



# **DOING DUTCH**

**A RESEARCH INTO THE STATE OF  
PAY FOR WORKERS IN GARMENT  
FACTORIES IN INDIA WORKING  
FOR DUTCH FASHION BRANDS**

**CIVIDEP INDIA  
ASIA FLOOR WAGE ALLIANCE  
INDIA COMMITTEE OF THE NETHERLANDS  
CLEAN CLOTHES CAMPAIGN THE NETHERLANDS**

## COLOPHON

Research conducted by Civil Initiative for Development and Peace (CIVIDEP), Bangalore  
Authors: Sanjita Majumder, Marijn Peepercamp and Clean Clothes Campaign Netherlands.

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# ABOUT THE AUTHORS

## Clean Clothes Campaign Netherlands (Schone Kleren Campagne)

Schone Kleren Campagne as part of Clean Clothes Campaign is dedicated to improving working conditions and supporting the empowerment of workers in the global garment industry. Since 1989, SKC has worked to help ensure that the fundamental rights of workers are respected. We educate and mobilise consumers, lobby companies and governments, and offer direct solidarity support to workers as they fight for their rights and demand better working conditions. CCC is actively involved in initiatives to improve working conditions, like the Asia Floor Wage Campaign, Fair Wear Foundation (board member) and MVO Platform (member).

## The India Committee of the Netherlands

The India Committee of the Netherlands (ICN) is an independent non-governmental organisation campaigning and doing advocacy work on human rights issues. Central to the work of ICN are the issues of caste-based discrimination, labour rights and child labour & education. ICN co-operates with organisations in India and elsewhere in combating discrimination, poverty, oppression, exploitation and lack of education, focusing on the role of policy makers and companies. ICN is an active member of networks like the Stop Child Labour campaign, the Clean Clothes Campaign, the International Dalit Solidarity Network and the Dutch MVO Platform.

## Cividep India

Cividep India is a NGO based in Bangalore, India, which works to ensure that businesses comply with human rights, labour rights and environmental standards. With this objective, Cividep studies the effects of corporate activities on communities and the environment, and educates workers about their rights.

## Asia Floor Wage Alliance

The Asia Floor Wage Alliance (AFWA) is an international alliance of trade unions and labour rights activist who are working together to demand garment workers are paid a living wage. It began in 2005 when trade unions and labour rights activists from across Asia came together to agree a strategy for improving the lives of garment workers.



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# 1. INTRODUCTION

## 1.1 BACKGROUND AND AIM

This report presents the results of a study into living wages, working conditions, living conditions and gender discrimination in ten garment factories in Karnataka and Tamil Nadu, South India. The ten factories under this research are supplying to various Dutch brands: C&A, Coolcat, G-Star, The Sting (Mills Brothers, Hallinger), MEXX Europe, McGregor Fashions, Scotch & Soda, Suitsupply and WE Fashion. Brands that have acknowledged the importance of living wages.

C&A, Coolcat, G-star, Scotch & Soda and Suitsupply acknowledge the term living wage on their website and/or in their Code of conduct. McGregor, MEXX and WE fashion do not give any specific information on wages but refer to their BSCI membership. The Sting, of which Mills Brothers and Hallinger are sub-labels does not have any information at all on their CSR policy.

Coolcat, Scotch & Soda, McGregor, MEXX and WE are members of BSCI. Suitsupply is a member of Fair Wear Foundation. It is unclear if The Sting is part of any initiative. Both C&A and G-Star are not part of an independent initiative but G-Star is the only brand in this research that publicly discloses their production locations.

The BSCI code of conducts states: “Our enterprise respects the right of workers to receive fair remuneration.” This is specified as “the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted, without prejudice to the specific expectations set out hereunder. Business partners shall comply, as a minimum, with wages mandated by governments’ minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher.”<sup>1</sup>

The main objective of the study is to examine whether the actual monthly wages earned by workers meet the standards for a living wage for workers. The study examines whether the wages paid to the workers allow them to live in decent living conditions. Furthermore, the study looks at gender and gender discrimination in the workplace.

The report addresses different factors effecting workers’ livelihood such as illegal wage deductions for late-coming, unpaid overtime work and violations of maternity benefits, social security, and childcare laws at a national and state level. Additionally, the study also focuses on gender discrimination on the work floor, as the garment industry employs one of the largest women workforce in India.

In the past years, Civil Initiatives for Development and Peace (Cividep), Schone Kleren Campagne / Clean Clothes Campaign Netherlands and the India Committee of the Netherlands (ICN) have examined the issue of living wages of garment workers, brands policies and practices, and how the wages impact the living standard of those workers.

In 2009 Clean Clothes Campaign The Netherlands (Schone Kleren Campagne) and ICN looked into the labour conditions in the Indian and Bangladeshi supply chains of Dutch brands and their efforts in the field of Corporate Social Responsibility, specifically in realising living wages in their supply chains.<sup>ii</sup>

The research looked amongst others at the Dutch brands C&A and WE. While several brands pledge to start with the implementation of living wages at their suppliers, a recent report by the international CCC, *'Tailored Wages'*, published in March 2014, looks at efforts of 50 international brands, including Dutch brands C&A, Mexx and We Fashion, and again finds that only few brands have taken concrete steps to implement living wages in their supply chain. The majority of the brands pledges support for living wages, but does close to nothing to realise this in their supply chain.<sup>iii</sup>

In 2015, Cividep conducted a research on living wages in three Karnataka garment factories supplying to H&M and Varner Group and concluded that the wages earned by garment workers are insufficient to meet their basic needs and to live a dignified life.<sup>iv</sup> A publication of Cividep and Labour Behind the Label looks into the reality behind H&M's and M&S's pledges on living wages and finds that at suppliers level still very little to nothing has changed.<sup>v</sup> A paper published in January 2016 by ICN describes poor working and living conditions for migrant workers from North India in the Bangalore garment industry.<sup>vi</sup>

## 1.2 THE BANGALORE GARMENT INDUSTRY

The Indian textile and garment industry is the second largest foreign exchange earner following agriculture. Bangalore is one of the major garment hubs and accounts for about 15% of the production of exported garments in India by value and volume. There are approximately 1200 garment factories in the state of Karnataka, 700 of which are officially registered.<sup>1</sup> It is estimated that 300,000 people are employed in this industry in and around Bangalore, 80% of them being women. The smaller factories have around 100 workers, while some of the larger factories employ over 4000 workers.<sup>vii</sup> Most factories have several divisions like knitwear, outerwear, denim, suits, and lingerie.

There are three clusters of garment factories in Karnataka: Old Mysore Road, Peenya Industrial Area and the rapidly growing Bommassandra Industrial Area. The Old Mysore Road is the oldest cluster, which has now shrunk to only 10 to 15 factories, because most of the garment industry shifted towards the rapidly developing Peenya Industrial Area and the Bommassandra Industrial Area. Out of the ten factories researched five factories are located in Peenya Industrial Area, four in Bommassandra Industrial Area and one in Tamil Nadu.

The textile and garment industry in Karnataka predominantly employs women. Over the past years there has been a transition in the workforce employed in the garment factories. Where initially the majority of the workers originated from districts of Karnataka, in recent years there has been an increase of long-distance migrants arriving from economically backward states of north-east India, like Orissa, Assam and Jharkhand.<sup>viii</sup>

## 1.3 LIVING WAGE

<sup>1</sup>Approximate figures were provided by the Garment Labour Union. Interview with Garment Labour Union (GLU) Member, 24 August 2015.

The notion of living wage is embedded in the international human rights discourse. Almost one century ago, in 1919, the ILO Constitution claimed the need for workers to earn a living wage.<sup>ix</sup> The United Nations Universal Declaration of Human Rights, Article 23(3) states: “Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.”<sup>x</sup> Furthermore, the concept of a living wage is laid down in the UN International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966), Article 7 (a): “The States Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular: ... (ii) A decent living for themselves and their families in accordance with the provisions of the present Covenant ...”<sup>xi</sup>

In India, the right to a living wage is embedded in the constitution which states in Article 43 that “the state shall endeavour to secure a living wage.” However, there is no binding provision of law in India guaranteeing a living wage. Legal minimum wages in India and other garment producing countries fall short of a living wage, meaning garment workers are unable to provide the most basic needs for themselves and their families. In India, the legal minimum wage amounts for 26% of a living wage. If a worker’s salary for a standard working week is not enough to cover the basic needs for her- or himself and her/his family, they face other poverty related problems, such as low calories intake, limited access to adequate health services, lack of social security, poor housing and limited access to quality education.<sup>xii</sup> CCC, Cividep and ICN use the following definition of living wage: “*Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income.*”

**More specifically, a living wage:**

- Applies to all workers, which means that there is no salary below the living wage level;
- Must be earned in a standard working week of no more than 48 hours;
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime;
- Covers the basic needs of a family of four (two adults, two children);
- Includes an additional 10% of the costs for basic needs as discretionary income<sup>xiii</sup>

Both Cividep and CCC are part of the Asia Floor Wage (AFW) Alliance, an alliance of Asian trade unions and labour groups which has calculated a living wage formula for Asia. When referring to a living wage, Cividep, CCC and ICN refer to the AFW. It serves as a tool in benchmarking what garment companies and the Indian state governments should be aiming to achieve in terms of actual wage figures for workers.

**The AFW is calculated based on some key assumptions, namely that:**

- **A living wage is always a family wage.**  
Pension and insurance schemes are not sufficient and public care services often absent. Therefore a genuine living wage must take into account the basic needs of unpaid caregivers in the household.
- **A living wage must allow for savings.**  
Without this, workers remain in a vulnerable situation, at risk of ending up in debt when facing unforeseen financial expenditure.
- **A living wage has to put a floor, not a ceiling, on wage payment** and secure a minimum income for all workers. Ideally, a living wage should have a regional approach to prevent wage competition between countries and prevent companies to pull out of one country because of wage increases, instead increasing the base wage level for all workers in the region.

**The Asia Floor Wage Alliance bases its calculations on the following assumptions:**

- A worker needs to be able to support themselves her- or himself and two other “consumption units” (one consumption unit = one adult or two children).
- An adult requires 3,000 calories a day to be able to carry out her or his work.
- In Asia, food costs account for half of a worker’s monthly outgoings.

The Asia Floor Wage Alliance carries out regular food-basket research in the region to calculate new AFW figures. Based on this research, an average purchasing power figure is established for Asia. The most recent food-basket studies were carried out in 2013. This figure is then adjusted annually to inflation using the Consumer Price Index (CPI) from the various countries.<sup>xiv</sup> In 2015 the Asia Floor Wage campaign (AFW) has identified that a decent living wage in India stands at INR 18,727 (€256.53) per month.<sup>xv</sup>

## **1.4 GENDER DISCRIMINATION IN GARMENT FACTORIES**

The ‘garments’, as they colloquially call this line of work, employ over 80% women workers and only 20% men. Within the factory labour is mostly divided according to gender. The finishing and packing sections, the management and supervisory roles are mostly designated to male workers. The majority of the work force comprises of helpers, tailors, and trimmers, who are mostly women. The profitability of maintaining a large female centred workforce has been explained by scholars, labour activists and factory workers in much the same way: women tend to be more passive and do not question disciplinary tactics initiated by the management in order to increase their productivity. Male workers take frequent breaks; they have the freedom to walk out of the factory, while women always find it difficult to venture out on the streets because of their social conditioning.<sup>xvi</sup>

Male workers are difficult to control with heavy disciplinary practices because of the wide range of alternative employment available to them in the industrial zones where the garment industries are located. Male workers emphasise that garment work can always be changed for other kind of work in the city. The surrounding industrial zones have factories like plastic, pharmaceuticals and engineering work that predominantly employ male workers. Also night

jobs, like security guards or cashiers at small kiosks are viable option for man, but not for women.

The lack of alternate and respectable means of employment for the working woman in India ensures that female workers often do not find it easy to gain employment in other male-centric formal industries and factories. The working class women often find the prospect of being employed in formal industries more alluring and respectable than informal professions like domestic work and care taking of children and the elderly.<sup>xvii</sup>

Representatives of GLU and GATWU state that creating a female-centred workforce in the garment sector has worked in favour of the employers. As factory owners find it easy to keep women workers precariously employed, frequently under extremely stressful and harmful working conditions. The current trend of recruiting younger long-distance migrant workers further exacerbates the precarity of the workforce in these garment factories. Migrant workers, especially from north-eastern states, face a considerable language barrier (often they do not speak the local language, Kannada) and have no social support. Furthermore, because of the highly monitored factory hostels and dormitories their restriction of movement is severely limited often leading to human rights violations that are not addressed adequately. Long-distance migrant workers are wholly dependent on the factory management to solve any problems, relating to their economy, labour rights violation and health.

## 1.5 METHODOLOGY

This research is conducted through desk and field research and by using qualitative and quantitative methods of data collection. Based on analyses of export data from the seaports of Tuticorin and Madras covering the months July, September and December 2013, factories in Karnataka supplying to Dutch brands were identified. To verify the data, workers from each factory were asked to identify the labels they were currently stitching. G Star is the only Dutch brand in this report that is transparent about its suppliers.

After selecting ten factories in Tamil Nadu and Karnataka that are supplying to the Dutch brands - C&A, WE Fashion, The Sting (Mills Brothers, Hallinger), Coolcat, G-Star, MEXX Europe, McGregor Fashion, Scotch & Soda and Suitsupply - workers were interviewed. Off-site interviews were conducted with hundred fifty workers from the ten factories, fifteen workers per factory, between August and October 2015. Furthermore, qualitative data was collected through frequent home visits along with Garment Labour Union (GLU) members, and four focus group discussions - mostly conducted during the weekends - with a total of fifty workers provided more in-depth understanding of the living and working conditions of the interviewed workers. The qualitative data has been integrated into the report to offer insights in the everyday problems faced by female workers in the garment factories. The majority of the interviews and focus group discussions were facilitated by the GLU. Since workers knew GLU activists from their presence in the field, they were inclined to speak more openly about harassments, discriminations and challenges that they face at work on a regular basis.

In all factories, 15 workers were interviewed. In each factory, at least one male was interviewed; the total number of male workers interviewed is 22. The selection of both male

and female workers aimed at better understanding the gender dynamics. In relevant cases, the researchers also interviewed 2 to 3 migrant workers.

In addition to the workers' interviews, interviews with trade unions, with labour authorities, and non-governmental organisations (Munade and FEDINA) were held. Through desk research information on the legal framework and on the concept of 'living wage' was gathered.

The interviewed workers were informed about the use of the research results. The identity of the interviewees will not be revealed. This guarantee of anonymity was communicated to the girls and young women when they were approached for the interviews to make sure they felt free to speak. Not revealing the workers' identity is important to prevent respondents from experiencing any retaliation or punishment by the company management. Factory names are not revealed in this research either. This also serves the purpose of protecting the interviewed workers. Besides that, the factories involved in this research employ over 14,000 workers and findings are much in line with findings looking into other suppliers of international brands. The findings of this research do reveal differences between factories, but also show broad tendencies of non payment of living wages, gender discrimination and non-implementation of laws that are of special relevance to women workers, such as those on childcare and maternity benefits. With this research we therefore hope to motivate brands not to address specific Code of Conducts violations at specific factories, but to start implementing living wages policies at their whole supplier base.

All companies mentioned in this report were given the opportunity to review, respond to and comment on draft passages of the research report directly related to the company in question. This opportunity to respond is intended to avoid publishing inaccuracies. However, it is important to note that, even if a draft of the research findings is reviewed by companies, the authors of the report remain solely responsible for the contents of the report. All brands have responded. In addition to the written responses, CCC NL and ICN also had a face-to-face meeting with C&A, Coolcat, G-Star, McGregor, Mexx, The Sting and We Fashion.

## **1.6 RESEARCH LIMITATIONS AND CHALLENGES**

Gaining insight in the garment supply chain is challenging, due to the lack of transparency of both suppliers (factories) and international brands. The exception to this is G-Star, the only brand in this research that publishes its suppliers list.

Workers themselves have very little information about the brands they stitch for, as factories go to great lengths to ensure the privacy of their buyers. Workers are reminded regularly that the consequences of breaching the privacy of buyers could lead to a loss of business for the factory, which eventually will lead to unemployment for the workers. In many factories a strict account is kept of the number of labels given to the workers to stitch onto the clothes produced. Misplacing brand labels or taking them outside the factory premises can result in serious penalties and wage deductions and even dismissal. Security guards at the gates of the factories are given instructions to check workers' belongings at the end of the workday to make sure no labels leave the factory premises. Often workers are reticent when asked about the labels they stitch.

Another challenge in collecting data is convincing male workers to participate in interviews. The majority of the male workers are supervisor or part of the factory management. All male and female supervisors who were approached to participate in the research have refused. Male tailors have participated and discussed the challenges they face in the garment factories.

The final limitation in this research was the heavy time constraint on female garment workers. Women workers have to combine working in the factory for 6 days a week, 8 hours a day, long travel and sometimes overtime, with the full responsibility for the household and childcare. Young female workers from factory hostels were even less accessible as they are often not allowed to leave the hostel unescorted.

## **1.7 STRUCTURE OF THE REPORT**

This section outlines how and in what order the research findings are presented. In the first chapter the research objectives are presented and background information on living wages and gender dynamics in garment factories is provided. Chapter two contains the legal framework, which includes information on legal minimum wages, wage policies and labour laws in India. Chapter three focuses on workers' representation in Karnataka and elaborates on activities of three labour unions: the Garment and Textile Workers Union (GATWU), the Garment Labour Union (GLU) and the Karnataka Garment Workers Union (KGWU). Chapter four describes the labour conditions in each of the researched factories. Information about each factory is presented in several subsections: 'description of the factory', 'wages, deductions and in-kind benefits', 'working conditions, overtime and gender discrimination' and 'maternity benefits and childcare' and briefly highlights brand's responses. Chapter five provides the comparative analyses between the ten researched factories and chapter six presents the conclusions and recommendations.

## 2. LEGAL FRAMEWORK

In India, both the Central and State governments can legislate on the issue of labour. Currently there are 44 national labour laws in India. The Central Government is attempting to consolidate them into four major Codes, but these are still under various stages of review. As State governments also have legislative powers in relation to labour issues some provisions of these acts have been amended with respect to their application in a particular state. This chapter provides a legal framework on the focus areas of this research: wages, gender and worker's representation.

### 2.1 WAGES

The Minimum Wages Act of 1948 has been enacted by the Parliament to ensure workers get minimum wage for their work.<sup>xviii</sup> At present, the Central Government fixes the minimum wage for 45 scheduled professions and the State Governments for 1679 professions. The Minimum Wages Act of 1948 allows two ways of fixing or revising minimum wages by the Central and State Government: the committee method and the notification method. At the national level, there is a Central Advisory Board which must have an equal number of representatives from the employers and employees as well as independent members, whose number cannot exceed one-third of the total membership, appointed by the Central Government.<sup>xix</sup> In a similar way, the Governments of Karnataka and Tamil Nadu fix minimum wages on the advice of the State Level Minimum Wages Advisory Board. This Advisory Board also consists of members from both employers and employees and independent experts<sup>xx</sup>. In the notification method, the government publishes proposals for fixation of minimum wages in the Official Gazette with a date on which the same will be taken into consideration.

There is no single uniform minimum wage across India because of differences in costs of living in different states. However, there is a National Floor Level Minimum Wage, which is fixed at INR 100 (€ 1.37)<sup>2</sup> by the Central Government to reduce disparities in minimum wages across regions and sectors. The Floor Level Minimum Wage is not backed by legislation like the Minimum Wage Act 1948. It is merely persuasive, fixed by the Central Government so that different States do not set their minimum wage below the National Floor Level Minimum Wage.<sup>xxi</sup> The minimum Wage has two components, namely the basic wages that is revised every five years and the Variable Dearness Allowance (VDA). The VDA is tied to the Consumer Price Index of the previous year and is adjusted regularly.

Each state in India has 3 Zones, I, II, III or A, B, C respectively. In the state of Karnataka, Zone I covers the Bangalore metropolitan area, Zone II covers all other suburban areas and Zone III covers the rest of the State.<sup>xxii</sup> One factory in this research is in Tamil Nadu, zone C, which are the rural areas with the lowest wages.<sup>xxiii</sup>

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<sup>2</sup>Euro conversion rate €1 = INR 73

Table 1 below shows the minimum wages for different ranks of workers that are applicable for the factories covered in this research. Helpers fall under unskilled labour, while cutting machine operators are deemed as skilled labourers. There are different classes of tailors and each has a different benchmark for minimum wage, from unskilled to semi-skilled and skilled.

**Table 1 Minimum wages for garment workers**

Profession	Karnataka		Tamil Nadu
	Zone I	Zone II	
Helpers (unskilled)	INR 7,076 (€ 96.93)	INR 6,946 (€ 95.15)	INR 7,145 (€ 97.88)
Cutting Machine operators (skilled)	INR 7,388 (€ 101.20)	INR 7,258 (€ 99.42)	INR 7,525 (€ 103.08)
High skilled tailors	INR 7,596 (€ 104.05)	INR 7,466 (€ 102.27)	INR 7,525 (€ 103.08)
Supervisors	INR 7,930 (€ 108.63)	INR 7,781 (€ 106.59)	INR 7,653 (€ 104.84)

## 2.2 WORKING HOURS AND OVERTIME

According to Section 51 and Section 54 of the Factories Act, no adult worker is allowed to work in a factory for more than nine hours in any day or for more than 48 hours per week.<sup>xxiv</sup> As per Section 64 (4) (iv), the total amount of overtime work should not exceed 50 hours in a quarter.<sup>xxv</sup> Section 59 provides for extra wages for overtime work. It states that: *'Where a worker works in a factory for more than nine hours in any day or for more than forty-eight hours in any week, he shall, in respect of overtime work, be entitled to wages at the rate of twice his ordinary rate of wages'.*

## 2.3 EQUAL REMUNERATION

Under this Act, no employer shall pay to any worker wage at a rate that is less favourable than the remuneration paid by him to the workers of the opposite sex, for performing the same work of a similar nature.<sup>xxvi</sup> In addition to this, no employer shall discriminate against women workers in recruitment, for the same work of a similar nature.<sup>xxvii</sup> The ILO Equal Remuneration Convention (Convention 100) is ratified by India and aims at equal remuneration for *work of equal value* for men and women.<sup>xxviii</sup> It is one of the fundamental labour conventions.

## 2.4 MATERNITY BENEFITS AND CHILDCARE

The Employee State Insurance (ESI) Scheme covers six medical benefits including maternity benefits. Maternity benefit is payable for three months (which is extendable by further one month on medical advice).<sup>xxix</sup> Maternity benefit is paid at the rate of full wages. Under the ESI, the employee must have been making contributions under the ESI Act for at least 70 days in the preceding year to be eligible for maternity benefit. If a female worker is working in an establishment not covered under the ESI scheme, the woman worker is entitled to maternity benefits under the Maternity Benefits Act.<sup>xxx</sup>

Crèches are mandated by the Factories Act, 1948<sup>xxxii</sup> for all factories employing over 30 women. According to the Factories Act, 1948, the crèche facility is for children under the age of 6. Hence, children from ages 0 to 6 are allowed in the crèche. State government rules, the *Karnataka Factories Rules*<sup>xxxiii</sup> and the *Tamil Nadu Factories Rules*<sup>xxxiii</sup> further regulate the quality of childcare. In addition to washrooms, adequate ventilation, and other supplies the Rules prescribe that children in the crèche shall be provided with at least 400 centilitre//half a pint of milk per day. In the case of children above the age of two, there is an additional requirement to provide ‘an adequate supply of whole-some refreshment’.

## 2.5 EMPLOYEE STATE INSURANCE AND PROVIDENT FUND

Employee State Insurance (ESI) is an integrated social insurance scheme that covers health and social security, including maternity and unemployment benefits, via contributions made by the employee and the employer<sup>xxxiv</sup>. The employer must contribute an amount equivalent to 4.75% of wages payable to the employee and the employee has to contribute 1.75 % of his/her wages.<sup>xxxv</sup> It is mandatory for any establishment employing over 10 workers who earn below INR 15,000 (€ 205.47) a month to be registered under the ESI Act within 15 days after the Act becomes applicable to the factory.<sup>xxxvi</sup>

The Employee Provident Fund is a national governmental social security savings plan. The employee contributes 12% of his salary every month to the Fund, which is matched by the employer. It is generally applicable to establishments employing more than 20 workers and mandatory for any employee whose monthly salary is up to INR 15,000. EPF is an instrument that helps workers to prepare for retirement. In exceptional cases, workers can make a claim for a premature withdrawal, but only under strict requirements for purposes like marriage, education, medical treatment, purchase or construction of a house, loan, purchase of a plot, and/or pre-retirement

## 2.6 SEXUAL HARASSMENT AT THE WORKPLACE

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, aims to protect women from sexual harassment at their place of work. The Act calls for the setting up of an Internal Complaints Committee (ICC) to investigate complaints of sexual harassment at the workplace.<sup>xxxvii</sup> The Act<sup>xxxviii</sup> states that every employer of a workplace shall constitute a Committee to be known as the ‘Internal Complaints Committee’ to receive complaints of sexual harassment from establishments. Not setting up an Anti-Harassment Committee can lead to penalties for the concerned management. The presiding officer of the ICC must be a woman employed at a senior level, at least two female workers must be appointed and one member must be from an NGO or association committed to the cause of women or a person familiar with the issues relating to sexual harassment. At least 50% of the members of the ICC must be women. Under the Act, it is the duty of the employer to organize workshops and awareness programmes at regular intervals for sensitising the employees with regard to the provisions of the Act.<sup>xxxix</sup>

## 2.7 RIGHT TO ORGANISE

The right to form associations and unions in India is a Fundamental Right protected by article 19 of the Constitution. Trade unions are governed primarily by the Trade Unions Act of 1926 and the Industrial Disputes Act of 1947.<sup>xl</sup> Unionisation increases workers negotiating power with respect to wages, hours, working conditions and other worker benefits. Any interference with the right to unionise, including threats, bribes and withholding promotions, amounts to an 'unfair labour practice'.<sup>xlii</sup>

The 'Freedom of Association and the Protection of the Right to Organise' and 'Right to Organise and Collective Bargaining' are two of the eight fundamental ILO conventions.<sup>xliii</sup> Both of them have not been ratified by the Government of India.

## 2.8 WORKERS COMMITTEES

Workers Committees are required to be set up for all industrial establishments which employ 100 or more workers to promote good relations between workers and employers and to serve as a platform to discuss workers' concerns with the management.<sup>xliiii</sup> The number of representatives of employees in the Committee must be equal to or more than the number of the representatives of the employer.

## 2.9 UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

The United Nations Guiding Principles on Business and Human Rights are legally non-binding guidelines, unanimously approved by the UNHRC and endorsed by several governments and businesses. These guidelines lay down the states' duty to protect human rights and businesses' responsibility to respect human rights and to provide adequate and effective grievance redressal mechanisms.<sup>xliv</sup>

All businesses regardless of their size, capital, area of operation, etc., have a responsibility to respect internationally recognised human rights (International Bill of Human Rights and the principles concerning fundamental rights set out in the ILO's Declaration on Fundamental Principles and Rights at Work).<sup>xlv</sup> In furtherance of their responsibility, businesses must have a policy commitment to meet their responsibility to respect human rights; conduct a human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights; and have processes in place to enable the remediation of any adverse human rights impacts they cause or to which they contribute.<sup>xlvi</sup>

The responsibility of a business does not end with merely ensuring that they do not violate any domestic laws. They are required to carry out due diligence in order to ascertain areas of potential vulnerability in consultation with stakeholders, take adequate preventive measures, address and mitigate any violations of human rights and build on these findings in later operations.<sup>xlvii</sup>

### 3. WORKERS REPRESENTATION

The national Indian trade unions have little presence/are hardly present in the garment factories of Bangalore, Karnataka. To fill this gap, three regional trade unions were founded to represent the garment workers of the city: Garment and Textile Workers Union (GATWU), Garment Labour Union (GLU) and Karnataka Garment Workers Union (KGWU). The following chapter provides a short description of the three unions and their activities. Garment Labour Union (GLU) and Karnataka Garment Workers Union (KGWU) are members of the Asia Floor Wage Alliance.

All three regional unions acknowledge the overlap between the domestic burdens and the working conditions faced by female garment workers. To address this, they all partner with various non-governmental organizations that focus primarily on women's problems. The approach of addressing women's problems alongside labour issues has proven to increase workers' participation in union activities, however the official membership remains relatively low for all three unions. While the total garment workforce in Bangalore stands at over 500,000 workers, the Garment Labour Union (GLU) has 1,740 members, the Karnataka Garment Workers Union (KGWU) has 1,700 members and the Garment and Textile Workers Union (GATWU) has 5,000<sup>3</sup> members. The 15% requisite membership prescribed by the 'Code of Discipline' required to be recognised as a union mandated to negotiating with the management and representing the workers' interest, is by far not reached by any of the unions.

The right to organize with others to fight for better working conditions is a universal human right: Everyone has the right to form and to join trade unions for the protection of his interests. United Nations Universal Declaration of Human Rights Article 23.4. Trade unions are crucial for ensuring that workers achieve a living wage and decent working conditions. They offer the most effective and legitimate way to establish a fair deal for workers, by allowing them to stand together to defend their rights. This collaborative voice allows workers to express their views, which they may be too intimidated to do alone.

#### 3.1 THE GARMENT AND TEXTILE WORKERS UNION (GATWU)

As national trade unions were not active in the garment industry in Bangalore, Cividep, Fedina (Foundation for Educational Innovations in Asia, an NGO), and the New Trade Union Initiative (NTUI) started pre-union activities to facilitate the formation of unions. Garment workers were approached at their living quarters and informed about their labour rights because it was inconceivable to approach workers in the factories. These efforts resulted in the formation of Munnade in 2004.<sup>4</sup> Munnade formed support groups of female workers in which they could discuss problems they face, both domestic and work related. Additionally, Munnade encouraged women to make savings of INR 100 (€1.37) each month, instead of handing their entire income to their husbands or other family members. This was an initiative to foster independence and self-sufficiency amongst female garment workers.

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<sup>3</sup><https://gatwu.org.in/> website last visited on 2-11-2016

<sup>4</sup>Munnade means 'March Forward' in the Kannada language.

By 2006, the workers involved in Munnade felt the need to start a registered worker led garment trade union named GATWU. Munnade began to sharpen focus on the domestic problems of women workers, while GATWU, as a registered trade union, addressed the working conditions in the factories.

GATWU negotiates with the factory management on behalf of the workers in the case of conflicts within factories and it also provides legal support for workers when required. They also make general (informal) agreements with factory managements in relation to improvements of the working conditions. Additionally, GATWU organizes trainings on labour rights. GATWU is one of the trade unions involved in the tripartite Minimum Wage Advisory Board, which advises the labour department of Bangalore on the minimum wages in the garment industry.

### **3.2 THE GARMENT LABOUR UNION (GLU)**

GLU is set up by former GATWU members who felt that a union representing women workers should be led by women workers. It is the only women-led trade union in Karnataka, and works in partnership with Cividep. The choice to accept only women for official positions in the union is to assure an open discussion on women centric issues in the garment sector, for instance sexual harassment, maternity benefits and childcare. It is difficult for female garment workers to openly discuss issues relating to gender in the presence of male co-workers.

GLU also negotiates with the management on behalf of workers in the case of conflicts arising and is involved in the Minimum Wage Advisory Board of the Labour department of Bangalore. The union also offers services such as trainings and awareness programs on labour laws and policies. The union frequently organises training modules on issues like social security, maternity benefits and regulations on crèches. GLU also provides workers with information about the factories, such as turnover rates, wages and annual profits made by the factories. GLU has a presence in all three garment clusters.

GLU has 50 members in factory 4 and 30 members in factory 5.

### **3.3 KAMATAKA GARMENT WORKERS UNION (KGWU)**

KGWU, also called Koogu which means 'shout' in Kannada, is the third regional garment trade union in Bangalore. Their active members range between the age of 20 to 50 and are primarily workers living in nearby districts of Bommassandra Industrial Area where KGWU is located. Most workers in this belt are first-generation new migrants who moved to Bangalore city in the last 5 to 15 years.

The union focuses on pamphleting to raise awareness about the existence of the union and labour rights. They stand in front of the factory, talk to the workers and accompany them to their houses. Additionally, house visits are organized to talk to the garment workers about their rights. The union encourages the workers to speak up about injustices in the factories and reach out to them for help. A second activity of the union is to intervene and mediate between worker-management conflicts.

Women issues like sexual harassment and equal payment are central to KGWU. A member said that gender related violence is an issue that women often silently face at home. Therefore, KGWU has partnered with a vigilance squad that helps to protect women from domestic violence. *“Women working in the garment industry are unable to escape violence both in their house and in the factories. Experiencing such violence burdens them so much that they no longer feel like they are able to demand the rights they are entitled to as workers. So the vigilance squad tries to provide them with the strength they need to once again feel entitled to such rights. Often when these women decide to report any violence to the police, they are not treated with respect by the police.”*<sup>xlviii</sup>

### **3.4 GENDER AND UNIONISATION**

Garment workers in Bangalore are difficult to unionise due to several reasons. First, many workers are not aware of their labour rights and the existence of trade unions.

Second, when workers are aware about their rights they are often scared to join a union due to the hostile attitude of managements towards union members. For most workers their livelihood depends on their job in the garment industry, hence the thought that they will lose their job by being a union member can be very threatening. Thirdly, a large majority of the garment workforce is female and this forms an obstacle towards unionisation. Following the patriarchal social structures in India, most female workers face the double burden of paid work at the factories and unpaid household work, like cooking, cleaning and childcare. Most female workers hardly have time to join union activities.

A GLU member explained how *“women workers need to wake up in the morning at 4 or 5 a.m., and they have to do their domestic work, cook and do everything for their children and husband. By 9, she needs to be inside the factory. For the first hour of the work, her target is 150 pieces. So the stress about production targets is also there. If she has not completed her daily target, she will be compelled to finish the work, which means overtime work without pay. After work, she will be back to the home and she will continue her domestic work that she left in the morning. Some women work part-time at home to make some extra money such as tying flowers in garlands, domestic work, packaging and selling vegetables at the night market.”*<sup>xlix</sup>

## 3.5 WORKERS'S STORIES

### LALITHA'S STORY

Lalitha<sup>5</sup> is a 33 year old garment worker who grew up in a farming community, about 50 kilometres from Bangalore. “I have always been responsible for supporting my family, as the oldest of three sisters. We faced economic hardship when the crops failed one season, there was nothing to eat. I decided to move to Bangalore and find a job to support my parents and sisters. At the time I was 18 years old. At the age of 22, I married a man from the same village. We have one daughter. My husband is employed as a truck driver and his monthly income is INR 7,500 (€ 102.73). Our household income is now around INR 14,500 (€ 198.63).

Previously we lived in a room with the lowest rent in the garment factory area, around INR 2,000 (€ 27.39). There was one community tap in the neighbourhood that was shared among five families. Recently, we moved to a house closer to the factory and to my daughter's school, that has a tap. We now pay a rent of INR 3,800 (€ 52.05) and INR 200 (€ 2.73) every month for water. The water comes between 7.30 to 8.30 every alternate day. There are weeks when we don't get any water at all, because the community taps are broken or the pipes are damaged. It takes weeks for the local officials to fix the problem. In this case, 4-5 families in our neighbourhood pool money to buy a tank of water from a private company. Each family pays around INR 250 (€ 3.42) for 250 litres per family every two days.

Usually I try to finish the cleaning and washing when the water is available. After

finishing the household washing and cleaning, I fill up the 500 litre plastic storage can with water for the next two days.

The water schedule in Bangalore is very erratic; sometimes water comes in the middle of the night, so we don't sleep until we finish storing water. Sometimes the water comes just when we are ready to leave home to work, so I get late for work. This leads to late-coming deductions and supervisors shouting at me. There have been occasions when I have even taken unpaid leave to fill water in the afternoons.

Water available from the taps is not fit for consumption. We buy drinking water for the whole family; a 20-litre water can that costs INR 30 (€ 0.41) every three days. Our monthly expenditure on drinking water is around INR 250 to 300 (€ 3.42 - € 4.10). In total, we spend up to INR 1,500 (€ 20.54) per month, ten percent of our total income, just to get water for the family.

Sometimes it is impossible to meet these expenses. There are travel expenses to our native village every two months, rent, INR 1,000 monthly (€ 13.69) for our daughter's school and around INR 5, 000 to 6,000 (€ 68.49 - € 82.19) for food. I also continue to support my parents in my village and send them INR 1,000 (€ 13.69) every month. It is difficult to make ends meet.”

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<sup>5</sup>To protect the workers, the names in the stories are all aliases.

## LATHA'S STORY

Latha's (38) works as a tailor in factory 5. In the factory, there are female supervisors and also a female production manager. The women are way better. Male supervisors shout right in front of everybody if you don't finish the production on time. When women supervisors find out the target is too high, they will complain to the production manager.

When the product is easy and small, the production target of 100 targets per hour is possible. When you do finishing tasks, like attaching sleeves, cuffs or necks then the target is 60 to 90 per hour. The stress of production targets is always there. Supervisors shout and use abusive words to make you work hard.

If you use the factory bus the factory deducts money from your wages, so workers want free transport or housing facilities closer to the factory. Latha walks 3 kilometres to work and back each day. Since she has to be there by 9.00, she has to get up about 5.00 or 5.30. She has to take a bath, make breakfast and lunch for the family and herself. Sometimes the kids also help her out packing their own lunch box. Sometimes she is too tired to make her own lunch box, so she goes to the canteen.

"We never have any free time. We are either cleaning or doing other house

chores, like going to the market. I am not proud of myself, I feel bad that I do this work and that I am not educated. The only thing I feel proud of is that I wake up early in the morning, I go to work, take care of the children and cook. So even though I am a working woman I know how to take care of my children and keep myself healthy."

## MALIKA'S STORY

Malika (40) is working in factory 5 for 8 months now. While Malika has been working in the garment industry for more than 17 years, she is still a helper. She was a tailor once but since she kept falling sick because of this work she became a helper again. Malika attaches sleeves and checks numbers and sizes before the garments pass to the next section.

The factory building is made of glass, it looks very good. When she feels hot and humid, she can use a fan. The company does not provide food, there are canteens but they have to pay. In order to avoid these extra expenses, workers take food from home.

The salary is very, very low. Malika walks one hour to the factory and one hour back because she doesn't want to spent money for the bus.

## MANGALA'S STORY

At a typical day, Mangala wakes up at 5.00 in the morning, prepares food for the whole family (breakfast and lunch), cleans the house and does other chores in the house. At 8.30 she walks to the garment factory, this takes her about 30 minutes but she prefers this to taking the factory transportation. The factory buses are overcrowded and very expensive. Her workday starts at 9.00 and officially ends at 17.30. Almost every day, she is forced to work unpaid overtime for 10 to 15 minutes to finish her daily production target. If she says no, supervisors harass and threaten her. Around noon she has a 30-minute lunch break. The factory does not provide any food facilities. She brings her own lunch to work in a box.

After working the whole day, Mangala prepares food, does laundry and other things around the house. Her husband does not help in the household. Bedtime is at 23.00 or midnight. She feels very guilty that she cannot spend more time with her children.

Mangala earns INR 7,500 (€102.73) a month. This covers the rent of a basic house, water, electricity, basic education for the children, food, cable television, travels and healthcare. Even though the basics are covered, she wants to take a loan to provide her children with better education. She wants them to be better off than she is when they grow up. She also

wants to provide her family with healthier food. At the moment her family sends her some rice and she can add some basic ingredients but that is all. Also she would like to have some savings for emergencies, right now she is unable to save money because of the low wages.

The healthcare that is provided by the factory, ESI, is not very useful. To make use of this she can only go to specific doctors who are not open at night. She is allowed to visit the doctor during working hours but this will be unpaid leave and an absence deduction will be taken from her annual bonus.

If there was one thing she could change at the factory it would be the high production targets that have to be met. This brings a lot of stress and harassment to the work environment. Per day Mangala sews around 60 to 70 pieces. The target is 100 a day. Only the very young and ambitious workers can reach this, still the target is never changed. Supervisors shout, scream and scold at her every day 'if she can make the target, why shouldn't you?!'. Besides verbal abuse, physical abuse is also very common. In the factory where Mangala works there are only male supervisors. The supervisors have to stay extra hours to make sure the targets are met. According to Mangala, to be supervisor would be a very stressful job, so she would never want to get this position, even though it pays better.

## DEEPA'S STORY

Deepa (45) is employed at factory 5 as a tailor. She earns INR 7,000 (€ 95.89) a month.

I had to stop going to school because my parents could not afford to send five children to school. I was working at a farm in my village till I got married at the age of 22 and moved with my husband to Bangalore.

My husband was an auto driver who spent his complete salary on alcohol. Due to that, he died 15 years ago. It was very difficult to support two young children as widow. The only job I could find at the time was at a garment factory as a helper for a wage of INR 750 (€ 10.27) a month. After completing the two years apprenticeship period, I started working as a tailor. However, whatever was left after paying the rent was never enough to support the three of us.

I decided to resign my job, after working at the factory for five years to access my Gratuity and Provident Fund savings. These savings were supposed to be for my old age or medical emergencies, but there was no option then but to break into the savings. After that I re-joined and resigned once more after five years. I received INR 70,000 (€ 958.90) and again joined the factory. I took a loan from a Self-Help Group (SHG) of INR 70,000 and INR 10,000 (€ 136.98) from my neighbour and leased a house for another 2 years. I have to pay an interest of 2% to the SHG

(around INR 1,400 (€ 19.17) every month, 4% on annual basis) and a 5% interest to my neighbour bi-annually.

I also took a loan of INR 21,000 (€ 287.67) from the HDFC bank for my daughters' college education and another loan from a Self-Help Group of INR 30,000 (€ 410.95) for my daughter's marriage. Last year I took another education loan of INR 15,000 (€ 205.47) for my sons' education.

It is very difficult to run a household after re-paying the loans and their respective interests every month. I live with my son, who is completing his diploma at the government college. I am trapped in a bad cycle; I am unable to settle all my loans because before I complete paying for one loan I have to take another one. I have done this so many times I think I will never be free from debt.

If factories would pay more, I would not need so many loans. Workers should also be paid on time every month. Workers who have taken loans from banks have to pay interest by the 10<sup>th</sup> of every month. When the factory gives us money on unpredictable dates we pay a penalty of INR 450 (€ 6.16) to the bank. We never get our wages before the 10<sup>th</sup> of the month.

○ Factories in India are obliged to pay wages the 10<sup>th</sup> each Month at latest according to the Payment of Wages Act, 1936, [available here](#).

## 4. WORKING CONDITIONS IN FACTORIES SUPPLYING DUTCH BRANDS

This chapter provides a detailed analysis of the ten researched factories supplying to the Dutch brands. The ten factories are described by using the following categories: 'description of the factory', 'wages, deductions and in-kind benefits', 'working conditions, overtime and gender discrimination' and 'maternity benefits and childcare' and briefly highlights brand's responses. Factory 1 is located in Tamil Nadu and therefore the analysis focuses on the labour laws and minimum wages applicable to the state of Tamil Nadu. The other nine factories are located in the state of Karnataka.

### 4.1 GENERAL OVERVIEW OF THE TEN FACTORIES

Table 2 presents an overview of the number of workers, the gender disparity of the workforce in the ten researched factories. Migrant workers include long-distance migrant workers from the states of East India like Bihar, Jharkhand, Orissa, Bengal, and Assam. These figures are based on estimations by the interviewed workers.

**Table 2: Estimated demographics of workers in the researched factories**

<b>Factory</b>	<b>total number of workers</b>	<b>male workers</b>	<b>female workers</b>
Factory 1, supplier of G-Star and Scotch & Soda	1,000	300	700
Factory 2, supplier of C&A	900	200	700
Factory 3, supplier of WE Fashion and C&A	1,500	300	1,200
Factory 4, supplier of The Sting and Coolcat	900	200	700
Factory 5, supplier of C&A	3,000	500	2,500
Factory 6, supplier of The Sting	1,000	200	800
Factory 7, supplier of Mexx	2,000	500	1,500
Factory 8, supplier of G-Star	800	300	500
Factory 9, supplier of McGregor and The Sting	500	100	400
Factory 10, supplier of Suitsupply	3,000	500	2,500
<b>Total</b>	<b>14,600</b>	<b>3,100</b>	<b>11,500</b>

**Table 3: Designation of interviewed workers according to gender**

<b>Designation</b>	<b>male</b>	<b>female</b>
Helper	4	36
Tailor	3	67
Ironing	5	9
Quality checking	3	7
Packing	4	0
Cutting	2	1
Other	1	8
<b>Total</b>	<b>22</b>	<b>128</b>

A regular garment factory shift in Karnataka begins at 9:00 (workers enter the factory around 8:30 am) and ends at 5:30 pm. Workers spend an average of 9 hours at the factory, 6 days a week. In this research all factories except for factory 10, fall under this schedule. Factory 10 has an average of 5 working days but shifts are longer: 8 am to 6.30 pm.

**In the research, 128 women workers and 22 male workers were interviewed belonging to different designations.**

## 4.2 FACTORIES

### FACTORY 1 SUPPLYING G-STAR AND SCOTCH & SODA

#### Description of the factory

This factory was founded in 1975 and has two manufacturing facilities in the state of Tamil Nadu: Perungudi and Kolambakkam<sup>6</sup>. The research focussed on the factory in Kolambakkam which is a newly built manufacturing unit that has been operating for the last one and a half years. At present the factory employs around 1000 workers, 300 male and 700 female, mostly local workers living in villages surrounding the factory. All workers at the Kolambakkam site are initially trained for one month at the Perungudi manufacturing site. Tailors and helpers said that they mostly stitch items for women, like shirts, pants, jackets and shorts. This factory falls under Zone C for the payment of minimum monthly wages. Factory 1 was initially located in Zone A for minimum wages. 1.5 years ago the factory shifted its premises to an area outside the city. This has brought factory 1 under Zone C, which allows lower minimum wages for workers. The minimum wages for helpers in Zone C is INR 7,145 (€97.88) a month.<sup>1</sup>

#### Wages, deductions and in-kind benefits

The majority of the workforce at this garment factory comprises newly recruited workers with limited experience in garment stitching. Two out of every three workers interviewed at this factory are hired as 'helper' and have continued to remain in training or apprenticeship as helpers despite working at the factory for 1.5 years. These so-called 'helpers' are given lower wages but perform almost the same tasks as any skilled tailors after one and a half year of training. The highest wage among interviewed workers from this factory is INR. 7,000 (€ 95.89) and the lowest wage is INR 4,500 (€61.64). None of the interviewed workers at this factory receive this minimum wage. Let alone the appropriate minimum wage for their designation. The average monthly wage is INR 5,408 (€74.08) before deductions. No Employee State Insurance (ESI) is held, only Provident Fund (PF) deductions. This means the take home wage stands at INR 4,759.04 (€65.19).

In one particular case a worker explained: *"The factory has shifted to a new location because they can pay workers less as this is Zone C. I have worked with this factory for more than 5 years. Earlier, I used to go to the factory in the city and got more wages. Then they shut it down and transferred me to this factory. Now I get a lower wage than before. Usually people work for many years and get promotions, for me it is the opposite. I protested one and a half years back but I have understood that there is nothing I can do. I can either be jobless or continue to work for less money."*

Leaves taken by workers result in loss of pay of INR 81 (€1.10) per day. Late-coming deductions are also made at this factory, a worker said: *"We have permission of 2 hours per month for being late, there is wage deduction if we exceed this time."* Another worker said, *"For late coming of 10 minutes there is a deduction of one-hour salary."* Most workers also

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<sup>6</sup>An earlier version of the report mentioned the hq's location, instead of the correct factory location. G-Star corrected this in its response to the review.

said that each time they eat at the factory canteen INR 10 (€ 0.13) is deducted from their wages.

Most workers commute using factory mini-vans or auto-rickshaws. The bus facility for workers is free and workers who commute using auto-rickshaws are given a transport allowance of INR 500 (€ 6.85) every month. Other additional allowances and utilities given to the workers are attendance bonus, which amounts to 5 kg of rice for workers, INR 250 (€ 3.42) for helpers and INR 500 (€ 6.85) for tailors.

The attendance bonus is only paid if workers do not take any leaves for the whole month. During festival seasons, like Diwali in October, workers who have completed a term of 10 months with the factory are given metal buckets as a token for their commitment to the factory.<sup>7</sup> There are approximately 100 migrant workers from other states of East India, who do not speak the Tamil language and are residing in the local villages. During an interview one migrant worker explained that, *“If I attend the factory without any leaves I get an attendance bonus of 5 kg of rice and this is very helpful for me because I send all my wages to my family. So even if I am sick I go to the factory to make sure I get the attendance bonus, otherwise there is no food. The management makes us work very hard for very less money and at the end of the month I have to send everything home to feed my family.”*

### **Working conditions, overtime and gender discrimination**

At this factory, there are around 15 supervisory positions for male workers and only 2 female supervisors. A worker said: *“The supervisors always ask for more and more pieces finished per hour. They shout and scold if the target is not completed. Supervisors use vulgar words.”* Many workers said that the female supervisors were much harsher than male supervisors. A GLU member interacting with the workers explained that this situation was common as the management in turn was much harsher on the female supervisors compared to the male supervisors. Female supervisors often face verbal harassment from the management if the production targets are not met and hence have to be strict with workers to extract work from them.

Regarding overtime (OT) work at the factory, workers explained that because the factory has been newly opened there is not much OT work. Some batches of workers are required to work overtime, but not all. In most cases where they are, workers are told at the end of the day that they must stay back and finish their work/meet the target. They are not compensated for this work, and often do not consider it overtime. In the 15 interviews conducted with workers at the factory, only one male worker and three female tailors confirmed that they received payment for doing overtime work. Some workers also said that they are verbally harassed and in some cases not given ‘out-passes’<sup>8</sup>

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<sup>7</sup>Most workers do not have bathrooms/showers in rural areas, they use a metal bucket to store water and take showers outdoors or in community bathrooms/toilets.

<sup>8</sup>The ‘out-pass’ is a token system that ensures that security guards do not let workers go outside the factory premises without permission from his/her supervisors. The workers have to show a small ticket called the ‘out-pass’ to the security guards everyday while leaving the factory premises.

' that they need to leave the factory premises if they were to refuse overtime work.

Workers interviewed from factory 1 said that they have a Health Committee and a Canteen Committee. One worker added that the Committees were not real because: *"All the committees are under the charge of the human resource office (HRO), if we have any problem we can complain to the HRO but no action is taken to solve the problem."*

Factory 1 has not set up the mandatory Anti-Sexual Harassment Committee according to interviewed workers. Interviewed women workers had no complaints regarding sexual harassment on the work floor. They said that there was no unwanted touching, staring or any kind of advances made by any of the male supervisors or security guards.

### **Maternity benefits and childcare**

In case of pregnancies, workers need to inform the factory management about their pregnancy in the first three months of their pregnancy. They are told that they will forfeit the maternity benefits if they do not inform the management about their pregnancy within this period. To be exempted from heavy work or to avail more breaks, workers have to provide medical certificates to the HRO. As maternity benefit, workers only receive a one-month paid maternity leave that they can avail immediately before or after delivery. The factory does not pay workers the three months of mandatory paid maternity leave as per the law.<sup>li</sup> According to the law maternity leave benefits are covered by the Employee State Insurance (ESI) hospitals but in the case of this factory, workers collect their maternity benefits directly from the factory. This is because the factory has only recently applied for ESI benefits for its workers. For the same reason none of the workers at this factory receive ESI medical benefits yet.

A few workers say that they know about the three months of paid maternity leave but they were told that this did not apply to their factory. Most workers say that they chose to work till the last month of their pregnancy because they were not aware of the three months paid leave policy and preferred to use the one month paid leave after delivering the baby. Workers agreed that it was a common practice for new mothers to take 4 to 5 months of unpaid maternity leave.

The factory has a crèche facility for workers' children that can accommodate only 10 to 20 children at a time. Workers are not allowed to visit the children in the crèche during working hours, except at the end of the day. Milk and biscuits are provided free of cost to the children but mothers have to bring lunch for the children which they leave with the nurses in the crèche.

### **Unionisation**

Over the last 1.5 years there have been regular strikes in which workers have demanded for higher minimum wages. Workers explained that the factory is in the process of increasingly recruiting migrant workers and removing local workers from the factory because of their demand for higher wages. The majority of the Tamil speaking local workers have attempted to unionize and bargain for better wages at the factory and they have been fired in large numbers. Workers mentioned that many of their co-workers, who were striking for better wages, have been let off from the factory 2 to 3 months earlier. One worker said: *"Those*

*workers who were striking were made to do more work and they were put under a lot of pressure. Many of them resigned voluntarily because they could no longer tolerate the harassment at the factory.”*

Local union members have alleged that earlier in 2015, 200 workers were dismissed from the factory for various reasons including having less production and not enough work for all employees. One worker explained: *“Center of India Trade Unions (CITU) supports the native workers and there have been strikes to demand for better wages. The management noted down the local workers involved in these strikes and began harassing them at the factory with higher production targets. If any of these workers took even one day leave they were fired. None of the workers that were involved in the strike are now working at the factory, they all have resigned or were fired.”*

In some cases illiterate workers were asked to sign documents, and they were told later they had signed their resignation letters and had to leave the factory. A worker said: *“The management has a resignation letter designed for the workers. The HRO summoned them and asked them to sign the papers which they said it were routine documents necessary for their records. The next day workers were called again and told that he or she had voluntarily resigned by signing the resignation letter and that he or she did not need to come to the factory from the next day.”*

The firing of over 200 workers was taken up by the Center of India Trade Unions (CITU) who organised a strike outside the factory. The management in dialogue with the political party explained that they do not have enough work at the factory for all the workers and the production was currently low and hence had no option but to let go of the excess workforce from the factory. None of the fired workers were offered any form of compensation except the final month's salary.

## **Brand's response**

### **G-Star**

G-Star started a wage research in 2015 in China, together with Solidaridad and a Swedish brand, based on the Fair Wage methodology. After finalising this research, the company will roll out the fair wage programme to the rest of its supply chain. G-Star, the only brand in this research that publishes its suppliers list, was able to identify the suppliers that were part of this research. G-Star provided a detailed response on the concerns flagged in this research, which can be found [here](#). The company signals inaccuracies in the research findings, partly based on the fact that issues have been addressed in the meantime, like the 'rice bag scheme' that has now been abandoned. [The researcher's response can be found here](#). G-Star also indicated that they intend to further investigate the issue of workers who were fired and were linked to CITU. [Read full response here](#)

### **Scotch & Soda**

Scotch & Soda states it has ended all production in South India mid 2015. Data for this research was collected between August and October 2015. The company states that it never had any production in the factory in this research. [Read full response here](#)

## FACTORY 2 SUPPLYING C&A

### Description of the factory

Factory 2 stitches items like formal shirts for women. The factory employs 800-1000 workers. Workers estimate that there are 500 migrant workers from other states of India, including Andhra Pradesh, Orissa, and Tamil Nadu, employed at this factory. This factory falls under Zone A for the payment of minimum monthly wages. The minimum wages for helpers in this zone is INR 7,076 (€ 96.93) a month.

### Wages, deductions and in-kind benefits

The highest wage among workers interviewed from this factory is INR 8,500 (€ 116.44) and the lowest wage is INR 6,000 (€82.19). In total, six people do not receive the legal minimum wage for their designation. The average monthly wage of workers before Employee State Insurance (ESI) and Provident Fund (PF) deduction is INR 7,297 (€ 99.96). After the deductions workers receive a sum of INR 6,293 (€ 86.21) in hand. Workers at factory 2 also receive an attendance bonus of INR 300 (€ 4.11) if they do not take any leaves in a month.

At factory 2 lunch and travel (buses) facilities are provided free of cost for workers. Workers who use the factory bus facilities travel for over one hour to reach the factory. Workers said that the buses are in good condition but sometimes buses are overloaded with too many workers. Workers complained about the quality of the free food provided at the factory. A 19-year-old worker commented: *“Many workers bring food from their home because most of us are not able to eat the food given in the factory. From Monday to Friday they only give us some rice, a watered soup and pickles.”*

### Working conditions, overtime and gender discrimination

The production target for tailors is fixed at 100 pieces per hour but workers mention that they are able to stitch only 60 to 70 pieces per hour if they work without stopping. A tailor at the factory said: *“The target is very high and we are never able to finish in time, so we are forced to do overtime work, but the management does not see it as overtime work or pay overtime wages for this work. They say that we are slow and did not finish our target for the day so we have to stay till 6 or 7 pm and finish our daily targets.”*

Seven out of the fifteen interviewed workers mentioned that they have done overtime work at this factory. Workers said that high seasons of production are between the months of January and August. In these months a lot of overtime work is done. September to December are months of low production. The majority of the workers said that they were free to refuse overtime work. In practice the possibility to refuse overtime work seems determined by the workers' gender and designation. Male workers and skilled tailors said that they were free to refuse OT work, while a female helper explained that *“We cannot refuse overtime work. We must do it or they threaten to fire us from the factory.”* A female helper said: *“Male workers can refuse overtime and free extra work by arguing and fighting with the supervisors. But supervisors do not listen to female workers if they refuse.”* Another difference seems to be that male workers get paid (better) for overtime hours. A male tailor said that the highest he has earned from overtime in one month in the peak seasons was

INR 3,500 (€ 47.94). Two female helpers mentioned that they had done overtime work but were not paid for these extra hours of work.

Workers are aware that the factory has an Anti-Sexual Harassment Committee. The committee has 15 to 20 members. According to the workers the Committee has not been very useful as the Committee has never arranged meetings or awareness programs for workers on the issue of sexual harassment. The meetings of the Anti-Sexual Harassment Committee are held once a month and only the members are invited to attend the meetings.

### **Maternity benefits and childcare**

Three months of paid maternity leave are available for pregnant workers at the factory. However, the majority of the workers interviewed said that they quit their job for one year and re-joined after delivery. During a focus group discussion, one worker who had availed the maternity leave benefits a few years explained: *“During my maternity period I got 3 months of leave but afterwards it was no longer possible to come to work with a 3 months old baby, the crèche only admits children after one year, so I quit the job and re-joined again after a year.”* Most workers returned to their native villages post-delivery.

There is a factory crèche that can accommodate ten to fifteen children at a time. Only children above one year and below three years can be admitted to the crèche. Preference for admitting children in the crèche is given to workers who have been employed at the factory for a longer time. A tailor at the factory said: *“We have been asking the management to expand the crèche to admit more children but they are not doing it. Children are taken in the crèche on the basis of which workers joined the factory first so new workers have no access to the crèche facilities.”*

Workers expressed concerns about leaving their children under the care of untrained helpers. A 19-year-old worker who uses the crèche facility for her two-year-old child said: *“The helpers in the crèche refuse to clean the children if there are any accidents. They leave the child crying for hours till we are given permission from the supervisor to go visit the crèche.”*

### **Brand's response**

#### **C&A**

*C&A has 42 suppliers in the Bangalore region and indicates that it was unable to identify the suppliers that were covered in this research. In its response the brand outlines its policies on crèche facilities, wages, hostels, freedom of association and a safe working environment. C&A is part of ACT, a coalition of 17 brands and IndustriALL Global Union, to establish enabling principles for living wages. In the Bangalore region, C&A cooperates with Femnet and Cividep to improve childcare facilities at 6 suppliers.*

[Read full response here](#)

## FACTORY 3 SUPPLYING WE FASHION AND C&A

### Description of the factory

Factory 3 employs an estimated 1,500 workers out of which 300 are male and 1,200 are female workers. The factory employs approximately 250 migrant workers from other states of south India. Workers at the factory have served for an average period of three years. The factory produces items like men shirts, women's pants and shorts. This factory falls under Zone A for the payment of minimum monthly wages. The minimum wages for helpers in this zone is INR 7,076 (€ 96.93) a month.

### Wages, deductions and in-kind benefits

The highest wage paid at this factory is INR 9,500 (€ 130.14) and the lowest INR 7,000 (€ 95.89). In total, two out of the fifteen interviewed workers do not receive a legal minimum wage. The average monthly salary for workers in this factory is INR 7,933 (€ 108.67) before ESI and PF deductions. Workers receive an average wage of INR. 6,842 (€ 93.73) after Employee State Insurance (ESI) and Provident Fund (PF) are deducted from their salary.

Six out of the fifteen interviewed workers use the 'factory truck' to commute to work every day. This factory does not have buses or vans and workers are transported in trucks, which are goods carrier vehicles. These vehicles are provided free of cost to the workers.

Workers at the factory are given attendance incentives, a sum of INR 800 (€ 11) for having taken no leaves during the entire month. They receive no other benefits or bonuses. INR 20 (€ 0.27) is deducted from workers' wages for each time they eat at the factory canteen.

### Working conditions, overtime and gender discrimination

According to the interviewed workers the production at the factory is stable throughout the year, without peak or lean production seasons. Overtime is rare hence workers do not have extra income from extra work.

Male workers in the factory are mostly employed in the ironing, packing and cutting sections while female workers are hired as helpers and tailors.

In factory 3, fifteen male supervisors and four female supervisors are employed. All workers interviewed spoke of high levels of verbal harassment by supervisors for reasons such as non-completion of production targets and falling behind the hourly production targets. The hourly production target for tailors at the factory is 80 pieces per hour; workers indicated that they can complete up to 60 pieces in one hour. A 30-year-old helper at the factory said: *"Supervisors scream and shout if we don't complete the production target and when they think it is necessary they start moving unfinished pieces from one tailor to other tailors and they sit beside them to ensure that they reach the production targets quickly."* In a focus group discussion, tailors and helpers from the factory also spoke about high pressure tactics used by supervisors to make workers reach the unrealistic daily targets, such as verbal abuse in front of co-workers and shifting work from one tailor to another. One worker said that *"a few times there have been conflicts with male workers because male workers exceed their hourly production target."* A 32-year-old tailor said that, *"The man next to me stitches*

*100 pieces in one hour when the hourly target is 80 pieces per hour and the supervisor comes and starts shouting at the women saying he has done so many pieces then why can't you? This usually leads to arguments with male workers afterwards."*

The factory has an Anti-Sexual Harassment Committee. A helper at the factory said that *"There is a list of names of all the Committee members on the notice board in the factory. When there are meetings only the members in the list attend the meetings the rest of us know nothing."*

A complaint box is installed in the premises of the factory for workers to write and deposit any complaints. Workers said that the management invites them to discuss their problems upon receiving a complaint but it does not necessarily lead to resolving their problems.

### **Maternity benefits and childcare**

In case of pregnancies, workers who have informed the management, undergo routine check-ups by the doctor and nurse at the factory dispensary. Workers said that only women who are over six months pregnant are given more breaks and less work. A tailor from the factory mentioned: *"The pregnant workers who are tailors are assigned as helpers to make sure that they are not under too much work pressure and they can complete their production target."* Workers get three months paid maternity leave and most workers who have availed the maternity leave benefits said that they choose to use the paid-leave immediately before and after delivery. The women usually resign from the factory for period of 1 to 2 years after having a child as the crèche only accommodates children older than one year and younger than four years. New mothers need frequent breaks to feed their babies and they require more rest than regular workers and hence the management advises them that it is best that new mothers resign from their job temporarily. A 30-year-old worker discussing the management's position in relation to maternity explained: *"We cannot go back to work because we need to look after the child and the management is not improving the crèche to take care of younger babies. Because of this we are forced to terminate our service and then ask to join in the same factory as a new worker with a new registration."*

The factory crèche can accommodate fifteen to twenty children at a time. Children are admitted on the basis of how long the worker has been working in the factory. There are two helpers and a teacher employed to take care of the children in the crèche. In a focus group discussion workers expressed their concerns about the untrained and uneducated staff employed in the crèche to take care of the children. Workers also spoke of numerous instances of manhandling and misbehaviour towards children in the crèche. They also pointed to rumours about incidences in the past, when the management of several garment factories apparently were under scrutiny after medical reports revealed that children in the factory crèches were regularly given sleeping tablets (in their milk) to keep them sleepy and silent.

### **Brand's response**

**C&A**

C&A has 42 suppliers in the Bangalore region and indicates that it was unable to identify the suppliers that were covered in this research. In its response the brand outlines its policies on crèche facilities, wages, hostels, freedom of association and a safe working environment.

C&A is part of ACT, a coalition of 17 brands and IndustriALL Global Union, to establish enabling principles for living wages. In the Bangalore region, C&A cooperates with Femnet and Cividep to improve childcare facilities at 6 suppliers.

[Read full response here](#)

**WE Fashion**

WE Fashion indicates that since suppliers names have not been revealed, it is unable to countercheck the research findings. 30% of the WE Fashion suppliers in India is monitored by SA 8000, the other 70% by BSCI. The BSCI system guarantees that labourers receive a wage “that is sufficient to provide them with a decent living for themselves and their families” (for full text see BSCI code of conduct<sup>iii</sup>).According to WE Fashion, the wages that are paid by ot’s suppliers in South India are above the SAI living wage benchmark. WeEFashions did a research in 2014, that shows that its suppliers in India pay more than the legal minimum wage. In its response, We refers to the average wage found in this research, which is higher than the minimum wage.

[Read full response here](#)

## FACTORY 4 SUPPLYING COOLCAT AND THE STING

### Description of the factory

Factory 4 produces items like jackets, formal shirts and pants for men. The factory employs an estimated 900 workers, 200 male and 700 female. The factory employs around 150 migrant workers from other states of northeast India. This factory falls under Zone A for the payment of minimum monthly wages. The minimum wages for helpers in this zone is INR 7,076 (€ 96.93) a month.

### Wages, deductions and in-kind benefits

The highest wage among workers interviewed from this factory is INR 8,750 (€ 119.8) and the lowest wage is INR 7,200 (€ 98.63). None of the workers get paid below minimum wage. The average monthly wages for workers at the factory is INR 8,157 (€ 111.74) before the ESI and PF are deducted. After the deductions workers receive a sum of INR 7,035 (€ 96.38) in hand. Workers receive INR 400 (€ 5.47) as attendance bonus if they take no leaves for an entire month. About the attendance bonus a female tailor working at the factory for four years said: *“We get a minimum of INR 400 (€ 5.47) as attendance bonus if we keep working without taking leave. It increases to INR 600 (€ 8.21) if we take no leaves for 3 whole months. If we take a single leave, the attendance incentive once again decreases to INR 400 (€ 5.47).”*

Workers said that even if they were a few minutes late the security guards harassed them and did not let them enter the factory premises. The security guards are asked by the factory management to observe how late workers arrive and report this to the HRO which then results in late-coming wage deduction. Half a day's wage (i.e. an average of INR 156 (€ 2.13)) is deducted from any workers' salary if they are reported for coming two hours late to the factory. A 29-year-old female tailor said: *“Even if we are late for five minutes the security guard refuses to let us in. Some days we are even sent back home after waiting for a long time outside the factory gate.”*

While providing canteen facilities is mandatory according to Indian law, workers of factory 4 describe how the presence of a canteen is faked during buyers' visits and audits. Plates and glasses are set out on the table in the dining hall to make it look like a functional canteen for workers. However, on a regular working day, the space is used as a dining hall with tables where workers can eat the lunches that they bring from home. Apart from the lack of canteens, factory 4 has an “out-pass” token system for workers entering and exiting the factory. Workers interviewed from this factory say that they had to go without lunch if there was no time to cook it in the morning. This was because they could not leave the factory premises during the lunch break, since the supervisors were not available to sign their out-passes at lunchtime.

Most workers live within one to two kilometre radius of the factory compound and travel to the factory by foot every day. Four out of the fifteen interviewed workers use the transportation facility for which a sum of INR 200 (€ 2.73) per month is deducted from their wages. A 21-year-old tailor said: *“It takes 20 minutes by bus to go to the factory from my house, but I know many co-workers who live near my house and they choose to walk every*

*morning for 1 or 1.5 hours because they want to save INR 200 (€ 2.73) every month that is deducted for using the factory bus.” Another tailor from factory 4 mentioned: “The factory buses are in such a terrible condition, they do not repair them and continue to overload buses with more workers than it can carry. They fill the buses like they fill trucks with cattle or goats.”*

### **Working conditions, overtime and gender discrimination**

The months March and April are indicated by workers as high production season at the factory. Hourly overtime wages are fixed between INR 70-80 (€ 0.95-1.09) depending on the workers' designation. Nine out of the fifteen workers interviewed said that they are not free to refuse overtime work. While factory 4 has no OT (overtime) slips, it has daily 'out-pass' slips that are used to restrict the movement of workers. The out-pass system ensures that workers cannot leave the factory premises without the signed approval of their supervisors. Half of the workers interviewed said that they do not get paid for doing overtime work. The other half, 8 workers, did receive overtime wages. Depending on their job type, they said that the most they have earned in overtime work is between INR 192-1,500 (€ 2.63- 20.55) for an average number of 21 hours of OT work per month during the peak season.

According to most workers, when overtime work is announced in the factory it is mandatory to stay in the factory till 7 or 8 pm, to complete the work. Workers cannot refuse to do overtime work and the factory has an “out-pass” system in place for monitoring workers' presence at the factory compound. Workers who do not have their out-pass signed off by their supervisor, are not allowed to leave the factory premises by the security guards.

According to the interviewed workers there are 15 male supervisors and no female supervisors. A 21-year-old woman tailor said: *“There are no women supervisors at our factory and we are unable to disclose problems like pains during the periods or other such woman-related problems to male supervisors. If we want to take more toilet breaks or rest during our period, we can never say the reason openly to the supervisors and they misunderstand us and start shouting at us. I do not know why the management thinks that women cannot be supervisors. Men are promoted after they worked as tailor for 6 months while a woman can work for 5 years and still not become a supervisor.”*

A tailor working at the factory for 2.5 years said: *“The supervisors start scolding and shouting for the smallest mistakes; they make many workers work for extra hours without paying them. There is a lot of pressure on us throughout the day. Each hour the supervisor comes and shouts at us reminding us of the hourly production targets”* Also a 24 year old worker mentioned: *“The supervisors can be extremely unfair and they favour some workers over others. They recommend more salary and less work for those who are friends with them while other workers have to compensate for this.”*

According to the interviewed workers there is a functional Anti-Sexual Harassment Committee in the factory that was set up 1.5 years ago. This committee regularly organises meetings and awareness programs for workers. If there are any complaints relating to sexual harassment on the workfloor workers are encouraged to approach the committee members. A 26-year-old tailor said: *“The Anti-Sexual Harassment Committee is very useful and we can*

*share our problems with them, our personal information is kept confidential and they take strong action if they get any complaints. It is because of the Anti-Sexual Harassment Committee that male co-workers and even supervisors think twice before harassing female workers. They now will get fired if women complain to the committee.”*

Workers said that there were female security guards outside the women’s toilets to ensure that they didn’t use the rest rooms for more than a few minutes. There are no security guards outside the men’s rest rooms. A 38-year-old worker said: *“The lady security guard who stands outside the toilets will not allow us to use the toilet for more than 1 or 2 minutes. They start shouting to us to come out from the toilet booth and even complain to supervisors saying we were wasting time in the toilet.”*

In a focus group discussion, the workers said that the factory has no canteen facilities, however the fourth floor of the factory has a dining hall for workers. The dining hall is made to resemble a fully functional canteen only during buyers’ visits and audits. A 38-year-old worker from the factory said: *“During buyers’ visits at the factory the management puts plates, glasses and jugs in the dining hall to make it look like food is available for workers every day. There is no canteen at the factory; the fourth floor is only a dining hall for workers to eat the food they bring from home. We laugh about it and once I even asked the housekeeper in the dining hall what would happen if during buyers’ visits one of them asks for a plate of food that the factory provides at the canteen for workers.”*

### **Maternity benefits and childcare**

Three months of paid maternity leave is provided to all pregnant workers at the factory as per the law. Most pregnant female workers resigned from their job for a period of 1 to 2 years after having a baby. The factory has a crèche facility that can accommodate between fifteen and twenty children. Only children above the age of one and below the age of three are admitted to the crèche. Children are admitted to the crèche on the basis of workers joining date at the factory. A 24-year-old tailor at the factory explained: *“There are no beds for children in the crèche. Children sleep on plastic mats on the floor.”*

## **Brand's response**

### **Coolcat**

In response to the research findings, Coolcat has started a due diligence process concerning its four Indian suppliers, in which they have filled in an extensive questionnaire. Two of the suppliers have not produced for Coolcat since a year, Coolcat will draft an action plan with the two other suppliers. Coolcat's own buying department and BSCI inspectors monitor the height of the wages paid to workers, if and when they are paid and if social security is actually paid.

[Read full response here](#)

### **The Sting**

The Sting only buys from Dutch importers and does not have its own suppliers in India. The brand has contacted all its suppliers who import from India. The reports they provide are positive about manufacturers in India and therefore not of use in resolving the issue of wages. The Sting is now in process of mapping all factories that have manufactured for The Sting in the past year. Furthermore The Sting intends to increase its transparency.

[Read full response here](#)

## FACTORY 5 PRODUCING FOR C&A

### Description of the factory

Factory 5 produces shirts and shorts for women. The factory employs around 3,000 workers, 2,500 female and 500 male workers. Out of the 3,000 workers half are migrant workers from recruited from remote villages in north-east India (Orissa, Assam, Jharkhand) by agents or contractors. The factory has two hostels, one kilometre away from the factory premises, where young migrants between 18 and 22 years old are living. This factory falls under Zone A for the payment of minimum monthly wages. The minimum wages for helpers in this zone is INR 7,076 (€ 96.93) a month.

### Wages, deductions and in-kind benefits

The highest wage among workers interviewed from this factory is INR 15,000 (€ 205.47) and the lowest wage is INR 6,500 (€ 89.04). Three out of the fifteen interviewed workers do not receive a legal minimum wage. The average monthly wage of workers at factory 5 is INR 8,280 (€ 113.42) before ESI and PF deductions. After deductions they receive INR 7,141 (€ 97.83).

Workers complained about the poor quality and the expensive pricing of food provided in the canteen. A 30-year-old local worker said in a focus group discussion: *“The food in the factory is very bad and very expensive. They charge INR 25 (€ 0.34) for a meal in which they provide little rice, some lentils and some curd, never any vegetables. They charge INR 15 (€ 0.20) just for 2 pieces of bread! No one eats at the canteen. At any time out of 3,000 workers, only about 100 people (mostly the management) use the canteen facilities. All other staff and workers bring their own food.”*

Six out of the fifteen interviewed workers use the factory bus to travel to work. Workers travel between 30 minutes to 1.5 hours to the factory. A wage deduction of INR 200 (€ 2.73) is held for using the factory bus to travel to work. Workers who commute using factory vans/buses mentioned that around 50 to 60 workers are loaded on to vans that can hold no more than 25 to 30 workers. A number of workers complained of experiencing nausea and breathlessness because of being trapped inside the factory van with too many people.

Workers said that half a day's salary, around INR 159.22 (€ 2.18) is deducted if they come 10 minutes late for more than 4 days in a month.

Workers at the factory receive an attendance incentive of INR 100 (€ 1.36) for not taking any leaves in a month.

### Working conditions, overtime and gender discrimination

Workers spoke about unpaid overtime work as they are regularly forced to take paid leaves after doing a lot of hours of overtime work during high production seasons. Workers explained that instead of being paid double hourly rate for overtime, they were told to take paid leaves and not come to work the days following heavy consignments. All workers at factory 5 said that they cannot, under any circumstances, refuse overtime work.

A few young migrant women said that they are consistently threatened to be sent back to their villages and wage deductions by the supervisors for the slightest error on the work floor. All the workers interviewed from the factory said that there is a very high level of verbal harassment from supervisors. One worker said: *“After every two hours they ring a loud bell and all the workers must immediately get up to clean their work places, once we have done this we can start working again.”* Factory 5 has implemented a wide variety of rules and regulation for disciplining the workers, which workers see as unreasonable.

At the end of the work day when coming out of the factory, the hair and clothes of workers are covered by cotton dust. When asking the workers, they said that they did not use any personal protective equipment (PPE) in the factory as it will make them fall behind on their production targets.

The medical facilities available at the factory consist of one in-house doctor, a nurse and first-aid boxes. Migrant workers said that they do not use the medical facilities available in the factory as they are sent back to their rooms in the hostel if they fall ill. In the hostels they need to request their warden to take them to the local dispensary and additional charges are deducted from their wages for the medicines and the doctor’s consultation.

Workers also discussed about the poor condition of the bathrooms; one of the young migrant girls said: *“The bathrooms are extremely unhygienic. It is difficult to go to the bathrooms in the factory without covering our faces because of the horrible smell. They never clean the toilets except during buyers’ visits. Sometimes the garbage in the bathroom is left there for 3 to 4 weeks and the menstrual pads that girls throw away remain in the bathrooms for weeks.”* A 34-year-old tailor at the factory also said that supervisors do not allow workers to go to the toilet when they are stitching heavy consignments.

The factory employs six female supervisors and fifteen male supervisors. The factory has an Anti-Sexual Harassment Committee whose members have meetings once a month. According to the workers the management has appointed the members of the committee. All members are in favour of the factory management and hence the committee is not useful for workers if they want to register a complaint against a supervisor, security guard or member of the factory administration.

### **Maternity benefits and childcare**

All workers are given three months of paid maternity leave. Women said that they have to inform the management of pregnancies so that they can get less work during the later stages of their pregnancy. A 25-year-old worker described the maternity procedure at the factory as follows: *“The management provides chairs to the pregnant workers to sit and work. Also the pregnant workers get more leaves for the monthly check-ups with the hospitals. In the evening, pregnant workers are given preferences to leave the factory early. There is a nurse in the factory and a doctor who visits every Friday. If pregnant workers have any health problem, they can see the doctor. Pregnant workers are also given milk and biscuits like the children in the crèche.”*

The factory has a crèche facility that can accommodate up to 30 children.

## Hostel

The factory has hostels for young migrants between 18 and 22 years old. Migrant workers were interviewed separately as they could not fill in the questionnaires in the local languages. The young girls informed the researchers that they were recruited from villages in northeast India through networks of agents and brokers. They were trained in using manual sewing machines in a training camp for a period of two months without being paid. These camps were organised by the factory itself. When they arrive in Bangalore, the girls underwent another month of paid training on electronic sewing machines.

Girls living in the hostel spoke of poor living conditions. The hostel rooms are shared by ten to fifteen girls at a time. One gas stove and a few utensils are provided for the girls to share. No beds are provided and workers sleep on plastic mats spread on the floor. A group of young migrant girls recruited from Assam said that they had signed an agreement with a contractor for INR 7,882 (€ 107.97) per month. The girls said that they were extremely depressed with the living and working conditions at factory 5. At the time of recruitment and training in their villages they were falsely promised that accommodation and utilities in the hostels would be free of charge. Having worked for twenty days in the first month, some of the girls received a wage of only INR1,400 (€ 19.17). The young migrant workers received less than 20% of their monthly wages after expenses for amenities such as plastic sleeping mats, cooking utensils, cleaning products and a stove were deducted from their wages. This is a clear violation of the Payment of Wages Act<sup>iiii</sup> as any deduction of wages made by the employer cannot exceed 50% of the workers total wage at any time.

One 18-year-old helper said that she was in an extremely poor health and depressed after receiving a wage of INR 1,400 (€ 19.17) for working so many hours. In the end she had to borrow money from relatives and other girls to buy food for the rest of the month. She said that she had also worked 4 to 5 overtime hours that month, but no mention was made of overtime payment while collecting her wages. She also said that the management had actively discouraged her from getting a wage slip which could prove the illegal wage deductions by saying that they could not locate her ID numbers or batch numbers in their files and hence couldn't provide her a wage slip. A number of migrant workers said if they often fell sick because of weakness and lack of food, additional costs for medicines and doctors' visits would be deducted from their wages. INR 600 (€ 8.21) is deducted monthly from the migrant workers salary for the hostel accommodation.

## Brand's response

### C&A

C&A has 42 suppliers in the Bangalore region and indicates that it was unable to identify the suppliers that were covered in this research. In its response the brand outlines its policies on crèche facilities, wages, hostels, freedom of association and a safe working environment. C&A is part of ACT, a coalition of 17 brands and IndustriALL Global Union, to establish enabling principles for living wages. In the Bangalore region, C&A cooperates with Femnet and Cividep to improve childcare facilities at 6 suppliers.

[Read full response here](#)

## FACTORY 6 PRODUCING FOR THE STING

### Description of the factory

Factory 6 has an older branch in Tamil Nadu which houses the manufacturing and sales offices of the company. The factories operations at the Karnataka branch started only six months ago. The factory produces mostly female shirts. Workers estimate that there are 1,000 employees in this factory of which 400 migrant workers from northeast India (Orissa, Bihar and Andhra Pradesh). Around 800 workers are female and 200 male. The majority of the workforce at this factory consists of young untrained helpers.

### Wages, deductions and in-kind benefits

This factory falls under Zone A for the payment of minimum monthly wages. The minimum wages for helpers in this zone is INR 7,076 (€ 96.93) a month. The highest wage among workers interviewed from this factory is INR 7,800 (€ 106.84) and the lowest wage is INR 7,000 (€ 95.89). Seven out of the fifteen interviewed workers do not receive a legal minimum wage. The average monthly wages of workers in this factory is INR 7,264 (€99.51). Only Provident Fund (PF) of 12% is deducted from the workers' monthly wages as the factory is not registered with the ESI. After deductions workers receive a sum of INR 6,392 (€87.57) in hand.

If workers come late for more than 2 hours, INR 139.35 (€ 1.90) is deducted from their monthly wages. Workers at factory 6 receive an attendance bonus of INR 300 to 500 (€ 4.11-6.85) per month for taking no leaves. All workers indicate that there are no allowances for transportation and that they walk to work. On average they walk 30 minutes to and from work every day. Since the factory started operating recently, it has not yet registered with the Employee State Insurance (ESI). Most workers do not have ESI cards to access free healthcare at an ESI registered hospital.

### Working conditions, overtime and gender discrimination

All interviewed workers at the factory said that there are no high or low seasons of productions. They have not done any overtime work or earned extra overtime wages. A 39-year-old married worker said: *"I am not interested in doing overtime after working 9 hours in the factory, but if we had overtime then I could earn a little more money which could be used to satisfy the one or two additional needs in my family, but unfortunately there is no OT in the factory and the wages I earn do not satisfy all our needs."*

There are 10 male supervisors and 2 female supervisors working in the factory. Workers said that supervisors resort to verbal harassment to put pressure on them to increase production targets. The fixed production target at the factory is 100 pieces per hour but workers said that they can stitch only up to 60 pieces in one hour. A 30-year-old tailor said: *"The supervisor scolds us if the target is not reached; he calls us beasts and other kinds of abuses. The supervisors can also complain to the Production Manager and the manager calls us to his room to warn us about finishing targets on time or he says we will be fired from the factory."*

Female workers' appearance and dress code are monitored at this factory, women workers are instructed to not apply the red dot of vermilion on their forehead because it could damage

the expensive fabrics that they are handling. Female workers are also instructed not to come to the factory with their hair open or having applied hair oil. One worker said that the management also provides instructions and codes for women's clothing and jewellery asking them not to wear shiny bangles or expensive sarees<sup>9</sup>.

The factory has an Anti-Sexual Harassment Committee, but none of the workers interviewed knew of any work that the Committee had done so far.

### **Maternity benefits and childcare**

The factory has been operational for six months and workers haven't applied for the paid maternity benefits yet. Workers at the factory said that the management has informed them that they are entitled to three months of paid maternity leave. Besides the factory has a crèche facility that can manage up to 20 children at a time. Only children above the age of 2 and below the age of 5 are admitted in the crèche. Workers said that the crèche environment is neat and clean and beds have been provided for the children.

### **Brand's response**

#### **The Sting**

The Sting only buys from Dutch importers and does not have its own suppliers in India. The brand has contacted all its suppliers who import from India. The reports they provide are positive about manufacturers in India and therefore not of use in resolving the issue of wages. The Sting is now in process of mapping all factories that have manufactured for The Sting in the past year. Furthermore The Sting intends to increase its transparency.

[Read full response here](#)

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<sup>9</sup>Traditional Indian clothing.

## FACTORY 7 PRODUCING FOR MEXX

### Description of the factory

Factory 7 has several branches in Karnataka. In the factory items such as men's shirts and shorts are produced. Workers estimate that there are 2,000 workers in the factory, of which around 1600 are migrant workers from other states in India or other districts of Karnataka. They estimate that of the 2,000 workers 1,500 are female and 500 male. This factory falls under Zone A for the payment of minimum monthly wages. The minimum wages for helpers in this zone is INR 7,076 (€ 96.93) a month.

### Wages, deductions and in-kind benefits

The highest wage among workers interviewed from this factory is INR 8,000 (€ 109.59) and the lowest wage is INR 7,000 (€ 95.89). Five people do not receive a legal minimum wage for their work. The average monthly wages of the interviewed workers is INR 7,500 (€102.74) before the Employee State Insurance (ESI) and Provident Fund (PF) deductions. After these deductions workers receive INR 6,469 (€ 88.61). Workers do not get any additional allowances from the factory for housing or food. There is a monthly attendance incentive of INR 300 (€ 4.11) for workers who come to work without taking any leaves. Workers are allowed to be two hours late a month, after this a late coming deduction of INR 144.23 (€ 1.98) is held from workers' wages. The 2 hours can be accumulated over a period of a month even if they come 5 minutes late to the factory every day.

Eleven out of fifteen interviewed workers commute to work walking 25 minutes from and to work every day. Workers who live further away, over 2 to 5 kilometres from the factory, go to work by using the factories' mini-bus service, which is free of cost.

### Working conditions, overtime and gender discrimination

Workers at factory 7 said that there are no high and low seasons of production. Seven out of fifteen workers have never worked overtime, while the other 8 have done overtime work. Workers explained that they were entitled to get between INR 60-80 (€ 0.82-1.09) hourly overtime wages, depending on their designation but this does not always happen in practice. Among the 15 interviewed workers, the highest overtime wages workers ever received ranged between INR 400 (€ 5.48) to the highest at INR 3,000 (€ 41.09) a month.

There are fifteen male supervisors and two female supervisors working at this factory. Most workers said that there were high levels of verbal harassment by the male supervisors at the factory. Female workers complained that supervisors use extremely vulgar language when production targets are not met or when workers arrived late at the factory. A 19-year-old male worker spoke about gender discrimination by supervisors who use expletives and vulgar language against women while they are behaving normally with male workers. He said: *"Supervisors behave rudely with the female tailors and helpers and even scold them using very vulgar words but they don't shout or scold to the male tailors."*

Workers say they have an Anti-Sexual Harassment Committee but add that committees are not useful for them and do not solve any of their problems. A 21-year-old worker explained: *"The management appoints members of all the Committees. The workers are not free to*

*choose their own representatives. One person is nominated by the management from each batch for the Anti-Sexual Harassment Committee. The Committee has monthly meetings and on the day of the meeting, the supervisors find one or two workers who have less work and asks them to go attend the meeting. Not much happens in these so-called meetings, it is just a routine procedure. If there are any real complaints about sexual harassment, workers have to go to the Human Resource Office. The HRO then calls the person accused of sexual harassment and tries to solve the matter internally. The worker who complained is not invited for any further discussions between the management and the accused supervisor or male worker.”*

### **Maternity benefits and childcare**

Workers get three months of paid maternity leave at this factory. Fourteen workers (out of the fifteen interviewed workers) mentioned that they do not take unpaid maternity leave aside from the three months of paid leave allotted to them. A few workers in the course of the interview said that pregnant workers have to inform the management about their condition upon which they can take more leaves in a month and get less work at the factory.

Factory 7 has crèche facilities with the capacity for 25 to 30 children. There are two helpers and a teacher to take care of the children in the crèche. Children are admitted to the crèche on the basis of workers’ performance. A worker at the factory said: *“Workers’ daily production target is used to decide whether their children will be admitted to the crèche or not. Workers who have consistently reached high production targets get recommendations from the supervisors and their children are admitted with first preference to the crèches.”*

### **Brand's response**

#### **Mexx**

In its response, Mexx states the brand is unable to verify if this is indeed a factory in their current supplier database. Therefore the brand cannot work on improvements at this specific factory, but intends to keep the concerns raised in this report in mind as a general risk in the area and evaluate their factories with extra attention to these concerns.

[Read full response here](#)

## FACTORY 8 PRODUCING FOR G-STAR

### Description of the factory

Workers estimate that there are around 800 employees in this factory, 300 male and 500 female woman workers. The factory stitches leather items like jackets and pants. Male workers are hired for the finishing, cutting and sample sections, while female workers are mostly hired as helpers and tailors. There are about 670 migrant workers. Short distance migrant workers from Tamil Nadu and other parts of Karnataka. And, mostly male, long distance migrants from different districts of Andhra Pradesh, Bihar and Orissa. This factory falls under Zone A for the payment of minimum monthly wages. The minimum wages for helpers in this zone is INR 7,076 (€ 96.93) a month.

### Wages, deductions and in-kind benefits

The highest wage among workers interviewed from this factory is INR 9,300 (€ 127.39) and the lowest wage is INR 7,000 (€ 95.89). Four workers do not receive a legal minimum wage. The average monthly wage for interviewed workers is INR 7,660 (€ 104.93) before ESI and PF deductions. After deductions this results in INR 6,606 (€ 90.50). There are no late coming wage deductions at the factory. Workers receive a monthly attendance incentive of INR 250 (€ 3.42) for attending work every day without absence.

Workers said that October to February are seasons of high production at the factory and during this time period there is compulsory overtime work till 7 pm every day. The highest that workers have earned from overtime work in a month is ranges between INR 400 (€ 5.48) and INR 2,000 (€ 27.40) depending on their designation. A 30-year-old tailor mentioned: *“If we refuse overtime work then the supervisors ask us not to come to the factory anymore.”* Other workers said that they do not refuse overtime work because it allows them to earn extra money, which they need to top-up their household income.

### Working conditions, overtime and gender discrimination

Most supervisors are men. Only a few workers indicate that they have seen female supervisors at the factory. Most workers spoke about discrimination based on gender by the male supervisors. Female workers said that they more regularly face verbal harassment compared to their male co-workers. A 37-year-old tailor explained: *“It is the same in all garment stitching factories, there is a lot of shouting and harassment by supervisors. There is also a deep partiality by the supervisors for other male workers because they are friends. Workers who are friends with the supervisor get less work and more recommendations for promotion.”*

The factory has an Anti-Sexual Harassment Committee that organises meetings for committee members only. Only two out of the fifteen interviewed workers mention that they find the committee to be helpful. Two other workers had not heard of the committee before and the majority of interviewed workers does not think the committee is useful.

### Maternity benefits and childcare

Workers get three months of paid maternity leave. When pregnant women inform the management about their maternity they get less work and can take more leaves than the

regular workers. Female workers at the factory said that they quit their jobs for a period of one to two years after delivery.

The factory has a crèche that can accommodate only ten children. There are two care-takers and one teacher appointed to take care of the children in the crèche.

### **Brand's response**

#### **G-Star**

G-Star started a wage research in 2015 in China, together with Solidaridad and a Swedish brand, based on the Fair Wage methodology. After finalising this research, the company will roll out the fair wage programme to the rest of its supply chain. G-Star, the only brand in this research that publishes its suppliers list, was able to identify the suppliers that were part of this research. The company signals inaccuracies in the research findings, partly based on the fact that issues have been addressed in the meantime.

[Read full response here](#)

## FACTORY 9 PRODUCING FOR MCGREGOR AND THE STING

### Description of the factory

According to workers' estimations, factory 9 has 500 workers, of which roughly 100 are male and 400 female. The factory has three floors, the second floor has eight stitching batches, each batch comprises 30 to 40 workers. In factory 9 items like sweatshirts, T-shirts, shorts and children's clothing are stitched. Workers estimate that there are around 440 migrant workers at the factory coming from different districts of Orissa, Jharkhand, Andhra Pradesh and Tamil Nadu. This factory falls under Zone A for the payment of minimum monthly wages. The minimum wages for helpers in this zone is INR 7,076 (€ 96.93) a month.

### Wages, deductions and in-kind benefits

The highest wage among workers interviewed from this factory is INR 15,000 (€ 205.47) and the lowest wage is INR 7,000 (€95.89). Four people do not receive the legal minimum wage. The average monthly wage of workers in this factory is INR 8406 (€ 115.15) before ESI and PF deductions. After deductions they receive INR 7250.18 (€ 99.32).

There are late coming deductions at the factory, which can amount to INR 161.65 (€ 2.21) per month for coming 30 minutes late to the factory on one day. Depending on their designation, workers at factory 9 receive an attendance incentive of INR 500-1,000 (€ 6.85 - € 13.70) for taking no leaves and working 26 days a month.

Fourteen out of the fifteen interviewed workers live close to the factory premise; they walk to work, a distance of one to two kilometres.

### Working conditions, overtime and gender discrimination

From January to July is the season of high production at the factory which results in overtime work. Nine out of the fifteen workers interviewed, indicate that they have worked overtime. The highest amount that workers have earned from overtime work in a month is around INR 1,000 (€ 13.69). Three workers said that they do not always get paid for doing overtime work.

All workers said that there are high levels of verbal harassment by the supervisors in the form of shouting and rude behaviour towards workers who are unable to meet the fixed daily production targets. The fixed production target for the stitching batches is 100 pieces per hour, making 800 pieces in a day. Workers said that even under a lot of pressure they can stitch only 50 pieces per hour. Yet the fixed target continues to remain at 100 pieces per hour. One worker from the stitching section said: *"Supervisors have no respect for the workers."*

There are thirteen male supervisors at the factory and two female supervisors. Female workers at the factory are hired as tailors and helpers, while most male workers are employed in the quality checking, packing and cutting department.

The factory has an Anti-Sexual Harassment Committee selected by the management but workers indicate that this committee is not helpful for the workers.

### **Maternity benefits and childcare**

Workers get three months of paid maternity leave at the factory. The factory has a crèche that can accommodate fifteen to twenty children. Admission is based on the duration the parent has served at the factory.

Workers said that when pregnant workers inform the management about their maternity period they are treated the same as other workers. There are no arrangements for less work and more rest for pregnant women. Most workers at the factory said that they do not take unpaid maternity leaves at the factory because it is the norm for women to quit for a period of one to two years after delivering a child.

### **Brand's response**

#### **McGregor**

McGregor indicates that follow up of the findings requires more concrete information . The brand also questions the representativeness of the research findings; it might as well be at this specific factory only produces few items for McGregor or is no longer supplying McGregor at all, since their production in South India is declining. McGregor will share concerns raised here with their Indian suppliers in writing and will also raise the concerns when meeting suppliers.

[Read full response here](#)

#### **The Sting**

The Sting only buys from Dutch importers and does not have its own suppliers in India. The brand has contacted all its suppliers who import from India. The reports they provide are positive about manufacturers in India and therefore not of use in resolving the issue of wages. The Sting is now in process of mapping all factories that have manufactured for The Sting in the past year. Furthermore The Sting intends to increase its transparency.

[Read full response here](#)

## FACTORY 10 PRODUCING FOR SUITSUPPLY

### Description of the factory

Factory 10 supplies men's formal wear like suits and shirts. According to workers there are 3000 workers at the factory of which 2500 female and 500 male. The factory is owned by a representative of a major political party in India. Twelve out of fifteen of the interviewed workers at the factory travel to work by using the factory bus facility that is provided free of cost. Factory 10 is located in Zone II following the Karnataka minimum wage rates. The minimum wage in Zone I is INR 7,086.00 (€ 97.06) per month while the wage rate for Zone II is INR 6,956.00 (€ 95.28) for highly skilled tailors.

### Wages, deductions and in-kind benefits

The highest wage among workers interviewed from this factory is INR14,000 (€191.7) and the lowest wage is INR 6,300 (€ 86.30). Seven out of the interviewed workers do not receive a legal minimum wage. The average monthly wage of the interviewed workers before deductions is INR 7,641 (€ 104.67). Only Provident Fund (PF) is deducted from the workers' monthly wages as the factory is not registered with the ESI. This means workers receive INR 6,724.08 (€ 92.11) after PF deduction. Factory 10 provides workers reimbursements through its own system of medical insurance.

Workers said there are late coming deductions of INR 146.94 (€ 2.01) per month for coming late for more than a cumulative period of 2 hours in a month. Additionally, some workers also revealed that if they took a leave for one day on Monday or Friday, their next day's wages were deducted. So two days payment is held for taking one day off before or after the weekend. Workers at factory 10 receive an attendance incentive of INR 500 (€ 6.85) for taking no leaves in a month.

The factory provides free daily lunch.

### Working conditions, overtime and gender discrimination

The production at the factory is even throughout the year. Workers said that there weren't any distinguishable high seasons or low seasons of production at the factory and they seldom have overtime work. Only 3 out of the fifteen interviewed workers said that they had done overtime work but the extra hours of work are often not considered as overtime by the management. Workers are told that they have not finished their daily targets and hence have to stay to do extra work without wages. The workers that did receive overtime payment, earned between INR 500 (€ 6.85) and INR 1500 (€ 20.54) a month at the most.

A 35-year-old widowed worker at the factory mentioned that workers were asked to carry on working after regular working hours if they did not meet their daily fixed production target. She said: *"The supervisor shouts at the workers to finish the target and if they did not finish the target, then he makes them to work till 7 pm to finish the fixed daily target."*

Women at the factory are mostly employed as tailors and helpers, while men are hired in the quality checking or in the ironing department. There are 30 male supervisors and no female supervisors. All workers said that there were high levels of verbal harassment by the

supervisors. Female workers also said that there is a strict dress code for them. They are not allowed to wear make-up and the traditional dot on their forehead, bangles or any kind of expensive clothing. One worker said: *“If we apply make-up or powder to work the supervisor makes us go to the bathroom and wash our faces as it could stain fabrics that we are handling. If anyone refuses the management tells them not to come to work the next day.”*

The factory has an Anti-Sexual Harassment Committee. The majority of the interviewed indicate that they either don't think that the committee is functioning or are not aware of its existence. Five workers indicate that the Committee holds meetings and solves problems.

### **Maternity benefits**

Formally, the factory health system entitles workers at factory 10 to three months of paid maternity leave. One woman worker said: *“There aren't any facilities of less work or more rest in the factory for pregnant women. Most workers quit their job when they are around 3 to 4 months pregnant because of the harassment by the management. Pregnant women take more leaves and cannot meet the daily production targets. The factory is not registered with ESI so for the management it is better if the pregnant workers resign their jobs instead of paying them 3 months of maternity leaves. Only a few workers continue to work up to 8 months of pregnancy and only if they have not taken too many leaves before their maternity leave starts, they are entitled to get the 3 months paid maternity leave benefits.”* All 15 interviewed workers confirmed that though they are entitled to the 3 months of paid maternity leaves not many pregnant workers can secure it in practice since they quit their jobs and re-join after a year. Another worker said: *“Pregnant women must work, they are not allowed to take rest, because of work pressure most of the pregnant workers fall sick and take many leaves within six months of pregnancy. The management then informs them that they are not eligible for the paid maternity leaves when they are going to deliver because they have already taken too many leaves before.”*

The factory has a crèche that accommodates 20 to 25 children at a time and children are admitted on the basis of how long the parent has served at the factory.

### **Brand's response**

#### **Suitsupply**

Suitsupply has sourced from factory 10, but is no longer doing so. Suitsupply did ask Fair Wear Foundation to check on the research findings and has contacted the supplier concerning the issues raised in this report.

[Read full response here](#)

## 5. LOW WAGES AND WAGE DISCRIMINATION: HOW WORKING CONDITIONS IMPACT GARMENT WORKERS' LIVES

This chapter provides an analysis of and a conclusion on the working and living conditions of garment workers in ten factories supplying to various Dutch brands. It looks into the demographic characteristics of workers, wages and wage deductions and compares the current wage levels to the living wage standard as defined by the Asia Floor Wage. From there, we examine the impact of the current wages on garment workers families' living conditions. Finally, we take a look at gender discrimination in the factory, both in terms of wages and factors contributing to the burden women workers face.

### 5.1 BACKGROUND OF WORKERS

In the interviews, workers estimate the total workforce at the ten factories in this research at 14,600 workers, approximately 3,100 male and 11,500 female workers<sup>10</sup>. The Garment Labour Union (GLU) estimates that the ten researched factories in the report employ approximately 17,500 workers, of which 80% are women. Although the majority of the workforce in Karnataka comes from surrounding districts, a growing number of people are now travelling from regions as far away as north-eastern states of India with a predominantly agricultural industry, such as Orissa, Jharkhand, Chhattisgarh and Bihar, to find employment in Bangalore.<sup>iv</sup> Out of the total workforce, there are more than 6,000 migrant workers. factory 5 supplying C&A, factory 7 supplying MEXX, and factory 8 supplying G-Star have factory-run hostel facilities for young long-distance migrant workers. A recent research paper by ICN shows that migrant workers have a weaker bargaining position and are more vulnerable to exploitation.<sup>iv</sup>

### 5.2 WAGES, WAGE DEDUCTIONS AND WORKING HOURS

The average monthly wage of the 150 interviewed workers from ten factories stands at INR 7,556.6 (€ 103.51). The average wage of the interviewed workers meets the minimum wage for unskilled workers and almost that for skilled workers. However the difference between the highest wage and the lowest wage is huge. One helper at factory 1, supplier of G Star and Scotch & Soda, earns INR 4,800 (€ 65.75) - well below the applicable minimum wage of INR 7,145 (€ 97.88). Two male workers in the cutting departments at factory 5, supplier of C&A, and factory 9, supplier of McGregor and The Sting, earn INR 15,000 (€ 205.47). **In total, 53 out of the 150 workers interviewed earn less than the minimum wage for unskilled workers, even if they have skilled or semi-skilled positions.**

In factory 1, supplier of G-Star and Scotch & Soda, all 15 interviewed workers earn less than the applicable minimum wage allotted for helpers. The factory provides attendance bonuses and other incentives known as the 'rice bag schemes', where workers are given 5 kilos of rice as an attendance incentive for not taking any leaves. As per the Factories Act workers are entitled to paid leave for 12 working days if they work at least 240 days in a year. The rice bag scheme undermines this entitlement of 12 paid leaves in a year by giving incentives

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<sup>10</sup>All figures are based on the data collected from interviews with 150 workers from ten factories.

for workers to not take any leaves. The attendance bonus of 5 kilos of rice is crucial for sustaining workers with low wages, more so the migrant workers who send most of their wages to support their families back home. Due to the rice bag scheme workers avoid taking leaves at all costs, even when they fall ill. Taking leave means that they do not receive the rice for the respective month, and would have to spend a portion of their wages to buy food for the month. factory 4, supplying The Sting and Coolcat, has the highest average wage of the ten factories. All 15 interviewed workers from this factory were female tailors. One among them does not earn the monthly legal minimum wage for highly skilled tailors.

**Table 4: Legal monthly minimum wages**

Profession	Karnataka		Tamil Nadu
	Zone I	Zone II	
Helpers (unskilled)	INR 7,076 (€ 96.93)	INR 6,946 (€ 95.15)	INR 7,145 (€ 97.88)
Cutting Machine operators (skilled)	INR 7,388 (€ 101.20)	INR 7,258 (€ 99.42)	INR 7,525 (€ 103.08)
High skilled tailors	INR 7,596 (€ 104.05)	INR 7,466 (€ 102.27)	INR 7,525 (€ 103.08)
Supervisors	INR 7,930 (€ 108.63)	INR 7,781 (€ 106.59)	INR 7,653 (€ 104.84)

The table on the next page provides details of workers' monthly wages, as well as transport and late-coming deductions.

**Table 5: Monthly wages of workers, transport and late coming deductions**

<b>Factory</b>	<b>Average gross monthly wage</b>	<b>Transport deductions</b>	<b>Late-coming deductions</b>
Factory 1, G-Star, Scotch & Soda	INR 5,408 (€ 74.08) INR 26/hour	Transport Allowance of INR 500 (€ 6.84) for workers.	Yes, INR 22 (€0.30) for being late 10 minutes.
Factory 2, C&A	INR 7,297 (€ 99.95) INR 35/hour	No	Yes, INR 140.32 (€ 1.92) for two times 10 minutes late in one month.
Factory 3, We Fashion, C&A	INR 7,933 (€ 108.67) INR 38.14/hour	No	Yes, INR 152.56 (€ 2.08) for being late 20-30 minutes.
Factory 4, The Sting, Coolcat	INR 8,157 (€ 111.73) INR 39.21/hour	INR 200 (€ 2.74)	Yes, INR 156.85 (€ 2.14) for being late a total of two hours in one month.
Factory 5, C&A	INR 8,280 (€ 113.42) INR 39.80/hour	INR 200 (€2.74)	Yes, INR 159.22 (€ 2.18) for being late more than 4 days, more than 10 minutes.
Factory 6, The Sting	INR 7,247 (€ 99.26) INR 34.83/hour	No	Yes, INR 139.35 (€ 1.90) for being late a total of 2 hours spread over one month.
Factory 7, MEXX	INR 7,500 (€ 102.74) INR 36.23/hour	No	Yes, INR 136.15 (€ 1.86) for being late a total of 2 hours spread over one month.
Factory 8, G-Star	INR 7,660 (€ 104.93) INR 36.82/hour	No	No
Factory 9, McGregor, The Sting	INR 8,406 (€ 115.15) INR 40.41/hour	No	Yes, INR 161.65 (€ 2.21) for being late 30 minutes.
Factory 10, Suitsupply	INR 7,641 (€ 104.67) INR 36.73/hour	No	Yes, INR 146.94 (€ 2,01) for being late a total of 2 hours spread over one month.

Among the ten factories, only factory 1 supplying G-Star and Scotch & Soda provides a transport allowance of INR 500 (€ 6.84) for workers. Factory 4, supplying The Sting and Coolcat, and factory 5 supplying C&A, deduct INR 200 (€ 2.74) from workers' wages to

provide them with buses and vans. Workers say that the factory buses provided by factory 4 and 5 are in deplorable conditions. Many companies pack hundreds of workers in small vans or buses to transport them to and from the factory. There are no safety regulations for or monitoring of conditions in factory buses transporting workers. Factory 3, supplying We Fashion and C&A, provides a free goods carrier truck for workers to commute between the factory and their homes. Using goods carrier vehicles to shuttle workers in large numbers to and from the factory is illegal in India. According to the Motor Vehicles Act, 1988, goods carriages (as opposed to a stage carriage) are motor vehicles that have been constructed or adapted solely to carry goods. The definition of 'goods' specifically excludes living persons.<sup>lvi</sup>

The other factories do not provide any kind of transport facility or additional transport allowances for their workers. **This means that workers have to incur daily expenses for transport to and from the factory. Several case studies in this research show that women choose to walk 1 to 2 hours to the factory every day in order to cut down on their daily transport costs.**

Except for factory 8, supplying to G-Star, all ten factories have wage deductions for late-coming workers. Workers say that wages worth almost 2 hours' salary, i.e., INR 60 (€ 0.82), is deducted for being late 10-20 minutes, and half a day's wage, i.e., INR 143.79 (€ 1.96), is deducted for being late 1 to 2 hours. According to workers interviewed, factory 4, supplying The Sting and Coolcat, factory 5, supplying C&A, factory 6, supplying to The Sting, factory 7, supplying to MEXX, and factory 10, supplying to Suitsupply, maintain records of the total number of minutes by which workers are late while coming to the factory. At the end of the month, the late-coming minutes are added up, and half a day's wage is deducted for two cumulative hours of late-coming.

**The late-coming wage deductions constitute a violation of the Payment of Wages Act, 1936<sup>lvii</sup>, where the proportion of the wage deducted for late-coming cannot exceed the proportion of time workers are actually absent. Deducting a disproportionate sum from workers' wages after adding up the total number of minutes of late-coming is equivalent to wage theft.**

Young migrant workers living in the factory hostel of factory 5, supplier of C&A, say that in the first month after they migrated to Bangalore, more than 50% of their monthly wage was deducted for various facilities in their hostel rooms.

One young migrant worker from factory 5 says that she received a monthly wage of only INR 1,400 (€ 19.17) after deductions, which is less than 20% of the workers' earned monthly wage, INR 7,882 (€ 107.97)<sup>11</sup>. **According to the Payment of Wages Act<sup>lviii</sup>, the deduction of wages cannot exceed 50% of the total wage at any time.**

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<sup>11</sup>Information from separate Interviews with non-Kannada speaking migrant workers from factory 5

**Table 6: Canteen Facility and Food Deductions at Factories 1 to 10.**

<b>Factory</b>	<b>Average gross hourly wage</b>	<b>Canteen</b>	<b>Price of a lunch</b>	<b>In Euros</b>
Factory 1, supplier of G-Star and Scotch & Soda	INR 26	Yes	INR 10/meal	€ 0.13
Factory 2, supplier of C&A	INR 35	Yes	Free of cost	
Factory 3, supplier of We Fashion and C&A	INR 38.14	Yes	INR 25/meal	€ 0.34
Factory 4, supplier of The Sting and Coolcat	INR 39.21	No		
Factory 5, supplier of C&A	INR 39.80	Yes	INR 25/meal & INR 15/two pieces of bread	€ 0.34 & € 0.20
Factory 6, supplier of The Sting	INR 34.83	No		
Factory 7, supplier of MEXX	INR 36.05	Yes	INR 25/meal	€ 0.34
Factory 8, supplier of G-Star	INR 36.82	Yes	INR 20/meal	€ 0.27
Factory 9, supplier of McGregor and The Sting	INR 40.41	Yes	INR 25/meal	€ 0.34
Factory 10, supplier of Suitsupply	INR 36.73	Yes	There is free food, as well as meals that must be paid for at the rate of INR 40/meal.	€ 0.54

Workers from all ten factories say that they prefer to cook their own lunch since it usually saves them a lot of money. Lunch at the factory canteens are priced anywhere between INR 10-25 (€ 0.13-0.34) per meal. Instead of spending this sum on a day's afternoon meal, they can use it to buy raw vegetables for the entire family. Most workers say that spending INR 20 (€ 0.27) on a lunch at the factory canteen was not affordable for them. In different focus group discussions, workers say that they can buy cheaper meals from local food trucks outside the factory premises. Food trucks with home made meals sold at cheaper rates by locals are a common sight in busy industrial areas in Karnataka. A meal at the truck, serving

bread, rice and curries, is priced as low as INR 5-10 (€ 0.06- 0.13). The quality of the food is often better.

**According to the Factories Act, food in the factories should be provided at non-profit rates and the prices charged shall be subject to the approval of the Canteen Managing Committee.<sup>12</sup> The commercial prices for lunches at canteen facilities force women workers to prepare their own lunch before going to work, which is an added burden.**

### **Working hours and overtime**

During focus group discussions, women workers say that they have to put in extra hours of work without any compensation, and even have to report for duty on Sundays when there are urgent shipments. They have on a number of occasions done free OT work for the factory. factory 10, supplying Suitsupply, illegally asks workers to continue working after 5:30 pm if they do not finish their exaggerated daily production target. The extra hours of work are not considered overtime work by the management. Workers are told that they must stay back and work without overtime wages because they have not achieved their daily targets.

Workers at factory 5, a supplier of C&A, say that they are regularly forced to take paid leave (called *compensation offs* by workers) after working overtime. Workers at this factory say that, instead of being paid the OT wages of INR 70 (€ 0.95) per hour, they were told to use their paid leaves and not come to work on the days following heavy consignments. factory 10 asks workers to stay back after their 8 hour work day to finish their daily production targets. Out of the 150 workers interviewed, 59 have worked overtime. 21 of them do not always get paid for overtime.

**Section 59 of the Payment of Wages Act stipulates extra wages for overtime work: *'Where a worker works in a factory for more than nine hours in any day or for more than forty-eight hours in any week, he shall, in respect of overtime work, be entitled to wages at the rate of twice his ordinary rate of wages.'* This act is violated at factory 5, supplying to C&A and factory 10, supplier of Suitsupply. Not paying overtime according to the legal rate is considered wage theft. Workers consider overtime work a means of making extra money to supplement their meagre earnings.**

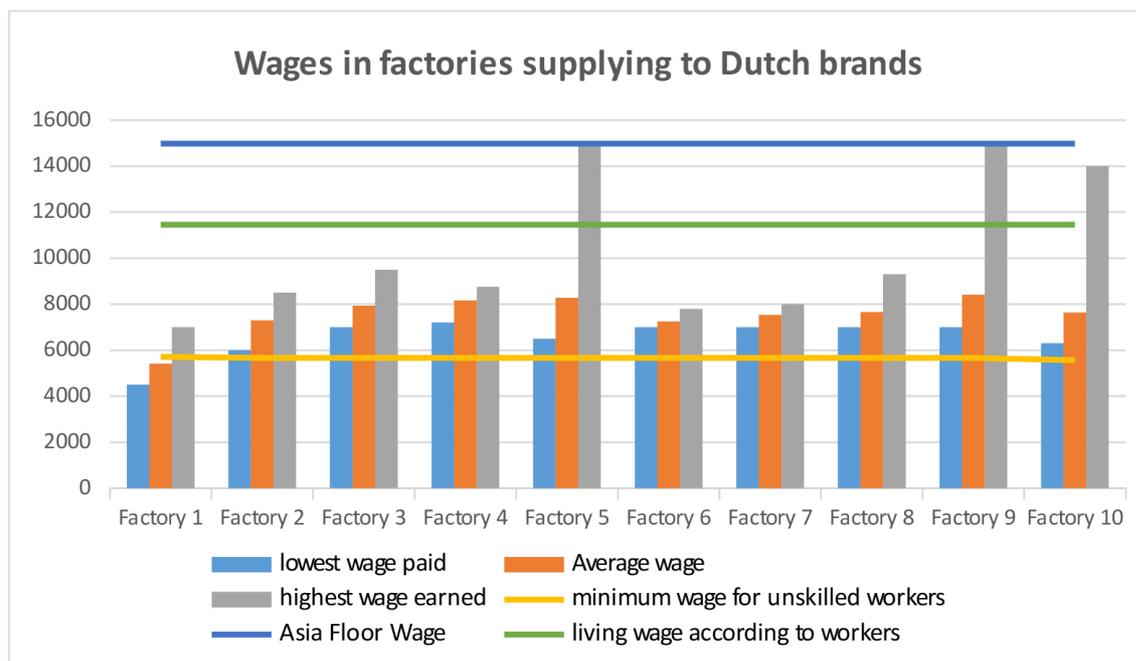
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<sup>12</sup>Section 88, Factories Act, 1948, available online at <http://dgfasli.nic.in/html/dgfaslirules/rules3h.htm>

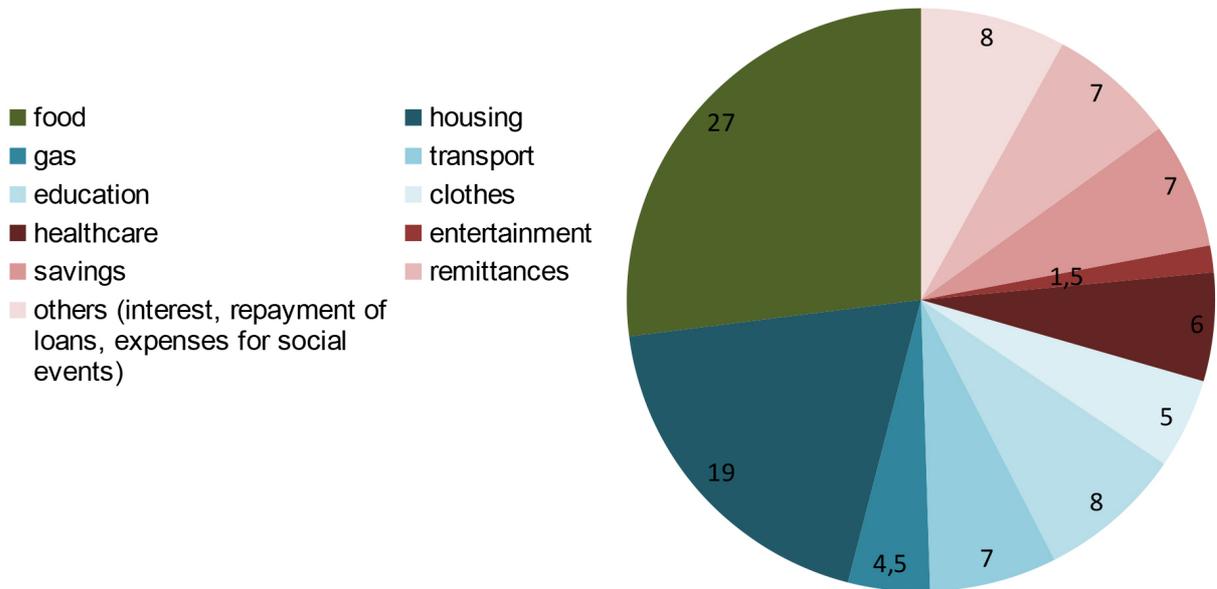
### 5.3 LIVING WAGES

The Asia Floor Wage (AFW) calculated the living wage for garment workers in India at INR 18,727 (€ 256.53) in 2015.<sup>ix</sup> The Asia Floor Wage is a take home wage. The average take home wage, so the wage after ESI and PF deductions would be held, earned by the interviewed garment workers is INR 6484.10 (€ 88.22) – less than 35% of the Asia Floor Wage. The average household income of the workers’ families is INR 14,913 (€ 204.28) per month. Therefore the average household income earned by two full-time working family members is still below the Asian Floor Wage for one worker. In this section, we look at the impact of low wage levels on the living conditions of garment workers.

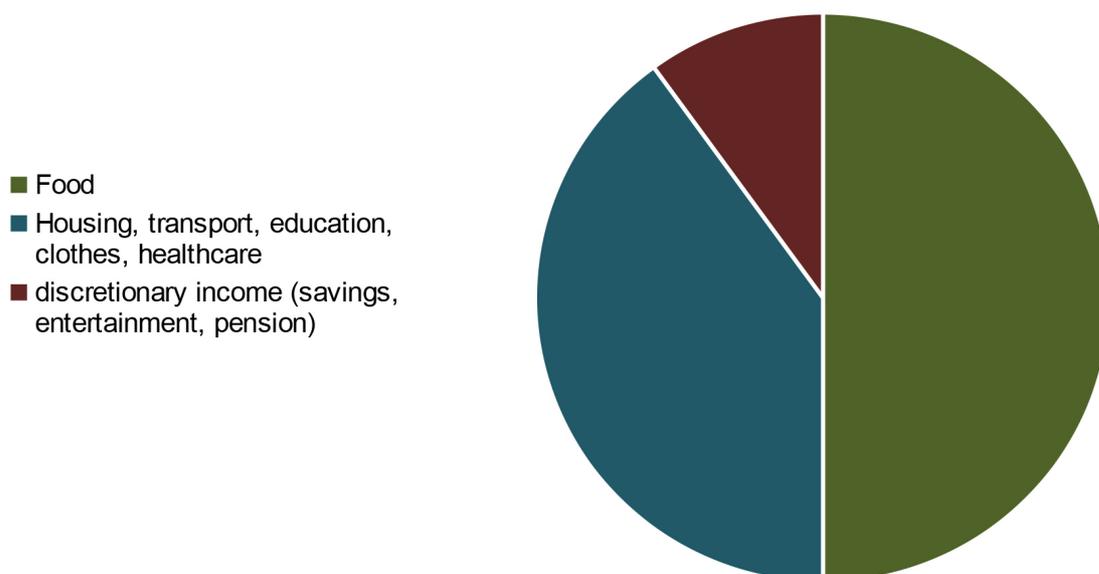
Out of the 150 workers interviewed, 38 have a total household income below the average, the lowest being INR 5,940 (€ 81.37). For many families, this is not a year-round stable income. Women are often the sole stable breadwinner for a family of up to four individuals, while their husbands earn money through various seasonal, informal jobs. The low wages force some women workers to take up a second job as a domestic worker or caretaker for a few additional hours every evening. Workers also consider overtime (OT) work an additional source of money with which to compensate for their low wages and support their families.



## Spending of the interviewed workes



## Spending Assumptions - Asia Floor Wage



The Asia Floor Wage (AFW) asserts that in Asia, food consumption by a family unit should account for half of the worker's monthly expenditure in order to guarantee that nutritious food is consumed, and that there each adult has a daily intake of 3,000 calories. This will allow her/him to perform her/his daily duties. Workers spend a monthly average of INR 3,477 (€ 47.63) on food-related expenses for the family, which is only 26.6% of their income. The majority of garment workers buy meat once a week or once in two weeks because they cannot afford to consume it on a daily basis. Workers do not consume fresh fruits at all because of the high costs involved in purchasing even seasonal fruits. Fresh vegetables make up a relatively small part of their diet. Overall, their diet is low on proteins.

**One worker filled out a food basket form estimating how much workers spend on food for the family. The table below indicates how much food was consumed by her family, i.e., 4 members including herself, in one month. The table shows the actual quantity consumed and the market price of each basic component of the family's daily diet. However, the total amount this worker's family spends on food (INR 4,995 or € 68.42) is still over 40% higher than the average food expenses of all workers interviewed.**

Food	Amount	Expenses
Rice	30 kg	INR 1350
Ragi Millets	10 kg	INR 180
Wheat Flour	10 kg	INR 200
Oil	5 l	INR 400
Milk	15 l	INR 225
Pulses & Spices	4 kg	INR 640
Meat	500 gm	INR 500
Vegetables	15 kg monthly /0.5 kg per day	INR 1500
Fruits	N.A.	N.A.

**The impact low wages on workers, their husbands and children is that they survive on an unbalanced diet and miss out on crucial nutrients. This has an adverse effect on their health.**

## Housing

Workers' housing arrangements mostly consist of single or double rooms, which are between 225 and 325 square feet/20 and 30 square meters. Local workers rent houses, paying an average of INR 2500-3000 (€ 34–41) for accommodation for a family of five or more. Out of the 150 workers interviewed, 73 say that they do not have toilets in their houses. Instead, they use common toilets located outside, which are shared by no less than four families (15 to 20 people). The shared communal toilets are usually in a deplorable condition with no one to clean them regularly. They do not have electricity or running water. The toilets are often temporary constructions built by wrapping plastic sheets around a frame of wood. Women workers say that they find it difficult to bathe in some of the open communal toilets because bathing in public spaces is stigmatised and makes them vulnerable to physical threats or sexual harassment. Most women workers say that they prefer to carry water and bathe in the small washing corners inside their rooms.

Most rented rooms have one corner reserved for cooking, and another corner cordoned off as a small washing area used for cleaning utensils, doing laundry and bathing. The rest of the room is used for sleeping. Most of the houses visited are poorly maintained.

Factories 5, 7 and 8, supplying C&A, Mexx and G-Star respectively, have hostels for both young single male and female migrant workers. A building of 4 or 5 storeys is rented by the factory for these hostel facilities. There are around 5 to 6 rooms on each floor, each of which has a small attached bathroom and a kitchen space with one stove that is shared by 10 to 15 workers.

Out of 150, 63 workers do not have running water in their houses. These workers usually carry 10 to 15 litres of water every day from the common taps in the neighbourhood and store them in their houses for cooking and cleaning. The water in the community taps is available free of cost for one hour every alternate day. The timings are not always fixed, and water can come to these taps at any hour of the day. Workers have to be constantly vigilant in order to collect water whenever it is available. In various focus group discussions, workers say that if overtime (OT) work came up suddenly, and the community run between 5:30 and 6:00 pm that day, they have to seek permission or negotiate with the supervisors to fetch water. If they are not granted permission to leave the factory, their families do not have water till the next day.

There are weeks when workers do not get any water. This occurs frequently in the poorly maintained industrial neighbourhoods. Regular damage to water pipes and community taps, overflowing drains and extremely poor sanitation in these localities pose regular hazards to workers in their everyday lives. Workers say that it takes municipal officials a long time to repair any damage, and they can be left without water supply for over 2 weeks. In these cases, 4 or 5 workers' families often pool money to bring in water tanks from private sellers. Each worker's family gets around 250-300 litres. Each family pays approximately INR 250 (€ 3.42) for the 200-250 litres of water. This supply lasts for a maximum of two days. This is very expensive for workers, as they can end up paying over INR 1,500 (€ 20.54) in some weeks for emergency water supply, when there is damage to community taps or pipes.

As described in the case studies, acquiring water for workers' families can cost up to INR 1,500 (€ 20.54) every month, taking into consideration the divisions between tap water, drinking water, drainage maintenance and separate water supplier tanks.

Drinking water is bought separately from local shops as the water available from the regular community taps or water supplier trucks is not fit for consumption. Workers spend an average of INR 150 (€ 2.05) buying water cans from local stores.

**Workers spend 19.3% of their monthly wages on housing and rental costs. They are unable to afford more expensive housing and rent houses for up to INR 3,000 (€ 41). These rooms in poor neighbourhoods are available at very cheap rates because they lack basic facilities like electricity, indoor bathrooms, taps and running water.**

### **Savings**

68% (102 out of 150) of the workers interviewed are unable to make any savings from their monthly wages.

### **Debts**

This research shows that well over 70% of the interviewed garment workers are indebted. Out of 150 workers, 110 say that they have borrowed money from local moneylenders and banks to meet their monthly expenses. While calculating the monthly expenditure of workers' families, a monthly average of INR 1074.33 (€ 14.71) spent on items in the 'Others' category mostly cover the repayment of loans with interest. Over 15% of the nett monthly wages of workers is spend on debts.

In various focus group discussions, workers explained that they find it extremely difficult to meet their monthly expenses after re-paying the loans and the interest each month. Workers also say they use their meagre savings or social security benefits in times of need. For instance, workers who have served at a factory for more than five years can resign from their jobs and then re-join immediately. Resigning from their job allows them to withdraw the accumulated gratuity and Provident Fund (PF) lump sum to pay for important life events like a daughter's wedding or a lease for a new house.

Workers have different systems for borrowing money. The first preference is to borrow money informally from their neighbours or relations, though the rate of interest is usually higher for this form of borrowing. Workers usually pay interest at the rate of 2 to 5% per month (24 to 60% on an annual basis). Workers say that they prefer to borrow from neighbours and near relations as it does not involve any tiresome paperwork and the monthly payment of interest. Since interest payment is more flexible, they can do it bi-annually or even annually based on the agreements with their neighbours and relatives.

When larger sums of money are required for major life events, like wedding expenses, a dowry or for building a house, workers approach Self Help Groups. Many workers are part of Self Help Groups in which 20 to 25 people get together and register an SHG account at the nearest bank. The bank then provides shared loans that workers say are very helpful for them. Most workers resort to taking 2 to 3 smaller loans from different sources instead of one large loan from a bank, group or pawnbroker. Jewellery and other family valuables are also pawned at the local pawnbrokers to get a quick loan. Formal loans from established

banks are usually the last option availed of by workers, as these procedures are extremely time-consuming and involve a number of verifications and paperwork.

### **Garment workers borrow money for the following reasons:**

- (a) Education for their children: Admission fees to private English medium schools can be around INR 60,000 (€ 821.91) for every quarter. While this is beyond their means, many garment workers struggle hard to provide good English language education to their children because they want them to have access to better jobs. In India, education at expensive private schools is considered to be of a higher quality than at government schools.
- (b) Workers often take big loans for the weddings of their children, siblings and relatives. The whole family contributes to an informal dowry for a marriage by contributing assets like houses, vehicles and household appliances. Though the Dowry Prohibition Act of 1961<sup>x</sup> prohibits dowries, the tradition is still alive and workers continue to take loans for weddings and dowries.
- (c) Leasing Houses: Workers often borrow money to pay the down payment for 1 to 2 year leases and security deposits for their houses.

**The current wage levels in the garment factories supplying to Dutch brands are not sufficient to guarantee a satisfactory standard of living.**

### **Protests over Provident Fund**

On 18 April 2016, 120,000 garment workers, mostly female, protested against planned Provident Fund reforms. The Central Government had announced an amendment in the Provident Fund (PF) rules, according to which employees would only be able to withdraw their share of the PF contribution from now on. The employers' share could only be withdrawn when the workers reach the age of 58 years.

Protest were unplanned and disorganized. Many have labelled the announcement of the PF amendment as 'the last straw'. Yashoda PH, general secretary of the GLU, told *Firstpost*: "The factories have high production targets, this is a major issue. If workers don't reach their targets, they're abused verbally and even terminated. There's also sexual abuse, although nobody will complain openly. Workers can't take leave, if they do, when they return they're summarily sacked. Security will be told that the worker should not be allowed in and their tokens will be confiscated. Once a year they are allowed 15 days to a month to go home, but when they return there's no continuity of service. They have to take a new appointment." Online magazine *The Ladies Finger* observes: "Women working in these factories usually come from families where the husbands do small, informal jobs as coolies or painters, with no certainty of pay,' Yashodha says. This means that the households are run by these women who travel to the city, are required to take care of food, rent, education and marriage of their children, and health, and yet remain at the receiving end of all kinds of difficulties. The PF, then, becomes important." \*

On 19 April, protests continued, until the central government finally announced a withdrawal of the PF amendment. In the meantime, some protests had turned violent, with protesters throwing stones at private vehicles and offices and setting public buses on fire. Police

officials used baton-charges and teargas to disperse protesters on both days. Scores of protesters and police officials were injured. The police arrested over 100 people, most of them men who were not garment workers. Amnesty International India spoke to 18 women garment workers, all of whom said that they had seen the police beating and abusing peaceful protesters. It has now called upon the Karnataka state authorities to conduct a prompt, impartial and independent investigation into allegations of arbitrary and abusive use of police force during the protests by garment workers in Bengaluru.\*\*

○ 'Low wages, poor housing and now EPF: Garment workers' protest in Bengaluru was inevitable', First Post, 21 April, 2016

○ 'If You Thought it Was Easy for Garment Workers to Protest for Their PF, You Need to Read this', The Ladies Finger, 22 April 2016

○ 'Karnataka: Allegations of arbitrary and abusive force against women protesters must be investigated'"Amnesty International India, 22 April 2016

## 5.4 GENDER BASED WAGE DISCRIMINATION

There is a gendered division of labour in the garment factories. The majority of female workers are employed as helpers and tailors, while male workers are employed as supervisors, or in the cutting, ironing, quality checking and packing departments. Helpers are Grade III (unskilled) workers, and their average monthly wage is INR 6,656 (€ 91.17).

**Table 7: Designation of workers according to gender**

Designation	Male	Average wage (INR)	Female	Average wage (INR)
Helper	4	7,625	36	6,548
Tailor	3	8,517	67	7,708
Ironing	5	8,969	9	6,982
Quality checking	3	8,939	7	7,400
Packing	4	7,667	0	NA
Cutting	2	15,000	1	7,200
Other	1	8,000	8	7,188
<b>Total</b>	<b>22</b>	<b>9,010</b>	<b>128</b>	<b>7,277</b>

**The average monthly wage of 22 interviewed male workers in the ten factories is INR 9,010 (€ 123.42), whereas the average monthly wages of 128 female workers is INR 7,277 (€ 99.68).**

Analysing the monthly wages of the whole research group based on their designation shows gender based wage discrimination. While the number of male workers may seem low in absolute terms, the male/female ratio of the research group (14.7%/85.3%) comes close to the gender ratio of the garment workforce, with an estimated 80% women workers. The average wages of male workers in every designation - helpers, tailors, and workers in ironing, packing and cutting - is higher than the wages earned by women garment workers engaged in the same tasks.

Further, gender based wage discrimination at the factories applies not only to monthly wages, but consequently, to earnings made through overtime work as well. The majority of the female helpers are not paid for OT work, while all male workers interviewed say that they are paid for overtime work. Women workers remain unpaid because the management/supervisors usually informally 'request' them to do some overtime work. While the male workers do not entertain such requests, female workers are easily persuaded to provide favours with promises of kinder treatment or of being granted leave when required.

Male workers and skilled workers have greater agency to refuse when it comes to OT work, while helpers and female workers employed in other departments are often not free to refuse it.

When women do get paid for OT, they are compensated at a lower hourly rate. The Factories Act sets OT wages at double the worker's hourly wage rate.<sup>lxi</sup> A worker's regular hourly wage depends on their designation and basic monthly wage. OT wages at the garment factories are usually INR 60-70 (€ 0.82-0.96) for every extra hour of work. Male workers receive hourly OT wages of INR 70-80 (€ 0.96-1.09), whereas female workers receive INR 50-60 (€ 0.68-0.82).

**Under the Equal Remuneration Act, no employer shall pay to any worker a wage at a rate that is less favourable than the remuneration paid by him to the workers of the opposite sex for performing the same work of a similar nature.<sup>lxii</sup> Equal enumeration (C100) also constitutes one of the eight ILO core conventions, and is ratified by the Government of India.<sup>lxiii</sup> However, in this case, women workers performing the same work of a similar nature are paid a lower rate than their male counterparts.**

Female workers from the factories have pointed out that male workers are regularly promoted with far less experience, and sometimes become supervisors three to four months after joining the garment factory. Female workers, on the other hand, continue to work in the factories for many years before they are promoted from Grade III helpers (unskilled labour) to Grade II (semi-skilled) tailors.<sup>lxiv</sup> According to representatives of the Garment Labour Union (GLU), appointing male supervisors is a strategy of the factory management to discipline women workers and to extract higher production targets from them. Women are often not designated supervisors because other female workers do not consider a woman supervisor as a figure of authority. The number of male workers engaged in supervisory work and of female workers engaged as helpers show that there is a strong bias towards hiring male workers for the post of supervisors. **This is again a violation of the Equal Remuneration Act, which prohibits discrimination against women workers in recruitment.**<sup>lxv</sup>

## 5.5 HARASSMENT AT THE WORKPLACE

A recent research by Sisters for Change estimates that 1 out of 7 garment workers in Bangalore experience sexual violence at work.<sup>lxvi</sup> The social stigma around discussing sexual harassment is one of the main reasons for workers avoiding any disclosure on such harassment. The Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, stipulates that an Internal Complaints Committee (ICC) must be set up to investigate complaints of sexual harassment at the workplace.<sup>lxvii</sup> Not setting up an Anti-Harassment Committee can lead to legal penalties for the concerned management. The presiding officer of the ICC must be a woman employed at a senior level. No less than two women from among the employees must be appointed, who are 'committed to the cause of women' or have experience in social work or legal knowledge. One member must be from an NGO or association committed to the cause of women, or a person familiar with issues relating to sexual harassment. At least 50% of the members of the ICC must be women.

Only factory 1, supplying to G-Star and Scotch & Soda, has not set up the mandatory Anti-Sexual Harassment Committee, all other factories have. But when asked, workers unanimously explain that members of these committees are not democratically elected by the workforce. They are given their positions by the management. Hence, none of their problems get resolved through the committees, as the management is more concerned with covering up matters that might lead to bad publicity or dissent among workers. **In practice, this means that workers do not have access to grievance redressal mechanisms in case of harassment or other violations of their rights, which is the third pillar of the United Nations Guiding Principles on Business and Human Rights.**

### Supervisors

The ten factories in this research have an average of over 20 male supervisors and less than 2 female supervisors. factory 4, supplying The Sting and Coolcat, and factory 10, supplying Suitsupply, have no female supervisors at all. Workers say that the management harasses women supervisors much more than male supervisors with demands for higher production targets to be extracted from their batch. Female supervisors often resign from their jobs because they are unable to cope with the pressures of the management and the hostility of their co-workers.

Both male and female garment workers have pointed out differences in supervisors' behaviour with male workers and female workers. Women workers say that they are regularly scolded, monitored and disciplined by the supervisors in order to meet the production targets, while male workers say that they are not monitored or disciplined as much as female workers unless they make serious mistakes.

**The fixed production target for the stitching batches is 100 pieces per hour, which comes to 800 pieces in a day. This unrealistic target has an impact on the levels of harassment in the factories.**

## 5.6 MATERNITY BENEFITS AND CHILDCARE

According to the mandate of the Maternity Benefit Act, a pregnant woman worker can either request leave for a period of up to six weeks prior to her expected date of delivery. If she is given work, it cannot be arduous and cannot involve long hours of standing which may put her health or that of the foetus at risk. The employer is legally obligated to fulfil these requests if she makes them. Following the Maternity Benefit Act, 1961<sup>lxviii</sup> it is prohibited to employ a woman for a period of six weeks (1.5 months) following the date of delivery. Maternity benefits can be claimed for a period up to 12 weeks (3 month) before and after the delivery.

factory 1, supplier of G-Star and Scotch & Soda, and factory 10, supplier of Suitsupply, violate different maternity laws. At factory 1, workers are only entitled to one month of paid maternity leave, and workers at factory 10 are often not given three months of paid maternity leave as the factory is not registered with the ESI. **The absence of paid maternity leave can impact the lives of women workers during and after their pregnancy, as it leaves them with no source of stable income in the months leading up to parturition.**

Most interviewed workers say that they worked till the eighth month of their pregnancy despite stressful hours and production targets because they need the monthly wages. At factory 9, supplying McGregor and The Sting, and factory, 10 supplying Suitsupply, workers say that they have no special arrangements for pregnant women to get more rest or less strenuous work. factory 3, supplying We Fashion and C&A, and factory 5 supplying C&A provide better facilities during maternity. Frequent breaks are given to pregnant women at these factories, and assistants or helpers are assigned to all pregnant workers.

A pattern emerges from the interviews, in which workers say that the management encourages them to take longer breaks or resign for a period of one or two years instead of providing improved crèches that could admit younger children. Often, workers are advised to leave the factory and re-join after a period of one or more years, when their children are old enough to be admitted to the crèches. Workers say that they were actively encouraged to resign from their jobs for a period of one or two years after delivery. Workers who take long maternity breaks after delivery often cope with the loss of income by going back to their native villages for a few years before returning to the city and taking up work in the garment factories.

### Childcare

Crèche facilities for workers' children are mandated by the Factories Act, 1948<sup>lxix</sup> for all factories employing over 30 women workers. Crèche facilities are crucial for garment workers, whose low incomes do not allow them to afford alternate childcare arrangements. When factories do not provide adequate childcare facilities for workers, women have no option but to either rely on their immediate social circle or on their relatives to take care of their children while they are at the factory. In some cases, workers leave their children alone in their homes while they are at the factory.

Crèche facilities have to be provided for all workers' children under the age of six, i.e., between the ages of 0 and 6 years<sup>lxx</sup>. However, none of the factories comply with this rule. Even though all factories have a workforce of over 500 workers, they can accommodate only

25 to 30 children in their crèches. Workers' children secure a place in the crèches on the basis of how long the parent has been employed at the factory. At factory 7, supplying MEXX Europe, the daily production target achieved by the parent is used by the factory to determine whether the workers' children will be given a space in the crèche.

None of the factory crèches accommodate children below the age of two and above the age of 5. Most women quit their jobs and stay at home to take care of their babies for a period of 1 to 2 years till the child is old enough to be admitted to the crèche, despite being legally entitled to the benefits of a crèche while they continue their services and receive a monthly wage. Instead, workers' total family income is often reduced to half during the years in which they take a maternity break.

Additionally, both the Karnataka State Factories Rules and the Tamil Nadu State Factories Rules<sup>lxxi</sup> state that crèches for all children above the age of two must have 'adequate wholesome food' along with the prescribed amount of milk per child. Apart from factory 2, the supplier of C&A, none of the ten factories provide meals for the children. Workers bring food from home. Even in the case of factory 2, workers say that the quality of food is quite bad, so they prefer to bring their own food for their children. The newly opened factory 6, supplying to The Sting, does not even provide milk or biscuits for the children, as is the norm in other factories. **Adequate and nutritious food for children in the factory crèches can relieve garment workers of the economic burden involved in providing wholesome food to their growing children.**

According to the workers a fulltime job at the factory and taking care of a baby is difficult to combine. In the focus group discussions workers spoke about a few courageous women who start to work at the factory less than 6 to 8 months after delivering a baby. A member of the GLU said: *"It is common for garment workers to stop breast-feeding babies within 5-6 months, when they re-join the factory because they are under a lot of financial pressure. Workers who come to the factory post-delivery are warned by the management that they are not responsible for them and what they do is at their own risk. It often happens that breast-feeding mothers are not allowed to go to the crèche by supervisors who keep demanding production targets."*

## 5.7 HEALTH AND SOCIAL SECURITY

Employee State Insurance (ESI) is an insurance scheme that covers health and social security, including maternity and unemployment benefits, through contributions made by the employee and the employer.<sup>lxxii</sup> The employer must contribute an amount equivalent to 4.75% of the wages payable to the employee, and the employee must contribute 1.75% of his/her wages.<sup>lxxiii</sup> It is mandatory for any establishment employing over 10 workers who earn below INR 15,000 (€ 205.47) a month to be registered.<sup>lxxiv</sup>

When workers were interviewed from factories 6, suppliers of the Sting and Suitsupply respectively, they were not registered under the ESI. At both factories, workers say that the management had informed them that since the factory opened only 6 months ago they have not yet been registered for ESI benefits. According to the ESI Act the establishment must register with the ESI Corporation within 15 days. factory 1 in Tamil Nadu applied for ESI registration<sup>1</sup> (at the time of the interviews) despite operating for over 1.5 years. Workers at

factory 1 were not receiving ESI medical benefits at the time of the interviews; however wage slips acquired from workers show that deductions were made from the wages for ESI benefits. In the case of factory 10, it has installed its own system of health insurance with a private insurance company and is not registered for the government ESI.

## 6. RECOMMENDATIONS

The working conditions in the ten factories in the report can be positively improved by some recommendations outlined here. Three country specific recommendations are highlighted followed by a list of general recommendation on wages by Clean Clothes Campaigns.

### RECOMMENDATIONS TOWARDS BRANDS

#### **Supporting freedom of association**

Brands need to be more committed towards improving labour rights awareness among workers starting from the factories that they source from. Brands engagement with the principles of safeguarding workers right to unionize can protect workers from targeted harassment and firing by the factory management. Brands sustained engagement and dialogue with local trade unions and local NGOs is also a key step towards understanding the real nature of problems faced by workers.

#### **Strengthening social audit mechanisms**

Brands should **strengthen their social audit mechanisms**, instead of adopting highly impersonal and mechanical audit systems brands should be committed towards developing a system of checking their supply chains that can take into account the cultural context and social nuances of the areas they source from - the demographics, age group, migration history, education of their workers. Existing audit systems are obsolete and standardised that workers find the audits mechanised, impersonal and tiresome. Brands do need to develop a system of auditing that emerges out of an understanding of the cultural and geographical context of their supply chains. Worker interviews outside from the factory premises should be added. In the case of India, PF deductions are sometimes held but not paid to PF office. Thorough wage investigations with knowledge of local law are needed. Verification with authorities is needed, not only factory audits. Brands should check how many workers at the factory are registered with the government and check ESI records.

#### **Clear calculation management**

Clear price breakdown and calculations should be made for each garment. Brands should openly communicate how much wage increase they are willing to absorb. Brands should actively involve stakeholders, local NGO's and trade unions as a valid partner. Consultation of local partners on living wage calculations and working conditions is crucial to make living wages realistic. Fair Wear Foundation has done a useful report on [Labour Minute Costing](#).

#### **Present a roadmap towards a living wage**

Brands should first of all endorse the principle of a living wage in their company policy (Code of Conduct). They should publicly commit to a living-wage benchmark and report in a transparent way. To achieve a living wage, brands should present a road map towards a living wage including a concrete timeline and detailed steps to be taken.

## RECOMMENDATIONS TOWARDS EU AND MEMBER STATES GOVERNMENTS

In this report Dutch brands were investigated, yet the situation described in this report is illustrative for what is happening in the garment sector at large, in India but also in their neighbouring countries. Garment workers earning a living wage are rare. Therefore not only Dutch brands and governments should be addressing this problem, it would be far more effective if the EU and Member States governments would jointly address the issue of living wages, freedom of association and transparency.

### Living wages

- The European Commission and Member State governments should strongly encourage brands to undertake concrete steps in cooperation with their suppliers on making sure garment workers will soon start earning a living wage.
- Within the field of intergovernmental relations the EU and Member State governments should encourage the local governments in India, Bangladesh etc to close the gap between the minimum wages and living wages.

### Freedom of Association and workers rights

- The EU should within negotiations and other meetings with local governments keep addressing the importance of freedom of association and the responsibility of these governments to make their citizens exercise their rights as workers.

### Transparency

According to UNGPs, Governments of States where brands and retailers are registered, to meet their duty to protect Human Rights, *should encourage, and where appropriate require, business enterprises to communicate how they address their human rights impacts.*

Clearly, in the garment sector, State requirements are needed (Rana Plaza), and should:

1. Require that companies report on an annual basis on the effectiveness of their responses to address the adverse impacts of their activities on human rights, including in their supply chain.
2. Require that companies disclose the names and addresses of their supplier facilities, subcontracted suppliers (tiers 2 and 3) and home-working facilities, at least on an annual basis.
3. Require that products sold within the jurisdiction are labelled to include a product code linked to a website that will provide information including supply chain traceability, employment statistics at the facility, economical information of the facility, pricing information and product information.<sup>13</sup>

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<sup>13</sup>Information should include more specifically : Supply chain traceability (Production place / facilities addresses, intermediaries, importer, brand), Employment statistics at the facility (number of workers at the facility and percentage men/women; average wage of each grade, average monthly overtime, benefits given, registered union and/or CBA presence, employment relationship information by percentage), economical information of the facility (turnover, number of pieces sold, % of factory product sourced per brand, price breakdown structure) and product information (Chemical product used, Certifications obtained and

4. Operating a standardized shipping database at an EU level which stores records for all exports and imports of cargo entering European ports, noting the class of cargo, the importing and exporting companies involved, the point of origin, the value as an FOB price and quantity, and the ultimate destination and recipient, and make this available by access request.

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certification body)

## NOTES

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vii Cividep India and Future In Our Hands (FIOH) (2015) '*Mind the gap - How the global brands are not doing enough to ensure a dignified life for workers in the garment and electronics industry in India.*', Pg.7

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xii 'Tailored Wages. Are the big brands paying the people who make our clothes enough to live on?' The Clean Clothes Campaign and The Asian Floor Wage Alliance, March 2014, page 6 and 7, based on AFW figures of 2013.

xiii 'Tailored Wages. Are the big brands paying the people who make our clothes enough to live on?' The Clean Clothes Campaign and The Asian Floor Wage Alliance, March 2014, page 7.

xiv 'Tailored Wages. Are the big brands paying the people who make our clothes enough to live on?' The Clean Clothes Campaign and The Asian Floor Wage Alliance, March 2014, page 7-8; 'Calculating the Asian Floor Wage', Asian Floor Wage Alliance, August 2015.

xv 'Asia Floor Wage figures 2015' Asia Floor Wage Alliance, August 2015  
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- xxiii Tamil Nadu Minimum Wage with effect from April 1, 2015 to March 31, 2016. <http://www.paycheck.in/main/salary/minimumwages/tamil-nadu/tamil-nadu-minimum-wage-with-effect-from-april-1-2015-to-september-30-2015>.
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- xxx Government of India, Maternity Benefits Act, 1961 <http://labour.gov.in/upload/uploadfiles/files/ActsandRules/EmpowermentofWomen/TheMaternityBenefitAct1961.pdf>

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xxxviiiSexual Harassment of Women at Workplace (2013) Act 2, Section 4, 5, 6

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xlvUnited Nations Guiding Principles on Business and Human Rights (2011), principle 12 refers to the International Bill of Human Rights and the ILO's Declaration on Fundamental Rights at Work.

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## **DOING DUTCH**

**A RESEARCH INTO THE STATE OF PAY FOR WORKERS  
IN GARMENT FACTORIES IN INDIA WORKING FOR  
DUTCH FASHION BRANDS  
2016**