. Following an initiative of garment workers in Gurgaon, the Garment and Allied Workers Union was founded in 2008 with the support of MEM and SLD. Both MEM and GAWU are headquartered in the same office in Gurgaon, with GAWU being funded by an annual membership fee of Rs. 60, individual donations and worker's contributions for successful legal cases and settlements. The union has a membership of 5,500 garment workers in Gurgaon and works in around 15 factories. In terms of human resources it relies on the support of the treasurer, the president and a legal adviser as paid 'staff-members', whereas it has around 150 shopfloor unionists who organise as volunteers.

### **3.3. Organising strategies of GAWU**

Similar to the organising strategies of the union in Bangalore, the close cooperation with Mazdoor Ekta Manch is a crucial element of GAWU's strategy for approaching workers on the ground. With the help of a weekly 'legal clinic' - a free offer of legal assistance for workers at the MEM/GAWU office, cultural and community activities and counselling on social problems, MEM helps to build contact to workers and refer them to GAWU. Hence, the unions' organising strategy on the ground is characterised by an intense cooperation with other community organizations and the tackling of workers' problems both at the factory and at the community level. In addition to that, MEM and GAWU organizers approach workers at the factory gates to enquire about their problems in the factory and call for meetings in the union office. Subsequently, the workers complaints are collected, and if the worker agrees to become a member of GAWU, GAWU files a complaint to the labour department about the respective problem. In that process it happens regularly that union members are terminated if the factory management finds out about the unionisation and the workers' complaint. Here, the legal advisor of GAWU explicitly mentioned the use of international pressure as a counter-strategy for the victimization of union members: "*So if there is any termination, then we write to CCC and international buyers*".<sup>108</sup> He furthermore described the use of international pressure as the main factor for the success of GAWU in the union-hostile environment in Gurgaon: "*Actually, we have to say we are very exceptional that we are getting so much success...because it is very difficult to work in Gurgaon as a trade union [...] because first of all there is no union. Second one is state and corporate lobby is totally against us*".<sup>109</sup> Asked about the reasons for

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<sup>106</sup> Ibid. MEM unites four trade unions (GAWU, a domestic, metal and construction workers' union) and three community organizations and groups (a cultural organisation, a children's education programme and a women empowerment programme supported by SLD).

<sup>107</sup> Interview Barnwal 2013: p. 1

<sup>108</sup> Interview Barnwal 2013: p. 8.

<sup>109</sup> Interview Barnwal 2013: p. 12.



that success, he stated: *"Actually I think international pressure has played very important role; because most of the other unions don't have international connection. We are using that so much"*.<sup>110</sup> Similar to GATWU in Bangalore, GAWU has used the cooperation with international campaigns and organisations and the direct contact to international buyers mainly as a leverage to improve working conditions and reduce the victimization of union members in individual factories. Looking back on a variety of such cases, GAWU has experienced both successes and failures, which is illustrated by the following two cases of Modelama Exports and Viva Global. In addition to the focus on manufacturers and buyers, GAWU has also integrated the international level into an organising strategy targeting the Indian state authorities, as illustrated by the 'Wage Theft Campaign' presented last.

### **Modelama Exports: Re-instatement of union leaders**

Modelama Exports is one of the biggest garment companies in Gurgaon which produces in 15 factories spread over different parts of the city and supplies to the US-American brands "GAP" and "NEXT". In three units of the company, GAWU has around 200 union members, who with the help of GAWU formed a factory union ("Modelama Worker's Union") in 2012 in order to improve the notoriously bad working conditions in the factories. During the process of registering the factory union at the labour department of the state, the documents with the names of union members leaked to the company management. As a result, in beginning of 2013 the management terminated 14 union members (in the form of forceful resignation) and transferred another three union members to distant factories in order to prevent them from organising further.<sup>111</sup> In response to that, GAWU held a protest sit-in (dharna) in front of the factory to demand for re-instatement of workers and recognition of factory union. At the same time, the union contacted the management of GAP and Next to take action against the victimisation of union members in Modelama Exports, as well as the CCC and the United Workers Congress (UWC), a grassroots-oriented US-American network of organizations representing marginalised workers in the United States.<sup>112</sup> The UWC supported the struggle of GAWU by sending a 'Human Rights Delegation' to Gurgaon which published a report on the victimisation of union leaders in Modelama Exports and by protesting in front of GAP and NEXT stores in the US to raise awareness about the situation. Faced with the concerted pressure of GAWU, the CCC, and the UWC, GAP and NEXT responded by sending representatives to Gurgaon to talk to the management of Modelama and to GAWU. While the management of Modelama initially refused to talk to the union, the situation changed after integrating the international level:

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<sup>110</sup> Ibid.

<sup>111</sup> United Workers Congress 2013: p. 2.

<sup>112</sup> United Workers Congress 2013a.

*"And situation is that he [the managing director of Modelama Exports] cannot even agree to talk with union, recognition is another thing. [...] but when CCC pressurized GAP and NEXT, and GAP and NEXT were calling them, then they themselves came to table, and they were even talking with workers in very polite manner [...]".<sup>113</sup>*

After several rounds of meetings between the management of Modelama Exports, GAWU and the representatives of the two buyers, the management agreed to re-instate the terminated union leaders along with providing back wages whereas the transfer of union members was not revoked. In sum, although not all demands were met, the use of international leverages has contributed to strengthen the union's standing towards the management and achieve the re-instatement of union leaders.

### **Viva Global: 'cut and run' of the international buyer but a lasting impact on the industry**

Another major struggle which involved the international actors is the case of the company Viva Global which started in 2010. The Gurgaon-based garment producer Viva Global was a major supplier to the British retailer Marks & Spencer (M&S) and employed around 500 workers, out of which around 200 workers were members of GAWU. In order to support workers' demands to rectify labour rights violations and increase wages according to the new minimum wage notification in Haryana, GAWU started campaigning on the issue, contacting the management and the labour department as well as the CCC to improve the situation. While the management was initially responsive and fulfilled the workers' demands for a wage increment, it subsequently started dismissing workers one after the other, finally dismissing all contract workers in August 2010. This reduced the total workforce in the factory to around 150 workers. When the workers, including the remaining 'permanent' workers started to protest against the dismissals, they were locked out from the factory. Despite an agreement reached in the conciliation process at the labour department that the locked-out workers would be reinstated, the workers were severely harassed and beaten by goons when they wanted to enter the factory to resume work, and one worker was abducted. Again, the abducted worker was severely beaten and threatened to be killed, before he was released. In response to that, GAWU and its international partners intensified their campaigning against Viva Global and its buyer M&S. This included a hunger strike by GAWU's president and protest actions in front of M&S stores in London which lead to a strong coverage of the case in international media. In September 2010, M&S announced the cancellation of all orders from Viva Global, claiming that this decision was purely based on commercial reasons.<sup>114</sup> This reaction of cancelling the order with the supplier in response to international pressure is often referred to as 'cut and run' of international

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<sup>113</sup> Interview Barnwal 2013: p. 8.

<sup>114</sup> Chamberlain 2010.

buyers. Since M&S had been the major buyer of Viva Global representing 90-95% of the orders, Viva Global finally ceased production.

While GAWU continues until today to fight for the wages of around 100 of the locked-out workers at the High Court of Chandigarh, this case shows the complexity of the outcomes of international campaigning. On the one hand, the closure of the factory represents a considerable loss of employment opportunities for garment workers in Gurgaon. On the other hand, as shown above, the majority of workers had been terminated before the main struggle and the cancelling of orders from M&S. Furthermore, the President of GAWU emphasised that the case of Viva Global needs to be seen from a larger perspective: *"The whole opening up of the issue [of working conditions] in Gurgaon, other managements are scared that Viva Global issue is not repeated. They tell us 'we don't want you to shut us down like you shut down Viva Global'. [...] it had a huge impact in the area".*<sup>115</sup>

So on the one hand, 'cutting and running' of buyers potentially leading to the closure of the supplier's factory remains a permanent risk of using international pressure and may at first sight be judged as an overall failure of the case. On the other hand, however, an enquiry into the grassroots union perspective reveals the importance of larger achievements in terms of a considerable increase of bargaining power for the local union.

### **Using international pressure to target the local state: a careful approach**

Similar to GATWU in Bangalore, GAWU has also used international leverages predominantly in cases targeting local manufacturers and related buyers. However, according to the union's president, letters from international campaigns were also used sporadically to pressurise the labour department. Here again, the aspect of building bargaining power and strength through international leverages was emphasised: *"The labour department knows how far we can go, so they don't want to push us there. They don't want to hear from international people".*<sup>116</sup>

Another organising strategy of GAWU which integrates both local and international instruments while targeting the state is the campaign against wage theft called "Vetan chori band karo"<sup>117</sup> which was started in cooperation with the worker's platform Mazdoor Ekta Manch in January 2012. Focusing on problems such as non-payment of minimum wages, insufficient payment of overtime work, delayed payment of wages and lacking access of workers to their entitlements of social security funds for health and retirement, the campaign aims at pressurizing both the central government and the state government of Haryana to ensure the implementation of labour laws to prevent these various forms of 'wage theft'. The

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<sup>115</sup> Interview Bhattacharjee 2013: p. 6

<sup>116</sup> Ibid: p. 5.

<sup>117</sup> *Vetan chori band karo* means 'Stop the wage theft' in Hindi.

campaign is based on a variety of elements: complaint letters to the labour department, awareness-raising and a signature campaign among workers, street plays and pamphleteering in front of the factory gates on the topic of 'wage theft' as well as pressure on the Provident Fund Department and on the Employees' State Insurance Fund Department to facilitate the access of workers to their social security entitlements. In order to support the pressure on the Indian state, the campaign furthermore collected 2,100 signatures from local and international consumers and citizens in support of the campaign against wage theft via an online petition addressed to the state and union government.<sup>118</sup> At the local level, this awareness-raising campaign was supported by a photo exhibition portraying the living conditions of garment workers which was installed in a popular mall in Gurgaon to reach out to the local consumers and citizens.<sup>119</sup>

The organising strategies of GAWU are thus combining a strong cooperation with other local organisations and local complaint mechanisms at the labour department with direct contacts to brands and international networks to strengthen their bargaining power at the local level. While international leverages are mostly used to pressurise individual manufacturers via their respective buyers, the union also carefully uses international pressure to target the Indian authorities. However, the president of GAWU also emphasised the complicity of international pressure targeting state institutions: *"Using international pressure to target the state has to be done very carefully, because [...] as citizens we should be able to hold the state accountable, it's an elected government"*.<sup>120</sup> This concern relates to the central question of the feasibility and legitimacy of international labour networks, activists or consumers supporting local unions in targeting the state for an improvement of working conditions or for a higher minimum wage. Raised as a major gap in the linking of local and international organising strategies in the case of GAWU in Chennai, this aspect will be discussed as one of the insights for further reflection in the following concluding discussion.

## V. Conclusion and perspectives

This paper has looked at the question of workers' voices in global supply chains from both a macro-level perspective of governance systems and a micro-level perspective of local and international organising strategies of three 'new' labour unions in the Indian garment sector. Starting out with an analysis of the macro-level of governing worker's rights in global supply chains, it first provided a brief overview over the different systems of governance and the role of unions in the same. Here, the analysis of secondary

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<sup>118</sup> Mazdoor Ekta Manch 2013.

<sup>119</sup> Ibid.

<sup>120</sup> Interview Bhattacharjee 2013: p. 5.

literature has shown that while the number of multi-stakeholder initiatives and bilateral International Framework Agreements between Global Unions and TNCs is growing, the large majority of TNCs are still governing their supply chains via voluntary, unilateral codes of conduct. This corporate-controlled governance system largely excludes local unions and has failed to ensure the implementation of labour rights, especially of freedom of association.

Against this background, the paper then turned to the strategies of three 'new' unions in the Indian garment sector in raising the voice of workers in the global garment supply chain. In the context of the extremely union-hostile garment sector, it first looked at the local organising strategies of the three unions in order to explore why they have been relatively successful in organising garment workers. Here it was found that at the local level, all three unions employ community organising and mobilizing around the wider needs of workers as citizens and residents as a central tool, as well as strong networking with other local organisations. In the case of GAFWU in Chennai, this is done via a symbiotic relationship with Penn Thozhilalargal Sangam, the women's trade union for informal sector workers, whereas GATWU in Bangalore works closely with its partner organisation Garment Mahila Karmikara Munnade, a women's organisation focusing on domestic and community problems of women. Given the fact that the large majority of garment workers in Chennai and Bangalore are women, these two unions and their partner organisations strongly focus on the particular needs of women. It is an approach which is rather uncommon as compared to the traditional male-dominated unionism in India which has historically rather neglected the needs of women workers.<sup>121</sup> Since the majority of workers in Gurgaon are men, GAWU focuses less on women's issues. However, it has a similar strong focus on community organising by cooperating closely with the worker's platform "Mazdoor Ekta Manch" which unites cultural and community organizations and has been central in building the trust of workers and building a bridge to GAWU. Based on these findings it can be concluded that for these unions a combination of tackling issues together with community issues and cooperation with other civil society organizations is a central element of a successful local organising strategy in the union-hostile Indian garment sector. This is an interesting finding in the context of the discussion on *social movement unionism* or *strategic unionism* as a possible avenue for trade union revitalization in an era of precarisation and globalisation. Social movement unionism is based on the idea of seeing the worker not only in the identity as a worker, but also as a citizen, woman, migrant etc. by mobilizing around topics of broader concern for society. Strong alliance-building with other civil society organisations and an inclusive notion of solidarity towards non-union members are the building blocks of this type of unionism which emerged in countries of the Global

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<sup>121</sup> Bhomwik 2012: pp. 122- 129; Sankaran / Madhav 2011: pp. 14, 18-19.

South with a high degree of union repression.<sup>122</sup> The strategies of the three garment unions analysed in this paper reflect the aspects of alliance-building and tackling of community issues, which builds a bridge to the growing number of trade unions in other parts of the world which apply elements of social movement unionism in the context of an increasing precarisation of the workforce and erosion of traditional union strongholds.

Looking at the chances for local trade unions in integrating local and international organising strategies in the global garment supply chain, it was found that in a number of cases, the three unions have successfully used the cooperation with international labour rights networks and multi-stakeholder-initiatives such as the Clean Clothes Campaign and the Worker's Rights Consortium as a tool to increase their bargaining power and organising capacity on the ground: this was the case for the supplier of Timberland in Chennai (Celebrities' Fashion), for the suppliers of G-Star (FFI/JKPL) and GAP in Bangalore and the supplier of GAP in Gurgaon (Modelama Exports). By building global labour networks with other civil society actors as a counterpart to corporate-controlled governance systems, the three unions have in some cases been able to push for the implementation of freedom of association which is otherwise neglected in the corporate-controlled governance of worker's rights in global supply chains. This strategy has brought about sustainable improvement in the respective factories, as the management became aware of the unions' capacity to use this leverage. Noticeably, in all of these cases, the international partners of the three unions were networks of NGOs, students' groups and trade unions (CCC and WRC). Considering these findings it can be argued that for defending freedom of association on the ground in the context of the current governance system, it is required to build new bridges to non-union actors and to overcome the traditional divide between the labour movement and non-governmental organisations. This is not to deny the challenges and problems of union-NGO co-operations, nor is it to suggest that the activism of NGOs and other civil society groups can in any way replace genuine trade union organising on the ground. However, based on the analysis of the successful cases of international cooperation mentioned above, I suggest that it is important to strongly acknowledge the potential of cooperation with non-union organisations and groups, in order to build an effective counter-power to neoliberal pressures of capital and the state.

Looking at the challenges in the use of international leverages, the case of Viva Global in Gurgaon has illustrated once again the risk of a 'cut and run' approach of the international buyer. In some cases pre-

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<sup>122</sup> See for example Hyman 1994; Robinson 2000; Brinkmann et al. 2008.

sented above, such as the one of Modelama Exports in Gurgaon and Texport Overseas in Bangalore, the local management has been very responsive to international pressure which finally enabled an agreement. However, in the case of Viva Global in Gurgaon, the local management showed a high degree of resistance to international pressure and the British buyer Marks & Spencer finally cancelled its orders from the factory. Unlike the case of G-Star which finally resumed its supply relationship with FFI/JKPL in Bangalore in the course of massive international campaigning, the termination of orders was final in the case of Viva Global – Marks & Spencers. This shows that one of the ultimate challenges of using international leverages as an organising strategy is to avoid ‘cutting and running’ of the international buyers in order to maintain production and employment in the factory. An exploration of counter-strategies for this challenge may hence be an interesting aspect for further research and discussions in the context of transnational labour networks.

Finally, the analysis exposed another major challenge in using international leverages to support local organising: the question of targeting the local state as a determinant of working conditions. In most cases, the three unions use international pressure to pressurize individual manufacturers and their international buyers to improve working conditions or stop union busting. In contrast, when it comes to targeting the local state the international leverage is only used to a very limited extent. For the representatives of GAFWU in Chennai, linking up with international pressure groups on its state-oriented campaign for a higher minimum wage is a major challenge in the efforts of linking of local and international organising strategies. As the field research in Chennai showed, the union felt ‘left alone’ by international networks in fighting against the stay order on minimum wages in Tamil Nadu.

On the one hand, as the president of GAWU emphasised, the idea of using international pressure to target the local state is delicate: it poses the question of legitimacy of foreign unionists and other activists to raise such demands, since they are not citizens of the country with democratic rights towards their elected government. On the other hand, in the highly competitive, buyer-driven environment of the global garment industry, governments of garment producing countries are under strong pressure from international buyers to keep the wages low if they want to keep production in their country. Here, the question of democratic legitimacy of a small number of transnational corporations determining state policies such as minimum wage legislation is completely omitted. In a global economic system which treats labour as a mere ‘cost factor’ and allows transnational corporations to indirectly pressurise governments all over the world for ‘low labour costs’, international civil society pressure on governments may therefore be needed as a counter-weight to the pressure and power of transnational corporations.

Tackling this aspect of corporate influence on governments, the Asia Floor Wage demands that “*global buyers insist that Asian governments adjust their garment industry wages to satisfy minimum living wage standards [...]. [They should] furthermore clearly declare that wage increases will not lead to their relocation*<sup>123</sup>”. This is one avenue through which local unions may use international pressure to strengthen their demands towards the state: by using the pressure of international civil society to push buyers to demand better labour legislation and implementation from local governments. Another avenue is the use of international pressure to directly target the local state, as the example of GAWU’s wage theft campaign has shown. However, both avenues are used to a very limited extent in the organising strategies of the three unions, and as the case of GAFWU in Chennai has shown, *realising* this leverage remains a considerable challenge. This is hence an aspect which might deserve stronger attention in the context of transnational labour networks in order to more effectively counter the power of transnational corporations in global supply chains.

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<sup>123</sup> Bhattacharjee and Merk 2011: p. 12.



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## **Interviews**

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- Interview Bhosale – 2013: Interview with Jayaram Bhosale [treasurer of HMS] on 12.12.2013, Geneva.
- Interview Jayaram – 2013: Interview with J.K. Jayaram [legal adviser of GATWU] on 11.04.2013, Bangalore.

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