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India's small workforce

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Observations on child labour



Ineke Zeldenrust may not be able to leave the Netherlands if the decision of an Indian court goes against her. She works at the Clean Clothes Campaign, the Dutch NGO that seeks to end workplace abuses in clothing and sportswear factories around the world.

In late 2005, CCC tried to start talks with Fibres and Fabrics International, an Indian company with a plant in Bangalore, over its workplace conditions. FFI has supplied global brands including Tommy Hilfiger and Ann Taylor.

The dialogue made no progress, and in May 2006, CCC accused FFI of bad labour practices such as high work pressure, unpaid overtime and physical and verbal abuse, although the NGO now acknowledges that many of the bad practices have since stopped. FFI responded by suing

CCC under India's defamation laws. A court in Bangalore is to rule soon as to whether a non-bailable arrest warrant against CCC officials should be issued.

More was to come. During the Dutch queen's recent state visit, India's trade minister, Kamal Nath, raised eyebrows among sticklers for protocol by complaining to the Dutch delegation about CCC. He argued that since the NGO was funded by Dutch taxpayers, the Dutch government was, in effect, subsidising Dutch industries by criticising Indian products.

An association of Indian manufacturers urged Kamal Nath to take this up with the EU as part of India's trade talks with Peter Mandelson, the EU's trade tsar, revealing the siege mentality that afflicts so many Indians when their country's labour standards are questioned. Instead of addressing the problems, India forgets that it is a democracy and seeks to silence the critics.

Many Indians are in denial of the harsh facts: that there are Indian factories that ignore workers' rights to form unions, that force employees to work hours far in excess of those permitted by law, that use corporal punishment and continue to employ children.

In October, the *Observer* revealed that a company supplying blouses to Gap had employed children as young as ten. But Gap of 2007 is not the Gap of the last century: it responded by ending its contract with the company, destroying the stock and promising a "Sweatfree" label in co-operation with local trade unions and NGOs.

Gap's response may do some good, but it does not address the deeper crisis of poverty. As economists Kaushik Basu and Pham Hoang Van have shown, child labour exists not because parents are selfish, but "because of the parents' concern for the household's survival".

Only 8 per cent of India's workforce of 430 million people are in the organised sector where unions may represent them. And within that sector, the proportion who work for companies that supply to multinationals - and hence may come under the gaze of western NGOs - is even smaller. Their campaigns to improve conditions of workers at such factories make the headlines and provide relief to some. But they cannot transform the system.

Indian industry is not in a mood to listen because it is suffering. As the US dollar continues its downward spiral, the rupee, like almost every currency (except manipulated ones such as China's renminbi) has strengthened - from 44 rupees to a dollar at the beginning of the year to 39 this week. The Federation of Indian Export Organisations claims this has already led to four million lost jobs, a number that will rise to eight million by March.

Indian manufacturers will not make changes that increase costs and improving working conditions or employing adults instead of children is more expensive.

But India has to grasp the nettle. What use is the glamour of technology parks in Bangalore, if workers face corporal punishment? How will India build its future if children stitch blouses instead of studying? Rather than hounding Zeldenrust and her colleagues for criticising working conditions, India should oversee the improvement of those conditions.