

# **Hard Work for Soft Fibres & Make in India**

Two Studies on Working Conditions in West-Indian  
Textile Companies

# **Hard Work for Soft Fibres & Make in India**

Two Studies on Working Conditions in  
West-Indian Textile Companies

Publication series Gerechtigkeit und Frieden  
Publisher: German Commission for Justice and Peace  
Editor: Gertrud Casel

---

---

Study 1: Hard Work for Soft Fibres  
Labour Law Violations in Indian Ginning Factories

Study 2: Make in India  
Working Conditions in West-Indian Textile Companies

Editor:  
Deutsche Kommission Justitia et Pax  
Kaiserstr. 161  
53113 Bonn  
Tel: +49 (0)228-103217  
Fax: +49 (0)228-103318  
Justitia-et-Pax@dbk.de  
www.justitia-et-pax.de

Editor: Dr Hildegard Hagemann  
Authors: Dr Sabine Ferenschild, Sudhir Katiyar  
Translation: DBK translation service, Aingeal Flanagan and Neil Mussett

Publication series Gerechtigkeit und Frieden, No. 132  
Editor: Dr. Hildegard Hagemann  
ISBN 978-3-940137-73-9

Bonn, October 2016

---

Delivery:  
German Commission for Justice and Peace, Kaiserstr. 161, D – 53113 Bonn, Germany  
Tel: +49-228-103217 Fax: +49-228-103318  
Internet: www.justitia-et-pax.de E-Mail: Justitia-et-Pax@dbk.de

# Contents

Editor's Preface

Study 1: Hard Work for Soft Fibres  
Labour Law Violations in  
Indian Ginning Factories

Study 2: Make in India  
Working Conditions in  
West-Indian Textile Companies

List of Publications



## Editor's Preface

The German Commission for Justice and Peace works for many years on the specific concerns of workers in the informal economy. Especially in countries of the so called Global South the majority of the labour force works informally, meaning unorganised, unprotected and unregistered. Their rights to organise and to social security and their economic empowerment are far from implementation. Precarious working conditions stretch from migrant work in the construction and agricultural sector to home based work as garment producers to domestic work.

Today's economy is widely globalised. Global Value Chains as the textile chain for example encompass production, fabrication and trading sites in many countries all over the world, involve different economic sectors like the agricultural and marketing sectors and produce various employment structures and labour conditions. Unfortunately precarious conditions like migrant work and seasonal work are not a phenomenon in one informal sector but can be found everywhere along the global value chains. According to the ILO estimated 450 to 500 million workers are engaged in global value chains. Among those approximately 21 mio are working under exploitative conditions like forced labour.

On the occasion of a fact finding mission to Gujarat together with the Clean Clothes Campaign (Germany) and Südwind e.V. in January 2015 the German Commission for Justice and Peace got in touch with PRAYAS in India. Südwind e.V. and PRAYAS are two institutes doing investigative work on labour conditions in the informal economy. In 2015 and 2016 the authors Dr Sabine Ferenschild and Sudhir Katiyar produced two studies on labour conditions in the textile value chain, 'Hard Work for Soft Fibres' and 'Make in India'. Both studies describe working conditions and labour rights violations in different stages of cotton production and processing.

Justice and Peace supports this kind of research to qualify the advocacy work especially in regard to the controversy on the necessity of binding social standards contrary to voluntary standards. It is an objective to promote the critical dialogue with and among stakeholders in the countries of concern. Hence Justice and Peace took over the task of publishing the English versions of both studies together in the publication series 'Gerechtigkeit und Frieden' as Heft 132. The German versions 'Harte Arbeit für weiche Fasern' und 'Make in India' are published by Südwind- Institut e.V. [www.suedwind-institut.de](http://www.suedwind-institut.de)

We hope this publication meets the interest of international partners of Südwind, PRAYAS and Justice and Peace as well as of other stakeholders and social partners first and foremost in India.

In Germany the editors organised dialogue workshops on both studies, inviting unions, private sector, certifiers, NGOs and government to discuss the results and recommendations. We hope that the dialogue will continue not only in Germany but also in India.

A next step will be an exposure- and dialogue program in Rajasthan and Gujarat in February 2017. Living the daily routine of informal workers along the textile value chain in migrant workers' families and with home based garment producers serves as a starting point for a qualified dialogue on the possibilities to improve the situation of workers. This program is a cooperation of the German Commission for Justice and Peace and the Exposure und Dialogprogramme e.V. [www.exposure-dialog.de](http://www.exposure-dialog.de) . The publication at hand will be useful to prepare for the exposure and dialogue.

The authors and editors wish you a stimulating reading

A handwritten signature in black ink, appearing to read 'Hildegard Hagemann', with a long horizontal stroke extending to the right.

Dr Hildegard Hagemann

# **Hard Work for Soft Fibres**





# Hard work for soft fibres.

## Labour law violations in Indian ginning factories

### Contents

|   |    |
|---|----|
| <b>1. Introduction</b>  | 4  |
| <b>2. The textile production chain in India, using the example of Gujarat</b>   | 5  |
| 2.1 Cotton seed production  | 6  |
| 2.2 Cultivating cotton  | 7  |
| 2.3 Spinning cotton   | 8  |
| 2.4 Weaving fabrics   | 11 |
| 2.5 Finishing textiles  | 12 |
| 2.6 Tailoring   | 13 |
| <b>3. Working conditions in ginning factories in Gujarat</b>  | 15 |
| 3.1 The case studies  | 15 |
| 3.2 The ginning process   | 16 |
| 3.3 The structure of the ginning industry   | 16 |
| 3.4 Workers and work processes  | 18 |
| 3.5 Overview of labour law  | 20 |
| 3.6 Working conditions in the four factories surveyed   | 22 |
| 3.7 Summary   | 27 |
| <b>4. The Global Organic Textile Standard and efforts to make the textile production chain more sustainable and transparent</b> | 30 |
| 4.1 History and structure   | 31 |
| 4.2 Current status  | 32 |
| 4.3 The standard  | 34 |
| 4.4 GOTS Statement  | 36 |
| 4.5 Comment by SÜDWIND  | 37 |
| <b>5. Results and Recommendations</b>   | 39 |
| <b>6. Bibliography</b>  | 41 |

## 1. Introduction

The following pages will provide an insight into textile and clothing production in India and the working conditions within these sectors. India is one of the world's leading producers of textiles and clothing. Approximately 35 million Indian citizens are directly employed and a further 45 million are indirectly employed in this sector. This means that the textile industry is the second largest employment sector in India after agriculture, accounting for 18 per cent of industrial jobs (cf. IndiaMART 2012; CCI 2014, 2). Because of the high national and international importance of the Indian textile and clothing production sector, India is the focus of attention when it comes to making social and environmental improvements in the global supply chain for clothing. In the course of the appraisal of the causes of the collapse of Rana Plaza in Bangladesh in the spring of 2013, the German Partnership for Sustainable Textiles was established in Berlin in October 2014. Since then, the debate between all involved players from the world of politics, business, trade unions, and civil society has intensified in Germany and reached a new level. Unfortunately, however, this debate all too frequently focuses on Bangladesh and the issue of safety at work. Although it is certainly true that Bangladesh is an important supplier country for clothing with highly precarious working conditions, and although (a lack of) safety at work is a matter of life and death, it is essential not to lose sight of other supplier countries of textiles and clothing and other key labour law violations.

This study would like to make a contribution to this debate by providing an overview of work processes and working conditions in the various textile-processing stages in the Indian state of Gujarat. Of all the processes involved in textile production, the main focus of this study is on ginning, a process that is largely unknown in Germany, but without which no cotton fibres can be used for spinning.

The results of this study are based on three sources: following a comprehensive study of relevant literature in 2014, one of the authors – S. Ferenschild - undertook a study trip to Gujarat as part of the Clean Clothes Campaign (CCC) in January 2015.<sup>1</sup> The objective

---

<sup>1</sup> The following people took part in the study trip to Gujarat: Tim Felder-Roussety (of the German services trade union ver.di), Sabine Ferenschild (SÜDWIND), Christian Fussenegger (ver.di), Gertraud Gauer-Süß (Bremen Information Centre for Human Rights), Hildegard Hagemann (German Commission for Justice and Peace), Berndt Hinzmann (INKOTA network), Dominic Kloos (Ecumenical Network in the Rhine-Mosel-Saar region), and Petra Wetzels (ver.di).

of this study trip was to gather information about working conditions in the textile-processing stages that precede the tailoring process. To this end, the author visited a number of sites and companies and spoke to workers, home-workers, farmers, entrepreneurs, trade unionists, and representatives of non-governmental organisations. Of the numerous NGOs contacted, two proved particularly helpful: the PRAYAS Centre for Labour Research and Action and SEWA (the Self-Employed Women's Association). As local partner organisations of SÜDWIND and the Clean Clothes Campaign, both these organisations arranged all meetings in Gujarat and discussed the main focus of their work, strategies, and findings in a most impressive manner with the CCC group.

The third source used for this study was on-site research conducted by PRAYAS on behalf of SÜDWIND from November 2014 to January 2015. This research included interviews with 34 workers from four ginning factories in Gujarat. Chapter 3 sums up the results of this research.

One of the four ginning factories has a Global Organic Textile Standard (GOTS) certificate. However, according to the interviewed workers, the conditions in these factories seem to differ only marginally from the conditions in conventional factories. For this reason, the presentation of the research findings from India is followed by an explanation of the GOTS (chapter 4).

Chapter 5 includes recommendations and conclusions relating, among other things, to the GOTS.

## **2. The textile production chain in India, using the example of Gujarat**

The Indian textile production sector is very diverse. It ranges from the production of numerous natural fibres (such as cotton, silk, wool, or jute) and man-made fibres to all the different processing stages, including tailoring. It is dominated by small and micro enterprises (cf. CCI 2014, 2; IndiaMART 2012). Indian enterprises in the textile industry are not generally integrated, in other words, most companies have specialised in a specific stage of processing and do not cover several processes under one roof. Productivity is generally low and production, while not capital intensive is very labour intensive (cf. GTAI 2013). However, the majority of workers in the textile sector are casual labourers. Moreover, a high proportion of them hail from marginalised social groups. About 60 per cent of workers are women, whereby the proportion of men in the

workforce is higher in northern India. In southern India, however, the proportion of women in the workforce is higher (cf. FWF 2012a, 12).

The textile sector in Gujarat is also dominated by labour-intensive forms of production. The main reason for this is that since India gained independence, the Indian government has supported smaller enterprises and labour-intensive production methods while at the same time restricting modern technologies (cf. Dun&Bradstreet India, n.d.). The following sections will provide an overview of the consequences of this policy for the individual stages of production.

### *2.1 Cotton seed production*

Seeds are needed in order to grow cotton. As a rule, seed must either be bought or made available by the buyer of the cotton harvest. The reason for this is that the seed is only separated from the fibres during the ginning process, at which point the harvested raw cotton is no longer in the farmers' possession.

The purpose of producing cotton seed is to spread special varieties or breeds. In terms of cultivation area, Gujarat accounts for 55 per cent of cotton seed production in India (approximately 15,300 of a total 28,300 hectares). Today, seed is generally produced on small, remote farms, 80 per cent of which are run by ethnic minorities and rely on the labour of family members. In recent years, there has been a definite shift away from large farms towards small, family-run farms (cf. Venkateswarlu 2010, 4). The corporations Monsanto, Bayer, and DuPont control about 12 per cent of cotton seed production in Gujarat (cf. Venkateswarlu/Kalle 2012, 30). Manual pollination is very time consuming, which explains why seed production is very labour intensive (approximately 5,000 working days per year per hectare). Up until a few years ago, most of those working in seed production were children, above all girls (cf. Venkateswarlu 2003, 6). Most of the agricultural labourers working in cotton seed production come from small ethnic groups in southern Rajasthan and Gujarat. However, because of the launch of the state labour programme for the rural population (NREGA<sup>2</sup>), migration from Rajasthan has been in decline since 2005 (cf. Venkateswarlu/Kalle 2012, 30).

---

<sup>2</sup> NREGA stands for Mathama Gandhi National Rural Employment Guarantee Act.

## 2.2 Cultivating cotton

In the 2014/15 season, over 12.2 million hectares of land were cultivated for cotton in India (cf. ICAC 2015). Together with the states of Madhya Pradesh and Maharashtra, Gujarat is one of the key cotton-growing areas. Together, they account for 65 per cent of the total cotton cultivation area in India. In this zone, rainwater is the dominant form of irrigation (Maharashtra: 93 per cent; Gujarat: 66 per cent; Madhya Pradesh: 60 per cent). However, yield in this sector is much lower than in those that use artificial irrigation (cf. ITC 2011, 15 f.). Cotton cultivation in the central cultivation area increased massively after the introduction of Bt cotton (a genetically modified form of cotton). Although the use of pesticides initially dropped after the introduction of Bt cotton, the use of fungicides and herbicides has been rising significantly since the end of the first decade of this century (cf. Kranthi 2012, 40).

While Maharashtra has the largest cultivation area, Gujarat has higher yields and therefore produces by far the greatest amount of raw cotton (cf. Cotton Corporation of India 2011). Between 30 and 40 per cent of all Indian cotton and 50 per cent of all Indian export cotton is grown in Gujarat (cf. Patel 2011, 12).

**Table 1: Cotton cultivation area, production, and yield in the regions of India (forecast for 2013/14)**

| State                                | Area (in 100,000 hectares) | Production (in 100,000 bales of 170 kg) | Yield (kg / ha) |
|--------------------------------------|----------------------------|---|-----------------|
| Gujarat                              | 26.91                      | 116                                     | 733             |
| Maharashtra                          | 38.72                      | 81                                      | 356             |
| Madhya Pradesh                       | 6.21                       | 19                                      | 520             |
| Central region (total)               | 71.84                      | 216                                     | 511             |
| Northern region (total)              | 13.65                      | 58                                      | 722             |
| Southern region (total)              | 28.37                      | 95                                      | 569             |
| India (total, including other areas) | 115.53                     | 375                                     | 552             |

Source: Cotton Corporation of India

Most farms in Gujarat are small and less than 1 hectare in size; larger farms cover approximately 14 hectares. Small farms rely predominantly on family labour. When

their own fields have been tilled, many members of the family who work on small farms go to work as agricultural labourers on larger farms (cf. Delhi Platform 2011, 22 ff.). In addition to these small farmers, landless people also find employment as seasonal labourers on larger cotton farms. Most of them are migrants from other parts of the country. In the case of Gujarat, many of them come from the neighbouring state of Rajasthan (see chapter 3).

In the agricultural sector, two forms of working systems prevail. The first is a tenancy system, called share cropping, which gives the land-owner part of the harvest. Here, the work is done by the tenant farmer (share cropper). In the event of crop failure or if the land-owner breaks the tenancy agreements (which are usually oral and not written), it is very often the case that the tenant farmer ends up owing money to the land-owner. The second system in place is agricultural contract work. As a rule, wages in this system are paid for a certain kind of work on a daily basis and are linked to a quantifiable performance level. For example, according to a study conducted by the Gujarat Agricultural Labour Union (GALU) dating from the year 2011, a wage-earner earned between 70 and 100 rupees per day depending on the number of kilos of raw cotton harvested. With the rise in mechanisation in cotton cultivation (irrigation systems, the use of tractors to work the land, etc.) agricultural work is gradually changing. A worker driving a tractor can now do the work of three manual labourers (cf. Delhi Platform 2011, 36 f.).

As illustrated by numerous studies in recent years, both systems provide considerable opportunities for labour law violation (cf., e.g. Venkateswarlu 2003; Delhi Platform et.al. 2011)

Before natural cotton fibres can be processed into textiles, raw cotton is processed into fibres in ginning factories. This process, the structure of the ginning industry in Gujarat, and the working conditions in this sector are described in detail in chapter 3.

### *2.3 Spinning cotton*

The cotton fibres that are pressed together to create bales are sold by the ginning factories to spinning mills both inside and outside India (often by intermediaries). There, they and other natural fibres and man-made fibres, are processed into yarns of varied quality using a number of different techniques. The basic stages involved are the cleaning and sorting of the fibres, the stretching of the fibres to form lengths of fibre or

rovings, and finally the spinning, which includes drawing out, twisting, and winding (cf. Hofer 2000, 600). For those who work in spinning mills, the work on the spinning machines is quite monotonous: torn threads have to be twisted on again, bobbins removed and replaced, and threads respun. Despite the monotony, high levels of concentration and speed are required as the machines continue running, and the spinners have to keep up.<sup>3</sup>

According to the Confederation of the Indian Textile Industry (CITI), there were 3,474 spinning mills in the formal sector in 2013. Of these, only 198 were integrated, i.e. united other stages of production such as weaving or knitting under one roof. Every year, Indian spinning mills produce just below five million tons of yarn. By far the greatest proportion of this yarn (namely 3.6 million tons or 73.5 per cent) is cotton yarn (cf. CITI 2013a, 7 ff.). There are very few large spinning mills and a high number of small and micro spinning mills in India. About 1,800 large mills were responsible for about 90 per cent of total yarn production in 2012. Indian spinning mills have an average of 22,000 spindles per enterprise. The smallest mills, however, only work with about 3,100 spindles (cf. Deutsche MittelstandsNachrichten 19.06.2011; GTAI 2013). After China, India is the world's second biggest producer of yarns, with 22 per cent of all installed spindles worldwide. It is also one of the biggest yarn exporters on the world market (cf. CITI 2013b, 5). Within India, the southern state of Tamil Nadu is the centre of Indian spinning. Gujarat, on the other hand, ranks only sixth in terms of cotton yarn production even though the spinning capacities of cotton yarns and mixed yarns have doubled over the past ten years (cf. Table 2). Within the scope of the textile policy that was announced in 2012, the government of Gujarat provides subsidies and loans to develop the state's spinning capacities. The aim is to ensure that 90 per cent of the cotton fibres produced in Gujarat do not have to be transported to other Indian states for processing, as is currently the case (cf. Parikh 2013).

---

<sup>3</sup> The working processes and the way that they have changed in line with technological developments in spinning and weaving procedures is described in impressive detail in Bohnsack 1981.



**Table 2: Cotton yarn production according to Indian federal states, 2011-12**

| <b>State</b>          | <b>Percentage</b> |
|-----------------------|-------------------|
| <b>Tamil Nadu</b>     | 38 %              |
| <b>Punjab</b>         | 16 %              |
| <b>Andhra Pradesh</b> | 8 %               |
| <b>Maharashtra</b>    | 8 %               |
| <b>Madhya Pradesh</b> | 7 %               |
| <b>Gujarat</b>        | 5 %               |
| <b>Haryana</b>        | 5 %               |
| <b>Others</b>         | 13 %              |

Source: Parikh 2013

In addition to industrial spinning, the government also supports hand-spinning, which in Gujarat is organised and marketed via Khadi co-operatives. Khadi is the term used for cotton fabrics that are both handwoven and handspun. The Khadi movement can be traced back to Mahatma Gandhi, who disregarded the British (colonial) ban on Indian textile production and called for a boycott of British textile products and for the processing of Indian cotton in India: 'Khadi represented India's resistance and revolution. Khadi was also the face of Indian identity,' says the website of the government authority responsible for the promotion of khadi (cf. Gujarat Rajya Khadi Gramodyog Board, n.d.). Because of the great political significance of Khadi for the Indian identity, most politicians in India wear Khadi fabrics. Moreover, the Indian flag may only be made of Khadi – although it must be said that this rule is not always observed (cf. *ibid.*).

In addition to the political significance of handweaving, Khadi production is also significant in economic terms: as a highly labour-intensive production method, it promotes employment within the rural population. According to the Khadi & Village Industries Commission, just below 26 million kg of yarn are produced using over 2 million spindles in this sector all across India. Overall (and this includes handweaving), just below 1.5 million people work in Khadi production (cf. KVIC 2009).

Compared with handweaving, which is organised like a craft (in other words, workers use their own means of production and can divide up their time as they see fit), work in industrial cotton-spinning mills is much more damaging to health. Respiratory complaints (e.g. those caused by raw cotton dust) are also more prevalent here than they are in subsequent textile-processing stages. In addition to air pollution, other problems

encountered in spinning mills include high noise levels, accidents caused by a lack of training and fatigue, and a lack of protective clothing (cf. FWF 2012b, 1 f.).

2.4 Weaving fabrics

Once it has been spun into yarn, the cotton is then processed to create fabrics. The most important techniques in this respect are weaving and knitting, whereby this section will focus on the weaving sector. The weaving sector in India can be divided into two categories: small enterprises or cottage industries on the one hand and highly industrialised production units on the other. Here, however, in contrast to the spinning sector, small and medium-sized enterprises that work with either handlooms or simple electric powerlooms, dominate. Small and medium-sized enterprises employ the largest number of people and produce by far the greatest amount of fabric (cf. Table 3).

**Table 3: Structure of the weaving sector in India**

| Category                   | Enterprises in 2013 | Volumes (2013-14)<br>m <sup>2</sup> of fabric (millions) | Employment<br>(millions) |
|----------------------------|---------------------|--|--------------------------|
| Industrial enterprises     | 1,789               | 2,531  | 1.0                      |
| Powerloom sector<br>2013   | 530,269             | 36,790   | 5.9                      |
| Handloom sector<br>2011/12 | 3.5 million         | 7,104  | 7.0 (March<br>2011)      |
| Khadi, silk, wool          | No data             | 876  | 1.5*                     |

Source: Author’s own table based on data from the Textile Commissioner 2014 a and b; Khadi: KVIC 2009  
\* incl. spinning

The handloom sector, where an average two people are employed in each enterprise, can be described as a cottage industry. The Indian government's twelfth five-year plan states that just below 78 per cent of the people working in this sector in 2010 were women. Almost half of all those who work in this sector live below the poverty line; almost 30 per cent have never attended school (cf. Government of India 2013, 397). On average, the enterprises in the powerloom sector are only slightly larger than in the handloom sector. According to data made available by the Ministry of Textiles, the average enterprise has just over four looms and approximately 11 members of staff. However, they produce just under two-thirds of all fabrics in India (cf. Government of India 2013, 124).

Inside India, Gujarat is the largest producer of fabrics made of man-made fibres and the second-largest manufacturer of cotton fabrics. It produces approximately 1 billion m<sup>2</sup> of denim fabric per annum and accounts for over 25 per cent of the production of technical textiles (cf. Parikh 2013). Some 30 per cent of all fabrics produced in industrial enterprises and 25 per cent of all fabrics in the powerloom sector in India are made in Gujarat. There are 250 large weaving mills in Ahmedabad and another 350 in Surat, in southern Gujarat. Gujarat accounts for 12 per cent of India's total textile exports. Of all Indian states, Gujarat has the second-highest concentration of enterprises in the powerloom sector (cf. iNDEXTb 2015). In Surat alone, 500,000 powerlooms are in operation, providing work for over 600,000 people (cf. Desai, n.d., 9). In accordance with the Minimum Wages Act, work on the powerlooms is divided up into six different unskilled activities, seven semi-skilled activities, and eight skilled activities for which between 268 and 293 rupees have been fixed as the minimum daily wages since December 2014 (cf. Government of Gujarat 2014, 2 ff.).

A study on the powerloom sector in Tamil Nadu conducted by the University of Sussex discovered that work in this sector is badly paid and characterised by 12-hour shifts in loud, dusty rooms. Accidents and poor health are not uncommon. As a rule, men operate the powerlooms and women prepare the yarn packages. The study says that because of advance payments, workers are often heavily in debt to their employers, are strictly monitored, and are threatened with violence if they indicate that they want to leave their jobs (cf. University of Sussex 2013, 2). It would be important to determine the extent to which this study, which also investigated the high proportion of domestic migrants among staff and the ways in which they are discriminated against because of the caste to which they belong or their ethnicity, can be transferred to the situation in Surat and Gujarat. The findings of the Sussex study certainly suggest that the working conditions in the powerloom sector are similarly precarious to those in the ginning sector (see chapter 3).

### *2.5 Finishing textiles*

Untreated natural fibres often have a yellowish, brownish, or greyish/blackish hue. In order to turn them into textile products for a variety of purposes and with a variety of designs, a wide range of processing or finishing procedures are used. These include bleaching, dyeing, or printing. In view of the fact that a large number of chemicals are used, these production stages can put a huge strain on both the workers and the environment.

In India, over 5,000 textile-finishing enterprises process either woven or knitted fabrics (cf. CITI 2013b, 7). This sector is also dominated by small, non-integrated enterprises (cf. Chellasamy/Sumathi 2006, 6). The few integrated enterprises that do exist also cover other processing stages such as weaving or spinning. Nevertheless, they only accounted for approximately 3 per cent of total production in the year 2004. According to estimates from the Indian Ministry of Textiles, approximately 440,000 people were employed in the finishing of textiles in March 2011 (cf. Textile Commissioner 2012).

In Gujarat, textile-finishing enterprises are concentrated in two areas (clusters) in particular: Surat in the south and Jetpur in the west of Gujarat. These enterprises receive special support through the establishment and development of special economic areas. About 400 textile-finishing enterprises are based in the textile city/region of Surat in southern Gujarat. There, 25 million metres of fabric are finished every day (cf. SGTPA 2015). The second centre of textile finishing in Gujarat, Jetpur, is situated in the western part of the state. There, approximately 40,000 people are employed by a total 515 enterprises, using screen printing to produce above all sarees, kangas, and kitangas (African garments), which are also destined for the export market. The list of job-related illnesses suffered by workers is long, production methods are often out-dated, and untreated liquid waste ends up in the environment (cf. Mehta, n.d., 2).

However, small dyeing mills and other textile-finishing enterprises are not just based in these two clusters, but are scattered throughout the state. These mills process the delivered fabrics on behalf of wholesalers. On the one hand, they are labour intensive. On the other, they use hardly any measures to protect either the environment or the workers, who have to work with chemicals and are often ignorant of the risks to which they are exposed.

## *2.6 Tailoring*

In order to be able to make finished garments or functional textiles from fabrics (both woven and knitted fabrics), there are several fundamental stages that are considered part of the clothing or tailoring sector and have to be completed before the items are ready to ship. These stages include cutting out the individual sections, sewing them together to produce a finished garment or textile, if necessary the sewing on of care labels or brand labels, and also decorative work such as embroidery, the sewing on of sequins and beads, and the addition of lace, borders, cords, etc. Washing, drying, ironing, sorting, packaging, and quality control are other steps involved in tailoring. All of these steps

can be completed in a single enterprise. By the same token, individual steps can be outsourced to other companies or home-workers. This kind of outsourcing is widespread (cf. Global March 2010, 7).

In India, the tailoring sector is in a position to buy in almost all the preliminary materials it needs within India. Only about 5 per cent have to be imported. As in the weaving sector, small and micro enterprises are of huge importance in the tailoring sector; they have a market share of about 75 per cent. Most manufacturers are grouped together in textile clusters. There are about 20 major textile clusters, which are supported by the government, across the whole country. To date, there are 40 textile parks. However, at the end of 2012, the government approved 20 more, all of which will be built up on the basis of the Scheme for Integrated Textile Parks (SITP) (cf. GTAI 2013).

According to the Confederation of the Indian Textile Industry (CITI), over 100,000 enterprises (most of them small) were involved in the tailoring of garments in 2012. They produced 10 billion items of clothing that year. The CITI expects production to grow significantly: it forecasts the production of 17 billion garments in 2017 and 20 billion garments in 2020. According to estimates from the Indian Ministry of Textiles, about **11-22** million people were employed in the production of clothing in March 2011 (cf. Textile Commissioner 2012).

According to data supplied by the Fair Wear Foundation, only 7 per cent of workers in the Indian clothing sector are organised in trade unions; even fewer benefit from collective bargaining (cf. FWF 2012a, 19). Threats towards trade union members or workers who set up trade unions or want to join a trade union are not uncommon (cf. SLD 2012, 17 f.).

In addition to small enterprises, a number of large, integrated enterprises that also produce clothing have emerged in Gujarat since the early 1990s. The company Arvind is the best-known example of such an enterprise. Employing over 20,000 people and divided up into numerous subsidiaries, Arvind is active in ginning, spinning, weaving, knitting, finishing, and tailoring. Established in Ahmedabad as long ago as 1931, Arvind, like many other companies in the 1980s, experienced tough competition from the powerloom sector. However, unlike many other companies that went bankrupt during this decade, Arvind was able to survive by starting to produce denim for the export market. Today, Arvind produces over 7 million pairs of jeans per annum, making it one of the largest jeans manufacturers in the world (cf. Arvind 2014).

In Gujarat, clothing is also produced by home-workers. This work is done by women working at home in Ahmedabad. They decorate saree material or other clothing fabrics with embroidery and/or beads. They often work in cramped conditions. Monotonous work, poor posture, and oftentimes poor lighting conditions over long periods all take their toll on the health of home-workers. The Self Employed Women's Association (SEWA) is the trade union for these home-workers. It fights for their interests, supports the establishment of co-operatives, and provides cheap loans and training (cf. SEWA 2009).

### 3. Working conditions in ginning factories in Gujarat

Cotton ginning is a processing stage in the cotton production process that is relatively unknown in Germany. It is generally done in close proximity to the cotton-growing areas, which is why the most important cotton-growing regions are also the regions with a high concentration of ginning factories. In recent years, several studies on the poor social conditions in Indian ginning factories have been published (cf. Patel **2011**; PRAYAS **2012**; PRAYAS, *n.d.*). For this present report, four case studies in Gujarat were used to determine how the sometimes extremely precarious working conditions have developed since the publication of these studies. In November **2014**, SÜDWIND's Indian partner, the PRAYAS Center for Labour Research and Action, conducted a survey of workers in four ginning factories and compiled the evaluated results in a report. The findings of this report are summarised below (cf. PRAYAS **2015**).<sup>4</sup>

#### 3.1 *The case studies*

The study is based on research conducted in four ginning factories. Although the names of these factories are not included in this report, they are known to SÜDWIND. Three factories are situated in northern Gujarat. Two of them are situated in the city of Kadi, which—with more than **100** ginning factories—is the 'capital' of cotton ginning in Gujarat. The fourth factory is situated in the region of Saurashtra, which lies to the south west of Ahmedabad, a city with a population of several million and a relatively new cotton-ginning hub. Of the four factories included in this study, one is a GOTS-certified

---

<sup>4</sup> The authors have added some technical explanations in chapter 3.2.

factory (see chapter 5). According to information provided by this factory, it also produces cotton for the fair trade sector and for the Better Cotton Initiative (BCI).

Interviews were conducted with **34** workers from the four factories. The workers were also asked to fill in questionnaires based on the structure of the ILO standard. In the case of three of the four factories, the interviews were conducted outside the factory premises. In the case of one factory, the questionnaires had to be filled in in the presence of the management. The information provided was subsequently verified during home-visits to the workers in question. In addition to the individual interviews, two group discussions with workers from three of the four factories were organised in order to delve deeper into the issues addressed.

### *3.2 The ginning process*

When Eli Whitney invented the 'gin' (ginning machine) to separate fibres from cotton seeds in **1794**, his machine revolutionised cotton processing (*cf.* Patel **2011, 11**). Down through the years, numerous technological improvements were made to the gin. Today, one differentiates between two basic ginning technologies. The first is the roller gin, where two rotating rollers separate the fibres from the seeds. This technology is based on a manual technique that was invented in India in ancient times (*cf.* Estur/Gergely **2010, 10**). The saw gin, on the other hand, uses two knives for the ginning process: in some cases, one knife is stationary and one moves; in the other (since the late **1950s**), both knives rotate. While roller gins are above all suited to ginning high-quality, long-staple (long-fibre) cotton, saw gins are used above all for short-fibre cotton and for low-quality medium- and long-staple cotton (*cf.* Estur/Gergely **2010, 10**). While saw gin technology is more efficient than roller gin technology, the latter is more gentle on the fibres, thereby ensuring higher fibre quality (*cf.* Estur/Gergely **2010, 46**).

### *3.3 The structure of the ginning industry*

The ginning industry in India not only has a long history, it also belongs to an important sector of the Indian economy: as one of the first stages of production in the textile-processing industry, it is part of the first industrial sector to be built up in India. Gujarat's ginning industry is dominated by small- and medium-sized enterprises, of which up until recently only very few covered both ginning and bale pressing. Cleaning machines, which reduced the soiling of the cotton fibres (removing leaves, etc.) were also very

rare, which is why Indian cotton fibres found it very difficult to compete with internationally traded cotton (*cf.* Patel **2011**, **11 f.**). Because of the high significance of the textile sector for the export market and the number of jobs available, the Indian state is supporting the modernisation of the sector, among other things in the form of subsidies for the modernisation of ginning factories.

Because Gujarat is one of the most important cotton-producing states in India, it is also a major centre of the cotton-ginning industry. At the end of **2014**, there were **762** active ginning factories, which were ginning cotton not only from Gujarat but also from other states such as Maharashtra. Table 4 provides an overview of the regional distribution of cotton-ginning factories in Gujarat.

**Table 4: List of cotton-ginning factories in Gujarat**

| <b>No.</b> | <b>District</b> | <b>Number of factories</b> |
|------------|-----------------|----------------------------|
| <b>1</b>   | Ahmedabad       | 77                         |
| <b>2</b>   | Patan           | 27                         |
| <b>3</b>   | Mehsana         | 137                        |
| <b>4</b>   | Vadodara        | 40                         |
| <b>5</b>   | Sabarkantha     | 33                         |
| <b>6</b>   | Amreli          | 28                         |
| <b>7</b>   | Bhavnagar       | 47                         |
| <b>8</b>   | Junagadh        | 92                         |
| <b>9</b>   | Rajkot          | 144                        |
| <b>10</b>  | Bharuch         | 24                         |
| <b>11</b>  | Surendranagar   | 72                         |
| <b>12</b>  | Other districts | 41                         |
|            | Total           | 762                        |

Source: Directorate of Industrial Safety and Health, Gujarat from PRAYAS 2015

In Indian society, which is still heavily shaped by the caste system, the majority of ginning factory owners in Gujarat comes from the Patel community or caste. The Patel caste in Gujarat is very large and is a sub-caste of the caste/group of land-owners—whether small, medium-sized, or large land-owners—who own the lion's share of agricultural land in India. Although the Patels constitute a relatively low caste within the caste system, the fact that they are land-owners gives them considerable political, social, and economic clout. The Patels' entrepreneurial activity in the ginning sector can be traced back to the agricultural nature of this industry. At the same time, it reflects the fact that the Patels are diversifying: nowadays they are not just land-owners and farmers, they are also factory-owners. Moreover, many of them have gone abroad. Ginning



factories are often joint ventures involving several Patel families. Two of the four factories presented here are joint ventures.

Most of the cotton produced by ginning factories is destined for export. India is one of the largest cotton-exporting nations in the world. It exports to over 50 countries worldwide. The exportation of cotton has risen in recent decades. Cotton is mainly exported to the countries of South Asia and China.

### *3.4 Workers and work processes*

There is no reliable data on the number of people working in ginning factories in Gujarat. Official records are not a sufficiently reliable source of information for the simple reason that many of those employed in this sector are casual workers, i.e. they do not appear in official records or duty rosters, etc. However, if one assumes that the smallest ginning factory, which operates 10–12 *charkhas* (gins), employs 50–60 workers and larger factories operate 36–40 *charkhas* and employ 125–130 workers, and considering that 70 per cent of ginning factories are small and 30 per cent are large, one can assume that about 55,000 people work in this sector. This constitutes a very large workforce.

Work in ginning factories comprises three main processes:

1. the unloading of trucks and the spreading/mixing of raw cotton in the factory's storage area,
2. the operation of the gins, and
3. the operation of the pressing machine and the removal of the pressed cotton bales.

The cotton seeds that are separated from the cotton fibres are sent to an oil-extracting factory for oil extraction. In many cases, however, the oil-extracting facility is part of the ginning factory. Each stage of the work process is done by members of a different ethnic group.

#### *Unloading the trucks*

The raw cotton is transported to the factories in trucks. There, the trucks are unloaded and the raw cotton is mixed in the storage area (for example in order to eliminate

differences in quality and colour). Then, the cotton is transported on conveyor belts to the gins inside the factory.

This work is done mainly by workers from the state of Bihar in northern India, which is just under **2,000** km away. Almost all workers are Dalits and come from the *Kevat* or *Paswan* communities. This work is done exclusively by men and sometimes by male youths.

India's Minimum Wages Act classifies this work as unskilled.

#### *Operating the gins*

This is the most important working process in the factory. Every worker operates between three and four gins. It is their job to ensure that raw cotton is fed into the gin and cotton fibres, seeds, and boll waste are removed from the gin swiftly and smoothly and that any problems that arise are solved quickly.

The workers are either locals from the surrounding villages or migrants from the Dalit community of southern Rajasthan or western Madhya Pradesh. The majority of the workers in this sector are very young, either young people or young adults. Sometimes, however, older people who cannot find jobs elsewhere, are also hired to do this work. Many women are also employed to operate the gins.

The Minimum Wages Act classifies this work as unskilled.

#### *Mechanic*

Every factory has a number of mechanics. These technically qualified workers are responsible for making sure that the machines work smoothly. They have either received technical training or have taught themselves all they need to know. Most mechanics come from the northern Indian state of Uttar Pradesh. They are all male.

The Minimum Wages Act classifies this work as skilled.

#### *Pressing cotton fibres*

Once the cotton has been ginned, it is mechanically pressed into bales. The bales are then brought from the factory to an outdoor area where they are loaded onto trucks for transportation. This work is mainly done by workers from the Marwar region in western Rajasthan. No female workers are employed to do this work. The workers belong to the *Bisnoi* caste, a higher caste that owns land.

The Minimum Wages Act classifies this work as semi-skilled.

### *Supervision*

Supervisory staff monitor and check all work processes. Locals are usually hired to do this work.

The Minimum Wages Act classifies this work as skilled.

If the classification of the various activities is transferred to one of the ginning factories investigated (factory C) it can be said that **72** per cent of workers are unskilled, **9** per cent semi-skilled, and **19** per cent skilled.

### *3.5 Overview of labour law*

The two main laws that govern industrial relations in India are the Industrial Employment (Standing Orders) Act 1946 and the Industrial Disputes Act 1947. However, both these Acts do not apply to the majority of employees in ginning factories as the employees are so-called 'contract workers', i.e. they are not employees engaged on a permanent basis. The employment relationship of the majority of workers in ginning is regulated particularly by the Contract Labour Act. As most of the workers come from other states and thus are seasonal migrants, the Inter State Migrant Workmen Act 1979 - a variant of the Contract Labour Law – is applicable. In addition, there are a number of other labour laws which are general in nature and of universal validity. The major labour laws are briefly summarized below. Specific violations of these labour laws are listed in the chapter following the study findings.

In addition to the national labour law, India has ratified four core labour standards of the International Labour Organisation:

C 029 – Forced Labour Convention (1930)

C 100 – Equal Remuneration Convention (1951)

C 105 – Abolition of Forced Labour Convention (1957)

C 111 – Discrimination (Employment and Occupation) Convention (1958)

India has not ratified the following four core labour standards:

C 087 – Freedom of Association and Protection of the Right to Organise Convention (1948)

C 098 – Right to Organise and Collective Bargaining Convention (1949)

C 138 – Minimum Age Convention (1973)

C 182 – Worst Forms of Child Labour Convention (1999)

Cotton ginning is a seasonal industry because cotton is not available throughout the year. Only cottonseed oil mills, some of which are run by ginning factories or are affiliated with them, produce consistently. Therefore the employees are considered to be permanent employees and are covered by the 'Employment Social Insurance Scheme Act' while employees of cotton gins are only covered by the 'Factories Act'.

**The Factories Act** sets out basic rights of workers in terms of health and safety. Other important provisions stipulate limits on working hours (eight hours a day and 48 hours per week), limits on overtime work (maximum of twelve hours per week and 50 hours in a quarter), regulations concerning the double pay for overtime hours, a weekly day off, worker identity cards, attendance cards, vacation slips, paid leave, etc.

**The Minimum Wages Act** specifies minimum wages to be paid for normal eight-hour work. India's minimum wage system is highly complex and differentiated, depending on the type of employment, the level of education, and region. For agriculture and other occupations for which no specific minimum wage is fixed, a general minimum wage is applied.

Ginning industry is subject to specific minimum wage rules: The current minimum wage to be paid is 276 Rs (3.58 Euros<sup>5</sup>) per day for unskilled, 284 Rs (3.69 Euros) for semi-skilled and 293 Rs (3.80 Euros) for skilled workers in urban regions. In the remaining regions, the same wages shall be applied for unskilled and semi-skilled work as in urban areas since 26 December 2014 (previously 229 Rs (2.97 Euros) or 235 Rs (3.05 Euros)). Only for skilled work the wage rate of 288 Rs (3.74 Euros) is lower than in urban areas.

**The Payment of Wages Act** provides for the regular and timely payment of wages.

**The Contract Labour (Abolition and Regulation) Act** seeks to protect workers who are recruited through labour contractors. It also aims to prevent that contract workers are used for regular, non-seasonal occupations.

**The Interstate Migrant Workers (Protection and Regulation) Act** is designed to protect workers recruited from other states. It provides for registration of contractors and employers, and contains regulations concerning bonus payments (travel expenses), housing and other benefits to inter-state migrants.

---

<sup>5</sup> All conversions are based on the exchange rate as at 1 January 2015 according to [www.oanda.com](http://www.oanda.com).

**The Workmen's Compensation Act, 1923** applies to accidents at work. It specifies amounts to be paid as compensation for different occupational injuries including death.

**The Child Labour (Regulation and Prevention) Act** governs the employment of children in India. The Act defines a child as any person who has not completed his fourteenth year of age. The Act regulates the employment of children in certain occupations and prohibits it in others. There is a list of occupations prohibited for children. Cotton ginning falls in the category of prohibited occupations.

The Act has been widely criticized also by India's civil society especially for the low age defining children and allowing employment of children, as well as for the child labour schedule – instead of implementing a general ban.

There are other legislations which are more progressive than the Child Labour Act. The most important among them is the Juvenile Justice Act (JJ Act) and the Right to Education Act. The JJ Act defines childhood as below the age of 18. While there is no specific law in India against trafficking of children for wage labour, the JJ Act can be applied in such situations. The Right to Education Act obliges the State to ensure that all children under the age of 14 can attend school.

### *3.6 Working conditions in the four factories surveyed*

The following expositions summarize the results of the four separate studies. The overview table on pages 28-31 ,Overview table on the survey results sorted by company A-D' shows the results for the specific factories.

#### **(a) Age, sex and social profile of workers**

Ginning industry has a significant presence of female workers who are typically employed in the *charkha* section (raw cotton feeders). The work does not require much skill. Of the 34 workers interviewed, twelve (35 percent) were female. The age of the workers ranged from 18 to 47 years. More than a quarter of these workers were adolescents who reported their age to be 18 to 20 years.

Particularly striking is the fact that the majority of workers were seasonal migrants. Only supervisory staff and in some cases also charkha workers were local residents. In the factories surveyed, the majority of workers came from sometimes very remote states like Rajasthan, Bihar, Madhya Pradesh or Jharkhand. In three of the four surveyed factories, only 10 percent of the workers were local residents, the rest were seasonal migrants.

**Case example: Manisha from Kadi / Gujarat**

Manisha is 18 years old and throughout the 2014/15 season she worked in one of the ginning factories surveyed (unit C). She comes from a rural family living in South Rajasthan, she is illiterate and unmarried. She has three brothers and one sister. Her parents work in agriculture, two brothers work as construction workers in Gujarat, her thirteen-year-old sister and her twenty-year-old brother are still in training. Like her brother Prakash and her parents, Manisha has never gone to school, whereas her brother Chetan, one of the construction workers, has attended school at least for five years.

With the money she earns in the ginning factory, Manisha supports her family as the family income is quite low. In the ginning factory she works in shifts and sometimes she even works the night shift. The work is very difficult for her because of the noise, and because of the cotton dust flying around she has breathing problems. The workplace is lit up but there is no drinking water or protective clothing such as a breathing mask for example.

Manisha lives in an accommodation provided by the factory owner. She lives in a room of only 10 square metres which she shares with two and sometimes even with five other workers. Though the room has electricity, there is no fan. Cooking is done outside the room for which Manisha is provided oil and wood by the factory owner.

Manisha has one day off per week, and she loves to go to the market that day. The biggest problem for her is that she cannot find a job near her hometown. So she has to work far away from home. In addition, the employment in the ginning factory is limited to four months only. Afterwards she has to look for a new job. She does not want to work so far away from home any longer.

Source: PRAYAS 2015

**(b) Working time and holidays**

Workers in all four factories reported working overtime. Due to the extension of regular shifts to more than eight hours of daily working time, overtime is part of the special shift system in ginning industry: Three factories operate two twelve hour shifts – from eight in the morning to eight in the evening. The fourth factory operates an 11 hours shift, but the shift ending time is flexible. If there is more work, the workers have no choice than to work overtime. This overtime practice is in violation to article 54 of the Factories Act saying that no adult worker shall be expected or required to work more than nine hours a day. According to article 64 of the Factories act, the state government can allow exceptions to article 54, but as the shift system includes four hours of overtime per day,

24 hours of overtime per week and nearly 300 hours of overtime in a quarter, working time in ginning factories significantly exceeds the limits provided for in the Factories Act.

The shift system in turn is in contradiction to Article 59 of the Factories Act which prescribes that double wages are paid for every working hour exceeding nine hours in a day or 48 hours in a week.

In two factories, the workers reported a weekly day off, in two other factories only a monthly day off was reported. There is no payment for this day. All persons interviewed complained about having no leisure time for their families.

In two factories, the workers also reported that they are checked by security staff when leaving the factory premises, and so they feel restricted in their freedom of movement.

While the majority of the workers surveyed are seasonal migrants and do not work enough to be entitled to be paid annual leave, one factory, including spinning, employs its workers all year round. But for this factory, too, no paid annual leave was reported. According to Article 79 of the Factories Act, all workers who work more than 240 days in a factory during a year are entitled to one day of paid leave for every twenty days of work performed.

### **(c) Child labour**

All workers interviewed were above 18 years. The respondents did not report presence of child labour in the factories. However, it was obvious that in two of the factories young people were employed. In one factory, more than half of the persons interviewed reported their age as 18-19 years. They can be considered as borderline cases, as became clear particularly in one of the group discussions. The participants seemed to be younger than 18 years. But as they and their labour contractors present are well aware of the fact that employment of people under 18 in ginning factories is illegal, they are “very careful” in reporting their age.

### **(d) Discrimination**

No discrimination was reported except for the case of pregnancies: Pregnant women are not entitled to special working conditions or leave. They have to do the same work as all other workers. If they stop working around the time of the birth they have to take unpaid leave.

### **(e) Freedom of association**

There is no union activity in any of the factories surveyed. The workers very clearly stated that the factory management will not permit any union activity. There are no collective agreements in any of the factories. In two of the factories surveyed there have been initiatives to form a trade union. These were prevented by the management. However, some labour contractors further try to support trade unions. Some of the persons interviewed in the two factories where there have not yet been any trade union initiatives said they would appreciate the formation of a trade union to support their interests.

### **(f) Wages**

As in many other sectors, the wage situation in ginning industry is very problematic: None of the persons interviewed who are all unskilled workers has ever received a pay slip. Their daily wages range from 150 Rupees (1.95 Euros) to 190 Rupees (2.47 Euros). Only one factory, which in addition to ginning has further production stages, reported higher wages. So the wages paid are far below the statutory minimum wages for unskilled workers in Gujarat, which in 2014 amounted to 229 Rupees (2.97 Euros) or, since the end of December 2014, to 276 Rupees (3.58 Euros) for an eight hour day (see Government of Gujarat 2014: 2).

The wages are paid fortnightly or monthly. None of the four factories seems to pay bonuses or extra payments, although the information received varied. Some workers said that they got some bonus while others, working in the same factory, had never heard of bonuses. One worker said that he once got an annual bonus of 1,800 Rupees (23.37 Euros). Others reported that they sometimes receive gifts in kind of sweets or clothes. On the whole, the criteria for bonus payments, if there are any bonuses paid, seem to be very unclear to the workers.

All respondents said that the wages are insufficient to meet their basic needs. To meet these needs the wages were to increase between 18 and 75 percent they said. One respondent considered it necessary to increase the daily wage to 500 Rupees (6.49 Euros).

### **(g) Infrastructure, Health and Security**

Three of the four factories have canteens on their premises. However, only the management and supervisory staff have access to them. The workers do not eat there.

All four factories surveyed comply with Article 19 of the Factories Act insofar as they have toilets on the premises. In two of the four factories the workers reported to have



access to the toilets. In the remaining two factories, the workers are not allowed to use the toilets on the factory premises. In fact, in these factories the workers are mostly seasonal migrants living inside the factory premises. Nevertheless, they do not have any toilets even in their living quarters. They have to resort to open defecation. In the group discussion the workers complained about this because this situation causes them major problems.

None of the factories surveyed had care facilities for children under the age of six years as they are obliged to under Article 48 of the Factories Act if more than 30 women are employed. One of the four factories surveyed employed more than 30 female workers. None of the persons interviewed reported that safety equipment is provided or used. Even in the factory visited there was no evidence of safety equipment available. The responses to the question whether there is sufficient medical care in the factories varied. Some answered the question in the affirmative while others answered in the negative. Asked about the kind of medical care, the workers reported that there is a medicine cabinet.

None of the persons interviewed has suffered an accident in the factory. In three factories, however, major accidents in the recent past were reported. One of these was so serious that the worker died. In two other incidents the workers suffered serious injuries and had to be hospitalized. Information on compensation received was available only in the case of the fatal accident where the family received half of the statutory compensation after negotiations. In the two other cases there was no information on compensation, only that the management paid for the hospitalization costs.

The persons interviewed did not suffer from occupational diseases and did not report of any illness. However, further investigations will be required to gather information about the prevalence of occupational diseases, particularly about Byssinosis. Byssinosis – also called brown lung disease or Monday fever – is an occupational lung disease caused by exposure to cotton dust in inadequately ventilated working environments. Depending on the prevailing conditions it can also occur in ginning factories. To date, no case is known in the factories surveyed / in the region what might be due to the high turnover (seasonal work) of the employees. Other possible diseases relate to difficulty breathing and skin rashes. A recent study of ginning factories in Maharashtra State suggests that long-term exposure to cotton dust can result in reduced lung volume (cf. Dube et.al. 2013).

Concerning the social security of the workers, the persons interviewed did not report of contributions to any social security scheme of the government.

#### **(h) Employment contract and contract work**

None of the persons interviewed had a written employment contract with the factory. They all were recruited by so-called „labour contractors“. Neither the factories nor the labour contractors are registered in accordance to Article 6 of the ‚Interstate Migrant Workers Act‘.<sup>6</sup> And none of the migrants did receive the ‘displacement allowance’ equal to 50 percent of the monthly wage or at least 75 Rupees (0.97 Euros) as required by Article 14 of this Act. Workers from three of the four factories reported that they are paid only one way travel expenses (either from their place of residence to the place of work or the way back), though Article 14 of the above mentioned act stipulates that expenses for the outward and return travel shall be paid by the contractors and that the travel time shall be considered as normal work time.

Due to the structure of contract labour, none of the migrants has access to the state social security system.

They did not have to pay a fee for being employed.

### *3.7 Summary*

The majority of the workers is recruited through labour contractors for fixed-term, seasonal activity in the factories and has no access to social security. However, it is possible that there are some permanent workers who have access to social security. The major violations of labour laws in ginning and pressing are:

1. All factories are forcing workers to overtime which is in contravention to the provisions of the Factories Act.
2. The wages are below the statutory minimum wages per eight-hour day. Taking into account the daily overtime, the payment is almost only one third of the statutory rates.

---

<sup>6</sup> The law applicable in Gujarat stipulates such registration of all factories and contractors who employ more than five inter-state migrants (vgl. Government of Gujarat 2013).

3. Elementary sanitary facilities such as toilets are not provided in two of the four factories surveyed, though the Factories Act prescribes that the employer has to ensure the provision of sanitary facilities.
4. No safety equipment is provided by any of the factories. The reported serious accidents in three of the four factories surveyed showed that if an accident occurs, the victims are not compensated according to the requirements of the Workmen's Compensation Act.

**Overview table on the survey results sorted by company A-D**

|   | <b>A</b>  | <b>B</b>  | <b>C</b>   | <b>D</b>   |
|---|---|---|--|--|
| <b>Respondents</b>                      | 10  | 6   | 13   | 5  |
| <b>Certificates</b>                     | GOTS, Fairtrade, BCI  | none  | none   | none   |
| <b>Number of employees</b>              | estimated 200   | 46  | 165  | 39   |
| <b>Age of the employees interviewed</b> | 19 - 40 years   | 28-42   | 18 - 37  | 19 - 47  |
| <b>Origin of the employees</b>          | Rajasthan, Uttar Pradesh, Bihar, Madhya Pradesh, Jharkhand / India; Nepal | Gujarat, Migrants from the near vicinity  | Rajasthan, Bihar, Uttar Pradesh, Gujarat           | Rajasthan, Uttar Pradesh, Gujarat                  |
| <b>Working hours / Forced labour</b>    | 2 shifts of 12 hours; Every 15 days or every 30 days one unpaid day off   | Shift from 7 am to 6 pm including one hour lunch break; Shift is extended if there is more work; No day off | 2 shifts of 12 hours; one unpaid day off each week | 2 shifts of 12 hours; one unpaid day off each week |
| <b>Child labour</b>                     | No child labour   | No child labour   | No child labour, but some very young employees     | No child labour, but some very young employees     |
| <b>Discrimination</b>                   | No paid maternity leave   | No information  | No information                                     | No information                                     |

|                               |   |   |  |  |
|-------------------------------|---|---|--|--|
| <b>Freedom of association</b> | No union activity or employee representation;<br>No wage negotiations   | No union activity or employee representation;<br>No wage negotiations             | No union activity or employee representation;<br>No wage negotiations  | No union activity or employee representation;<br>No wage negotiations                                      |
| <b>Wages</b>                  | No pay slip; monthly wages of 4,500 – 12,000 Rs (58-156 Euros), daily wage between 150 - 400 Rs (1.95-5.20 Euro); monthly payment of wages, intransparent granting of bonuses | No pay slip; daily wage of 200 Rs (2.60 Euros) is paid fortnightly;<br>No bonuses | No pay slip; monthly wage of 4,500 – 5,000 Rs (58-65 Euros; + 5% compared to the previous year);<br>Payment of one way travel expenses | No pay slip; Daily wage of 180 Rs (2.34 Euros) is paid monthly;<br>Travel allowance of 400 Rs (5.19 Euros) |
| <b>Wage rate</b>              | To meet basic needs, wages would have to increase by 20-50%, one respondent spoke of 500 Rs per day   | To meet basic needs, wages would have to increase by 30%.                         | To meet basic needs, wages would have to increase by 25-75%.   | To meet basic needs, wages would have to increase by 18-54%.   |

|                          |   |   |   |   |
|--------------------------|---|---|---|---|
| <b>Health and safety</b> | No safety equipment; medicine cabinet exists;<br>no compensation following an accident at work (broken hand) which required treatment in hospital | No safety equipment; medicine cabinet exists; payment of hospitalisation costs in case of an accident but no further compensation | No safety equipment; no health care; compensation amounting to half of the statutory compensation paid following a fatal accident | No safety equipment; medicine cabinet exists; no accidents reported |
| Occupational disease     | No information  | No information  | No information  | No information  |
| Social Security          | non-existent  | non-existent  | non-existent  | non-existent  |
| Canteen                  | Exists but is frequented only by the management   | non-existent  | Exists but is frequented only by the  | Exists but is frequented only by the                                |

|                                |   |   |   |   |
|--------------------------------|---|---|---|---|
|                                |   |   | management  | management  |
| Clean drinking water           | available and accessible  | available and accessible  | available and accessible  | available and accessible  |
| Toilets                        | available and accessible (4-9)  | available and accessible (2)  | available but not accessible to workers   | available but not accessible to workers   |
| Employment contract            | No employment contracts; recruitment through contractors; no job placement fees               | No employment contracts; recruitment through contractors; no job placement fees               | No employment contracts; recruitment through contractors; no job placement fees               | No employment contracts; recruitment through contractors; no job placement fees               |
| What Indian laws are violated? | Minimum Wages Act; Inter State Migrant Workmen Act; Factories Act; Workmen's Compensation Act | Minimum Wages Act; Inter State Migrant Workmen Act; Factories Act; Workmen's Compensation Act | Minimum Wages Act; Inter State Migrant Workmen Act; Factories Act; Workmen's Compensation Act | Minimum Wages Act; Inter State Migrant Workmen Act; Factories Act; Workmen's Compensation Act |

## 5. The Global Organic Textile Standard and efforts to make the textile production chain more sustainable and transparent

Poor social and environmental conditions along the textile production chain have been well documented around the globe. Moreover, for some time now, civil society groups have complained that the lack of transparency in the production chain makes it difficult to introduce improvements that can be measured. This being the case, the findings of the PRAYAS study on the Indian ginning sector are not surprising, even though PRAYAS chose a stage of the cotton textile-processing sector that is relatively unknown in Germany. What is surprising is that one of the factories investigated for this study has been certified in accordance with the Global Organic Textile Standards (GOTS). This standard features strict environmental requirements, comprehensive social criteria and a

relatively high level of transparency about member companies via a publically accessible database.

#### *4.1 History and structure*

The original impetus behind the GOT standard (GOTS) was the effort to harmonise various organic standards for textiles in order to increase transparency and to provide a reliable standard that includes both environmental and social compliance criteria for the rising global demand for organic textiles.<sup>7</sup> Finally, after lengthy discussions, the GOTS was finally launched in July 2004 with the signing of an agreement by four standards organisations: the International Association of Natural Textile Industry (IVN) from Germany, the Organic Trade Association (OTA) from the USA, the Japan Organic Cotton Association (JOCA), and the non-profit-making Soil Association (SA) from the United Kingdom. Certification began in October 2006. In recent years, the GOTS has been revised several times. The fourth and most recent revision of the standard has been in force since March 2014.

The key bodies within the GOTS are: (1) the Advisory Council of the Global Organic Textile Standard International Working Group (IWG), which is the supreme decision-making body; (2) the Technical Committee, which develops the quality assurance system and the GOT standard; (3) the Certifiers Council, which fulfils an advisory function in the field of GOTS quality assurance and ensures a uniform interpretation of GOTS criteria. Both the Certifiers Council and the Technical Committee are chaired by the technical director of the GOTS; (4) the company Global Standard GmbH, which is based in Germany, is responsible for administrative activities relating to the implementation of the GOTS and in particular for the quality assurance and the licensing system. It is the owner of the GOTS label, with which textiles that meet the GOTS can be marketed.

Two certificates play a role in the GOTS certification process. Firstly, the Scope Certificate (SC), which certifies that a company is capable of processing its products in accordance with GOTS criteria. However, possession of this certificate does not certify that the goods in question are already GOTS certified. In order to ensure that this is the

---

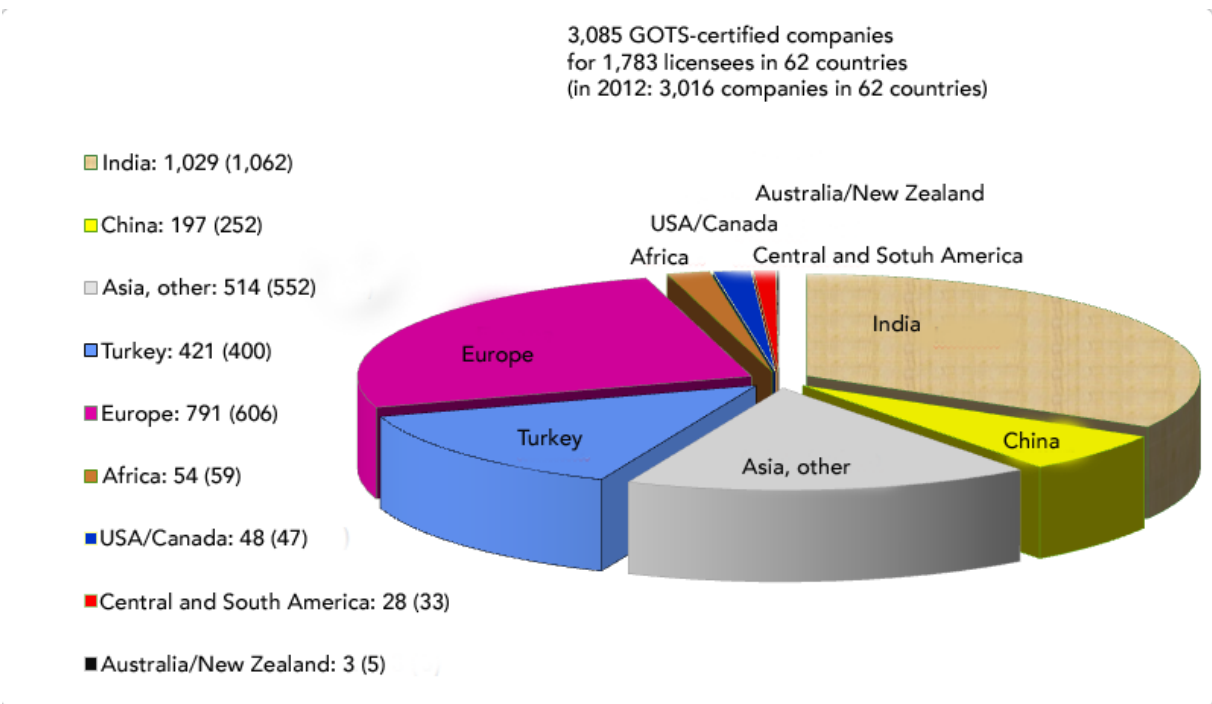
<sup>7</sup> Unless otherwise indicated, the information in this chapter is based on the GOTS website (*cf.* GOTS 2013).

case, a company needs a Transaction Certificate (TC). With this certificate, the certifier of the supplier confirms that the supplier's products meet the requirements of the GOTS. A finished product can only carry the GOTS label if it can be proven that all preceding production stages have also been GOTS certified. For natural fibres, different labels apply: 'made with (x%) organic' is used when 70–94 per cent of the fibres are from certified organic sources, while 'organic' is used when at least 95 per cent of the fibres are organic. At present, 15 certifiers work for the GOTS. These include the Dutch company Control Union Certifications, which carried out the audit on ginning factory A (see chapter 3). Any certificates that are issued on the basis of a successful audit must be renewed once a year following a new inspection.

4.2 Current status

Since the first certificates were issued in 2007, the number of GOTS-certified companies has almost quadrupled. In late 2013, 3,085 facilities around the world had GOTS certification. These either belong to or produce for 1,783 licensees.

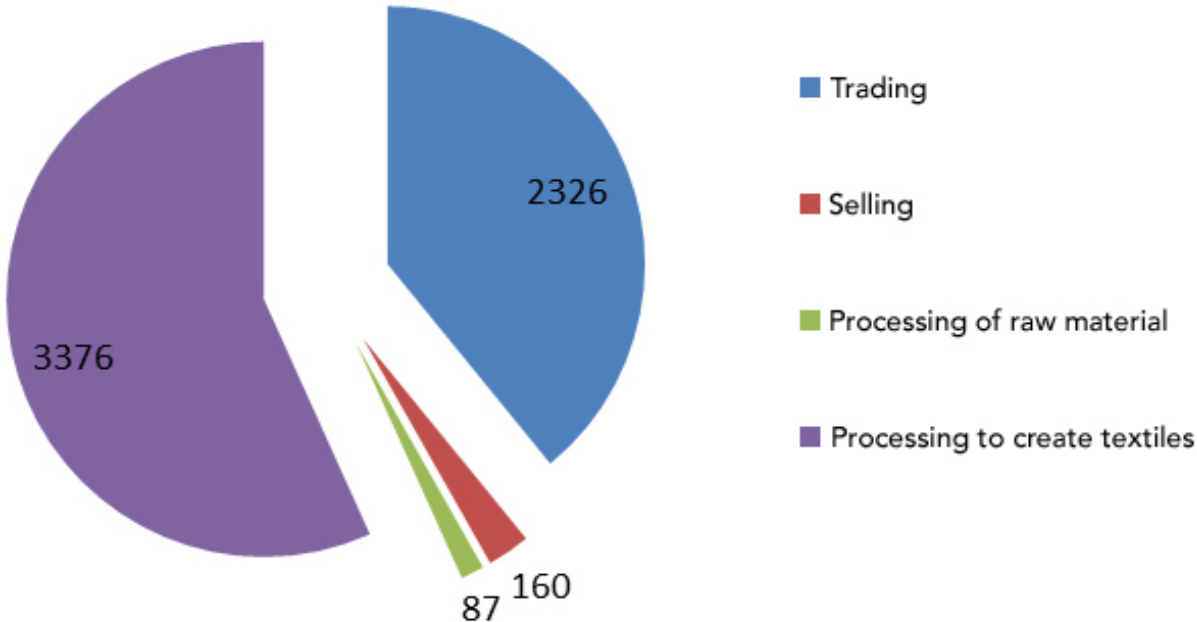
**Fig 2: Distribution of GOTS-certified companies in the year 2013**



Each of the companies listed in Fig. 2 completes at least one stage in the textile production chain. Because the GOTS certifies production processes and not companies, an integrated company can have all of its processes (e.g. ginning and spinning) certified or can have specific processes certified individually (e.g. ginning or spinning). This is

why in addition to the number of certified companies, the breakdown of the certified production processes is also revealing.

**Fig. 3: Breakdown of GOTS-certified production processes**



Source: Authors' own graph based on data from the GOTS database (downloaded on 06.03.2015)

Trading = exporting, importing, trading; selling = mail order selling, retailing; processing of raw material = ginning, post-harvest handling; processing to create textiles = dyeing, tailoring, knitting, manufacturing, printing, other processing, spinning, weaving, wet processing

Just under a third of all GOTS-certified companies come from India. This means that of the 1,811 companies in the database, 578 are from India (figures valid as at 20.03.2015). In terms of certified work processes too, Indian companies account for a third of all GOTS-certified companies in most areas too. The proportion of Indian companies is greatest in the ginning sector, with almost two thirds coming from the subcontinent.

In Gujarat, a total 35 companies are GOTS certified. Of these companies, seven are active in the ginning sector, as illustrated by Table 5.<sup>8</sup>

---

<sup>8</sup> Data was drawn from the database on 06 March 2015.



**Table 5: GOTS-certified production processes in Gujarat (absolute)**

|                  | Number |
|------------------|--------|
| Trading          | 30     |
| Exporting        | 32     |
| Importing        | 02     |
| Ginning          | 07     |
| Spinning         | 12     |
| Weaving          | 08     |
| Knitting         | 02     |
| Dying            | 09     |
| Tailoring        | 07     |
| Printing         | 07     |
| Manufacturing    | 09     |
| Wet processing   | 10     |
| Other processing | 17     |

Source: Author’s own table based on data from the GOTS database

*4.3 The standard*

The GOTS includes both environmental and social standards. Although the core competence of the GOTS is in the environmental sector, this aspect will not be examined any further here because of the labour-focused nature of this study. The social standards included in the GOTS system are based on the core GOTS labour standards of the ILO (International Labour Organization). In order to ensure that social standards are met on a permanent basis, the companies have to provide evidence that they have a social management system that guarantees the observance of social standards. The overview in Table 6 shows that the majority of the relevant GOT standards in the GOTS-certified factory that features in this study have not been observed.

**Table 6: GOTS social standards in the finning factory examined for the purpose of this study**

| GOT standard  | Factory A   | Assessment |
|---|---|------------|
| 1. Employment is freely chosen (no forced labour or slave labour)   | 12-hour shift system  | Red        |
| 2. Freedom of association and the right to collective bargaining are respected  | No works council; not explicitly banned   | Red        |
| 3. Working conditions are safe and hygienic: protective clothing must be provided/access to clean toilets and drinking water must be guaranteed   | No protective clothing<br>Medicine cabinet available<br>Toilets available and accessible<br>Drinking water available and accessible | Yellow     |
| 4. Child labour must not be used  | No child labour used in the enterprise  | Green      |
| 5. Living wages must be paid as the minimum (for a regular working day; wages must be sufficient to meet basic needs, payment slips must be provided)   | Wages below the minimum wages are paid<br>Wages are not sufficient to meet basic needs<br>No payment slips are provided             | Red        |
| 6. Working hours are not excessive (under no circumstances should workers regularly work more than 48 hours a week; workers should have one day off a week; overtime must be voluntary and must not exceed 12 hours a week; overtime must be compensated at a premium rate) | 72–84 hours a week<br>An unpaid day off every 2–4 weeks<br>Overtime is not voluntary<br>Overtime is not paid                        | Red        |
| 7. No discrimination is practised   | No paid maternity leave   | Red        |
| 8. Regular employment is provided   | Contract work with no registration  | Red        |
| 9. Harsh or inhumane treatment is prohibited  | No indication of inhumane treatment   | Green      |
| 10. Social compliance management  | No data   | Yellow     |

#### 4.4 GOTS Statement

##### **Marcus Brügel, Technical Director:**

The described ginning factory has been GOTS certified by Control Union Inspections and Certifications India Pvt. Ltd. for ginning, trade and export. The last inspection took place on 17 and 18 November 2014 and lasted 16 hours. The inspection included a check for social minimum criteria defined by GOTS and the results differed significantly from those described in the report of Südwind. Six workers were employed at the time of the inspection. Though the inspection was not carried out during peak season, contrary to the visit of Südwind, the certifier – on the basis of its knowledge of the company's size and technical equipment - does not consider it possible that 200 workers were employed at the time of the Südwind visit and points out that other companies (processing cottonseed and oil) are also located on the same premises and that they probably account for a large part of the estimated workforce indicated in the report.

The results of the inspection are based on an on-site inspection of the operational units and their facilities, on interviews with the management and with workers as well as the examination of personnel documents for the period of October 2014. In addition to the compilation of the control checklist, other documents such as presence and time protocols, payment of wages and wage statements, minimum wage provisions, social insurance statements, a list of the workers' committee were copied and photos about occupational safety were taken.

In particular, the following differing results were documented and reported:

- Working time: In October, the working time was an 8-hours shift per day with one weekly day off, no overtime work was performed.
- Freedom of association: There are no agreements with a trade union but the workers form an internal company committee.
- Wages: The basic wage per day was 270 Rupees, adding up to 7,290 Rupees for 27 working days in October. The statutory minimum wage is 268 Rupees per day. (Assuming the payment of this basic wage, the demands of workers who, according to the report of Südwind, earn 4,000 Rupees per month and who claim a wage increase of at least 50 percent in order to be able to meet basic needs would be met.)
- Security and Health: The required equipment such as medicine cabinets or fire extinguishers is available, firefighting training is offered.

- Social insurance: Registration with the 'Employers Provident Fund' of the six workers employed in October has been submitted.
- Employment contract: 'Appointment orders' for the workers have been viewed.

Conclusion: At the time of the inspection by Control Union in October (based on interviews with workers and the management, on-site controls and examination of document statements) the situation of the company was completely different. If persons are interviewed outside the factory premises and if their affiliation is not exactly verified on the spot, their statements should be taken with caution, as show for example the obviously incorrect estimate of 200 workers employed in the ginning factory, and the very different information about the income and the number of toilets available.

Nevertheless, we take the results of the report seriously and it is quite possible that the results achieved at the time of the inspection will be clearly different some months later during the peak season. The workload in ginning depends on the harvesting season, unlike in any other downstream textile industry. The response to these structural challenges is the employment of seasonal workers. This, however, must not entail violations of social minimum criteria. In future GOTS certification processes, this seasonal higher risk should be taken into account by carrying out inspections of ginning factories preferably during the peak season. Control Union, the by far most important GOTS certifier, already has confirmed to coordinate immediate appropriate measures. In future, the situation and conditions in the factory surveyed and in comparable GOTS certified ginning units shall be more closely examined with regard to the employment of seasonal workers.

Therefor we consider the Südwind report to be a constructive contribution to improving the working conditions in this sector.

Kind regards  
Marcus Bruegel  
Technical Director  
Global Organic Textile Standard



[bruegel@global-standard.org](mailto:bruegel@global-standard.org)  
[www.global-standard.org](http://www.global-standard.org)

#### *4.5 Comment by SÜDWIND*

GOTS has reacted promptly and frankly to the results of the survey on GOTS certified ginning factories in Gujarat.

SÜDWIND does not call into question the working conditions of six employees of the ginning factory described in the GOTS statement. However, these working conditions are not the same as those of seasonal workers who make up the majority of workers in ginning and of whom a total of ten persons were interviewed by SÜDWIND / PRAYAS in November 2014. This concerns the working hours, the wage rates, the contractual relations, and other things. This is why SÜDWIND does not withdraw any of the labour rights violations denounced in the overview table even after having read the GOTS statement.

GOTS has awarded its certificate on the basis of the interviews of six permanent employees, without taking into account the major group of seasonal workers. The reason for this is obviously the time when the audit was carried out by Control Union: If the audit was carried out in November, December or January, the seasonal workers would have been on the job. And if they were interviewed, the GOTS certificate could not have been awarded according to the survey results available to SÜDWIND.

In his comment, GOTS remarks that the workers interviewed by SÜDWIND / PRAYAS overestimated the total workforce. Though it is possible that the seasonal workers interviewed overestimated the total number of workers employed in the ginning process, the company may well have about 200 employees working in its three production sectors (ginning, oil mill, spinning). When SÜDWIND visited the company in January 2015 which, in addition to ginning, runs an oil mill and a large spinning mill on its premises, it was not possible to visually assess the exact number of employees working in the particular sectors. However, SÜDWIND interviewed only employees working in the ginning process and the results of the interviews only apply to this production process. The validity of the interviews concerning the working conditions of seasonal workers is not qualified by a possibly lower number of workers in the ginning sector. The question is rather why GOTS doubts the estimated workforce but gives no precise figures.

From SÜDWIND's point of view, GOTS has to ensure that

1. The GOTS standards are applied also to the employment of seasonal workers.
2. Audits in ginning factories are carried out only during the ginning season.

## 6. Results and Recommendations

The findings of the PRAYAS study listed in chapter 3 clearly show that labour law violations are very common in ginning factories in Gujarat. The recommendations of PRAYAS and SÜDWIND are aimed at three levels– the ginning factories, the entire cotton value chain as well as the GOT-Standard.

**The number of accidents in ginning factories must be reduced, and safety must be improved.** Accidents in ginning factories still regularly occur as the reported serious accidents that recently occurred in three of the four factories surveyed made clear. Continued joint efforts to improve the security are needed from all stakeholders – employers, state agencies and employees.

**Further efforts to increase wages need to be made.** The current wage rate is far below the statutory minimum wage. The most promising but also long-term way would be to organise the employees to enable them to demand higher wages. As this does not seem possible in the short term, advocacy work with the State is required and attention must be given to trade channels (see below).

**It is necessary to create transparency in the cotton value chain.** Up to now it is very difficult to follow the way of cotton after ginning. It is hardly possible to verify what cotton is exported and what cotton is processed locally. Transparency in the supply chain can contribute to link precarious working conditions at the beginning of the supply chain with the clothing retailers at the end of the chain and to undertake advocacy work with them.

**The organization of employees must be further developed.** This is the most important task. Organized labour can best fight against the violation of labour rights at various different levels. Political advocacy work will not be successful without pressure from the workers. But this is not easy.

**Joint action and activities of labour rights organizations must be promoted.** The cotton value chain is long. Many organisations and activists at different levels work to improve the workers' situation. Their activities should be networked, possibly by establishing a central coordinating body which monitors the whole chain and brings together people working at and on different levels of the value chain.

**Working conditions along the entire value chain require further studies.** The present study focuses only on one part of the value chain – the ginning factories. Similar studies of other stages of the value chain, which were only roughly outlined in chapter two of this study, could help to get an overall picture of the workers' situation in the textiles sector.

**Additional studies should focus for example on GOTS or BCI certified cotton processors.** The fact that ginning factories affiliate with Standards Organisations like GOTS or BCI is good news. This increases transparency and the possibility to gain an insight into the factories not only through audit visits. However it is surprising that working conditions in the GOTS-certified factories surveyed were only slightly different from other, conventional factories. Therefore it is appropriate to investigate the standards, to carry out a study of other certified factories and to do advocacy work with Standards Organisations in order to ensure that labour rights are not only included in every standard but also implemented in the factories.

**In view of the labour rights violations in Indian ginning factories, GOTS should conduct a separate study of the situation in this production process.** It is to be welcomed that GOTS has included the ginning process in its certification system. However, this sector is different from other production processes because of its seasonal character. Therefore GOTS should ensure that audits are conducted only during the season. In addition, the certifying organisations should have special qualifications concerning labour rights in seasonal and migrant labour or be trained in this respect. Together with other Standards Organisation like Fairtrade, the Better Cotton Initiative and Cotton Made in Africa, GOTS should support the above proposed in-depth study of other certified ginning factories.

## 7. Bibliography

Arvind (2014): History. URL: see reference list of websites.

Bohnsack, Almut (1981): Spinnen und Weben. Entwicklung von Technik und Arbeit im Textilgewerbe, Reinbek near Hamburg: rowohlt.

CCI (Corporate Catalyst India) (2014): A brief Report on Textile Industry in India. URL: see reference list of websites.

Chellasamy, P. / Sumathi, N. (2006): Indian Textile Industry. URL: see reference list of websites.

CITI (Confederation of Indian Textile Industry) (2013a): Annual Report 2012-13. URL: see reference list of websites.

CITI (2013b): India's Textiles and Apparel Industry. URL: see reference list of websites.

Cotton Corporation of India Ltd.: National Cotton Scenario. URL: see reference list of websites.

Delhi Platform et.al. (2011): Where Have all the Seasons gone? Current Impacts of Climate Change in Gujarat. URL: see reference list of websites.

Desai, Trushit (o.J.): Overview of the Textile Industry in Gujarat – Structure of the Industry, main Environmental Issues. URL: see reference list of websites.

Deutsche MittelstandsNachrichten (2011): Indien pumpt Milliarden in Textilindustrie. In: *Deutsche Mittelstandsnachrichten* 23/11, 19.06.2011 URL: see reference list of websites.

Dube, Kamalesh J. et.al. (2013): Respiratory Impairment in Cotton-Ginning Workers Exposed to Cotton Dust, In: *International Journal of Occupational Safety and Ergonomics* (JOSE) 2013, Vol. 19, No. 4, 3–12. URL: see reference list of websites.

Dun & Bradstreet India (o.J.): SME's in the Textile Industry. URL: see reference list of websites.

Estur, Gérald / Gergely, Nicolas (2010): The Economics of Roller Ginning Technology and Implications for African Cotton Sectors. In: *Africa Region Working Paper Series*, No. 129. Washington DC: World Bank. URL: see reference list of websites.



FWF (Fair Wear Foundation) (2012a): India Country Study. URL: see reference list of websites.

FWF (2012b): Update on Elimination of Forced Labour in South India. URL: see reference list of websites.

Global March (2010): Brief Guide to Garment Manufacturing and Child Labour in the Garment Sector in India. URL: see reference list of websites.

GOTS (2013): Global Organic Textile Standard. Ökologie und soziale Verantwortung. URL: see reference list of websites.

Government of Gujarat (2014): Notification Labour and Deployment Department. Minimum Wage Act. URL: see reference list of websites.

Government of Gujarat (2013): The Interstate Migrant Workmen Act Regulation of Employment and Conditions of Service, 1979 & Central Rules 1980, (Gujarat) Rules 1981. URL: see reference list of websites.

Government of India (2013): Twelfth Five Year Plan (2012 – 2017). Economic Sectors, Vol. II. URL: see reference list of websites.

GTAI (2013): Indische Textilindustrie muss wettbewerbsfähiger werden. In: *GTAI*, 01.03.2013. URL: see reference list of websites.

Hofer, Alfons (2000): Stoffe.Rohstoffe, Fasern, Garne und Effekte. 1.Bd. 8. vollständig überarbeitete und erweiterte Ausgabe. Frankfurt am Main: Deutscher Fachverlag.

ICAC (International Cotton Advisory Committee) (2015): ICAC World Cotton Database. URL: see reference list of websites.

iNDEXTb (Industrial Extension Bureau) (2015): Textiles and Apparel; URL: see reference list of websites.

IndiaMART (2012): Govt's Reformist Role in Textile Industry. In: *the Official Indiamart*, 31.12.2012. URL: see reference list of websites.

ITC (International Trade Center) (2011): Cotton and Climate Change: Impacts and Options to Mitigate and Adapt, Geneva (Technical Paper). URL: see reference list of websites.

Kranthi, K.R. (2012): BT-Cotton. Questions and Answers. URL: see reference list of websites.

KVIC (Khadi & Village Industries Commission) (2009): Khadi – Recent Status and Future Scope. URL: see reference list of websites.

Mehta, Rena (o.J.): Decentralized Printing Cluster of Jetpur. URL: see reference list of websites.

Parikh, Naishadh (2013): Gujarat Textile Industry in for major Transformation. URL: see reference list of websites.

Patel, Jagdish (2011): Horror of White Clouds: Case Studies of Accident Victims of Cotton Gins. URL: see reference list of websites.

PRAYAS (2012): Investigating Incidence of Child Labor in Cotton Ginning Factories of Gujarat. URL: see reference list of websites.

PRAYAS (2015): Work Conditions in Cotton Ginning and Pressing Units of Gujarat. Draft Report. Unpublished.

Prayas (o.J.): Safety and Health of Laborers in Cotton Ginning Industry in Gujarat. URL: see reference list of websites websites.

SEWA (2009): Self Employed Women’s Association. URL: see reference list of websites.

SGTPA (South Gujarat Textile Processors Association) (2015): Surat City History. URL: see reference list of websites.

SLD (Society for Labour and Development) (2012): Working Conditions in Garment Manufacturing and Exporting Companies in Gurgaon. URL: see reference list of websites.

Textile Commissioner (2012): Employment in Textile and Allied Sectors. URL: see reference list of websites.

Textile Commissioner (2014a): Registration of Powerlooms and Employment. URL: see reference list of websites.

Textile Commissioner (2014b): Production of Fabrics in Different Sectors (Mn. Sq. Mtrs.). URL: see reference list of websites.

University of Sussex Global Studies (2013): Bonded Labour in South Asia's Textile Industry: Findings from the South Indian Powerloom Sector. URL: see reference list of websites.

Venkateswarlu, Davuluri (2003): Kinderarbeit im indischen Baumwollanbau. Die Rolle multinationalaler Saatgut-Produzenten. URL: see reference list of websites.

Venkateswarlu, Davuluri (2010): Seeds of Child Labour - Signs of Hope: Child and Adult Labour in Cottonseed Production in India. URL: see reference list of websites.

Venkateswarlu, Davuluri / Kalle, Jacob (2012): Wages of Inequality. Wage Discrimination and Underpayment in Hybrid Seed Production in India. URL: see reference list of websites.

**Make in India**



# Make in India. A study of working conditions in West Indian textile companies

## Contents

|   |    |
|---|----|
| <b>List of abbreviations</b>  | 4  |
| <b>1. Introduction</b>  | 4  |
| <b>2. An overview of working conditions in certified textile companies in Gujarat</b> | 7  |
| 2.1 Age, sex and social profile of the workers  | 10 |
| 2.2 Forced Labour   | 10 |
| 2.3 Child Labour  | 11 |
| 2.4 Discrimination  | 12 |
| 2.6 Wages   | 15 |
| 2.7 Working hours   | 18 |
| 2.8 Health and safety   | 19 |
| <b>3. An overview of labour law and policies</b>                                      | 22 |
| The Contract Labour Act   | 23 |
| The Government of India's Inter-State Migrant Workmen Act                             | 24 |
| The Minimum Wages Act   | 24 |
| The Bombay Industrial Relations Act   | 25 |
| <b>4. Summary</b>   | 26 |
| <b>5. Annex</b>   | 30 |
| 5.1 Company portraits   | 30 |
| 5.2 Glossary  | 39 |
| 5.3 List of sources   | 42 |

## List of abbreviations

AFWA – Asia Floor Wage Alliance

AGCGA – All Gujarat Cotton Ginners Association

BMP – Better Management Practice – Australian environmental programme for cotton production

CCI – Cotton Corporation of India

ESI – Employees' State Insurance

GOTS – Global Organic Textile Standard

ILO – International Labour Organization

IE – interviewee(s)

n.s. – not stated

PW – Permanent workers

SAI – Social Accountability International (standard initiative)

SLD – Society for Labour and Development (Indian NGO)

TCM – Indian Technology Mission on Cotton

TLA – Textile Labour Association

UN – United Nations

USDA – United States Department of Agriculture

## 1. Introduction

SÜDWIND and PRAYAS carried out research in the 2014/15 season on working conditions in four Indian ginning factories. The research revealed multiple breaches of labour law, and these are documented in the study entitled *“Harte Arbeit für weiche Fasern”* (Hard work for soft fibres) from the spring of 2015 (cf. Ferenschild/Katiyar 2015). Since one of the ginning factories that was studied had a certificate from the ‘Global Organic Textile Standard’ (GOTS), and furthermore claimed to be a fair trade partner, the poor working conditions in this factory caused some confusion: Both GOTS and Fairtrade stand for exacting standard initiatives (cf. Glossary). For one thing, these standards help ensure that the path taken by cotton through the value-added chain can be traced. For another, both standards are associated with good ecological and social production conditions. The research results from the abovementioned study indicated that this does not necessarily have to apply to the cotton ginning processing stage.

In order however to ascertain whether SÜDWIND and PRAYAS had merely stumbled across a black sheep, or whether a structural problem exists here which affects other certified companies, and possibly also other processing stages, the two organisations,

with support from the German Commission for Justice and Peace, decided to implement a further survey among, if possible, 100 workers from a total of ten certified companies along the textile chain.

### *Selecting the companies and the survey method*

The companies surveyed were selected on the basis of a broad web search, including databases and websites of various standard initiatives, companies and associations. This research enabled a list to be compiled of companies producing in the textile sector in Gujarat, India. SÜDWIND, Justitia et Pax and PRAYAS then used this overall list to shortlist companies based on a number of criteria:

- *Processing stage:* The focus was to be on ginning. If possible, however, companies from the other processing stages (spinning, weaving, dyeing, garment manufacture) were also to be integrated into the study.
- *Inclusion in global supply chains and standard systems:* Preference was given to selecting companies which themselves claim to have international clients, and/or to be included in global standard systems.
- *Region:* Preference was given to selecting companies operating within Gujarat in regions where it appeared to be possible to approach workers in confidence.

PRAYAS selected from among the companies that were filtered by this method the ten companies where it was possible to establish contact with the workers. On the basis of a jointly-developed questionnaire along the lines of relevant ILO Conventions, PRAYAS interviewed the workers “off-site”, that is independently of their workplace or of the company premises, and without the knowledge of the employers. The surveys were held in November and December 2015. Any clarification that was needed took place in January 2016.

### *The topics, structure and implementation of the interviews*

The questionnaire that was used to hold the interviews was based on ILO Conventions which have achieved broad international acceptance. So far, India has ratified four out of the eight core labour standards (Nos. 29, 100, 105 and 111), three out of the four “Governance” Conventions (Nos. 81, 122 and 144) and 43 out of the 177 Technical Conventions, of which Conventions 1, 5 and 14 are particularly relevant for this study (cf. ILO 2012: op cit.). The questionnaire was structured along the lines of the following topical areas:



1. *General information*: on the respondent (age, sex, civil status, origin) and on the company (including name and address, turnover, clients, number of workers, trade union, etc.);
2. *Ban on forced labour*: four questions on ILO Conventions 29 and 105;
3. *Prohibition of child labour*: six questions on ILO Conventions 138 (not ratified by India, but binding on all as a core labour standard) and 5;
4. *Prohibition of discrimination at work*: six questions on ILO Conventions 100 and 111;
5. *Right of freedom of association and to bargain collectively*: four questions on ILO Conventions 87 and 98 (not ratified by India, but binding on all as a core labour standard);
6. *A living wage*: eight questions on ILO Conventions 26 and 131 (not ratified by India, but regulated in the Indian Minimum Wages Act and in the Factories Act);
7. *Hours of work*: five questions on ILO Conventions 1 and 14;
8. *Occupational safety and health*: eight questions on ILO Convention 155 (not ratified by India, but regulated in the Indian Factories Act, amongst other statutes);
9. *Employment contracts*: seven questions on contracts, which are not yet regulated in an ILO Convention, but amongst other statutes in the Indian Contract Labour Act and in the Code of Labour Practices of the Clean Clothes Campaign (cf. Clean Clothes Campaign 1998: 5).

### **ILO Conventions ratified by India**

#### (Core labour standards)

No. 29 Convention concerning Forced or Compulsory Labour, 1930

No. 100 Convention concerning Equal Remuneration for Men and Women Workers for Work of Equal Value, 1951

No. 105 Convention concerning the Abolition of Forced Labour, 1957

No. 111 Convention concerning Discrimination in Respect of Employment and Occupation, 1958

#### (Governance Conventions)

No. 81 Convention concerning Labour Inspection in Industry and Commerce, 1947

No. 122 Convention concerning Employment Policy, 1964

No. 144 Convention concerning Tripartite Consultations to Promote the Implementation of International Labour Standards, 1976

(Technical Conventions)

No. 1 Convention Limiting the Hours of Work in Industrial Undertakings to Eight in the Day and Forty-eight in the Week, 1919

No. 5 Convention Fixing the Minimum Age for Admission of Children to Industrial Employment, 1919

No. 14 Convention concerning the Application of the Weekly Rest in Industrial Undertakings, 1921

...

Source: ILO 2012

A total of 101 schedules were completed. These schedules were completed without the knowledge of the employers. Locations varied from workers' homes, tea shops outside the factories, or workers' accommodation inside the factory. In a couple of cases, the investigators tried to approach the management formally. These efforts were however unsuccessful. The following activities took place in addition to the individual interviews:

- Group discussion: Two group discussions were organised with workers covering five of the units surveyed.
- Literature survey: A secondary literature survey was carried out along with a websearch to gather relevant background data.
- PRAYAS conducted training of GOTS certifiers during the study. While the training proceedings are confidential and cannot be shared, the process nevertheless provided the PRAYAS team with a different perspective on the process of certification, and was very useful.

PRAYAS drew up ten company-specific reports from the total of 101 interviews which were held with workers, as well as a summary of the results entitled "Researching Labour Conditions in Textile Units affiliated with the Global Organic Textile Standard in the Cotton Value Chain in Gujarat". These reports, as well as the publishers' joint conclusions and recommendations, are presented in this study.

## **2. An overview of working conditions in certified textile companies in Gujarat**

The total of ten companies surveyed for this study included six companies which were active both in ginning and in yarn making, one engaged in spinning only, and a garment factory as well as two companies belonging to a large composite textile and clothing company (see annexed company portraits). The fact that all the ginning companies surveyed have also established their own yarn making appears to be a result of the

textile policy of the State of Gujarat, which targetedly supports this strategy with subsidies (cf. Ferenschild/Katiyar 2015: 6). Five of the ginning companies surveyed have established yarn making under the same company umbrella; one ginning factory has established a separate company for yarn making. Table 1 lists the companies surveyed, the respective processing stage, the region, the number of interviewees as well as the sector in which they are employed.

**Table 1: List of factories surveyed**

| Sl. | Name of the factory                                  | Process undertaken   | Location      | Workers interviewed   | No. of workers interviewed |
|-----|--|----------------------|---------------|-----------------------|----------------------------|
| 1   | Raja Industries                                      | Ginning, yarn making | Kadi          | Ginning               | 20                         |
| 2   | Vaibhav Laxmi Industries                             | Ginning, yarn making | Kadi          | Ginning               | 12                         |
| 3   | Milan Ginning and Pressing                           | Ginning, yarn making | Limbdi        | Ginning               | 6                          |
| 4   | Patel Cotton Industries                              | Ginning              | Dharangadhra  | Ginning               | 9                          |
| 5   | Bhavani Cotspin                                      | Ginning, yarn making | Dharangadhra  | Ginning               | 12                         |
| 6   | Narendra Cotton Ginning and Pressing                 | Ginning, yarn making | Rajkot        | Yarn making           | 10                         |
| 7   | Omax Cotspin Pvt Ltd. (an affiliate of Patel Cotton) | Yarn making          | Dharangadhra  | Yarn making           | 2                          |
| 8   | Aura Herbal Textiles Ltd.                            | Dyeing, Garments     | Ahmedabad     | Across the production | 10                         |
| 9   | The Arvind Mills Ltd.                                | Composite textile    | Ahmedabad     | „                     | 9                          |
| 10  | The Arvind Mills Ltd.                                | Composite textile    | Santej, Kalol | „                     | 11                         |
|     | <b>TOTAL</b>   |                      |               |                       | <b>101</b>                 |

Perhaps the first fact that needs to be pointed out is the difficulties encountered in implementing the survey. While PCLRA had prior contacts with workers and labour contractors in Kadi, the other areas represented virgin territory where PCLRA had had no previous contact with workers. PCLRA enlisted the help of local activists to establish

contact with local workers, and visited their homes at night. A large proportion of the workforce is comprised of seasonal migrant workers who live inside the factory. These workers were contacted outside the factory premises at shops which they visit to purchase provisions.

A common theme was the fear amongst the workers when it came to talking openly about their situation. They were afraid that the management would find out that they had been talking to outsiders about their work situation and that they would lose their jobs. The workers had to be persuaded that participation in the survey would not get them into trouble. Even then, many workers refused to be interviewed. This is the main reason why the sample is not spread evenly amongst the factories. Whilst it was planned to interview ten workers from each unit, the unwelcoming conditions in some factories made it very difficult to reach the figure of ten workers.

The location of the units is shown on the map of Gujarat below. The units are spread over North Central Gujarat and Saurashtra. These cover a fairly wide geographical region and represent the main cotton textile production areas.

**Figure 1: Location of the ginning factories surveyed on a map of Gujarat**



In line with the structure of the questionnaire on which the interviews were based, the following statements sum up the results of the survey among 101 interviewees, as well as those of the two group discussions. The summary table with which each section closes (from Ch. 2.2 onwards) provides a company-specific overview of the workers' responses.

## 2.1 Age, sex and social profile of the workers

The industry has a young workforce. One-third of all the workers are aged 21 or younger. Nearly two-thirds are 30 years old or less. The young profile is in keeping with that of the workers, the majority of whom are employed on a temporary basis, with a large proportion being seasonal migrants. It is only in the textile and garment making units at the top end of the production chain that there are some permanent workers.

Nearly 13 percent of the workers are aged 18 or younger. These are nearly all in the two ginning units at Kadi. The ginning industry in this area has a tradition of employing young tribal workers.

Female workers are present in all the factories. Nearly a third of all the workers interviewed were female. Female workers are hired for jobs that are considered to be less strenuous. The ginning industry has a significant presence of female workers, who are typically employed in the *charkha* section. The job does not require much skill. Of the 34 workers interviewed, 35 percent – i.e. 12 – were female. The age group of the workers ranged from 18 to 47. More than a quarter of these workers were adolescents who reported their age to be 18-20.

A significant feature of the manpower deployment is that the majority of the workers employed are seasonal migrants, this group accounting for sixty percent of all the workers. In ginning factories, only the supervisors and in some instances the *charkha* workers are local. The migrant workers come from other States such as Rajasthan, Bihar, MP and Jharkhand. Only the textile mills and garment manufacturing units employed local labour only. The contract workers employed in these factories were also local.

An interesting finding is that the new spinning units that are being set up as value chain augmentation by ginning owners, and promoted by the State through subsidies, replicate the labour hiring patterns of the ginning units. There is a preference towards employing temporary, migrant, young workers.

## 2.2 Forced Labour

Whilst the workers did not report any forced labour, they have to follow shift timings. Apart from the three companies at the end of the production chain, all the other units operate 12-hour shifts. The daily wage rate is given for a 12-hour shift. If it happens that the shift does not operate for 12 hours, the wages are adjusted on the basis of the hourly wage rate. The overtime rules are adhered to in the three units at the end of the production chain. In fact, the factory does not want to give overtime as it would have to pay overtime rates. The interviewees in Company 9 however reported that they felt forced to work any overtime that was offered. Since overtime is announced in advance

(at short notice) in this company (see Tab. 9), and furthermore a trade union is operating there (see Tab. 5) which can be involved in the overtime planning, these statements on the part of the interviewees are not evaluated in Tab. 2 as “forced” overtime.

**Conclusion:** The overtime practice in Companies 1-6 is in breach of Indian labour law (see also Ch. 3). All the companies have a security service which checks the workers when they enter and leave the company premises. This is however not regarded as constituting a restriction of freedom of movement.

**Table 2: The results of the survey on the topic of “forced labour”**

| Forced labour                      | 1    | 2     | 3     | 4     | 5   | 6    | 7  | 8  | 9  | 10 |
|------------------------------------|------|-------|-------|-------|-----|------|----|----|----|----|
| Forced overtime                    | Yes* | Yes * | Yes** | Yes** | Yes | Yes* | No | No | No | No |
| Restriction of freedom of movement | No   | No    | No    | No*** | No  | No   | No | No | No | No |

\* 12-hour shift, if required  
 \*\* 24-hour standby on company premises  
 \*\*\* One IE criticised that the security staff asked too many questions when they left the premises.

*2.3 Child Labour*

All the workers interviewed were aged above 14. The respondents did not report any child labour below the age of 15 in the factory. However, there were juveniles present who were aged between 15 and 18. All in all, 13 percent of the respondents were reported to be between 15 and 18. Except for one, all these cases are from the two ginning factories in Kadi, which has a history of employing tribal children from South Rajasthan. The presence of juveniles in the 15-to-18 age group was further confirmed during the focus group discussion held with workers from these two factories. The presence of children in ginning units in Kadi was substantiated by a gruesome incident in another ginning factory in which a young worker lost his hand in an accident. The reports on child labour also have to factor in the fact that workers and labour contractors tend to underreport the age of the children. They are aware that child labour is illegal, and are therefore careful when it comes to reporting age. Whilst the Indian Child Labour Act defines children as being below 14 years of age, the Factories Act regulates the employment of young persons below the age of 18 in factories.

**Table 3: The results of the survey on the topic of “child labour”**

| Child labour  | 1    | 2    | 3  | 4  | 5  | 6  | 7  | 8  | 9  | 10 |
|---------------|------|------|----|----|----|----|----|----|----|----|
| Aged under 15 | No   | No   | No | No | No | No | No | No | No | No |
| 15-17         | Yes* | Yes* | No | No | No | No | No | No | No | No |

\* in “normal” shifts like adults

#### 2.4 Discrimination

No discrimination was reported except for the case of pregnant women. Even though women who are of child-bearing age were reported to be working in the factories, no cases of benefits under the Maternity Benefit Act were reported. Even in the niche garment manufacturing unit, there were no reports of the employment of pregnant women.

**Table 4: The results of the survey on the topic of “discrimination”**

| Discrimination                 | 1  | 2    | 3    | 4  | 5    | 6    | 7    | 8    | 9    | 10   |
|--------------------------------|----|------|------|----|------|------|------|------|------|------|
| Discrimination (against women) | No | No   | No   | No | No   | Yes* | No   | No   | No   | No   |
| Employment of pregnant women   | No | n.s. | n.s. | No | n.s. | n.s. | n.s. | No** | n.s. | n.s. |

\* Domestic migrant workers receive lower wages (Rs. 50 per day less) than local workers.

\*\* Pregnant women have never been employed.

n.s. – not specified

#### 2.5 Freedom of association

Except for the large composite textile unit (Companies 9 and 10), there is no trade union activity in any of the factories surveyed. The workers in these factories were very clear that the factory management would not permit any trade union activity. There is no wage labour agreement either. There have been attempts to form a trade union in Kadi, where two factories were surveyed. These attempts met with resistance on the part of

the management. However, some labour contractors continue to be supportive of the trade union, and attend meetings when they are convened.

The unionisation efforts in the ginning factories are also hampered by the ongoing mechanisation process in the ginning factories. The demand for *charkha* workers is declining. The business of the labour contractors who supply labour is reducing. They are therefor very careful not to antagonise the factory owners.

The composite textile unit has a trade union. However, this union is not liked by the workers. They see it as being controlled by the management. The union is affiliated with a state-level Federation that was promoted by Gandhi ji in the pre-independence period. It also does not represent the large number of contract workers present in these factories. One of these units saw a strike this year, when the workers tried to bypass the trade union and voice their demands independently. However, the efforts did not succeed as the union had already signed a collective wage agreement with the management. The labour law that governs industrial relations in Gujarat, the Bombay Industrial Relations Act, makes it almost impossible to dislodge a recognised union from the factory. Recognition is accorded on the basis of membership of an overall industrial sector, and not of membership in an individual factory.

**Table 5: The results of the survey on the topic of “freedom of association”**

| Topic                                    | 1   | 2   | 3       | 4       | 5       | 6       | 7    | 8          | 9         | 10        |
|--|-----|-----|---------|---------|---------|---------|------|------------|-----------|-----------|
| Trade union activity in factory          | No  | No  | No      | No      | No      | No      | No   | No         | Yes*<br>* | Yes<br>** |
| Approachable in case of problems         | C   | C   | C/<br>M | C/<br>M | C/<br>M | C/<br>M | n.s. | C/M/O<br>* | n.s.      | n.s.      |
| Attendance at union meetings in the town | Yes | Yes | n.s.    | n.s.    | n.s.    | n.s.    | n.s. | n.s.       | n.s.      |           |

C: Contractor; M: Management; O: Owner

\* Individual and collective complaints possible. Complaint about wages being too low failed to lead to an increase (for the past five years).

\*\* There is a trade union that is sympathetic to the company which according to the IEs does not represent the workers’ interests, and which only had permanent workers among its members. The police were called when a strike was held.



### **Gandhi and the textile trade union in Gujarat**

When the Mahur Mahajan/Textile Labour Association (TLA) was first established in August 1918, there were conflicts between textile workers and mill owners in Ahmedabad: The plague had broken out in Ahmedabad in 1917, and many workers were leaving the city. In order to maintain production in Ahmedabad – the “Manchester of India” –, the mill owners offered workers a bonus of 70 % on top of their wages as a financial incentive to remain in the city. Once the plague had been overcome in 1918, the bonus was discontinued. The workers reacted to this by going on strike and demanding wage increases and a cost-of-living-related increase amounting to 50 % of the wage level. The mill owners for their part reacted with lock-outs. The sources disagree as to whether it was the mill owners or the workers who approached Mahatma Gandhi asking him to mediate. But mediate he did, persuading the workers to reduce their demand to 35 %, to which the companies however also did not agree. Gandhi finally reached an agreement with the companies on a 20 % cost-of-living-related allowance on top of their wages, which the workers in turn rejected. After further rounds of laborious negotiations, the parties then agreed on 27.5 %.

The Ahmedabad Textile Labour Association was established as a lesson from these conflicts. And the sources disagree there too: Was it Gandhi who built up a trade union in accordance with his ideals of non-violence, and based on the ideals of trusteeship (employers and employees are trustees of capital on behalf of society)? Was it the workers themselves who sought to protect their interests through cooperation rather than confrontation? Or was it the socially-committed owner Ambalal Sarabhai who set the stage for its establishment and also wanted to set up committees (mahajans) in the companies to arbitrate on conflicts? Be this as it may: The Mahur Mahajan Textile Labour Association, which was founded in 1920, was the only workers’ lobby organisation that was recognised by the mill owners, and it organised mahajans in the companies which were to help resolve conflicts peacefully, and to which management could also be elected to represent the workers. In the years that followed, the Association not only conducted regular trade union activities, but also implemented welfare programmes and educational activities, as well as providing medical facilities for the workers and the members of their families. It enlisted the support of wealthy Ahmedabad residents to fund these programmes, and even supported business people or their candidates in municipal elections. The Textile Labour Association had no influence outside Ahmedabad, and did not seek affiliation with any other associations.

Sources: Shenoy 2015, Kureshi 2015

## 2.6 Wages

The workers were interviewed on a variety of wage-related aspects, including whether they received wage slips, on the wage level and whether it complied with the applicable minimum wage regulations, the question of bonus payments, as well as whether they were receiving a living wage. The results of the survey were as follows, broken down according to these aspects:

*Wage slips:* Two-thirds of the workers surveyed said that they did not receive any wage slips. Only the permanent workers in the composite textile mills and the supervisors in other factories reported receiving wage slips.

*Wage rates:* The general wage rate seems to hover around Rs. 200 for a 12-hour shift in the ginning and yarn making units. This is almost half the industrial minimum wage rate of Rs. 286 per day for eight hours. The permanent workers in the textile companies receive more than the minimum wage. The salaries range from Rs. 9,000 pm to Rs. 12,000 pm. However, these wages are significantly lower than a living wage. A rough calculation shows that a four-member household requires a minimum of Rs. 14,000 pm to live in a city like Ahmedabad (s. Table 6).

More than one-sixth of the workers reported receiving less than the minimum wage. However, 57 percent of the workers reported that they were not aware of the existence of a minimum wage. The regular workers in the composite textile mill and garment manufacturing unit are receiving minimum wages. However, even their wages are low and cannot be considered as a living wage.

The large composite textile mill (Companies 9 and 10) employs a large number of workers as daily contract labour through labour contractors. It is however not clear what the ratio of contract workers to permanent workers is (roughly 15,000 persons, see annexed company portrait). There are only estimates from the respondent workers themselves, who presume that the number of contract workers is higher than that of permanent workers. These workers do not receive the minimum wage.

*Bonus:* There is no concept of bonuses in the cotton ginning and yarn making units. The workers in the composite textile mill and in the niche garment making unit receive a bonus. The yearly bonus is fixed at Rs. 4-6,000. However, workers in the composite textile mill complained about the tactics employed by the management to reduce the bonus by suspending workers.

*Are wages sufficient to meet basic needs?:* Almost all the respondents said that the wages were not sufficient to meet their needs. Even the permanent workers in the composite textile mill were not satisfied with the wages that they were being paid. Responses to the question as to what the living wage should be varied depending on the background of the workers. The seasonal tribal migrants had low expectations, hovering

around Rs. 10,000 pm. This would be twice what they are being paid now. The urban workers demanded wages around Rs. 15,000 pm.

The research team carried out an independent assessment of the monthly expenses of a four-member household in urban Gujarat. It shows that a household with four members requires a monthly income of at least Rs. 14,000 pm to survive there. PRAYAS' estimate is below the living wage calculated by the Asia Floor Wage Alliance (AFWA): Assuming that a worker has to support two other adults, or one adult and two children, or four children, the AFWA arrives at a living wage of Rs. 18,727 for India (approx. 254 Euro) (cf. AFWA 2015: op cit.) – 50 % of which is calculated for food, 40 % for clothing, rent, travel expenses, education and health, and 10 % for savings. However, although PRAYAS calculates a lower amount than AFWA, PRAYAS' calculations nonetheless show that the wages received by most of the respondent workers are far below the monthly cost of living.

**Table 6: Cost of living in Ahmedabad, Gujarat (Rs. and Euro)**

| Item | Household             | Expenditure (Rs.) | Expenditure (Euro) |
|------|-----------------------|-------------------|--------------------|
| 1    | Food                  | 6,000             | 81                 |
| 2    | Rent                  | 3,500             | 48                 |
| 3    | Clothing              | 500               | 7                  |
| 4    | Electricity and water | 500               | 7                  |
| 5    | School                | 1,000             | 14                 |
| 6    | Transport             | 1,000             | 14                 |
| 7    | Health                | 500               | 7                  |
| 8    | Telephone             | 500               | 7                  |
| 9    | Miscellaneous         | 500               | 7                  |
|      | <b>Total</b>          | <b>14,000</b>     | <b>192</b>         |

Source: Estimate by PRAYAS for a four-person household (2 adults, 2 school-aged children)

**Table 7: The results of the survey on the topic of “wages”**

| Topic   | 1             | 2                | 3          | 4              | 5   | 6          | 7                   | 8            | 9                  | 10           |
|---|---------------|------------------|------------|----------------|---|------------|---------------------|--------------|--------------------|--------------|
| Receiving wage slips  | No            | No               | No         | No             | Yes/No**                                      | Yes        | No                  | No           | Yes                | Yes          |
| Receiving wage (monthly)  | Yes*#         | Yes*#            | Yes*       | Yes*           | Yes*  | Yes*       | Yes*                | Yes*         | Yes*               | Yes          |
| Bonus   | No            | No               | n.s.       | No             | sometime<br>s for<br>some                     | No         | No                  | Yes**<br>*   | PW:<br>Yes***<br>* | Yes          |
| Respondents estimate of what would constitute a monthly living wage | Rs. 10-12,000 | Rs. 7,500-10,000 | Rs. 15,000 | 25-40%<br>more | Rs. 400 per day<br>or<br>Rs. 18,000 per month | Rs. 15,000 | Rs. 300-350 per day | Rs. 8-15,000 | Rs. 15-20,000      | Rs. 8-15,000 |
| Deductions/penalties  | Yes##         | n.s.             | n.s.       | n.s.           | n.s.  | n.s.       | n.s.                | No           | Yes##              | No           |

\* Level of knowledge of the existence of minimum wages very low; known in Factory 6 (they receive the minimum wage); overtime is however underpaid.

\*\* Half receive wage slips.

\*\*\* Related to output (up to Rs. 4,000)

\*\*\*\* Annual bonus payment from a certain number of working days; this is circumvented by the company management by suspending workers for several days.

#Weekly food bonus, deducted from monthly wages

##Deductions from wage if production targets not achieved (Factory 1: appears to be connected to reduced hours of work in case of raw material shortages)

PW: Permanent Workers

**Table 8: The results of the survey on the topic of “wage level”**

| Company | Wage level  |
|---------|---|
| 1       | Rs. 4-6,000 per month; average: Rs. 5,174 (with 8-hour shift: Rs. 4,200 monthly wages)                              |
| 2       | Rs. 200-210 daily wage (possibly Rs. 10 fee per day for contractor); 5,200 monthly wages with 26 working days       |
| 3       | Rs. 200-250 or Rs. 250-300 daily wage, depending on the nature of the work  |
| 4       | Rs. 8-14,000 per month (mechanic, who is also a contractor, earns a higher wage)                                    |
| 5       | Ginning machine: Rs. 200 per day for 8 hours, Rs. 290 for 12 hours; others: Rs. 11-14,000 per month                 |
| 6       | Rs. 286 daily wage unskilled/Rs. 303 skilled; Rs. 9,000 (not incl. overtime) to Rs. 18,000 per month                |
| 7       | Rs. 200 daily wage  |
| 8       | Rs. 6-8,000 per month; cut, make and trim (CMT) Rs. 2,500-15,000, depending on the number of working days per month |
| 9       | CW: Rs. 225 per day, PW: Rs. 8-9,000 per month; Rs. 275 or 286 per day for “jumpers” (= badli workers)              |
| 10      | CW: Rs. 6-8,000 per month, PW: Rs. 9,000-10,500 per month   |

\* Gujarat minimum wage in ginning: Rs. 294 daily wage (Rs. 7,644 monthly wages for 8 hours per day);  
 CW – Contract workers; PW – Permanent workers

### 2.7 Working hours

The composite textile factory and the niche garment making unit operate eight-hour shifts and provide overtime as stipulated. The remaining factories regularly operate 12-hour shifts. There is no concept of overtime in these factories.

Nearly 70 percent of the workers reported that they had some time off per week. However, this is only paid leave for the permanent workers. Contract workers on a daily wage are paid nothing for the weekly day off. In fact, contract workers in the composite textile mill reported working every day of the week. There is a section of workers in the ginning factories that is on work contract – those engaged in unloading cotton trucks and making bales. These workers live inside the factories and are on call, literally 24 hours a day, as they may be called whenever there is work to be done.

**Table 9: The results of the survey on the topic of “hours of work”**

| Topic                          | 1     | 2     | 3     | 4     | 5   | 6          | 7     | 8     | 9               | 10    |
|--------------------------------|-------|-------|-------|-------|---|------------|-------|-------|-----------------|-------|
| Daily hours of work (in hours) | 12*   | 12    | 24*** | 24*** | 24***<br>/<br>70-<br>100<br>hrs per<br>week | 12-<br>13# | n.s.  | 8**** | 8 -<br>8,5***** | 8     |
| 1 day off per week             | Yes** | Yes** | No    | No    | No  | No         | Yes** | Yes   | Yes#            | Yes## |

\* 25 % of respondents only worked for 8 hours per day, one 9 hours, with lower wages (connected with raw cotton shortage).

\*\* without payment

\*\*\* standby

#4-5 voluntary overtime hours per day (“because they are paid”)

\*\*\*\* Overtime is announced two hours before the end of a shift (Factory 9) or one (up to two) day(s) in advance (Factory 8).

# only paid for permanent workers; company only gives two days off in the whole year.

## Contract workers do not have a day off in the week, and reach 56 working hours per week.

*2.8 Health and safety*

Similar to the wage sector, various aspects need to be considered when it comes to occupational safety and health. The basic healthcare provided in the company, the number of accidents at work and how the company management deals with these, the question of occupational diseases, social security, as well as the company infrastructure such as canteens, toilets, clean drinking water and personal safety equipment, form part of this. Broken down in line with these aspects, the study led to the following results:

Medical care: In response to the question of whether sufficient medical care is provided in the factory, more than half replied in the negative. Two-thirds of the workers could not name any safety equipment in the factory. Only 40 percent admitted to having been told about the possible dangers before beginning work. Only about a quarter said that there was regular training on occupational safety issues.

*Accidents:* Serious accidents were reported from five of the units surveyed. Three of these were ginning units. Four units reported fatal accidents. The causes of the fatalities were given as electric shocks received from the machine while it was being repaired, a worker's head getting caught in a machine, a fall from a height, and a sudden seizure that could have been a heart attack and not related to work conditions. Except in the last case, some compensation seems to have been provided. Only in one case was a specific figure available that was half the statutory claim. Generally speaking, the workers were not willing to discuss the cases as they felt that they had been settled and that it would not be correct to reopen the issue.

One worker in a ginning factory reported having had an accident in the current year. His treatment costs had been met by the management.

*Occupation diseases:* Only one case was reported. One of the workers in the garment making unit complained of problems arising from the towel cloth that she stitches. However, she also reported that she did not use a respiratory mask as it interfered with her work.

*Social security:* The permanent workers in the composite textile mill and garment making unit are covered by social security schemes viz. Provident Fund, Bonus, Gratuity, and Employees' State Insurance (free medical treatment and insurance in case of sickness). The temporary workers in these factories and the workforce in the remaining factories had no access to any government social security schemes.

*Canteens:* Slightly more than one-third of the workers reported receiving good food in a canteen.

*Clean drinking water:* More than one-fifth of the workers reported that they did not have good access to clean drinking water. The workers were asked to drink tap water, which they did not consider to be of good quality.

*Toilets:* Nearly 40 percent of the workers reported problems in access to toilets. The two ginning units in Kadi did not have toilets for workers on the premises or in the residential quarters where migrant workers live. The workers had to go out in the open. In a yarn making unit also, toilets are not provided in the migrant workers' residential quarters. In one factory, whilst toilets are provided, the worker raised the issue of cleanliness.

*Personal Protective Equipment:* Only 10 percent of the workers reported receiving protective clothing from the factory.

**Table 10: The results of the survey on the topic of “occupational safety and health”**

| Topic                      | 1          | 2          | 3    | 4    | 5     | 6          | 7    | 8          | 9          | 10    |
|----------------------------|------------|------------|------|------|-------|------------|------|------------|------------|-------|
| Healthcare                 | restricted | No         | Yes  | No   | Yes   | No**<br>** | n.s. | No***<br>* | No***<br>* | Yes   |
| Accidents at work          | Yes        | Yes*       | No   | No   | Yes** | No         | No   | Yes*       | Yes*       | No    |
| Occupational diseases      | No         | No         | No   | No   | No    | No         | No   | No##       | No         | No    |
| Social security            | No         | No         | No#  | No   | No#   | No         | No   | Yes###     | Yes###     | Yes## |
| Canteen                    | No         | No         | No   | No   | No    | No         | No   | Yes        | Yes        | Yes   |
| Clean drinking water       | Yes***     | Yes**<br>* | Yes  | Yes  | Yes   | Yes        | Yes  | No***      | Yes        | Yes   |
| Toilets                    | No         | No         | Yes  | Yes  | Yes   | Yes        | Yes  | Yes        | Yes        | Yes   |
| Protective clothing        | No         | No         | No   | No   | Yes   | No         | n.s. | No         | Yes (mask) | Yes   |
| Training                   | No         | No         | n.s. | n.s. | n.s.  | n.s.       | n.s. | No         | No         | Yes   |
| Payment of treatment costs | ?          | n.s.       | n.s. | n.s. | n.s.  | n.s.       | n.s. | n.s.       | n.s.       | n.s.  |

\* fatal (Factory 2: machine accident suffered by a local mechanic, company paid half the statutory compensation; Factory 8: presumably heart attack at work, company paid for hospitalisation, death after three days in hospital; no compensation from company, colleagues collected Rs. 25,000 for the widow; Factory 9: fall from considerable height, ambulance late, dead on arrival)

\*\* Sari jammed in machine, unknown compensation amount, lasting minor disability, employment in factory not continued

\*\*\* only tap water in some cases

\*\*\*\* but First Aid box or fire extinguisher

# Company however has accident insurance to provide accident compensation.

## One IE complained of respiratory problems and burning eyes when processing towels.

### Employees’ State Insurance Corporation (ESIC) + Provident Fund (PF). Only for permanent workers, not for contract workers



## 2.9 Legally-binding employment relationship

Only ten percent of the workers reported entering into a written contract with the factory. The majority of the workers are on short-term contracts and are hired through labour contractors. These workers did not have access to a social security system. Unlike the situation in Tamil Nadu, there was no information on any fraudulent apprenticeship schemes (c.f. Ferus-Comelo 2016: 28). The workers did not have to pay any fee in order to be hired.

**Table 11: The results of the survey on the topic of “employment contracts and contract labour”**

| Topic                               | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8     | 9     | 10   |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-------|-------|------|
| Written employment contracts        | No  | No  | No  | No  | No  | No  | No  | Yes** | Yes** | Yes* |
| Employed by labour agent/contractor | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes*  | n.s.  | n.s. |

\* part of an outsourcing scheme; the workers were previously directly employed by the company

\*\* only permanent workers: Factory 8 – IEs all employed as contract workers with no written employment contract; Factory 9: approx. 1,500 contract workers employed to whom good standards do not apply

## 3. An overview of labour law and policies

How are the working conditions outlined in Chapter 2 to be interpreted in the textile companies surveyed? In order to be able to judge this, it is first of all important to take a look at the core Indian labour laws (see on this also Ferenschild/Katiyar 2015: 15 et seq.). Given the large share of contract work, lower wages, a large share of domestic migrant workers and the lack of trade unions, particular relevance appears to attach here to the Contract Labour Act of 1970, the Minimum Wages Act of 1948, the Government of India’s Inter-State Migrant Workmen Act, as well as the Bombay Industrial Relations Act, which is applicable in Gujarat. These will be examined in somewhat greater detail below.

## The Factories Act

The Factories Act 1948 sets the framework for factory work in India. The following provisions of the Act are particularly relevant with regard to the working conditions that were identified in the companies surveyed: Every factory is to provide sufficient sanitary facilities which all workers can use at any time (section 19). Every company wherein more than thirty women workers are ordinarily employed must provide a crèche for children under the age of six years (section 48). No adult worker may be required or allowed to regularly work for more than nine hours per day (section 54). Wages are to be paid for overtime at twice the hourly rate (section 59). The State Governments may make their own overtime rules for certain activities. Overtime may nonetheless not exceed 12 hours in any one week or fifty hours for any one quarter (section 64). The latter has however been extended to 100 hours of overtime per quarter by a recent legal amendment. Juvenile workers who have completed their fourteenth year are only allowed to work in factories if they have a certificate of fitness and they carry this while they are at work (section 68). Workers who have worked for a period of 240 days or more in a factory are allowed one day of **annual leave with wages** for every twenty days of work performed (children: one day for every fifteen days of work performed) (section 79).

→ The two ginning companies in Kadi are breaching section 19 of the Factories Act. Four out of the ten companies employ more than thirty women, but do not provide a crèche. The workers in the ginning companies and spinning mills are forced on a daily basis to do more overtime than is permitted. This can add up to more than 300 hours of overtime per quarter. They are not paid the statutory overtime bonus for this. Juvenile workers did not have certificates of fitness. The vast majority of seasonal workers are not entitled to annual leave. However, almost half of the respondents work in companies which produce all the year round. They are entitled to receive annual leave with wages, but this right is not implemented.

## The Contract Labour Act

The Contract Labour (Regulation and Abolition) Act 1970 was adopted in 1970 to regulate the employment of contract labour and to provide for its abolition in certain circumstances. It provides for (1) the registration of establishments employing contract labour; (2) the licensing of contractors who supply contract labour for any work of establishments and (3) the availability of facilities such as canteens, toilets and drinking water supply from a certain size of establishment for the contract workers. The Act furthermore provides that contract labour is to be abolished in those processing stages

which are permanent and central to the establishments. This Act has not achieved its goals. Instead of abolishing contract labour, it has tended more to help legitimise this form of employment, and has hence promoted its expansion.

Violations of the Act are punishable with imprisonment for a term which may extend to three months or/and a fine which may extend to one thousand rupees.

- ➔ The composite textile company (Companies 9 and 10) transfers regular work to contract labour. The situation is similar for the clothing manufacturer (Company 8) and the spinning mills, all of which operate all year round, and not seasonally. This process of transferring central processing stages to contract labour is in breach of the Contract Labour Act. As far as the research team is aware, furthermore, neither the companies nor the contractors are registered although all the companies are presumably large enough. The six larger companies should furthermore provide canteens, drinking water, sanitary facilities and First Aid sets. They are in violation of some of these requirements (see 2.8).

### **The Government of India's Inter-State Migrant Workmen Act**

The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act 1979, applies to every establishment in which five or more Inter-State migrant workmen are employed, and requires these companies to be registered or licensed (cf. Hirway/Sharma/Batabyal 2014: 24). The Act furthermore requires the same wage rates for migrants and workers of local origin who perform the same work (Ch. 5, section 13 of the Act). The Act furthermore prescribes that contractors pay a displacement allowance to the migrant workmen whom they hire equal to fifty per cent of the monthly wages (Ch. 5, section 14), as well as the fare for the outward and return journeys to the place of work (Ch. 5, section 15).

- ➔ These provisions of the Act were violated in the ginning companies and spinning mills surveyed, in which the majority of workers comes from other States.

### **The Minimum Wages Act**

Notification KHR/2014/188/LVD/10/2013/57564 M (2) by the Labour and Employment Department of Gujarat Government, dated 26 December 2014, declares minimum wages for unskilled industrial workers as Rs. 276 per eight-hour day. After addition of the "dearness" (cost of living) allowance, it is Rs. 284 for unskilled workers. The

minimum wage is Rs. 292 for semi-skilled workers and Rs. 304 for skilled workers. All the work processes in the textile industry that have been studied, including ginning, fall under the category of industrial occupations.

- ➔ As against this, the average going wage rate for unskilled workers is Rs. 200 for a 12-hour work day. If calculated at an hourly rate, this is half the statutory minimum wage.

### **The Bombay Industrial Relations Act**

The Bombay Industrial Relations (BIR) Act 1946 regulates relations between employers and workers, contains arbitration proceedings in case of industrial disputes, and takes precautions for other cases. The Industrial Dispute Act regulates industrial relations in India in general terms. The textile industry in Gujarat however falls under the Bombay Industrial Relations Act (cf. Commissionerate of Labour 2015: op cit.). This provides that a list of recognised trade unions is to be kept. Section 13 describes a union as a Representative Union which has membership of not less than twenty-five per cent of the employees employed in any industry in any local area. Section 14 stipulates that in any local area there shall not at any time be more than one registered union in respect of the same industry. This provision makes it virtually impossible for new trade unions to break the predominance of the existing trade union. Labour activists from Gujarat consider this Act to be responsible for the ongoing dominance of the established trade union, which is regarded as being sympathetic towards the company.

- ➔ Only in the composite textile company (Companies 9 and 10) do the provisions of this Act which make trade union activities more difficult play any role: These are the only companies in which there is a trade union, which due to its long history and its size is the only one that is recognised in the industry. The workers consider that this trade union is sympathetic towards the company, and do not feel that it represents them. There are no elected representatives of the workers' interests in the eight other companies surveyed, nor indeed does any collective bargaining take place. The rights to freely form trade unions and engage in collective bargaining are hence not being implemented.

## 4. Summary

The survey covered three kinds of industrial process in the cotton supply chain – ginning, yarn making and a composite process that leads to the manufacture of cloth and finished garments. The working conditions in the companies surveyed can be summarised as follows, structured according to the areas to which the questions refer:

Forced labour: The overtime practice in Companies 1-6 is in breach of Indian labour law. The statutory overtime regulations are evidently complied with in Companies 7-10.

Child labour: No one reported any child labour in the factories, but they did speak of workers aged between 15 and 18. A total of 13 % of the respondents were aged between 15 and 18.

Freedom of association: Apart from the large textile company which is a part of this study with two branches (Companies 9 and 10), there were no trade union activities in any of the companies surveyed. The respondent workers were very clear in stating that the respective management would not permit any trade union activity in the company. There are also no tariff or wage agreements.

Wages: The wages of the permanent workers in the companies are above the minimum wage; they receive wage slips and bonus payments. The wages of the overall large share of contract workers are below the minimum wage; they do not receive any wage slips. Only a very small share of the workers received a living wage.

Hours of work: Seven of the companies surveyed here operate 12-hour shifts. Almost 70 % of the workers are given a day off on a weekly basis. This is however only a paid day off for the permanent workers. The contract workers working on a daily wage basis are not paid on their day off.

Occupational safety and health: The respondents in most of the companies stated that the medical care provided in the company was inadequate, or that they were not aware of any being offered. Contract workers do not have access to social security schemes. Two companies had no toilets, seven had no canteen, and several only offered tap water as drinking water.

Employment contracts and freedom of contract: Only 10 % of the interviewees have a written employment contract with the company. The majority of the interviewees are working on temporary contracts, and are employed by a contractor. They thus do not have access to social security schemes.

As was already explained, ginning and yarn making frequently belong to one and the same company because ginning factories have established yarn making as a part of their diversification strategy. Although yarn making is quite different to ginning in terms of the working process, and demands a higher level of worker skills, it appears that the working conditions of the ginning factories are copied or duplicated in yarn making.

It can be found all in all that the breaches of labour law increase the further back one goes in the textile chain. In particular the ginning companies, but also the spinning mills, are violating Indian labour law on a massive scale, as well as acting in contravention of various ILO Conventions and the social requirements of both GOTS and the undertakings and initiatives stated in the company portraits which are among the clients/partners of the companies surveyed here. These are (in the order of their being mentioned in the ten company portraits) Cotton Connect, Better Cotton Initiative, GOTS, Fairtrade, the Indian textile company Arvind, EURO VISTA and T.T. Garments, the German service-provider EUROTEx, C&A, IKEA, H&M, Marks&Spencer, the Bimeco Group, the Turkish KIPAS Holding, the Sustainable Apparel Coalition, the Global Reporting Initiative, as well as the Social Accountability International SA 8000 Standard (see also Glossary).

It is particularly worrying to note the general absence of trade union organisation, of elected representatives of worker interests and of collective negotiations. Without such an organised negotiation power on the part of the workers, it will be difficult to achieve improvements in working conditions in the companies. Unlike an audit, where an auditor audits a company once per year, trade union representatives are in the company the year over, and can detect failings and endeavour to see to it that they are remedied. The authors regard this as constituting the key factor to implementing all the other labour standards.

Given these results, PRAYAS, SÜDWIND and JUSTITIA ET PAX recommend the following:

**1. Initiating a social dialogue in Gujarat:** PRAYAS and its partner trade union will be passing the results of the study directly to the companies surveyed and calling on them to remedy the failings. It is however relatively improbable that this will impress the companies, particularly since they only constitute a small section of the large number of textile companies in Gujarat. Since however the problems which have been revealed in this study are not restricted to the ten companies surveyed, but are of a structural nature, improvements are called for at sectoral level. With the involvement of relevant Indian stakeholders from the political arena, companies and their associations, trade unions and non-governmental organisations, we recommend that a social dialogue be initiated to implement provisions of labour law in the textile sector in Gujarat. Support from international players would be desirable here. This can be provided by the standard initiatives, by the client companies or indeed by the German Partnership for Sustainable Textiles, the members of which purchase (primary) products from the region surveyed

here amongst other places. Enhancing the system of labour inspections by the State should be an important aspect of this dialogue.

**2. Unionising the workers:** There is an urgent need to make efforts to organise workers, and labour migrants in particular, in trade unions and to enable them to engage in collective negotiations. A unionised workforce is best able to continuously take up the struggle against a refusal to grant rights at work. Without this ambition on the part of the workers themselves, it will presumably not be possible for others to successfully defend labour laws. So that newly-founded trade unions can however successfully represent the interests of workforces, the Government of Gujarat would have to prioritise abolishing or relaxing those provisions of the Bombay Act which restrict trade union freedom.

**3. Linking state subsidies in the textile sector to labour and social standards:** The Indian Government and the Government of Gujarat are promoting the establishment and expansion of the textile sector, as well as the export of textiles. Relevant governmental players such as the national Ministry of Textiles or the Cotton Textiles Export Promotion Council TEXPROCIL, which was established in 1954, will receive this report for their information and a request for their comments. The publishers will see to this, and will recommend that the Indian State link textile sector subsidies to compliance with labour and social standards.

**4. Bringing demands into line with the implementation of standard initiatives:** All the companies surveyed had a GOTS certificate, at least with regard to parts of the production processes. Many also worked with other standard initiatives. The latter, as well as the certification companies which they commission, must examine and alter their audit procedures. This is a recommendation emerging both from the interviews and from the training which PRAYAS carried out for auditors. Workers will not answer auditors' questions frankly if the interviews take place on company premises. A neutral, non-threatening environment is vital in order to understand the real situation. Even in the survey for this study, which attempted to create such an environment, many interviewees expressed a fear that their participation in the survey would have negative consequences for them. It is hence also imperative for GOTS and the certification company to treat the study results very carefully.

We recommend: 1. to include a local organisation in the audit process; 2. to make the audit reports, which have been treated confidentially in the past, more transparent, and 3. to introduce trade union training for all workers prior to awarding the certificates.

### **5. The responsibility of German stakeholders from the political arena and industry:**

Indian textile and clothing production has undergone a boom since the liberalisation of the global textile and clothing trade. Although the Indian Government is also striving to both enact modernisation programmes and to improve worker qualification, it can nonetheless be found that the significance of informal work in the textile and clothing sectors has increased since the end of the Multi-Fibre Arrangement in 2005 (cf. Ferenschild/Schniewind 2016: 72 et seqq.; SLD/AFWA 2013: 9). It is not least the international clients of the Indian textile and clothing sector which benefit from this. As clients, they can contractually oblige their Indian suppliers to comply with labour rights and enable them to do so through appropriate price calculations and delivery periods. At least the German companies which are members of the Partnership for Sustainable Textiles and which purchase (primary) products from India should agree on a joint strategy as to how they can make a contribution towards abolishing 12-hour shifts in the ginning companies and spinning mills, towards supporting the establishment of trade unions and the expansion of permanent employment relationships – to mention only the most serious failings. The Textile Partnership should offer a supportive framework for this.

In addition to industry as a private player, however, the German Government and the EU are also called upon: They can contribute towards ensuring compliance with labour rights in the supply chains of German companies by amongst other things developing laws and tools on corporate liability in case of breaches of labour law and by entrenching protection rights for workers in international trade agreements.

**6. Ratification of UN and ILO Conventions on migration:** Although this study looked at a highly-specific group of migrants, that is seasonal labour migrants within a State, it is nonetheless to end by taking a look at the general problems concerned with the labour rights of international migrants. If labour migrants enter their transit or destination country illegally, or lose their legal status during their stay in these countries, they have virtually no options in most states in the world when it comes to standing up for their rights if their labour rights are violated (unpaid wages, undignified housing, excessive hours of work, confiscation of documents by employers, etc.). Two international Conventions are intended to help remedy this situation of being effectively bereft of rights: Firstly, the UN Convention on the “Protection of the Rights of All Migrant Workers and Members of Their Families” of 1990, which is explicitly devoted to the situation of irregular migrants and their families (cf. UN 1990), and secondly ILO Convention No. 143 concerning “Migrations in Abusive Conditions and the Promotion of Equality of Opportunity and Treatment of Migrant Workers” of 1975 (cf. ILO 1993: 1571 et seqq.). The latter primarily addresses the situation of legal labour migrants, but it



is also opened up for undocumented people via its Article 9. Germany has neither signed nor ratified either of these Conventions, and nor have most other EU Member States. This needs to change if we wish to safeguard the rights of all workers in global value-added chains regardless of their place of origin and of their residence status.

## 5. Annex

### 5.1 Company portraits

Workers have limited insight into their employers' commercial activities as a rule. The interviewees were therefore only able to provide a restricted overview of the companies, the number of workers, the trading partners, etc. The following brief overview is hence intended to help illustrate the ten companies from which workers were interviewed with information from the companies' own websites, their associations and the GOTS database. It becomes clear here that some of these are relatively complex company structures, not all the processing stages of which are certified.

#### *Raja Ginning Industries, Kadi (Company 1)*

Raja Industries is one of the ginning companies from Kadi surveyed here. The company is made up of two units: *Raja Industries* and *D. Raja Cotton Pvt. Ltd.*, both of which are listed as members of the All Gujarat Cotton Ginners Association (AGCGA) with the same contact individual (cf. AGCGA 2009: op cit.). Together with *Pashupati Cotton Industries*, the company is the owner of a joint venture export company, which was founded in 2007, by the name of *S. Raja Export Pvt. Ltd.* Both owner companies operate both the ginning process as well as an oil mill and a spinning unit. The joint venture exports the roughly 2,500 cotton bales produced daily with the aid of 250 gins, as well as more than 11,700 tons of cotton yarn produced by more than 61,000 spindles, to Bangladesh, China, Indonesia, Pakistan, Turkey and Vietnam (cf. S. Raja Export no year: op cit.; see map). S. Raja Export is listed in the GOTS database as the holder of a GOTS certificate that was issued by Control Union, valid for the processing stages "export, spinning, trade, ginning, storage". S. Raja Export is however only a trading unit – no ginning or spinning take place there. Neither the GOTS database nor the company website reveal which part of the company is actually certified for ginning. The company itself only advertises on its website with certified organic and Fairtrade cotton (loc. cit.). Workers employed by Raja Industries were surveyed. Since the company website does not provide any information on the number of (permanent or temporary) workers, the

interviewees' estimates are given here: A total of 93 persons work in the factory in these areas:

- 15 persons from South Rajasthan on the gins, eight of whom are men;
- 22 men from Bihar unloading the trucks;
- 18 men from West Rajasthan on the cotton press;
- eight men from Uttar Pradesh as mechanics;
- one supervisor from Kadi;
- and 30 persons from South Rajasthan in the oil mill, 16 of whom are men.

The interviews were carried out with five ginning workers and 12 oil mill workers. Some of the workers in this factory also took part in a group discussion outside the factory.

Company website: [www.srajaexport.com](http://www.srajaexport.com)

### ***Vaibhav Laxmi Industries, Kadi (Company 2)***

The second ginning company surveyed from Kadi, *Vaibhav Laxmi Industries*, is also a member of the AGCGA (cf. AGCGA 2009: op cit.). The company was established in 1970, and produces cotton fibres as well as oil and oil cakes (a by-product of cotton processing) from cotton seeds. The company recently also built a spinning mill. It does not have a website of its own, but is entered in the GOTS database as a trader under the name of *Vaibhav Laxmi Exports Private Limited*. This means that it is certified for storage of and trade in GOTS-certified cotton fibres, but not for the production process. This fundamentally means that the working conditions in processing do not need to comply with the GOTS standard, but that the company is nonetheless permitted to trade in GOTS-certified cotton. *Vaibhav Laxmi Industries* is also referred to on the homepage of Cotton Connect as a partner and as one of the first Indian ginning companies taking part in the implementation of a Better Cotton programme in Gujarat (cf. Cotton Connect 2014: op cit.).<sup>1</sup>

As was already the case with Raja Industries, there is no publicly-available information on the number of (permanent or temporary) workers at *Vaibhav Laxmi*. The interviewees' estimates are therefore given here: A total of 84 persons work in the factory in these areas:

- 18 persons from South Rajasthan on the gins, ten of whom are men;
- 14 men from Bihar unloading the trucks;

---

<sup>1</sup> The link inserted by Cotton Connect for the Vaibhav Laxmi company name unfortunately does not lead to this company (cf. Cotton Connect 2014: op cit.). Cotton Connect had not reacted to two enquiries requesting a correct link by the time of going to press on 29 April 2016.

- 30 men from West Rajasthan on the cotton press;
- six men from Uttar Pradesh as mechanics;
- four supervisors from Kadi;
- and 12 persons from South Rajasthan in the oil mill, seven of whom are men.

The 12 interviews were carried out both with ginning workers and with oil mill workers. Six of the interviewees were women. Some of the workers in this factory also took part in a group discussion outside the factory. All of the workers, apart from the supervisors, received their work through contractors and lived on the factory premises. The interviewees were very young: The oldest was 25; two were under 18, and the others were 18 and 19 years old. All of them were unmarried. When they were asked why they were working for such low wages, the interviewees answered that no employment was available in their region of origin. The company only works with a 12-hour shift in the 2015/16 season. If there is insufficient raw cotton, the shift may only last for eight hours, or may even be cancelled for several days. In these cases, the wages are reduced or the day's wage is not paid at all.

Company website: -

### ***Milan Ginning Pressing Pvt. Ltd., Limbdi (Company 3)***

This company was one of the four ginning companies already surveyed by SÜDWIND and PRAYAS in the 2014/15 season. It is a composite company which carries out the processes of ginning, oil production (under the name of its subsidiary *K.R. Solvent*) and yarn making in separate buildings on company premises. The company was founded in 1980 at a location within the Limbdi city limits. The company moved its production to its present location by the motorway because of residents' protests at air pollution caused by fine cotton particles. According to the information provided by the company on its website/homepage, Milan produces around 50,000 bales of cotton fibre (= 8,000 tons) per season which are exported to Pakistan, Bangladesh, China, Thailand and Turkey. Milan has also been directly exporting cotton bales to spinning mills abroad since 2008/09. Also according to the website, the company produces according to international standards such as BCI, USDA Organic, GOTS and Fairtrade. BCI, USDA Organic and GOTS refer to the quality of the cotton fibres, whilst Fairtrade refers to the sister concern firm *K.R. Solvent* and to the deolied cake produced there.

As there is no publicly-available information on the number of (permanent or temporary) workers at Milan, the six interviewees' estimates are given here (which however diverge widely and are much higher all in all than the number of 200 workers from the most recent survey): A total of 300 persons work at Milan and K.R. Solvent in these areas:

- 28 persons from Limbdi on the gins, ten of whom are men;
- 20 men from Madhya Pradesh unloading the trucks;
- 20 men from Rajasthan on the cotton press;
- ten men from Uttar Pradesh as mechanics;
- not specified for supervisors;
- not specified for the number of workers in the oil mill;
- xx persons as helpers. (The interviewees state a number of 500 here, which is unlikely, and which presumably has two causes: 1. The premises also house the Milan spinning mill, the workers of which were presumably classified as “helpers”. 2. Almost all of the interviewees are illiterate, only joined the company and moved to the region recently – a situation which makes it difficult to make estimates.)

The interviews with six workers, most of whom came from Bihar, are aged from 18 to 30, and all but one of whom are married, were held at a venue outside the company. Their job is to unload the trucks. They however also perform cleaning and other work if there is no work to be done on the trucks.

Company website: [www.milanginning.com](http://www.milanginning.com)

#### ***Bhavani Cotspin Ginning, Dhrangadhra (Company 4)***

Workers from two companies were also surveyed for this study in the town of Dhrangadhra in the Surendranagar district. One of the companies is part of the of M/S Jethalal Hirjibhai group, which according to the company website consists of the *Shree Bhavani* ginning factory (member of the AGCGA), the ginners and oil millers *Jay Bhavani Ginning, Pressing & Oil Ind.* (member of the AGCGA), the *Bhavani Cotspin* spinning mill and the cotton trader *M/S Jethalal Hirjibhai*. Bhavani Cotspin had a GOTS certificate which according to the GOTS database (retrieved in February 2015) expired at the end of December 2015. The company exports its products and has the following among its clients

- the major composite textile and clothing manufacturer Arvind (see Factories 9 and 10),
- the textile yarn exporter EURO VISTAA, headquartered in Mumbai, which has also been operating its own cotton production facility and ginning unit in Tanzania since 2009 (cf. EURO VISTAA no year: op cit.),
- T.T. Garments, clothing manufacturer and trader from New Delhi, which according to the company’s own website is primarily orientated to the Indian market (cf. T.T. Garments no year: op cit.)

- the German company EUROTEx, which offers its services to department store groups, consisting of product development and production as well as distribution, and which has a broad range, from household textiles to sports textiles and promotion articles (cf. EUROTEx no year: op cit.).<sup>2</sup>

The survey was carried out in the Shree Bhavani ginning unit. The research team was unable to establish contact with the estimated approximately 300 workers in the spinning mill, which was very closely monitored. Since the company website does not provide any information on the number of (permanent or temporary) workers, the interviewees' estimates are given here: A total of 18 persons work in the factory in these areas:

- four men from Rajasthan on the gins;
- four men from Bihar unloading the trucks;
- four men from Rajasthan on the cotton press;
- four men from Uttar Pradesh as mechanics;
- two supervisors from Dhrangadhra.

Although the company is fully automated, this estimate probably needs to be regarded as a snapshot. The company was not yet running at full capacity when the interviews were held, so that the full number of workers required when at full production capacity were not yet on site. The interviews were carried out with eleven workers aged from 16 to 58 (supervisors), four of whom work in unloading, three in pressing, three as mechanics and one as a supervisor. Six of the eleven interviewees are married. Apart from the supervisor, the workers (who have no families) live on the factory premises. Besides the supervisors, who receive monthly wages, all the workers are contract workers who receive a daily wage.

Company website: <http://bhavanicotspin.com/#carousel-03>

### ***Patel Cotton Industries Limited, Dhrangadhra (Company 5)***

The second company located in Dhrangadhra is *Patel Cotton Industries Ltd.* (member of the AGCGA). According to the company's website, the company's ginning unit was founded in 1995 by H.M. Patel, a major politician and a member of the legislative assembly of Gujarat. The company later expanded to include a spinning mill, *Omax Cotspin Pvt. Ltd.* (see Company 7). The ginning company was modernised several years ago within the Indian Technology Mission of Cotton (TCM) programme, and produces

---

<sup>2</sup> An e-mail enquiry addressed to Eurotex hoping to confirm the existence of this business relationship had not been answered at the time of going to press.

180,000 to 200,000 cotton bales per year with 100 gins (but was not operating at full capacity at the time when the survey was carried out), and only processes raw cotton from the production areas of the Saurashtra region (Gujarat). Patel Cotton exports to Bangladesh, China, Pakistan, Turkey and Singapore. The company processes certified ecological and sustainable, as well as conventional cotton. It works with international standards such as the Better Cotton Initiative, Cotton Connect, GOTS and Fairtrade, and explicitly quotes IKEA and C&A as partners.

The survey was carried out both at the Patel Cotton Industries ginning company and at the spinning mill (see Company 7). Since the company website does not provide any information on the number of (permanent or temporary) workers, the interviewees' estimates are given here: A total of 300 persons work in the factory in these areas:

- 50 women from Dhrangadhra on the gins;
- 60 men from Madhya Pradesh unloading the trucks;
- 50 men from Rajasthan on the cotton press;
- 40 men from Uttar Pradesh as mechanics;
- 20 supervisors from Dhrangadhra;
- 30 men from Rajasthan in the oil mill;
- 50 women from Dhrangadhra as helpers.

Nine workers from the ginning company aged between 19 and 50 were interviewed, one of whom works unloading the trucks, three on the gins, two as mechanics, two as supervisors and one as a contractor of the oil mill workers. All the interviewees but one were married.

Company website: [www.patelcotton.in](http://www.patelcotton.in)

### ***Narendra Cotton Ginning and Pressing Pvt Co Ltd, Rajkot (Company 6)***

The sixth company from this study, *Narendra Cotton*, is situated in Rajkot. It has come much further in the diversification process than the companies looked at above: It started in 1997 as a ginning company, established a spinning division roughly ten years later, and now also has a knitting, a weaving and an R&D division. Narendra claims to offer a "Farm to Fabric" solution (Narendra 2014: op cit.).

The interviewees work in the spinning mill. The company employs roughly 150 workers, both migrants and locals. The migrants live off the company premises in housing which the company provides free of charge. This housing is very rudimentary, without a bathroom or toilet. Interviewees who live there with their families particularly complained about this. Workers with families have a room for themselves, whilst single workers are housed three or four to a room. Attempts by the two-person research team

to contact the management were unsuccessful. The workers were contacted outside the factory during their lunch break. Cooperation by a contractor who had provided 36 workers to the company enabled ten of his contract workers, four women and six men aged from 37 to 45, to be persuaded to take part in the survey. The contractor himself is from Rajkot and uses “sub-contractors” to recruit migrants. Four of the ten respondents came from other States, and the other six are from the surrounding area. All the respondents were married and had families; only a few of the migrants had brought their families with them to where they work.

Company website: [www.narendracottontextiles.com](http://www.narendracottontextiles.com)

### ***Omax Cotspin Pvt. Ltd, Dhrangadhra (Company 7)***

The *Omax Cotspin* spinning mill, which was founded by Patel Cotton Industries (see Company 5), is the second spinning mill in this study and the third company located in Dhrangadhra. The company provides detailed information on its website regarding the technological level of its production and on the quality of its products, which it exports to China, Indonesia, Pakistan, Turkey and Vietnam. According to the company’s website, Omax’ international clients include C&A, H&M, Marks&Spencer, the Bimeco Group, IKEA and the Turkish holding company KIPAS. The company has a GOTS certificate, as can be seen in the GOTS database.

Omax employs a large number of unmarried young women. It is estimated that 350 workers and 12 supervisors work at the company. Because they are scared of losing their jobs if they talk to outsiders, it was not possible to obtain the desired number of ten workers to be interviewed. Only two workers aged between 19 and 22 were willing to talk about the situation in the company. The image they paint therefore urgently needs to be checked, firstly because the employment profile (largely young, unmarried women) is similar to that of spinning mills in Southern India, which have also become known in Europe as particularly exploitative under the term “sumangali”, and secondly because this company is very closely connected with European clothing traders who claim to attach importance to maintaining a sustainable value-added chain.

Company website: [www.omaxcotspin.com](http://www.omaxcotspin.com)

### ***Aura Herbal Textiles Ltd., Ahmedabad (Company 8)***

Established in 2001, Aura Herbal Textiles is a textile company which has an unmistakably ecological profile. According to the company website, the company’s



founders wanted to contribute with their company towards reducing the damaging environmental effects of textile production by producing water- and resource-friendly textiles and clothing with plant-based dyeing processes (cf. Aura 2013: 3). Under the header “Charity begins at home”, the company however also presents the following guidelines for “Fair trade and social impact”: “We are very particular in paying our staff fair and sustainable wages necessary for healthy lifestyles. The working conditions are very favourable and we pay according to current market prices. All our factories, packaging and workers uphold our social and environmental standards. We do not support child labour at all and are sweatshop free.” (loc. cit.: 9). As well as manufacturing, Aura also markets its products itself over the counter in Ahmedabad (see Fig. xx) and via an online shop. The company is not only GOTS certified, but according to the GOTS database may also use the GOTS logo on its products.

The company’s website does not specify the number of workers. According to the research team, the company employs a total of roughly 200 people who carry out the various processes such as dyeing, printing, operating the machinery, cutting, sewing and packing. Both locals and migrants work in the company. The ten workers who were interviewed were aged between 24 and 52, and all of them were married or widowed. At first sight, the complaint schemes in the company, as reported by the interviewees, make a good impression: They are able to complain to the contractor, to the management or to the owner not only individually, but also collectively. The experience with a collective complaint five years ago however shows that this is no substitute for a formalised representation body: The workers first approached the contractor, who turned down the request for a wage increase since his own remuneration would have to be increased first. The workers therefore complained to the company’s owner, who rejected their request for a wage increase and gave them the choice of remaining at their present rate of pay or leaving. No trade union was involved in this conflict. The workers revealed in the interviews that they were worried about being dismissed if they became linked to efforts to become unionised. One of them spoke of a “ban” from the company management on worker meetings, so that extreme caution was also exercised when carrying out the interviews and they were held in strict anonymity. Wages which have been stagnating for five years, the lack of trade unions, and an increase in the amount of contract labour at Aura Herbal Textiles, are the greatest problems related to workers’ rights in this company.

Company website: [www.auraherbalwear.com](http://www.auraherbalwear.com)



### *Arvind limited in Ahmedabad (Company 9) and Kalol (Company 10)*

The two last companies from this study belong to one of the largest Indian textile companies – Arvind Limited (see Ferenschild/Katiyar 2015: 10). Arvind was one of the first companies which established a spinning mill and looms in the 1930s. The company was one of only a few to survive the major crisis that hit the textile industry in the 1980s by engaging in a targeted strategy of internationalisation and expanding denim production (cf. Arvind 2014: 5). Arvind produces manufacturing yarns, woven fabrics, knitted fabrics and (work) clothing, especially jeans, in several locations in Gujarat today, but also in other Indian States as well as in Bangladesh and Ethiopia (cf. Arvind 2015: 25). According to the company's Stability Report from the reporting year 2013/14, the first ever to be published by an Indian company (cf. Arvind 2014: 5), Arvind has a total workforce of roughly 15,000 permanent workers at its various locations, approximately 1,500 of whom are female. Workers with time-limited contracts and contract labour workers are added, but no specific number is stated (cf. Arvind 2014: 38). Arvind works with internationally-recognised sustainability standards such as the Sustainable Apparel Coalition, the Global Organic Textile Standard, the Better Cotton Initiative, the Global Reporting Initiative, as well as the Social Accountability International SA 8000 Standard, and is ISO certified. The company states in the abovementioned Stability Report that it has received GOTS certification for all the processing stages of its fibres, yarns and fabrics (cf. Arvind 2014: 5), but the current GOTS database only mentions the branch in Kalol (Factory 10).

A total of nine workers were interviewed from the location in Naroda Road in Ahmedabad, one of whom was a contract worker. The permanent workers had already been working at Arvind for roughly ten years. They were all locals and aged between 35 and 50. All of them were married, apart from one IE. None of them lived on company premises. The individual interviews were explored in greater detail in a group discussion.

The second Arvind location, at which a total of eleven workers aged from 35 to 50 were surveyed, is the Arvind branch in Kalol, which produces clothing, including work clothing. Since the company is located in a rural area, many still have a smallholding at home which they cultivate after their hours of work in the factory.

Arvind is the only one of the companies surveyed here which has a trade union in the company. However, the role of this trade union appears to be highly ambivalent. It is a part of the Majur Mahajan trade union association, which exists at State level, and which was established with the support of Mahatma Gandhi before India became independent. This association is regarded by the workers as being sympathetic towards the company,

and they consider that their right to establish truly independent trade unions is being restricted (see 2.2).

The workers who receive wage slips refused to show them to the interviewer or to copy them. There appears to be a trend towards replacing permanent workers with “jumpers”, who are less well paid, and then to replace the latter with even less well paid contract workers. Arvind complies with fundamental labour standards such as hours of work, overtime arrangements and minimum wages for the permanent workers. This does not apply to the estimated 1,500 contract workers. However, the permanent workers, whose gross wages are around Rs. 11-12,000 per month, receive approx. Rs. 8-9,000 net. This is only slightly above the minimum wage, and is certainly not a living wage (see Table xx (PRAYAS estimate)).

The company has a CSR policy which claims to have zero tolerance towards sexual harassment, and it also provides a hotline for complaints which is operated by an independent organisation and can be contacted by telephone or e-mail or via its website (cf. Arvind 2015: 46)

Company website: [www.arvind.com](http://www.arvind.com)

## 5.2 Glossary

**Better Cotton Initiative (BCI):** The initiative is a not-for-profit organisation founded in 2005 aiming to make cotton farming more sustainable. Initiated by companies including adidas, Gap Inc., H&M, IKEA and non-governmental organisations such as Oxfam, the UK’s Pesticide Action Network PAN and WWF, BCI draws up minimum requirements for sustainable cotton farming, including reducing pesticides, water management and decent work.

[www.bettercotton.org](http://www.bettercotton.org)

**Charkha:** A term used in India to refer to a gin or a spinning wheel (cf. Dictionary 2016: op cit.). The term is only used for gins here.

**Cotton Connect:** Companies which claim to pursue the social goal of creating sustainable cotton supply chains for the benefit of traders and brand companies.

[www.cottonconnect.org](http://www.cottonconnect.org)

**Employees’ State Insurance (ESI):** The state insurance for workers, ESI, serves to provide cover for workers in case of illness, pregnancy, incapacity for work or death, in order to compensate for wage shortfalls. It also guarantees healthcare. It is paid for by the ESI

Corporation, which was established by the central Government. ESI is founded on the Employees' State Insurance Act of 1948, the first major social statute of the independent India.

[www.esic.nic.in](http://www.esic.nic.in)

**Fairtrade:** In the context of this study, the term Fairtrade is restricted to the Fairtrade label for cotton, as well as to the Fairtrade programme seal for cotton. Fairtrade would like both labels to help improve working conditions in cotton farming. Textiles made from cotton which bear the Fairtrade cotton label are made of 100 % Fairtrade-certified cotton, meaning that they are processed separately from conventional cotton in each processing stage and can be traced back to their origins. Fairtrade for instance recognises the GOTS certificate as documentation of separate processing. The situation is different with regard to the Fairtrade programme label for cotton, where the companies purchase a certain volume of cotton at Fairtrade conditions, but are not obliged to process it separately. They can use this in their advertising, but not as a label on the product. The precise conditions for farming can be found on the Fairtrade website.

[www.fairtrade-deutschland.de](http://www.fairtrade-deutschland.de)

**Global Organic Textile Standard (GOTS):** The world's leading standard for processing textiles made from organic fibres. The standard defines environmental and social criteria along the entire organic textiles supply chain. A textile product must contain a minimum of 70% organic fibres for it to become GOTS certified. All chemical inputs must meet certain environmental criteria. A waste water treatment plant is mandatory for any wet-processing unit involved. The respectively valid version of the GOTS standard (currently 4.0), including all the detailed regulations, can be found on the GOTS website.

[www.global-standard.org](http://www.global-standard.org)

**Indian Ministry of Textiles:** The significance of the textile and clothing sector, ranging as it does from farming the raw fibres, via manual production, through to industrial production, is massive. This is also shown by the fact that the Indian Government has devoted a separate Ministry to this sector, the Ministry of Textiles, which has an informative website in English.

[www.ministryoftextiles.gov.in](http://www.ministryoftextiles.gov.in)

**TEXPROCIL:** The Indian Ministry of Textiles has set up several "councils" over the decades to promote specific textile products. There are a total of eleven such councils. This study mentions the Cotton Textiles Export Promotion Council (TEXPROCIL), which was founded in 1954. TEXPROCIL is located in Mumbai, and claims to be the "international face of

cotton textiles from India”. The Council has a membership of around 3,000 companies all over India, and connects international buyers with appropriate Indian suppliers. It also claims to enable a better understanding of Indian and international trade policies, social and environmental compliances and sustainable business practices.

<http://www.texprocil.org>

**Social Accountability International (SAI):** SAI is an international non-governmental organisation comprising stakeholders from various interest groups. It aims to improve jobs by developing and implementing social standards. SAI published the *Social Accountability 8000 (SA 8000)* in 1997, a voluntary social standard based on ILO and UN Conventions.

[www.sa-intl.org](http://www.sa-intl.org)

**Sustainable Apparel Coalition (SAC):** SAC is an alliance, founded in 2010, of more than 60 companies in the textile, apparel and footwear industry, which developed the “Higg Index”, a self-measurement tool for the social and environmental impact of corporate actions.

[www.apparelcoalition.org](http://www.apparelcoalition.org)

**Technology Mission on Cotton (TMC):** TMC is a programme of the Indian Government that was launched in 2000 to improve the quality of cotton production and processing in India, and which consists of four pillars within the programme: 1. research and technology generation; 2. transfer of technology; 3. improvement of marketing infrastructure; 4. upgrading and modernisation of ginning & pressing industries. Mini missions 3 and 4 expired in 2010. Up to that point, 506 out of the 859 ginning units that had been modernised all over India within Mini mission 4, were in Gujarat (cf. CCI 2011: op cit.).

<http://www.tmc.cicr.org.in/>

**USDA Organic:** Label awarded by the US Department of Agriculture (USDA) for ecological farming. The individual regulations on the requirements regarding farming methods and appliances that are banned or permitted can be found on the Ministry’s website.

[www.usda.gov](http://www.usda.gov)

### 5.3 List of sources

AFWA (2015): Asia Floor Wage in local currency; URL: <http://asia.floorwage.org/asia-floor-wage-in-local-currency> (retrieved: 2 May 2016)

AGCGA (2009): Member; URL: <http://www.agcga.in/member.htm> (retrieved: 19 April 2016)

Arvind (2014): Fundamentally Right. Arvind Sustainability Report 2013-14; URL: <http://www.arvind.com/Sustainability/ArvindSR.pdf> (retrieved: 25 April 2016)

Arvind (2015): Annual Report for 2014/15; URL: [http://www.arvind.com/pdf/annaul\\_finacial\\_reporting/2015/AnnualReportfor201415.pdf](http://www.arvind.com/pdf/annaul_finacial_reporting/2015/AnnualReportfor201415.pdf) (retrieved: 25 April 2016)

Aura (2013): Aura. We live and dye naturally; URL: <http://www.auraherbalwear.com/editor/uploads/files/Aura%20Herbal%20textiles%20Ltd.pdf> (retrieved: 22 April 2016)

BMP (2016): "Your environment, our future"; URL: <http://www.bmpcotton.com.au/> (retrieved: 22 April 2016)

CCI (2011): Technology Mission of Cotton (TCM); URL: <http://www.cotcorp.gov.in/TechnologyMissiononCotton.aspx> (retrieved: 29 April 2016)

Cotton Connect (2014): Our partners; URL: <http://www.cottonconnect.org/about-us/our-partners.aspx> (retrieved: 20 April 2016)

Commissionerate of Labour (2015): The Bombay Industrial Relations Act, 1946 & Gujarat Rules 1961; URL: <https://col.gujarat.gov.in/e-citizen-bombayindact.htm> (retrieved: 12 April 2016)

Dictionary (2016): Charkha; URL: <http://www.dictionary.com/browse/charkha> (retrieved: 29 April 2016)

EUROTEX (no year): *Ihr Partner für Textiles*; URL: <http://www.eurotex-bochum.de/> (retrieved: 22 April 2016)

EURO VISTAA (no year): Diversified Activities of the Group; URL: <http://www.eurovistaa.com/diversification.html> (retrieved: 22 April 2016)

Ferenschild, Sabine/Katiyar, Sudhir (2015): *Harte Arbeit für weiche Fasern. Arbeitsrechtsverletzungen in indischen Entkernungsfabriken*; URL: [http://www.suedwind-institut.de/fileadmin/fuerSuedwind/Publikationen/2015/2015-12\\_Harte\\_Arbeit\\_fuer\\_weiche\\_Fasern.pdf](http://www.suedwind-institut.de/fileadmin/fuerSuedwind/Publikationen/2015/2015-12_Harte_Arbeit_fuer_weiche_Fasern.pdf) (retrieved: 5 April 2015)

Ferenschild, Sabine/Schniewind, Julia (2016): *Folgen des Freihandels. Das Ende des Welttextilabkommens und die Auswirkungen auf die Beschäftigten*; URL: [https://www.otto-brenner-shop.de/uploads/tx\\_mplightshop/AH85\\_Folgen-des-Freihandels\\_final\\_web.pdf](https://www.otto-brenner-shop.de/uploads/tx_mplightshop/AH85_Folgen-des-Freihandels_final_web.pdf) (retrieved: 28 April 2016)

Ferenschild, Sabine (2011): *„Jede geht, warum nicht DU?“ Arbeitsmigration westafrikanischer Frauen – ein Blick nach Ghana, Marokko und in die EU*; URL: [http://www.suedwind-institut.de/fileadmin/fuerSuedwind/Publikationen/2011/2011-24\\_Jede\\_geht\\_warum\\_nicht\\_Du.\\_Arbeitsmigration\\_westafrikanischer\\_Frauen.pdf](http://www.suedwind-institut.de/fileadmin/fuerSuedwind/Publikationen/2011/2011-24_Jede_geht_warum_nicht_Du._Arbeitsmigration_westafrikanischer_Frauen.pdf) (retrieved: 28 April 2016)

Ferus-Comelo, Anibel (2016): *Die moderne Form der Sklaverei in indischen Spinnereien*, published by. V. FEMNET e.V.; URL: [http://www.femnet-ev.de/images/downloads/sumangali/Studie-Moderne-Sklaverei\\_2016.pdf](http://www.femnet-ev.de/images/downloads/sumangali/Studie-Moderne-Sklaverei_2016.pdf) (retrieved: 29 April 2016)

Government of Gujarat (2014): Notification Labour and Deployment Department. Minimum Wage Act. Gandhinagar. URL: [http://www.labour.gujarat.gov.in/Portal/News/136\\_1\\_MinWageNotification.pdf](http://www.labour.gujarat.gov.in/Portal/News/136_1_MinWageNotification.pdf) (retrieved: 27 April 2016)

ILO (2012): Normlex. Information System on International Labour Standards; URL: [http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:102691](http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102691) (retrieved: 29 April 2016)

ILO (1993): *Übereinkommen 143: Übereinkommen über Missbräuche bei Wanderungen und die Förderung der Chancengleichheit und der Gleichbehandlung der Wanderarbeitnehmer*, in: *Internationale Arbeitsorganisation. Übereinkommen und Empfehlungen 1919-1991*, Vol. II (1967-1991), Geneva, pp. 1571-1577.

Kureshi, Sahil (2015): Controlling Labour in the Ahmedabad Textile Industry: 1917-1920; URL: <http://beta.bodhicommons.org/article/controlling-labour-in-the-ahmedabad-textile-industry-1917-1920> (retrieved: 28 April 2016)

Clean Clothes Campaign/Kampagne für Saubere Kleidung (1998): *Arbeitsverhaltenskodex für die Bekleidungsindustrie einschließlich Sportindustrie*; URL: [http://www.saubere-kleidung.de/images/05\\_pdf/2014/ARBEITSVERHALTENSKODEX%20der%20CCC.pdf](http://www.saubere-kleidung.de/images/05_pdf/2014/ARBEITSVERHALTENSKODEX%20der%20CCC.pdf) (retrieved: 29 April 2016)

Narendra (2014): Narendra – Total Solution from Field to Fabric; URL: <http://www.narendracottontextiles.com/> (retrieved: 22 April 2016)

Shenoy, Dinyak (2015): Origin of Trade Unions in India; URL: <http://www.publishyourarticles.net/knowledge-hub/education/origin-of-trade-unions-in-india-813-words/5917/> (retrieved: 28 April 2016)

SLD/AFWA (2013): Wage Structures in The Indian Garment Industry; <http://asia.floorwage.org/resources/wage-reports/wage-structures-in-the-indian-garment-industry> (retrieved: 02 May 2016)

T.T. Garments (no year): Corporates; URL: <http://www.ttgarments.com/index.php/corporates-29.html> (retrieved: 22 April 2016)

UN (1990): *Vertragstext "Internationale Konvention zum Schutz der Rechte aller Wanderarbeitnehmer und ihrer Familien"*; URL: [http://www.institut-fuer-menschenrechte.de/fileadmin/user\\_upload/PDF-Dateien/Pakte\\_Konventionen/ICRMW/icrmw\\_de.pdf](http://www.institut-fuer-menschenrechte.de/fileadmin/user_upload/PDF-Dateien/Pakte_Konventionen/ICRMW/icrmw_de.pdf) (retrieved: 29 April 2016)

## List of Publications

### Development Policy

New Chances for Participatory Processes in Development Cooperation. A Dialogue of Justice and Peace Structures in Africa and Europe 2005-2007. 2008. 169 p.  
Heft 114 € 4,- ISBN 978-3-940137-09-8

Nouvelles chances pour les processus de participation dans la coopération au développement. Dialogue entre les structures de Justice et Paix en Afrique et en Europe entre 2005 et 2007. 2008. 191 p.  
Heft 114f € 4,- ISBN 978-3-940137-18-0

Integrale Entwicklung für alle - wie lernfähig ist die westliche Welt? Dokumentation der Tagung "40 Jahre Justitia et Pax". 2008. 169 S.  
Heft 116 € 4,- ISBN 978-3-940137-13-5

Ernährungssicherung und Energieversorgung zwischen Eigeninteressen und globaler Gerechtigkeit. Internationale Experten Dialog-Konferenz 3. und 4. April 2009, Lusaka, Sambia. 2010. 122 S.  
Heft 120 € 4,- ISBN 978-3-940137-31-9

Food Security and Energy Supply between Self-Interest and Global Justice  
International Experts Dialogue Conference 3 and 4 April 2009,  
Lusaka, Zambia. 2010. 109 p.  
Heft 121 € 4,- ISBN 978-3-940137-32-6

Karl Osner  
With the strength of the powerless. Experiences of using Exposure and Dialogue Programmes for processes of structural change. 2010. 60 p.  
Heft 123 € 3,- ISBN 978-3-940137-35-7

Süße Früchte - gut für alle?  
Ländliche Entwicklung durch Selbstorganisation, Wertschöpfungsketten und soziale Standards. Eine Handreichung für den Dialog mit Agrarpolitik, Agrarwirtschaft und Agrarhandel. 2012. 108 S.  
Heft 126 € 3,- ISBN 978-3-940137-47-0

Süße Früchte – gut für alle?  
Dokumentation der internationalen Fachtagung der Deutschen Kommission Justitia et Pax am 16. Januar 2014 in Köln.

Ländliche Entwicklung durch Selbstorganisation, Wertschöpfungsketten und soziale Standards. 2014. 80 S.

Heft 128 € 3,- ISBN 978-940137-54-8

Sweet fruits – good for everyone?  
Record of the international expert meeting of the German Commission for Justice and Peace on 16 January 2014 in Berlin.

Rural development through selforganisation, value chains and social standards. 2014. 84 S.

Heft 128e € 3,- ISBN 978-3-940137-56-2

Keeping on the Move. Study of the Genesis of the 1990 Convention on the Rights of All Migrant Workers and their Families and its Implications today. 2016. 39 S.

Heft 130 € 3,- ISBN 978-940137-70-8

### Peace / Security Reconciliation

Kirchliches Verständnis vom Dienst am Frieden - Dienste für den Frieden. Grundlagenpapier der Arbeitsgruppe Dienste für den Frieden der Deutschen Kommission Justitia et Pax. 2004. 55 S.  
Heft 103 € 3,- ISBN 978-3-932535-75-8

Kirchliches Verständnis vom Dienst am Frieden - dienste für den Frieden. Aktualisiertes Grundlagenpapier der Deutschen Kommission Justitia et Pax. 2008. 65 S.  
Heft 103 € 3,- ISBN 978-3-940137-19-7  
(neubearb. und erweit. Auflage)

Kirchliches Verständnis vom Dienst am Frieden - dienste für den Frieden. Aktualisiertes Grundlagenpapier der Deutschen Kommission Justitia et Pax. 2014. 50 S.  
Heft 103 € 3,- ISBN 978-3-940137-53-1  
(neubearb. und erweit. Auflage 2014)

Axel Heinrich  
Denkmuster zur Eindämmung und zur Legitimation von Gewalt im Christentum und im Islam. 2006. 78 S.  
Heft 109 € 3,- ISBN 978-3-932535-93-2

Annette Meuthrath  
Gewaltpotentiale im Hinduismus. 2007. 44 S.  
Heft 112 € 3,- ISBN 978-3-940137-00-5



Die wachsende Bedeutung nuklearer Rüstung.  
Herausforderung für Friedensethik und Politik.  
2008. 66 S.  
Heft 113 € 3,- ISBN 978-3-940137-08-1

The growing significance of nuclear armaments.  
A challenge for the ethics of peace and the political  
sphere. 2008. 66 S.  
Heft 113e € 3,- ISBN 978-3-940137-15-9

Matthias Gillner  
Gewissensfreiheit unter den Bedingungen von  
Befehl und Gehorsam. Das Urteil des  
Bundesverwaltungsgerichts vom 21. Juni 2005 zur  
Gewissensfreiheit des Soldaten und die katholische  
Lehre von der Kriegs-dienst- und  
Gehorsamsverweigerung aus Gewissensgründen.  
2008. 56 S.  
Heft 117 € 3,- ISBN 978-3-940137-16-6

Mit Zeitzeugen im Gespräch. Bericht eines  
Fachgesprächs zur Arbeit von *Justitia et Pax* in den  
politischen Konfrontationen des Kalten Krieges am  
14./15. Juni 2010. 2011. 74 S.  
Heft 124 € 3,- ISBN 978-3-940137-38-8

#### Human Rights

Maria-Christine Zauzich  
Bevölkerungspolitik und Menschenrechte.  
Journalistische Untersuchung zur Situation in Peru.  
2000. 151 S.  
ARB 91 € 4,- ISBN 978-3-932535-39-0

Michael Sierck (Hg.)  
Die Todesstrafe.  
Bestandsaufnahme und Bewertung aus kirchlicher  
Sicht. 1992. IV + 156 S.  
DOK 33 € 4,- ISBN 978-3-928214-11-7

Cornelia Marschall/Monika Pankoke-Schenk (Hg.)  
Gewalt gegen Frauen.  
Dokumentation einer Fachtagung der Deutschen  
Kommission *Justitia et Pax*. 2001. 150 S.  
DOK 44 € 4,- ISBN 978-3-932535-53-6

Man hört nichts mehr von Unrecht in deinem  
Land. Zur Menschenrechtsarbeit der katholischen  
Kirche. Herausgegeben von Daniel Bogner und  
Stefan Herbst. 2004. 130 S.  
Heft 100 € 4,- ISBN 978-3-932535-71-0

Geschlechtergerechtigkeit und weltkirchliches  
Handeln. Ein Impulspapier der Deutschen  
Kommission *Justitia et Pax*. 2004. 58 S.  
Heft 104 € 3,- ISBN 978-3-932535-76-5  
Religion und Demokratie.  
Muslimische und christliche Perspektiven.

Dokumentation zu einem interreligiösen Besuchs-  
und Dialogprogramm mit Gästen aus Indonesien.  
2004. 73 S.  
Heft 106 € 3,- ISBN 978-3-932535-79-6

Religionsfreiheit - gegenwärtige Herausforderungen  
aus christlicher Sicht.  
2009. 112 Seiten.  
Heft 118 € 4,- ISBN 978-3-940137-21-0

REPORT ON THE STATE OF HUMAN RIGHTS IN  
BOSNIA AND HERZEGOVINA IN THE YEAR  
2008. 2009. 111 S.  
Heft 119 € 4,- ISBN 978-3-940137-25-8

REPORT ON THE STATE OF HUMAN RIGHTS IN  
BOSNIA AND HERZEGOVINA IN THE YEAR  
2009. 2010. 112 S.  
Heft 122 € 4,00 ISBN 978-3-940137-34-0

HUMAN RIGHTS REPORT BOSNIA AND  
HERZEGOVINA 2010 Presented by the Justice  
and Peace Commission of B&H. 2011. 105 S.  
Heft 125 € 4,00 ISBN 978-3-940137-42-5

Menschenwürde  
Impulse zum Geltungsanspruch der Menschenrechte.  
2013. 139 S.  
Heft 127 € 4,00 ISBN 978-3-940137-51-7

Defending Human Dignity and Human Rights  
Documentation of the International Workshop on  
Human Rights Defenders in The Hague.  
2014. S 94.  
Heft 129 € 4,00 ISBN 978-3-940137-55-5

Traditionelle Werte: Hürde und Basis für  
Menschenrechte. Erfahrungsberichte eines  
Menschenrechts-EDP in Sambia. 2016. S 78.  
Heft 131 € 4,00 ISBN 978-3-940137-71-5

#### **Deutsche Kommission *Justitia et Pax***

Geschäftsstelle  
Kaiserstr. 161  
53113 Bonn

Tel: + +49/228 - 103 217 / Fax: + +49/228 - 103  
318

e-mail: [justitia-et-pax@dbk.de](mailto:justitia-et-pax@dbk.de)  
[www.justitia-et-pax.de](http://www.justitia-et-pax.de)