

## CHAPTER- 2

# GARMENT AND TEXTILE INDUSTRY IN INDIA

### 2.1 Garment Industry

The five year plans, with their massive industrial development programmes, have been greatly instrumental in the expansion and growth of the garment industry in India. In the process, two major sectors evolved in the economy- the domestic and export-oriented sectors. Though the dimensions of growth of both these sectors varied to a great extent, a typical decentralized unorganized market structure, catering to the domestic as well as export markets of the country, has emerged in the metropolitan cities of Delhi, Madras, Bombay ,Bangalore and Calcutta. Gradually, the garment-making activity took its roots in other parts of the country as well.

The manufacturing of apparel has remained a labour intensive industry, offering a great advantage to low wage countries like India. The study by Kathuria and Anjali Bhardwaj (1998)<sup>1</sup> classified garment manufacturing in three stages:

1. Cutting the fabric to patterns, usually done by power-operated cutting machines; making or sewing the garment on sewing machines, either foot-operated or power-operated.
2. Sewing: The most labour-intensive part of the process is the sewing operation.
3. Finishing the garment by trimming, checking for dimensions, washing, ironing and packing.

The apparel sector is structurally a labour intensive, low wage industry with some differences across its market segments. The total apparel market in India

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<sup>1</sup> Kathuria, Sanjay and Bharadwaj, Anjali (1998), 'Export Quotas and Policy Constraints in the Indian Textile and Garment Industries', SASPR, World Bank, New Delhi.

including tailored and ready-made goods is estimated to be US \$ 20 Billion. More than 50 percent of the Indian market is for traditional wear (sari, dhoti, salwar, etc) which does not go into fabrication or is tailored at home. The segment is extremely fragmented with an estimated 40000 domestic manufacturers, 50,000 fabricators (job contractors) and around 1000 manufacturer-exporters. At present in India nearly 90,000 small and big organized manufacturers exist. Fabricators dominate the scene with a share of 70 percent of the estimated manufacturing capacity of 2 million machines. The apparel sector market is around US \$ 9 million of which exports account for more than US \$ 5.2 billion (2003-04)

Garment industry has the maximum potential to leverage India's comparative advantage in labour cost. Low capital requirements & high value additions make this industry an ideal sector for India to focus upon.

Today, not only is the garment export business growing enthusiasm in the minds of the Indian entrepreneurs, foreign buyers is also increasing. India is increasingly being looked upon as major supplier of high quality fashion apparel & Indian apparels have been appreciated in international markets.

### **Profile and Structure of the Industry**

The history of Textile dates back to Mohenjodara Civilization. During 1760 BC, the presence of cotton has been found in this civilization. Reference to dye yielding crop 'Nila is found in 500 BC by grammarian Panini. (Varadarajan, 1999)<sup>2</sup>

It can be said that industrialization in India mainly started with the cotton textile industry. In 1854, Mr. Cowasjee Davar started the first cotton mill in Bombay. The

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<sup>2</sup> Varadarajan, Latika (1999), *Crafts Skills: Textiles and the Cotton Industry- Indian Business Through the Ages*, FICCI, OUP, New Delhi.

early centers of Textile industry were concentrated in the cities of Calcutta, Ahmedabad, Surat and Coimbatore. In spite of the hostile tariff policy and excise duty imposed by the British Indian Government, Indian cotton fabric could get export orders from China and many other countries. The output of Indian mills went up from Rs 10.2 crores in 1909 to Rs. 58.3 crores in 1945. (Rajesh Bheda, 2003)<sup>3</sup>

With the rich textile history, traditional Indian garments have been hand sewn through the home and cottage industry for centuries. Early growth of apparel industry was witnessed in the textile producing cities like Bombay, Ahmedabad, Calcutta, Delhi, Madras, etc., where low price fabric was easily available for production of mainly Kurta, Pajama and other items. During the Second World War, Ordinance clothing factories came in large numbers due to the demand for military uniforms. The Ready to Wear Indian Apparel Industry is relatively new when compared to Western world. In mid 1960's the Western world developed great demand for shirts made out of colorful Indian fabrics popularly known as 'Bleeding Madras' or 'Madras Checks'. This created an early production base of export oriented apparel manufacturing in India. Availability of semi-skilled low wage workforce, low capital intensity of the industry and encouragement by the government made the industry flourish further in 1970's and 1980's.

### **Structure of the Industry**

Structurally, the industry is divided into two sectors: viz. domestic and export sector. The domestic sector operates through merchant entrepreneurs/merchant manufacturers. The export sector, on the other hand, works through merchant exporters, and manufacturer exporters.

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<sup>3</sup> Bheda, Rajesh. (2003), *Managing Productivity in the Apparel Industry*, CBS Publishers, New Delhi.

The merchant entrepreneurs have further been categorized into those having large capital base and are well-organized, and those having low capital base and organize production through home-based women workers.

The merchant manufacturers, on the other hand, are those who have; organized factory type establishment and non-factory type unregistered workshops/household establishments.

However, the merchant exporters and the manufacturer exporters have a well organized set-up, though the former do not have their independent production centres. The linkage of operation of the export sector with the domestic labour market has been observed through the intermediaries, who help in farming out some peripheral jobs to home-based women workers.

The characteristic feature of Indian Apparel industry during 1970's and 1980's were as follows. Northern region (Delhi, Jaipur) was known for fashion apparel with a lot of handwork, small orders, complex styles, light weight fabrics with innovative prints. Ludhiana specialized in woolen knitwear. In Delhi, majority of manufacturers relied on out house fabricators with make-through system of manufacturing and piece-rate payment system. Western region (Bombay, Gujarat), with the advantage of mill made fabrics did a fair mix of fashion apparel and basic shirts. Manufacturing system had a mix of both make through and assembly line. Southern region (Bangalore and Madras) were mainly known for basic products in yarn dyed power loom fabrics with high volume orders. Tirupur specialized in high volume, low cost basic cotton knit products. Bangalore and Madras factories mainly followed assembly line manufacturing with salaried workers.

It was during 1990's that the profile of Indian Apparel Industry underwent a major structural changes. Large export manufacturers set up bigger and better production facilities in their units. Liberalization of the Indian economy facilitated collaboration with international apparel companies and new state-of-the-art factories were set up. In this period, technology up gradation changed the nature of some of the traditional apparel centres. Bangalore and Chennai moved up the value chain by developing capacity in winter jackets, skiwear and bottoms. Mumbai and Bangalore developed substantial manufacturing capacity for branded apparel for the domestic market.

### **Production Process**

The production process in garment industry is generally organized in either of the three patterns, the piece system, the assembly group system and the band system. Under the piece system, the entire garment is stitched by one person and the rates are fixed per piece while in the assembly/group system, groups of workers stitch a particular part and these are attached finally. In the band system of production, the widely prevalent form of production process in the industry under study, every worker stitches one part but the consecutive parts are stitched serially such that it is possible to see the garment taking shape along the production line (Sundaram & Geethakrishnan, 1999)<sup>4</sup>

A series of operations are carried out in the process of production in the industry. The first stage constitutes the receipt of the fabric. It is then checked for its quality where the damaged pieces are returned and replaced. The fabric is then

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<sup>4</sup> Sundaram, D & Geethakrishnan, K C (1999) 'Labour Market Transformation: Issues in Women's Development' in Sethi, Raj Mohini (ed.) *Globalization, Culture and Women's Development*, Rawat Publications, Jaipur.

subject to the cutting process. Once the fabric is cut to the appropriate shape, size and fashion in accordance with the demand in the market, it undergoes a process called panel checking, wherein the loopholes in the cutting process are checked, pointed out and necessary alterations are made. Once the cut fabric undergoes the panel checking process and is passed, it is subject to either printing work or embroidery work or directly channeled to the stitching process where the fabric is stitched/tailored to the required form by the tailors. The fully stitched garment is then subject to a vigorous and final checking process and the ironed after the garment passes the checking section. The ironed garment is then packed and made ready for the market.

### **Global Value Chain (GVC)**

The garment industry is nowadays in the hands of global retailers from the North who manage a global network of suppliers, mostly in low-wage countries in the South. It is an extremely competitive, flexible and highly insecure sector due to constant market fluctuations. The manufacture of garments is largely outsourced to producers in developing countries, which usually function as the suppliers of large garment retailers all over the world. Their position at the bottom of a Global Value Chain (GVC) puts them under high competitive pressure. For local suppliers, meeting labour standards is critical for their global competitiveness. Appalling working conditions may be a consequence, as manufacturers try to decrease labour costs in order to make their products more price competitive. Manufacturers in developing countries argue that if labour costs were to increase, large garment retailers would simply shift their orders to cheaper supply outlets. This is even more likely since the Multi-Fibre Arrangement (MFA) ended in 2005 and there are no longer fixed limits

on the quantity of garments that can be imported from any single country. (Laura Ceresna, 2008)<sup>5</sup>

## **Trends in RMG**

The readymade garment industry in India owes its existence to the emergence of a highly profitable market for exports. In the recent years, however, the domestic demand has also been growing rapidly. Exports of made-ups account for a very large chunk of India's foreign exchange earnings.

The changes in the life style since the onset of the liberalisation era, and given the base of the industry for the overseas market, Indian garments industry has taken big strides. The entry of the Indian and global fashion designers has stimulated the market further. With the rising tailoring costs and relatively low prices of standardized products, the Indian consumer is increasingly taking to ready-mades. In the past, the ready-mades market was confined mainly to baby dresses and small manila-shirts and dress shirts. Now it has extended to trousers, suits, lady dresses and, of course, fashion garments for men and women. Ready-mades of specific brands have become not only status symbol, these have brought a more contemporary style in offices as much as in social circles.

## **2.2 Contribution to the Economy**

### **Trade: Exports and Imports**

The apparel exports from India have increased from US \$ 2.53 Billion to US \$ 5.2 Billion during 1990-2004. During 2003-04, the exports of apparel have reached to

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<sup>5</sup> Ceresna, Laura (2008), *Labour Rights and Working Conditions in the Indian Garment Sector. Motivation and Obstacles of Garment Workers in Bangalore to join a Trade Union*, Master Thesis, University of Amsterdam.

US \$ 5.2 Billion as compared to US \$ 5 Billion in the previous year, registering the growth of 4 percent. The world apparel export is around US \$ 226 Billion and the share of India is 2.58 percent. India ranks at position 6 after China (20.54 percent share). The share of Bangladesh is 2.06 percent.

European Union is largest destination market for exports from India i.e it constitutes 52.04 percent share of our total exports of apparel while US is single largest market with share of 40.16 percent in total exports from India. Besides its non-quota countries (UAE, Japan, Australia, and Switzerland etc.) constitutes 4.16 percent of India's total exports. 52.04 percent of India's export are targeted to EU, UK (588 US \$ mn), France (531.9 US \$ mn), Germany (507.9 US \$ mn) and Italy (214.6 US \$ mn) are key markets in EU for Indian exports in 2003-04. This also indicated India target of exports of apparel is primarily low-end customer and share of value added items contributing more in average UVR (Unit Value Realization) is rather negligible.

The export of apparel from India has increased by 42.8 percent in value terms and 36.51 percent in volume terms. The average UVR has increased by 4.97 percent during 1993 to 2004 period. The percentage increase in most prominent in exports to US where, the exports have increased by 158.70 percent (volume) and 122.95 (value) in last decade. The increase in exports to EU is 81.96 percent (volume) and 56.3 (value) in corresponding period. The exports to non-quota countries have decreased by 9.81 percent (volume) and 19.02 percent (value).

The apparel exports from India primarily consist of Ladies blouses, T-Shirts, Gents shirts followed by Trousers/shorts, Ladies skirts & Jackets/coats, Ladies dresses. These categories account for around 58.4 percent of total export. The exports

in these categories have increased by around 10 percent during 1998-2004). The positive percentage change is notable in Trousers, T-shirts and Jackets, while in all other categories the growth is rather slow. (Joshi, Pradeep,2006)<sup>6</sup>

The exports of the textile industry has reached up to Rs 83,000 crore. Textiles and clothing put together account for 30 percent of the country's export, 4 percent of the GDP, 14 percent of the industrial output and earn 35 percent foreign exchange. (Deccan Herald)<sup>7</sup>.

### **2.3 Garment Industry in Bangalore**

**Bangalore**, also known as **Bengalūru** , is the capital of the Indian state of Karnataka, located on the Deccan Plateau in the south-eastern part of Karnataka. With an estimated population of 5.3 million in 2009, Bangalore is the third most populous city in India and the 28th most populous city in the world. Bangalore was the fastest-growing Indian metropolis after New Delhi between 1991–2001, with a growth rate of 38% during the decade. Residents of Bangalore are referred to as *Bangaloreans* in English or *Bengaloorinavaru* in Kannada, whose native speakers from about 39% of the city's population.

The establishment of the Bangalore Cantonment brought in large numbers of migrants from other parts of the country. The cosmopolitan nature of the city has resulted in the migration of people from other states to Bangalore. Scheduled Castes and Tribes account for 14.3% of the city's population. Apart from Kannada and English, other major languages spoken in the city are Tamil, Telugu and Hindi. According to the 2001 census of India, 79.37% of Bangalore's population is Hindu,

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<sup>6</sup> Joshi, Pradeep (2006), *Apparel and Textile Exports: Strategies for WTO era*. CBS Publishers, New Delhi.

<sup>7</sup> May 22, 2007

roughly the same as the national average. Muslims comprise 13.37% of the population, which again is roughly the same as the national average, while Christians and Jains account for 5.79% and 1.05% of the population, respectively, double that of their national averages. Anglo-Indians also form a substantial group within the city. Women make up 47.5% of Bangalore's population.

Bangalore has the second highest literacy rate (83%) for an Indian metropolis, after Mumbai. Roughly 10% of Bangalore's population lives in slums — a relatively low proportion when compared to other cities in the developing world such as Mumbai (42%) and Nairobi (60%). The 2004 National Crime Records Bureau statistics indicate that Bangalore accounts for 9.2% of the total crimes reported from 35 major cities in India. Delhi and Mumbai accounted for 15.7% and 9.5% respectively.

Bangalore is a major economic centre in India. With an economic growth of 10.3%, Bangalore is the fastest growing major metropolis in India. Additionally, Bangalore is India's fourth largest fast moving consumer goods (FMCG) market. The city is the third largest hub for high net worth individuals and is home to over 10,000 dollar millionaires and about 60,000 super-rich people who have an investable surplus of Rs. 4.5 crore (US\$ 1 million) and Rs. 50 lakh (US\$ 106,500) respectively. As of 2001, Bangalore's share of Rs. 1,660 crore (US\$ 400 million) in Foreign Direct Investment was the fourth highest for an Indian city.

In the 1940, industrial visionaries such as Sir Mirza Ismail and Sir Mokshagundam Visvesvaraya played an important role in the development of Bangalore's strong manufacturing and industrial base. The headquarters of several public sector undertakings such as Hindustan Aeronautics Limited (HAL), National

Aerospace Laboratories (NAL), Bharat Heavy Electricals Limited (BHEL), Bharat Electronics Limited, Bharat Earth Movers Limited (BEML) and Hindustan Machine Tools (HMT) are located in Bangalore. In June 1972 the Indian Space Research Organization (ISRO) was established under the Department of Space and headquartered in the city.

Bangalore is called the *Silicon Valley of India* because of the large number of information technology companies located in the city which contributed 33% of India's Rs. 144,214 crore (US\$ 31 billion) IT exports in 2006-07. Bangalore's IT industry is divided into three main clusters — Software Technology Parks of India (STPI); International Tech Park, Bangalore (ITPB); and Electronics City. UB City, the headquarters of the United Breweries Group, is a high-end commercial zone. Infosys and Wipro, India's second and third largest software companies are headquartered in Bangalore, as are many of the global *SEI-CMM Level 5 Companies*. Bangalore is a hub for biotechnology related industry in India and in the year 2005, around 47% of the 265 biotechnology companies in India were located here; including Biocon, India's largest biotechnology company.

Bangalore is also known as the 'Garment capital' of India. Karnataka, and especially Bangalore hosts many big garment companies. Various industries in Karnataka have always accused the government of giving attention only to IT and BT and not any other industry. The Textile industry has been asking for textile parks on the lines of IT parks. In July 2008 the Karnataka Government proposed to establish 11 Textile Parks to give a boost to textile industry in the State.

The industry, which is largely unorganized, consists of major exporters as well as vendors and fabricators who subcontract work for the larger players. This,

industry sources say, makes it difficult to quantify the number of workers in the industry, although it is estimated that there are at least four lakh workers employed in about 400 units in the city and on its outskirts. Bangalore is hub for more than 2,000 small and big-time textile and apparel industries. The garment industry employees have always been facing problems such as low wages and almost inhuman work conditions. The recession seems have come as the proverbial last straw on the camel's back. Industry sources reveal that, although there were no layoffs, only 75 per cent of the work force was being utilized at any given time. "The remaining workers are laid off in batches but without a wage cut." Of course, the workers lose the variable component of their pay, the portion that rewards their contribution to productivity gains, during the period they are laid off.

The city of Bangalore and adjoining rural areas is by far the fastest growing RMG source with a robust fabric feed from textile centers like Coimbatore, Salem, and Erode. There are about 1800 to 2000 RMG units in Bangalore, and it accounts for 30 percent of the country's apparel export, pegged at Rs 400 billion (\$ 8.5 billion). Some prestigious foreign brands like Adidas, Reebok, Calvin Klein, Marks and Spencer, H&M, and Next have recently established their presence in Bangalore. Wal-mart's sourcing facilities in Bangalore maintain operations worth \$1 Billion, Tesco worth \$ 700 Million, and Marks and Spencer worth \$ 130 million. (The Economic Times, 2006).

Employing approximately 0.75 million workers cyclically and seasonally in the RMG industry, Bangalore at present is clearly the most prominent point on the garment map of India. It is both the leading production city for both the branded and organized domestic retail market, and for export.

There are other stories and case studies about the plight of workers working in the garment industries in Bangalore. Garment industry in Bangalore is represented by the Clothing Manufacturers Association of India and also in most of the Employers' associations and Management associations like FKCCI, CII and other regional associations like Peenya Industries Association, Bommasandra Industries Association etc. Highly paid Management Consultants and senior advocates of the Honorable High Court of Karnataka and Apex court protect the interests of the garment manufacturers at huge costs. However, the workers' associations and trade unions are scattered and have no economic power or the support of leading consultants or advocates to protect their interests or voice their concerns at higher levels of the government or the judiciary. To some extent Alternative Law Forum and their advocates and human and labour rights activists are backing garment workers.

Very often local and national media and press have voiced the concerns and the pitiable working conditions and exploitation of women in the garment industries in Bangalore. Some of the prominent paper clippings are provided in the appendices.

The most important classic example of a case study in this regard is the Violation of the Rights of Workers at washing unit of Fibre and Fabrics International Private Limited (FFI) located at Peenya Industrial Area, Bangalore, which received national and international attention. A Fact finding Committee comprising of human rights activists and social activist and organizations (9 members and some of the organizations they represented included Fedina, Alternative Law Forum, Sthree Jagruthi Samithi, Vimochana, NLSIU, Human Rights Law Network, Open Space) which went into the details of the violations, and after meeting the workers, management and other stake holders came out with their final report/findings.

“It was clear for the fact finding team that the workers were desperate to seek help as they faced physical and verbal abuse, low payments and hazardous work with minimum protection and the danger of losing their job, if they spoke against the ill-treatment. They spoke to us willingly and there were several moments when members of the team felt outraged at the extent of violence against these young men who have left their home and come to the city only to work for their living and to support their families,. It was obvious that at the heart of all their problem was the lack of an organization that could represent their issues and obtain their legitimate entitlements.” (Fact Finding Report, Bangalore, 2005)<sup>i</sup>

The Workers’ Demands as mentioned in the above Fact Finding Report are:

- Stop the atrocities, oppression and exploitation.
- Reduce production targets to a humanly possible level. There must be definite work schedules and unpaid overtime work must be stopped forthwith.
- Workers must not be dismissed at the whim of the management. There must be an established procedure to enquire into misconduct and workers must be given an opportunity to be heard.
- Workers must be issued appointment letters which clearly state the terms of employment.
- Workers must be allowed to form organizations within the factory. This is the only long-term solution to problems as workers organizations can negotiate fair working conditions with the management.
- Ending all forms of verbal and physical abuse of workers and of supervisors by superior officers.

To sum up, garment industry in Bangalore portrays a mixed picture of economic and regional development and also poses threat to the social and physical living of thousands of sweated garment workers, especially women workers and migrant workers.

## **2.4 Characteristics**

There are several characteristics of the garment industry globally or locally whether in the export oriented industries or in factories which produce for domestic market consumers. Academicians and theorists try to reflect such characteristics and try to evolve and construct the gamut of the garment production structures, employment relations and conditions.

- a) The 'New international division of labour' (NIDL) thesis (Froebel, Heinrichs and Kreye, 1980)<sup>8</sup> is one of the most important characteristics that needs elaboration. The concept of New International division of labour has had a strong influence on the way in which women workers in export factories are theorized. This thesis stresses a model of economic globalization in which capital from major First World countries is attracted to production sites in the Third World that are low cost, principally because of the ready availability of very low-paid, acquiescent workers. From this labour pool, it is claimed that employers particularly prefer young unskilled or semi-skilled female workers, as they will work for the lowest wages and endure a higher intensity of work. The research attempts to validate this argument.

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<sup>8</sup> cited by Marilyn Rock, 2001 in Brown, Andrew (ed.) 'Organising Labour in Globalising Asia', Routledge, 2001, Florence)

- b) Textiles and Garments is noteworthy as a sector in which, at least as far as supply chains are concerned, trade unions are at best to be avoided, at worst to be deliberately destroyed. Multinationals, which purport to operate according to their codes of conduct or according to Multi-Stake Holder Initiatives codes of which they are a member, are duly bound to observe the principles of freedom of association and collective bargaining. Although the garment industry is part of the organized sector of the Indian economy it is known for the absence of trade unions and also a lack of collectively bargained agreements on working conditions between management and workers. Although the freedom of association and the right to collective bargaining are provided in the Labour Legislation and are mentioned in voluntary codes of buyers and manufacturers as indicators of enforced labour standards, there are hardly any factory based unions to be found in the garment sector in Bangalore.
- c) Economic and social exploitation of women workers is a notable feature of garment industry operating both in urban and rural Bangalore. Most of the women workers experience all the vulnerabilities of women as a gender and workers as a class. Low wages, pressures of targets, insecure and casual nature of jobs, and lack of confidence as most of them are untrained and unskilled are some of the uncertainties they face at workplace.
- d) Most of the women and men working in the garment industries carry their own social lives in to the workplace. The consequences of unfavourable terms of employment, low wages and inadequate social security on the lives of women garment workers are pervasive. Unable to afford decent housing, most of them live in squatter's colonies or slums, which have scanty civic amenities

like water supply and sanitation. Frequent lay-offs in the factories and sometimes retrenchment compound the experience of insecurity in their lives. Most of the men in their households are also workers in the informal sector and hence many families live on the brink of poverty and deprivation. Desertion of married women is very common and the number of women-headed households is very high.

- e) Verbal and Sexual harassment at Workplace is comparatively high and goes unnoticed or unreported. Supervisor, many of whom are male, take advantage of the vulnerability of women workers. Abusive behavior is very common and workers are penalized for even minor infractions of workplace rules. Anybody who questions such high-handed behavior is either humiliated or even removed from her job. Lack of effective unionisation allows many of the unfair labour practices and abusive behavior of supervisors and managers go unchallenged. Participation in union activities itself often services as sufficient ground for dismissal.
- f) Thousands of garment workers especially women travel long distances from rural Bangalore to factories located in the city and likewise thousands of women workers travel from neighboring states of Tamil Nadu and Andhra Pradesh to the factories located in the border of Rural Bangalore district. Many workers have migrated from Northern Karnataka and many of them are subject to problems typical of migrant workers such as lack of proper housing and the absence of community support. This makes migrant women workers in garment industry all the more vulnerable to exploitation.
- g) Female Labour force Participation. The demand for women labour has been expanding continuously over the last few decades which has resultantly

increased the proportion of women in the total work force all over the world including the developed, developing and underdeveloped countries.

Throughout the world and more so in India, Garments and IT industry are two areas where we expect a larger proportion of women than any sectors in manufacturing. But unlike, most other countries, the proportion of women in garments manufacturing is somewhat lower in India. The Annual Survey of Industries (ASI) figures in 1999-2000 women were 65 percent of the workforce in garments in India as a whole. But there were significant regional variations. In Delhi women represented just 18 percent while in Tamil Nadu the figure was 82 percent and in Karnataka 72 percent.

The researcher adopted focused group interviews to understand in detail and in-depth from the important stake holders the characteristics features of the garment industry in Bangalore. Focus group interviews provided a great opportunity, to learn and further probe into various issues, because they were conducted outside the premises of the factory and in an unbiased atmosphere. Two approaches to understand the characteristics of the garment industry is provided below, one is the detailed description of the structure of the industry, the departments, job description, skill level required, gender and possibility of discrimination and other features are presented in the table based on the discussion with the workers. The second approach includes the detailed description of the management's perspectives of the structure and production details, social compliance and other issues.

Approach 1- Workers' perspective.

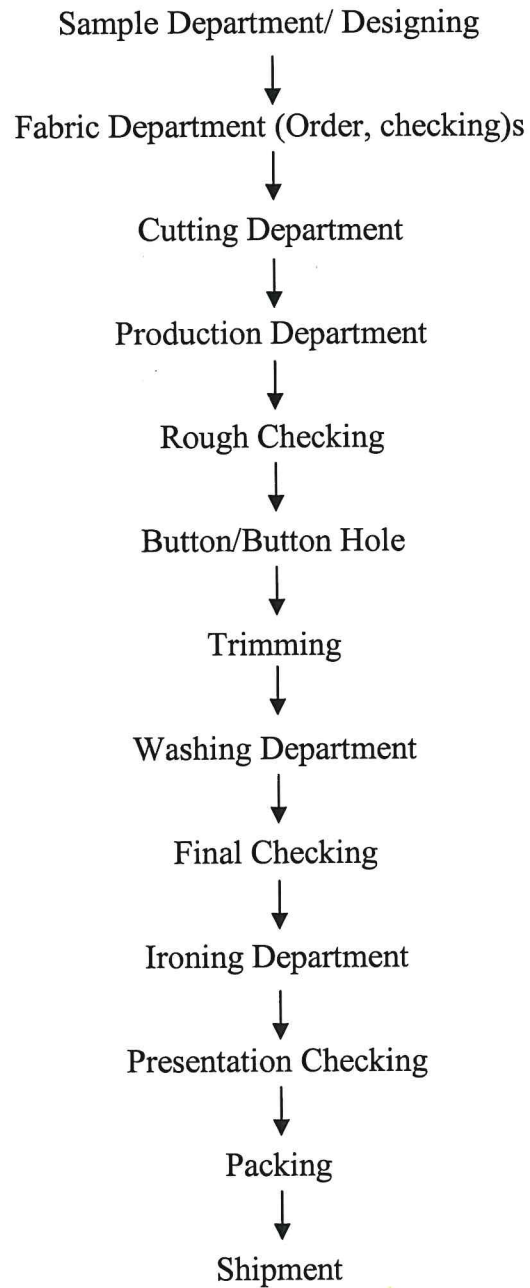
### **FIRST FOCUS GROUP INTERVIEW <sup>ii</sup>**

Since the Researcher is familiar with the focus group participants, he shared the purpose, objectives and also the possible outcome of the present Research in the Garment Industry. All the participants have experience of working in the Garment Industry earlier and are now actively working for the organizations, which are primarily focusing the problems and issues of garment workers in general and women in particular, including organization efforts in the form of trade union.

The intention of the Researcher was to assess the ground realities, and try to understand the structure of the industry, mainly in terms of work profiles and job structures, including the division of labour, segmentation, skills, dexterity and other job evaluation methods. The probable areas of job discrimination both in terms of responsibility and also wage differentials was discussed and was ascertained during the discussions.

The broad categories of Departments and various jobs are given below. The order is not necessarily in terms of production from the start to finish; however such a pattern is attempted herewith.

**Departments:**



The following Table gives us further classification of Jobs and their description in terms of Gender concentration, skill requirement and other details.

### Sample Department

Jobs	Skill Level	Gender	% of Total Workforce	Possibility of Discrimination	Job description
Pattern Makers	Highly Skilled	Mostly Men	1-2%	-	
Sample Tailors	Highly Skilled	Mostly Men	1-2%	-	
Merchandisers	Skilled	Women & Men (few)	1-2%	Wage Discrimination	Handles buyers, Communication

### Fabric Department

Jobs	Skill Level	Gender	% of Total Workforce	Possibility of Discrimination	Job description
Order/Merchandisers	Skilled	Mostly women	1%	Possible	
Checking (Sometimes work is subcontracted for value addition)	Skilled/semi				
Checking work	Unskilled	Mostly men			

### Cutting Department

Jobs	Skill Level	Gender	% of Total Workforce	Possibility of Discrimination	Job description
Cutting	Semi-skilled	Men/ Few women		Possible	
Laying	Unskilled/helpers	Fully women			
Marking	Semi-skilled	Men/Few women		Possible	
Numbering	unskilled	Fully women			
Bundling	unskilled	Fully women			

## Production Department

Jobs	Skill Level	Gender	% of Total Workforce	Possibility of Discrimination	Job description
Tailors					
A Grade	High Technical skill	Fully women/Few men	>50%	Possible	
B Grade	<than A	Fully women/Few men		Possible	
C Grade	<than B	Fully women/Few men		Possible	
Feeding Helpers	Semi-skilled/ Requires writing skills	Fully women			Includes making entries in the book
Ironers (Single part)	unskilled	Mostly women			
Parts Checkers	unskilled	Mostly women			
Helpers (for Tailors)	unskilled	Mostly women			
Over lock operators /Machine operators	Semi-skilled	Mostly women			
Supervisors	skilled	Men	5%	Possible	Overall supervision. Works under pressure for target & approach may lead to conflicts & harassment
Q C	Semi-skilled	Men & Women	2%	Possible	
Rough Checking (for quality)	Semi-skilled	Mostly women			

### Button/Button Hole

Job	Skill level	Gender	% of workforce	Possibility of Discrimination	Job description
Button Machine operator (Kaja)	skilled	Mostly women/Few men		Possible	
Helper	unskilled	Mostly women			
Trimming	unskilled	Mostly women	10%		

### Final Checking Department

Job	Skill level	Gender	% of workforce	Possibility of Discrimination	Job description
Measurement checkers	Semi-skilled	Men & women		Wage discrimination	
Quality checkers	Semi-skilled	Men & women		Wage discrimination	

### Ironing Department

Job	Skill level	Gender	% of workforce	Possibility of Discrimination	Job description
Ironers (Sometimes contract labour/piece rate employees)	Semi-skilled	Men & women		Possible	Hard work & is punishment department. Wages not commensurate with work

### Presentation Checking

Job	Skill level	Gender	% of workforce	Possibility of Discrimination	Job description
Checkers	Semi-skilled	Men & women		Possible	

### Packing Department

Job	Skill level	Gender	% of workforce	Possibility of Discrimination	Job description
Packers	unskilled	Mostly men			Includes price ticket, covers, stickers etc.

Approach 2- Managements' perspective

## **INTERFACE AND FOCUS GROUP INTERVIEW WITH THE MIDDLE LEVEL MANAGEMENT <sup>iii</sup>**

This is the first Interface with the Industry, to get the first hand information and data about the Garment Industry, firm growth and expansion, regulation and Code of conduct and also to understand and to observe the working and service conditions of garment workers. The focus group comprised of the two middle level and senior Management persons. The objective is to go round the industry and assembly area and to assess the physical compliance and also the general attitudes of the workers, supervisors and other officials in the industry. However, it was not possible to meet the Production Manager, Director during the visit. The focus group was very co-operative and shared the data and information, and even accompanied me during the quick round inside the factory. They never showed any signs of hesitation or urgency in their response and even showed the documents like their Profits and Loss Account, exports details, wage registers, and gave a copy of their wage slips.

**History:** The Factory was set up as a Private Ltd Company during 5<sup>th</sup> June 1996, with 100 workers, in a place, which was almost in the outskirts of Bangalore city, which was not a Corporation ward then. Today (10-8-2007), the strength of the workers is 473 (including Staff). There are 81 Men and 338 women workers. Further, recently, they have set up a Unit II at Hoskote, a taluk near Bangalore city, with 250 workers.

**Features:** The firm manufactures only high quality Shirts for branded companies like, Gant, Espirit and earlier for Boss Hugo. They are manufacturer exporters, and deal directly with the Buyers. It is the Buyers, who decide the specification and

quality standards and also the quantum. The price is mutually negotiated with the Buyers by the company's merchandise experts. The main exporting countries are Europe, US. The industry has so far not faced any fluctuations in the orders and work available throughout the year. The factory, has so far not received any standard certification from any of the agency.

**Registrations:** The factory is registered under the Factories Act, Small Scale Industries, Pollution Control Board, Joint Director of Foreign Trade, AEPC, Textiles Committee, ESI and PF authorities. However, it not registered with EOU.

**Post-2005 Trends:** The AGM said that the industry did not face much competition post-2005. This was due to the fact that they have built a strong quality consciousness in cotton shirts among their Buyers. He showed the trends in the growth of the Industry by giving the data regarding the Production of shirts and also the annual turnover for the three years period.

Year	Pieces of Shirts (in Lakhs)
2004-05	2.50
2005-06	5.5
2006-07	4.39*

\* Though the figure is low for the year 2006-07, it is because of the reason that the quality is high and also because of the depreciation of rupee in terms with dollars. The Production target per month is 50,000 shirts and above. Exports have increased since 2005. And due to the recent currency fluctuations, it is affecting the industry to the tune of Rs 60 to 70 Lakhs. During the period, employment generation has also increased, but there is scarcity of labour in the industry.

**Turnover:** Drastic increase in the turnover is seen from the figures given in the table.

Year	Rupees in Crores
2004-05	5.88
2005-06	15.3
2006-07	23.75

**Raw Materials:** Most of the fabric comes from India and sometimes Lenin is imported. The specification is checked by the Buyers or their agents. Threads are imported, because of good quality and buttons are both imported and also locally purchased. Linings and clips are locally purchased.

**Labour Productivity:** The AGM said that he is not satisfied with labour productivity. However, he said that productivity depends on the product. For example, plain shirts productivity will be high and if the quality, like embroidery and other features are present, the productivity will be low. When asked about, what measures are taken up to increase the productivity of workers? He replied: 'Time is a constraint to take up productivity related programmes and that training programmes are not really happening'.

Production is based on the assembly batch method, where any absence or low concentration or less productivity of any team member will cause low output.

### **Social Compliance**

There is Social Compliance in the industry and the Buyers insist this upon the manufacturers. During the discussion, he mentioned that this type of non-tariff barriers, practiced by the Western world is simply to insist that labour standards should be followed. He does not know, whether it is practiced in those countries and whether it is compulsory. He also mentioned that it is "eyewash", procedures. The social compliance is usually a surprise inspection and mostly contains a check list of the important provisions contained in the labour laws. The records, registers are verified and also the workers are met by the agents or auditors. But the report of the social compliance is kept confidential and is not given to the manufacturer. So far, the industry has not faced any adverse remarks in social compliance. The new Buyer

'Espirit', is now insisting on social auditing, he said. However, for the specific question of whether, social auditing has helped the working conditions of workers. He replied that it has helped the working conditions of workers.

**Enforcement:** There are many enforcement agencies, to monitor the industry. But the statement he made was, 'Enforcement should be noble. The system is good. But it all depends on the people who enforce'. If transparency is maintained, in the industry, there is nothing that enforcement agencies can do. So far, the industry has not faced any pressure from any enforcement agency, except for Sales Tax department, during the earlier stages of the factory, where there was a demand for money and also threat to shut down the shutters of the factory by the officers.

### **Statutory Compliance**

The unskilled category worker is paid the Minimum wages of Rs. 2,353 and Skilled worker gets Rs. 3,500. Wage slips are given to all the employees, and an sample copy is taken for reference. Production Incentive is an important component, where workers earn substantial amount, so also is the Overtime payment. Overtime is usually available in almost three to four days in a week. Bonus at the rate of 12% is paid annually during October to all the employees. Every month on an average two to three women get Maternity Benefit under the ESI Scheme and are re-employed after they come back from the maternity leave. The factory working hours is 9 am to 5.45 pm. Lunch break 1. to 1.30. Tea break 3.30 to 3.45 pm. Overtime work will go up to 7. 30 pm and women also perform overtime work and return to their homes which are nearby.

Leaves include Earned Leave, which is usually en cashed every year. National and Festival holidays are given according to statutory requirements. Loans and

advances are provided by the management for the workers. So far, there is no lay-offs, retrenchment, terminations are any other industrial disputes in the industry.

Sexual harassment committee is constituted, but there are no complaints, and all workers, both men and women work in harmony.

**Observation:** Though the statutory requirement of crèches are to be provided. There is no crèche in the factory. A place allotted for crèche is used for production activity. Though many women workers are provided maternity benefit, they don't have an opportunity to take care of their babies, and they mostly leave their young siblings at home.

The law provides for canteen facilities. Though, the factory employs more than 473 workers, there is no statutory canteen. The workers are deprived of a canteen. The employer has no regard for the law or for the workers, who toil and work for over 10 hours including the shift.

There is no display of the abstracts of the acts or rules in Kannada, for the workers to read. Training programmes and welfare schemes are not followed and implemented in the industry.

At the shop floor, the supervisors and the production in charge were found pressing hard for the targets and quality

To sum up, the above two approaches which involved focus group interviews threw light on the characteristics of the garment industries in Bangalore both from the workers' perspectives and management perspective.

## 2.5 Emerging Issues and other Concerns

Local issues: <sup>iv</sup>

The focus of the Government is more towards IT/BT Sector. The garment export industries, over the decade has generated high employment growth potential, however the exploitation of the workers has also multiplied in this sector. The workers in this sector have no Social Security and violation of human rights is very much evident in this sector. The plight of the workers in this sector is attributed to the ongoing effects of Liberalization, Privatization and Globalisation.

A new era, has emerged since the close of MFA regime in this sector. Many industries have come up in Bangalore and is evident in areas like Mysore road, where many industries have been set up. [GATWU operates more in this area] Employment generation is an acceptable development, but what about the quality of jobs that are created in the process. Decent work is not a reality in this sector. QWF still a distant dream.

In the game plan of attracting more and more FDI, and also in the bitter campaign for Labour Law reform, the Employers' Forum is exercising pressure on the Governments, not to bring in any favourable work situation or in making enforcement machinery a means to achieve the workers' rights and other collective bargaining procedures.

Thus, there is a need for a consultation among NGO's, Workers' Organisations and other CSO's in this regard. The sector has to move from the Minimum wage level to Fair wage level, and that a share in the employer's profit, should reach the workers as well. He (Mr. Jayaram, GATWU) mentioned about the cotton supply chain linkages, where design and retail sales are earning profits,

whereas those at the bottom end in the production process, gain nothing. The need of the hour, is to recognize the Industry's capability to pay, rather than being a mere cog, at the end of production process. Equity in the supply chains system should be achieved, by mutually accepting the roles each stake holders play in this global production and marketing links. He concluded that there is a need for the strict enforcement of labour law in this sector.

The Garment industry is characterized by lack of security of work. Frequent dismissals of the workers and sudden closure of the industry, without adhering to any legal procedures is the order of the day. Workers in this industry are greatly vulnerable to the exigencies of international trade, orders, buyers' preferences and choices, changes in design and other consumer related paradigms.

International codes, labour standards, consumer forums campaign and other social audits, to some extent have helped regulation of labour laws. Due to heavy capital investment in the sector, companies cannot resort to immediate shift or closure, this aspect should benefit or help workers. As the industry is poised for huge investments and growth, especially in the export promotion manufacturing units, there should have been a greater degree of job-security and other related issues of labour rights and collective bargaining procedures. Trade Unions should forge ahead with Minimum of demands before the managements. In the absence of Collective Bargaining machinery, the workers, will have to ultimately end up receiving only the minimum wages, that the Government has fixed and which will not reflect the true picture of livelihood needs of the working class. But the sad and realistic affair is that of many industries not paying the statutory minimum wages. Thus enforcement of statutory minimum wages, becomes even more important and vital, in the absence of

collective bargaining process, and the illegal and gross violation resorted to by certain industries, who don't bother to pay the minimum wage.

## **Wages**

That wages cannot entirely be left to be determined by the market has been an accepted principle of labour policy in India. It has arisen from the recognition that in a country with large labour surplus and very limited degree of organization among the workers, wages are likely to be set at below subsistence levels. How much to pay in terms of wages, in what form, with what linkages to (a) the capacity to pay, (b) the minimum socially-justified level, and (c) to the workers productivity are issues that have been widely debated in this policy context.

The second basic strand in wage policy has been the recognition of the provision for statutory minimum wages in sweated industrial activity in which abundantly available and unorganized labour is employed (certain characteristics of garment industry more so in rural areas depicts unorganized features)

The third strand in the wage regulation area consists of a series of experiments with a variety of institutional arrangements. Collectively-bargained settlements is one such, and the preferred one. Further the Labour courts and tribunals have from time-to-time intervened to settle the issue.

However, the other greatest drawback is that of the Fixation of Minimum wages by the State. A limitation or a line is drawn with respect to the wages to be paid to the workers in a particular employment or industry, and that is the maximum (although termed as minimum) The industry interprets, the notification of minimum wage, observing that 'this is the wage to be paid and nothing beyond this'. It is having a legal sanction and we pay this to our workmen. The determination of wages

is not based on the paying capacity or the profits earning of the industry. Determination of statutory minimum wages, becomes a farce in the absence of collective bargaining. However, there are a plethora of court decisions regarding this aspect of fixation of wages, but the most blatant of practices taken up by the managements is to bring stay orders for such notification or enforcement of statutory minimum wages. There seems to be a collective efforts on the part of all the manufacturers and industrial houses, not to entertain any bit of collective bargaining process in the garment industry.

In the Supply chain process of manufacture, trading and retailing, the share of cost of labour is kept to the minimum or is very less. The wage fixation machinery need to account for this global supply chain linkages, and try to incorporate these issues, during the deliberation of fixation or revision of wages by the Board.

In the Garment industry, the pressure is to monitor and work out that the labour cost is kept under control and not to allow the labour to become skilled workforce. Almost all the industries focus on ever increasing workloads and productivity, but when it comes to skill up gradation and other multi skilling process, they do not take it up. Any cost for improving the skills of labour is not resorted to by the management.

### **Fair Wages**

Fair wages entails the Industry's capacity to pay. However 'Fair wages' is not defined in any labour act. Fair wage can be achieved only through negotiation and bargaining methods with the employer. This mandates the operation of a trade union in the sector.

The question that crops up in the mind is 'How wages in the Garment Industry should be fixed? Garment industry is an organised industry, and it has the capacity to

pay. Next comes the question of 'How to ascertain the capacity of the industry to pay and the needs of the garment workers?'

The Capital flow, the financial capacity, exports and the contribution to the National Income are some of the indicators to determine how the garment export oriented industries are performing at the macro level. However, in this regard the honorable Supreme Court has come out with a suggestion called, 'Principle based approach'.

The other option is to set up Wage boards or Tribunals, to decide and determine the wages for the Garment industry. Collective Bargaining approach should be promoted as a better system in determining the wages in the industry.

#### **Workers' Organisations (Inputs of Mr. Gopinath, CIVIDEP)**

There are apparent difficulties in forming Trade Unions in the Global Supply chain industries. One among them is How to identify the management who are responsible for protecting the rights of the workers? Rapid Global Capital inflow will also create turmoil in the production relationships, wherein workers are not aware of the ultimate destination of the product which has resulted in their hard labour and sweat. The employer-employee relationship is almost non-existent and difficult to put the onus of responsibility in the present global production process. There is no emotional bondage in the present production relationship. The attitudes and behaviors towards fellow production agents get diluted and lost in the process. This lack of human approach has led to the raise of many NGO's in this sector. Thereafter, there are instances of these NGO's later transforming themselves in to a trade union, leading to further conflicts in the Trade Union movement. This new breed of NGO turned Trade unions are looked upon with suspicion by many federations and trade

unions, and the support is very minimal from them for the cause of workers interests. High labour turnover, is one important factor, that has resisted the National trade unions from enrolling garment members into their fold.

**Social audits:**

Secondly, the emergence of International campaigns is to be acknowledged, in their role of monitoring this production relationship and in ensuring better and minimum standards of labour at work place. A more visible organisation is Clean Clothes Campaign.

Social audits of some companies like Ann Taylor, Mexx and Tommy Hilfiger are some examples of ensuring certain codes of conduct in the industry. Mention should be made about SA 8000 (Social Accountability standard) certification. Lack of Workers' Organisations has caused the emergence of social audits. International Campaign Organisations shame the industry which violates the labour/human rights.

Sometimes there are conflicts and emergence of Legal Pluralism with respect to observance of labour standards and code of conduct. Local laws in the form of Constitutional guarantee and various labour and social security legislations are been framed and implemented by the state enforcement wing. Besides, we have International Corporate Social Responsibility Instruments in the form of OECD guidelines.

There are instances in Bangalore, where industries have taken shelter from the court orders, restraining trade unions, from interfering in the affairs of the company in protecting labour cause. This case is pertaining to a trade union called GATWU (Garment and Textile Workers Union) and is also found in the website.

The other development that is taking place is that NGO turned trade unions are directly reporting the labour standards issue to the buyer's and international campaigns. There is a bypass in not informing the concerned authorities of the violations of any labour law or industrial relations issue being raised with the local labour department or the conciliation machinery. It seems global business brings in global answer to seek redressal of local industrial relations issues and labour rights. The state and the dispute settlement machinery is reduced by size and significance. However, there are reports that such intervention has produced good results at work place. Conditions of work in terms of providing basic necessities like drinking water, urinals, lighting and ventilation has improved but not beyond this.

**Production cycle in the Garment industry. (Inputs from Mr. Ashim Roy, Trade Unionist)**

Production cycles in the Garment industry is dependent on market situations and the design that is required and appropriate in a particular period. The production cycle in the industry is very short. Uncertainty is evident in terms of quality, design and price. Cost of labour is cheap compared to any other manufacturing industry, and this is precisely the reason that the industry moved from Europe to Asia and India.

Cost of the garment has remained stagnant in the Europe and US markets. Asia has become the hub of the shift in these production cycles.

The global sourcing and market survey is conducted by the powerful retailers and brand companies.

New set of Producer Companies.

They

1. Source fabrics.
2. Design capability
3. fabricated
4. deliver it in time

Such type of retailers type of trading, are found in Bangalore. Some of the fabricators having design capabilities are becoming larger players.

#### **Four Broad categories of Garment Industry**

‘D’ is the lowest category and caters to the domestic market requirements and sometimes found in the informal sector.

‘C’. Cut and trim – fabrics. No design capacity. Both export and domestic market

‘B’. Manufacturing for exports and also similar quality to domestic market.

‘A’. Has full capacity to source fabric, design, logistic support etc. Global market only.

Category ‘A’ type industry which is in the formal sector is functioning at a Minimum wage level. Is this justified? Can it be bargained for better wages and other service conditions?

Human rights situation in the production system in all the three categories of garment industry is very deplorable. The examples from Bangalore, where one garment women worker committed suicide inside the factory premises, during the working hours; a pregnant women worker, who after developing labour pains, was

sent out of the factory, and in the process, developed complications and suffered severe pain, stress and humiliation; a group of agitating women garment workers were lathi charged by the policemen at the behest of the management, who had secured an injunction from the court against the workers who were on strike demanding compensation, because the industry was sold to a new management and the workers feared loss of job and continuity of service reflect the appalling conditions of women workers in the garment industry. Can the State and International Organizations (ILO & also WTO) provide any relief to these workers in the garment industry, in the absence of any workers' representative organizations?

During the course of discussions, several questions were raised like: What objectives, agenda and approach will the trade unions adopt in such a global production process and deteriorating labour standards in the garment industry? How do they devise a strategy to push up the wages? Where to begin the bargaining process? Who are and how to identify and reach the Production and managerial agents to negotiate with? What forms the basic issues for wage bargaining? Is it need-based minimum wage? ILO convention on Minimum wage stress upon need-based wage. What are the impediments to need-based wage determination? Judicial judgments are they in favour of industry or the workmen? Who shall determine the capacity of the industry to pay?

Coming back to categorization of the industry, in 'A', category plants/firms can relocate within Asian countries without any hassles. There is a possibility of relocation of the garment industry, if wage hike is suggested. This is somewhat a paradox and issues are much larger and complex than wage and improving the

working conditions of labour. This aspect is to be understood and empirical evidence is to be obtained to ascertain this situation.

The bargaining process can begin when once the industry starts giving more than the Minimum wage for skilled labour and recognizes the importance of worker's rights and their social security and livelihoods needs.

There is a clash in the system called 'internal push vs. external push for higher wages in the garment industry. There is a greater amount of pressure from the workers point of view to push the wages up. It cannot be said that Bargaining is impossible. But relocation of the industry poses a threat. This could be one of the reason as to why governments are not pressing for wage revision or hike in the garment industry.

Can we hope for a Floor level wages in Asia? More or less the wages in China, India and Bangladesh are same. Is it possible for the Trade Unions in India, China and Bangladesh to discuss this issue, so that the industry will not move out of this region. This is more an important argument, when we consider that these three countries constitute over 30% of global garment manufacturing and exporting. The demands of the garments workers should become a national issue, in order to gain assent in the region. And secondly the national governments combined with all CSO's should force the brands to accept the agenda of the garment workers.

### **Global issues**

Apart from the above mentioned local issues, there are multiple issues and concerns that has emerged in the wake of globalised garment manufacturing involving vast and most powerful Supply Chain Production Networks. One such issue is that of Anti-sweat shop activism.

## **Anti-Sweat Shop Activism**

Sweatshop Reports and worker abuses are powerfully depicted by Robert J S Ross, Jill Esbenshade, 2004; Ralph Armbruster-Sandoval, 2005; Richard P. Appelbaum (2005), who provide a comprehensive picture of the seemingly paradoxical return of sweatshops to the United States, their rise in the developing world, and the challenges and pitfalls of workers' efforts to assert their rights in a global production system.

Sweatshops have the following characteristics with regard to labor standards:

- The workers tend to be female and very young, usually below sixteen;
- The working week is at least six days and the working day is at least twelve hours;
- The wage is much below the legal minimum wage of the country; overtime is requested without sufficient pay; there are no, or very few, work breaks;
- Workers' efforts to organize into collective bargaining units are punished through firing, beating, or, in a few cases, killing the organizers.

Accounts of the injustices that occur in this chain have been provided by several groups, among them the Workers' Rights Consortium and the Fair Labor Association.

## **International Labor Solidarity**

Once employers were mostly local; so were unions. When local companies became national corporations, unions too had to go national. Now capital has gone

global. Unions have made intermittent efforts at international corporations, but the obstacles are considerable. (Jeremy Brecher, Tim Costello, & Brendan Smith, 2006)<sup>9</sup>

Capital has, in effect outflanked labor. No matter how strong a national labor movement, no matter how high its union density, it can be rendered powerless if employers can simply move production abroad. That is why Unions around the world are looking for new approaches to international labor cooperation.

J Brecher *et al* (2006) has analyzed in detail the obstacles to globalizing the labor movement in their article.

It is pertinent to mention that the Bangalore Garments workers' working conditions and labour rights violations did find mention during the International Labour Organization (ILO) Conference held at Geneva in 2007. In a press release dated June 18, 2007 titled, 'Bangalore's Appalling Record on Workers Rights under Attack at ILO Conference', it is said that Bangalore, the powerhouse of India's booming garment industry, came under fire at the International Labour Conference in Geneva this month because of its appalling labour practices. Addressing the Conference of the ILO, Neil Kearney, General Secretary of the Brussels-based International Textile, Garment and Leather Workers' Federation (ITGLWF) said that Bangalore's garment industry is booming for some but not for the majority of workers who dare not complain about the appalling conditions they face. One local employer, Fibers and Fabrics Industries (FFI), under attack at home and abroad for alleged abusive labour practices has succeeded in having court imposed gagging orders applied to their critics including the trade union representing their workers. FFI are making a mockery of labour law and international labour standards as well as

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<sup>9</sup> Brecher, Jeremy, Costello, Tim, & Smith, Brendan, (2006), '*International Labor Solidarity: The New Frontier*', *New Labor Forum*, 15(1): 9-18, Spring.

freedom of speech while the Indian government stands silently by. Kearney concluded by saying “If we want sustainable development we need decent work. If we want decent work we need governments to be energetic in the pursuit of worker rights, and we need a sharply focused ILO with a lot more power and influence than today, capable of ensuring that member states do more than pay lip service to key ILO Conventions”

The pressure from the International Brands with respect to honoring the Labour rights and enforcement of labour laws and labour standards and apathy of the Government and labour Commissionerate is well documented with respect to the Minimum wages issues in the state of Karnataka. William Anderson, Head of Social and Environment Affairs, Asia Pacific on behalf of adidas Group wrote a letter to the honorable Minister for Labour in the State of Karnataka, dated 9<sup>th</sup> March 2010 (Appendix ) regarding his deep felt concern regarding the suspension of minimum wage payments for workers in the tailoring industry. He urges the state government to take immediate action to resolve the situation where workers’ fundamental rights and legal entitlements are abrogated.

To further strengthen the issues mentioned earlier, the details and outcome of the discussion with the workers and members of the trade unions in the form of second focus group discussion are elaborated.

## **SECOND FOCUS GROUP INTERVIEW <sup>v</sup>**

This is the second focus group interview undertaken with the same members as was done in the first focus group, only addition in the discussion was Ms Anuja, from Alternative Law Forum, she has actively associated with the activities of Cividep and GATWU.

The focus of the Researcher in this session was mainly to ascertain the real issues pertaining to the working conditions of women. Since all the group members were working and some are still working in the Garment Industry, and are now in the field of organizing the women workers and taking up the issues before the appropriate authorities for redressal of various industrial disputes. I noticed the interest and commitment of the group in sharing the real issues and their eagerness and willingness to share the information that they themselves experienced during their work life.

Though the discussion was unstructured, a broad frame work was given for discussion, there was several other insights and inputs given during the discussion.

The first issue that was raised was: '*why do women seek employment in Garment factories?*'

The answers was to earn money; to get job/employment; they have the responsibility of family; easy to find job in the garment industry. It was easy to find the job in the garment industry because women have low education status, and low skill level. At this point of time it was mentioned that poverty is the main cause for women seeking employment. Poverty pushes the women to seek employment in the garment sector. The researcher mentioned at this stage as to how in several countries especially Bangladesh, China and also India, the advent, growth of Garment industry has brought down the absolute poverty levels. They said this phenomenon is absolutely correct, and that garment industry employment has to some extent help fight poverty stricken families.

But the most interesting argument was that, '*women are not going to work to increase their socio-economic status*'. That means there is no very vital evidence to

show the increase in the levels of socio-economic status of women workers or their families, even though they are in wage-employment.

The second issue that was discussed was: *'how do women workers come to know the existence of a vacancy or a job in a particular garment industry?'*

The reply was through friends and family relatives. Vacancy boards hung up in the front of the factory gates. None of them knew or know the possibility of employment through advertisements in the newspapers and other agencies. It is surprising that though lakhs of workers are working in the garment industry, most of the appointments at the worker cadres is only through informal channels, and the costs of appointment to the company is almost nil.

The third issue that was discussed in detail was: *'whether there is any discriminatory practices adopted by the Management at the entry level, that is at the time of appointment?'*

The response was that there is no discrimination in the educational levels attained by the job seekers. There is equal chances of a worker with no-formal or very little formal education and that of secondary level or higher secondary level educated worker. Companies don't demand a particular level of educational attainment. However, if the workers are skilled and experienced, there is preference given to such type of workers. Discriminatory practices are observed with respect to the physical appearance of the women workers. The chances of beautiful and young women to get appointment are greater, when compared to that of those whose physical appearance is not pleasing for those at the entry level appointing authorities.

The fourth issue that was discussed was: *'Is there any entry level induction or orientation training provided by the Management before taking up the designated job?'*

There is no induction training provided for the workers. They straightaway go and sit on the machines and start the work, in some cases some guidelines with respect to work related information is provided. There is no Negotiations or employment contract with the workmen and management. The worker does not get to know the working and service conditions, wage levels, bonus paid, social security available etc. No formal employment details are revealed to the employee. However, for the skilled and technical workers, negotiations take place in some Big brands company. Thus the informal procedure is linked starting from the ways in which the garment industry attracts job aspirants and continues at the stage of appointment.

Instead the Managers, want to know and interrogate, whether the new entrant to the job is a member of a trade union or any woman's organizations.

The first round of discussion focused only on the aspects relating to why women increasingly want to work in the garment sector, the ways in which they come to know about the vacancies and the ways in which recruitment takes place and gets selected for the job.

The second round of discussion was concentrated on the issues that emerge at the work place. This was to know, understand and assess, how women workers are treated at the shop floor level with respect to their work related activities and other specific issues relating to basic statutory requirements dignity and honor of the labour at the workplace.

In order to facilitate the group and also to encourage them come up with all the issues, the Researcher came out with the following framework for the discussion. He asked the group to list all the work-related issues pertaining to the following broadly classified sections: Production and production related stress or compulsion, Social behaviour or conduct of the supervisors and other people, Statutory related or service related issues.

#### 1. Production related issues at the Workplace.

The group instantly came out that, **heavy targets** are fixed and also the emphasis is on delivering high quality. The Production managers and the supervisors are of the habit to gradually increase the target levels, if a particular group or section increases the previously laid targets. This gradual enhancement of targets put lots of pressure on the workers both mentally and physically. They pointed out that such Targets are not set scientifically and are sometimes set by young girls or highly skilled workers.

Production related harassment. In order to meet the target levels, women workers cut short their lunch time or go without lunch time to meet the dead line and also to meet the required targets levels. It was saddening to note that, they don't drink water, because they may have to visit the toilet and time is lost in the process. If the targets are further not met and there are shortcomings, women workers have to stay back after the regular closing hours and work for a extra period, free of cost and it is called '*OC not OT*' ('oc' in slang Kannada means without any monetary expectations, they have to toil extra hours). The most unfair practice is that the security personnel obtain their punch cards and punch themselves in the punching machines, so that on record the women have closed their working hours in time.



Picture displays Heavy target which leads to overtime work and stress among workers

## 2. Social behaviour or conduct of the supervisors and other people

The workers, who fail to give targets, are frequently transferred to other departments or sections. Any one raising the voice against heavy targets is given tough jobs or more targets. Workers are not encouraged to talk, while on work. Verbal abuses are frequently used by the supervisors against slow achievers. Sometime a fear psychosis is created in the minds of the workers to accept the targets and work without any complaints. Humiliation of the workers are more common and supervisors think that, they have a right, authority and backup to condemn and humiliate the workers on production related work. Use of personal names, family background, color etc is extensively used. The most unique system is the use of public address system inside the factory premises. It is often used to urge and coerce the employees to meet the targets and criticize them for not meeting the deadline and

also warning the consequences over the system. Sometime Radio/FM is played, so that women don't talk and they concentrate on their work. However, the impact of these audio systems on the productivity levels is to be ascertained.

### 3. Statutory related or service related issues

It was understood that among the women workers, about 50% are married women. Thus the group focused on the statutory requirements to be provided for the pregnant women. Maternity benefits were discussed and very important insights were provided by the group. Same type of work was given to the women before the delivery and after the delivery. She was not shown any consideration or humanity in providing light work during these periods. No proper crèches provided and no trained ayahs employed. Sometime the limit of babies to be accommodated in the crèches is prescribed.

Factories with ESI coverage, leave facilities are granted. There is no understanding, with respect to the easiness with which such leave is granted. Factories that are not covered under the ESI Act, there is no maternity benefit for women workers. Women herself will take leave, and further she discontinues the work, sometimes women workers join work after the baby has grown up and may join the same factory, with no continuity of work or join some other factory on a fresh appointment. The employer does not take any liability for paying maternity leave or maternity pay in case of the later factories. The group expressed its ignorance about the enforcement of the Maternity Benefit Law.

#### **Leave Facilities**

The group expressed in majority about the absence of any causal leave. There was no provision for providing casual leave for any workers in the garment industry.

When the researcher probed, in case of emergency, what will the worker do? The reply was even if death occurred in the family, they are not permitted to apply leave. There is provision for Earned Leave, but it is employer's prerogative, and it is mostly en cashed every year. There is no provision for accumulation of Earned leave. Leave entitlements are not known to the employees and the employers does not show the registers pertaining to leave. Enforcement of Leave, leave benefits, leave registers is not known to the group.

Sick leave is provided by the ESI for those who have ESI cards. Further in any month, if the employee arrives to work late for three days, one day salary is cut and is shown as leave in the attendance or salary register. Illegal deductions are frequent.

### **Gratuity**

Gratuity is payable to workmen who completes five years of continuous service. In garment industry, the management forcibly encourages workers to resign or terminate their services before the eligibility period for gratuity that is five years is attained.

### **Bonus**

Bonus is paid at the rate of 8.33% every year. But this the minimum rate and there is no voice or collective bargaining mechanism to get a better or maximum rate of 20% bonus. No ex-gratia is provided to the garment industry workers.

### **Wage structure**

Most of the industries in Bangalore are just paying the minimum wages prescribed by the Government of Karnataka, and some are not paying the statutory wages. Wage slips are given in some fifty percent of companies. But the type of wage

slips given is not in the prescribed format as under the law. None of the industries in the garment have a pay structure and it is arbitrary decided. No wage bargaining takes place. Service weightage is not provided for those who have worked for several years. It is unfortunate that, the wages paid for a senior worker is equal or same to that of a new entrant. There are no increments in the industry, unlike any other manufacturing industries, say electronics industry, which also largely employs women workers.

### **Industrial Relations**

Termination cases are frequent. Trade unions do not espouse cases of termination and other industrial disputes like working hours, service conditions, wage hikes, bonus, maternity benefits, etc. No job security. Victimization is heavy, for those who try to speak the law and try to organize the workers. Further the workers' awareness with respect to their rights is very weak and also the accessibility to the statutory authorities to address their grievances is very bleak.

To sum up, it was opined that: *'everything to the outside world, garment industry is glittering and is OK, but in terms of fulfilling statutory requirements and basic workers' rights, everything is not OK'*.

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Notes:

- i The report of fact finding committee comprises of civil society members who conducted a detailed enquiry and forwarded the report to the management for suitable action. The report is available in the website of CIVIDEP, Bangalore.
- ii Date: 7-7-2007 (Saturday) Venue : GATWU Office, Mysore Road, Bangalore, Moderator: Researcher. Focus Group: Active members of GATWU, Munnade, and Cividep. Participants: Sri Jayaram, Pratibha, Mangala, Yashoda, Mary Violet, Sanita, Saraswati, Rukmini, Shahana. Time: 11.30 am to 2. pm.
- iii Venue: Ranger Apparel Export Private Limited, 2011, Gramthana, Kacharkanahalli, Bangalore-560084. Moderator: Researcher. Focus Group: AGM (Finance & Commercial) and Welfare Officer. Date: 10-8-2007 (Friday) Time: 12.45 pm to 2.30 pm.
- iv Based on the proceedings and my own inputs at a Workshop on emerging issues of the garment workers organized by GATWU at Bangalore.
- v Date: 14-7-2007 (Saturday), Venue : GATWU Office, Mysore Road, Bangalore, Moderator: Researcher. Focus Group: Active members of GATWU, Munnade, and Cividep. Participants: Sri Jayaram, Pratibha, Mangala, Yashoda, Mary Violet, Sanita, Saraswati, Rukmini, Shahana and Anuja from Alternative Law Forum, Bangalore. Time : 10.am am to 12. noon.