

REPORT FOR THE
INDIA COMMITTEE IN THE NETHERLANDS
ON DUTCH BRANDS

by Society for Labour and Development, Delhi, India

June 1, 2009

I. INTRODUCTION

The Delhi region (also called the National Capital Region or the NCR spanning the three states of Delhi, Haryana and Uttar Pradesh) is one of the largest industrial hubs in the world. It is the second largest hub for global garment production after Tirupur in India. It is industrially diverse covering sectors such as automobile, garment, machinery and machine tools, electronics, pharmaceuticals, food, gems and jewelry and so on in manufacturing; health, banking, financial services, BPOs and so on in services; along with exponential growth in retail, real estate, hotels, etc.

Haryana state in particular has pursued a policy of liberalization that emphasizes rapid growth and integration with the global economy. Gurgaon is the largest manufacturing and service hub in Haryana. The promise that was held out by the government was that liberalization of the economy would improve the state's competitiveness, trigger a boom in exports and foreign investments and raise the rate of growth of output and employment. The Haryana State Legislature enacted the Haryana Urban Development Authority Act, 1977 and constituted the Haryana Urban Development Authority (HUDA) in order to plan the development of urban areas. In order to facilitate coordinated development of infrastructure and participation of private sector including foreign direct investment, the Haryana State Industrial Development Corporation (HSIDC) served as a central agency for infrastructure development and was converted into "Haryana State Industrial and Infrastructure Development Corporation" (HSIIDC).

Urbanisation and industrialisation has brought huge disparities. Most cities of Haryana around the NCR have over 30 percent of the population residing in slums. The industrial policy of Haryana stresses on the development of industrial estates, new economic hubs, special economic zones, industrial model townships and theme parks. Gurgaon is set to become a separate SEZ (Special Economic Zone) within India with the approval of 52 SEZs, the highest in any district in the country. SEZs are specially delineated duty free enclaves for the purpose of trade, operations, duty and tariffs. These zones are self-contained and integrated having their own infrastructure and support services. As per estimates nearly 34 percent of Gurgaon's agricultural land will be covered by these SEZs.

Gurgaon has pulled in thousands of migrant workers from all over India. The workforce of the various suppliers to multi-national companies, are contract labourers. The policy to recruit mainly non-local workers has been used as a strategy to undermine any kind of unionization among the workers.

II. METHODOLOGY

This research was conducted in Gurgaon. The goal of this research is to document the working conditions of workers in factories that supply to a number of Dutch brands.

First, the companies producing for the specified Dutch brands were identified through internet searches and questioning of workers. Most of the workers in the textile and garment sector are semi-literate or illiterate and not able to identify the brands by name. But they recognize the brands when the labels are shown.

After identifying the companies producing for these brands, the next step is to talk to workers. The first question majority of the workers asked when informed about this study is *"How are we going to benefit from this study?"* After we told them the reasons for this research, they were convinced that they are going to benefit from this study and cooperated. It is very difficult to conduct structured interviews with workers as once they start talking their eagerness to express their dismal conditions makes structured questioning very difficult. Interviews take much longer than anticipated. Workers were interviewed near their factories when they finish work and come out to go home as well as in their rooms.

The interviews had to be done without the knowledge of factory management and often at odd hours of the day (early mornings and late nights) because the workers have very little time off from work.

Most workers are very fearful of speaking but approaching them through the local union helped a great deal.

III. SUPPLIERS

We have identified five companies producing for Dutch brands in Gurgaon: Factory A, B, C, D and E. We interviewed 26, 22, 21, 20 and 11 workers respectively from these factories. Out of 100 workers interviewed, only 10 are women workers: 2, 0, 6, 1 and 1 from these factories. Factory B and Factory C are suppliers of Miss Etam; Factory A, and Factory E are suppliers of M & S Mode and WE respectively.

Factory B is a 100% export unit with 400,000 sq ft. Their areas of specialization include outerwear, nightwear, ladies blouses, dresses, trousers, shorts, skirts, kids wear and home furnishings.

Factory A produces mainly for German, Swedish, and French brands. After collecting this information from their website, it is verified with workers. Workers from Factory A recognized these brands' labels. Areas of specialization include ladies beaded tops, blouses, skirts, trousers and printed apparels and beaded handbags.

Factory E claims a production capacity of 1.2 million garments per year. Areas of specialization include blouses, skirts, dresses, T-shirts, casual pants, boxers, night wear, shirts etc. The company was started the company in 1992.

Factory C is one of the most successful garment producers and exporters in India. Their product range includes shirts, pants, ladies tops, trousers, cargo pants, shorts, skirts, home furnishings, leather products etc. And their clients include many large brands

Workforce and its gender distribution:-

According to workers interviewed, factory B employs around 6000 workers and out of which 400-500 are women. Factory A employs anywhere from 1000 to 1200 worker and out of which 150 to 200 are women. Factory E employs around 1000 workers and out of which around 120 are women. Factory C employs almost 1200 workers and out of which around 150 are women. Factory D employs around 900 workers out of which 80-90 are women.

Factory	Total	Male	Female	% of female to total workforce
Factory B	6000	5550	450	7.5
Factory C	1200	1050	150	12.5
Factory A	1100	925	175	16
Factory E	1000	880	120	12
Factory D	900	815	85	9.5

Unlike other industrial hubs producing garments, NCR does not prefer to employ women workers. Why this is the case is a matter of deeper research which could not be conducted within the given time and resource.

Social Background of Workers:-

All workers interviewed for the research are migrants from poorer states like Bihar, Uttar Pradesh, Jharkhand, and Orissa. Interestingly, the owners of the companies are also migrants from states like Punjab, Gujarat. Very few number of locals are employed in these factories even in managerial positions or support positions. It is not uncommon to have “goondas”(hired thugs) in workers’ words to take care of discipline. Our sample says that only 52% workers live in NCR with their families and 48% leave their families behind.

48% workers interviewed belong to Muslim community and 52% belongs to Hindu community. Caste information is not available on this sample. 13% of the workers are illiterate. Only 17% of the workers passed matriculation exam. Others are semi literate.

IV. WORKING CONDITIONS

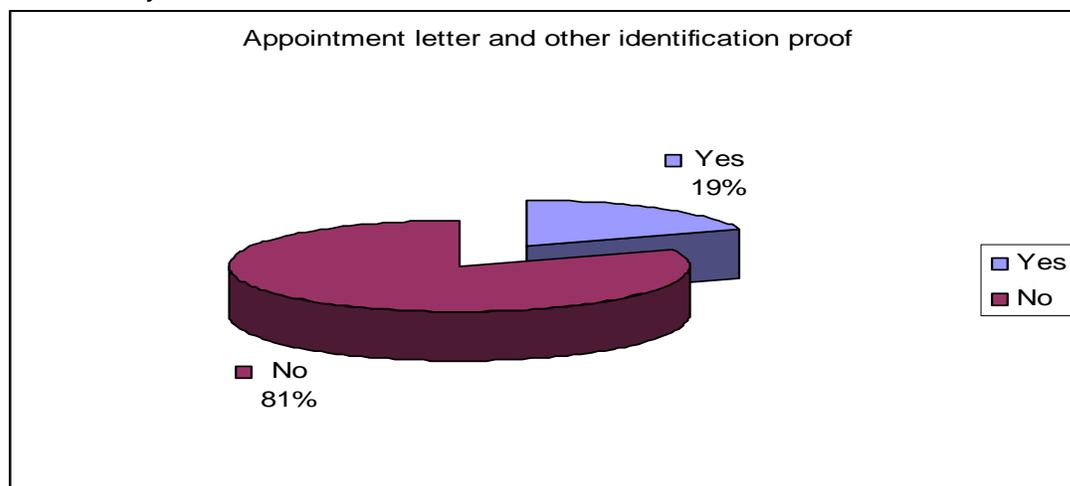
- **Appointment Letter**

81 % of workers responded that they get no employment contract or joining letter at the time of starting work. Only 19% workers have some sort of identification proof to show that they work in a particular factory. Most of the workers only have gate passes given to them at the gate when they enter the factory as proof! A majority of the workers does not have the first and foremost document in their life as a worker and this is where the labour violations by management start. Therefore when there is a dispute between workers and the management it is difficult for workers to prove that they have worked for the company. Consequently, their cases get delayed and settlements occur in favour of the management. Workers have to fight long legal battles to get compensation. Those who possess an identity card of the companies said that every six months management changes workers' identity card number so that it is difficult for the workers to prove that they have been working continuously for the company and that discontinuity can be argued as ground for denial of workers' legal rights.

More specifically, only 28.5% workers from Factory C have some sort of identification proof. In that matter, 4.5%, 10%, 27% and 27% workers from Factory B, Factory D, Factory E and Factory

'Though we know the importance of having appointment letter, we cannot protest if we do not have it. If we protest we have to look for work in other factories. There also the situation will not be different. So why protest, if that is like jumping from the frying pan into the fire', a group of workers factory D.
A worker from Factory B says *'the company will not even give the post received by us in the factory a name, fearing that that could be used as evidence to establish that the worker worked in the factory'.*

The following chart shows the distribution of workers having appointment letter and identity cards.



- **Productivity Target**

In all five factories, namely Factory B, Factory C, Factory A, Factory E and factory D, workers are given an hourly target. Most of the time, this target is not achievable and non-achievement of target leads to abuses. Management addresses workers as ‘mother fuckers and sister fuckers’. A worker from Factory C says ‘*Not a single day passes without an abuse. You will at least get to hear an abuse if not to you but to some other worker. ‘Sister fucker’ is the most favourite word of the management.*’. The management abuses our women always. ‘*To humiliate us, they abuse our mothers, sisters and wives*’, a worker from Factory A. ‘*Abuses have become part of our life, now it is like if don’t get one I cannot sleep*’, a women worker from Factory C. The management is never ready to recognize that workers are extracted to the maximum and the target set by the factory is impossible for the workers to meet. This high productivity target leads to forced over time work.

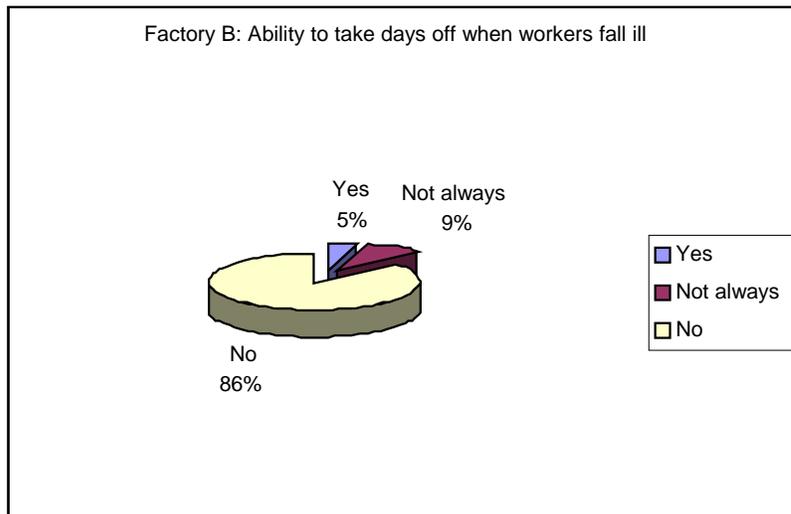
- **Sick Leave**

Only 19% workers said that they are able to take leave when they fall ill. 8% workers said that it is not possible always to get leave when they fall ill and 73% said that it is not possible to take leave when workers fall ill. Sick leave of two days or more means termination from service. Workers are stopped at the gate and informed that they are fired. Those workers are informed to come a particular date for their payment. But generally, they do not get paid on this date. An ex-worker from Factory D says ‘*I was terminated from the service on March 20th and was asked to come for payment on April 10th. My 13 day wage is with them. Today is May 11th, and still I am not paid. Every evening I came to the factory gate for my payment. Manager not here, today is not payment date, these are the excuses.*’



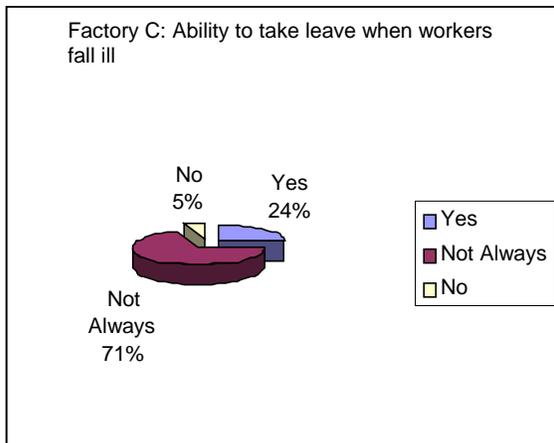
The following chart shows the status of sick leave in Factory B which is supplying to Miss Etam. Only 5% of the workers responded that they are able to take sick leave, whereas 86% Factory B workers said that they are not able to get sick leave. 9% workers said that they cannot take sick leave whenever they fall ill.

'Getting leave is very difficult here. Supervisor will not sign on the leave application and make you run after him', a Factory B worker.

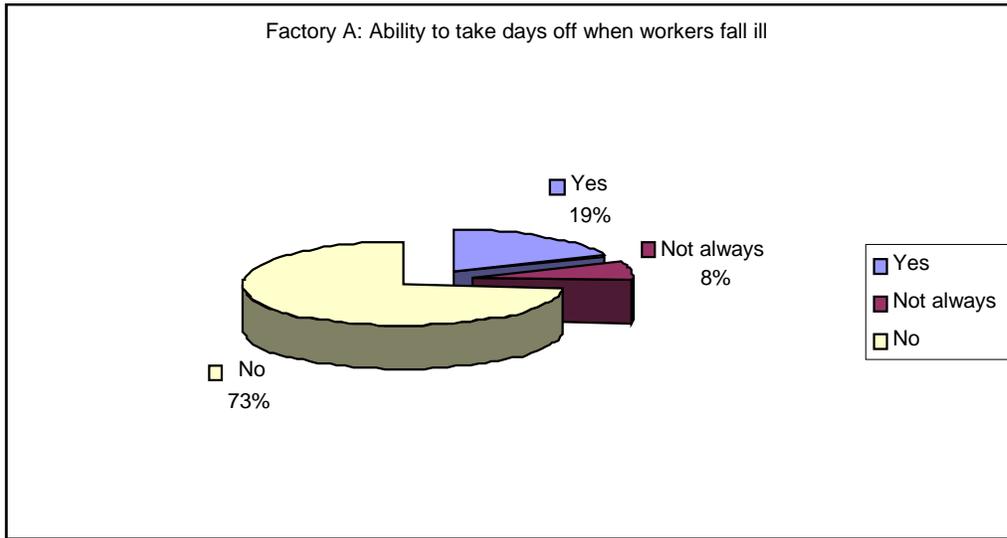


The following chart shows the status of sick leave in Factory C which is supplying to Miss Etam. Only 24% of Factory C workers responded that they are able to take sick leave, whereas 71% Factory C workers said that they are not able to get sick leave. 5% workers said that they cannot take sick leave whenever they fall ill.

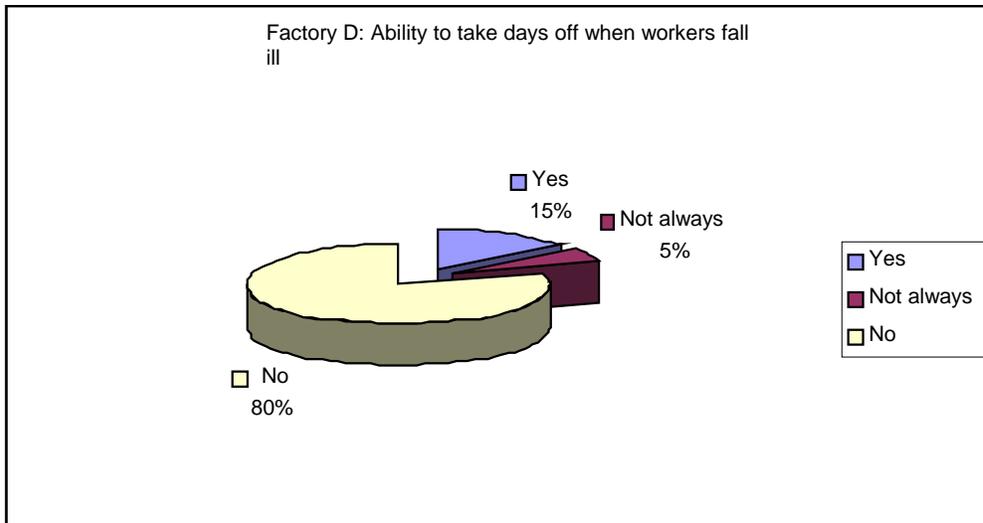
'The main problem in getting sick leave is convincing the supervisor. If he does not like you, you will never get leave. Ans a supervisor does not need specific reasons to dislike you. I could not avail sick leave since the last 18 months of my working with Factory C', a worker from Factory C.



The following chart shows the status of sick leave in Factory A which is supplying to M&S Mode. Only 19% Factory A workers responded that they are able to take sick leave, where as 73% Factory A workers said that they are not able to get sick leave. 8% workers said that they cannot take sick leave whenever they fall ill.

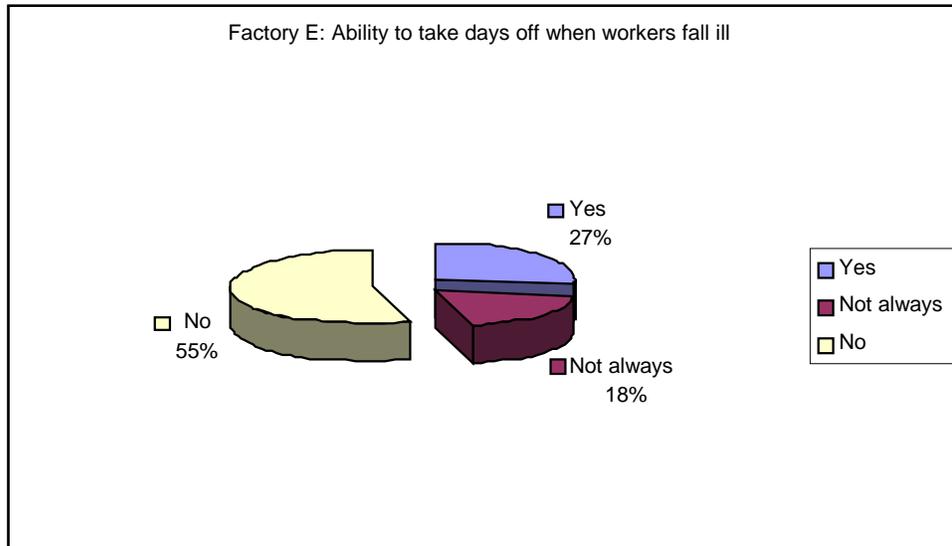


The following chart shows the status of sick leave in factory D. Only 15% of factory D workers responded that they are able to take sick leave, where as 80% of factory D workers said that they are not able to get sick leave. 5% workers said that they cannot take sick leave whenever they fall ill.



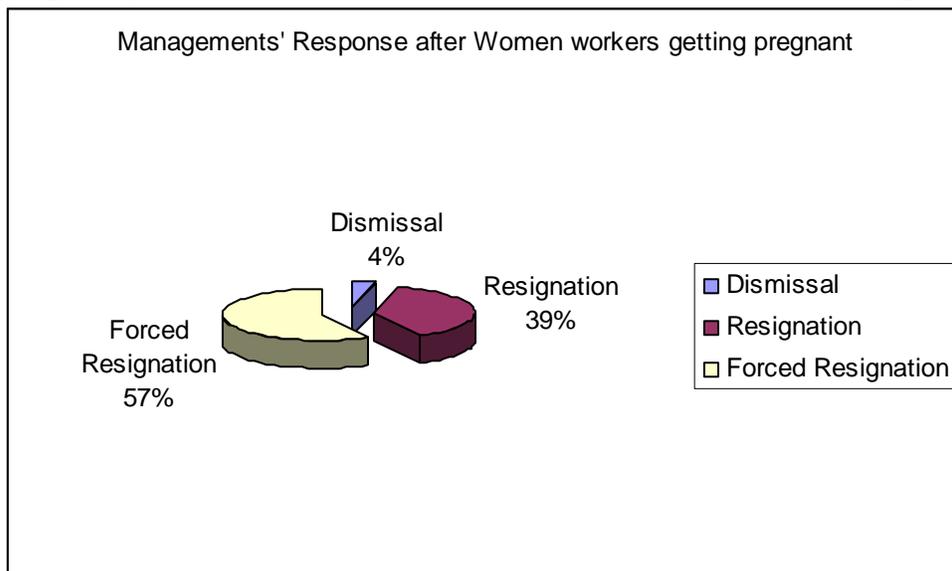
The following chart shows the status of sick leave in Factory E which is supplying to WE. Only 27% of Factory E workers responded that they are able to take sick leave, whereas 55% of the workers said that they are not able to get sick leave. 18% of the workers said that they cannot take sick leave whenever they fall ill.

'I have been suffering from Asthma and during winter it worsens. No sick leave is given to me. I come to work even in high winter, life is very difficult for us', a worker from Factory E.



- **Maternity Leave**

All the workers responded that there is no maternity leave in their companies. 4% of the workers said that usually management dismisses women workers when they get pregnant, 57% responded that women workers are forced to resign after pregnancy and 39% said that workers themselves decide to resign.



29% workers responded to the study from Factory C said that women workers usually resign after getting pregnant without any pressure from the management's side. Whereas 71% workers from Factory C responded that factory management make women workers forcefully resign after they getting pregnant. *'Not many women are there in our factory. But factory has a policy of making women workers resign after them getting pregnant. It is not only in our factory. Almost every factory in Gurgaon follows the same rule. So, a pregnant women worker does not have the option to work'* a male worker from Factory C.

In Factory B, 18% workers said that after getting pregnant, women workers are dismissed from the service. 77% said that the factory management make the workers resign forcefully after women workers getting pregnant. 5% workers said that women workers resign by themselves after getting pregnant. *'If your pregnancy is visible, you will not get a job in any of the companies here'*, a Factory B workers says

All workers from Factory A responded that women workers resign after getting pregnant. There is no pressure from the management.

76% workers who have responded to this study said that workers are forced to resign by the management after getting pregnant. 24% said that workers resign by their own after getting pregnant.

91% workers from Factory E covered under this study said that workers are forced to resign after getting pregnant. 9% responded that workers resign by their own after getting pregnancy. *"Once the pregnancy becomes visible, the management will force them to resign."*, a female worker from Factory E.

- **Creche**

A factory that employs more than 30 women workers or more than 200 workers must have crèche facility for workers' children, according to the Factories Act, 1948. But there is no crèche facility available in these factories covered under our study, though these factories are legally obliged (employing more than 30 women) to provide crèche facility for workers' children

- **Working Hours and Minimum Wage**

Extension of work time has been an important way to extract surplus value from labour since the beginning of the factory system. In Gurgaon also, the situation is no different. All the factories start working from 9-9.30 in the morning. And usually close the normal working day at 5.30 - 6.30pm. They give a half an hour lunch break in between. But the 8-hour work fetches workers a very meager amount of money so the workers are forced to do overtime work. The highly ambitious target set by the se companies also lead the workers to do over time.

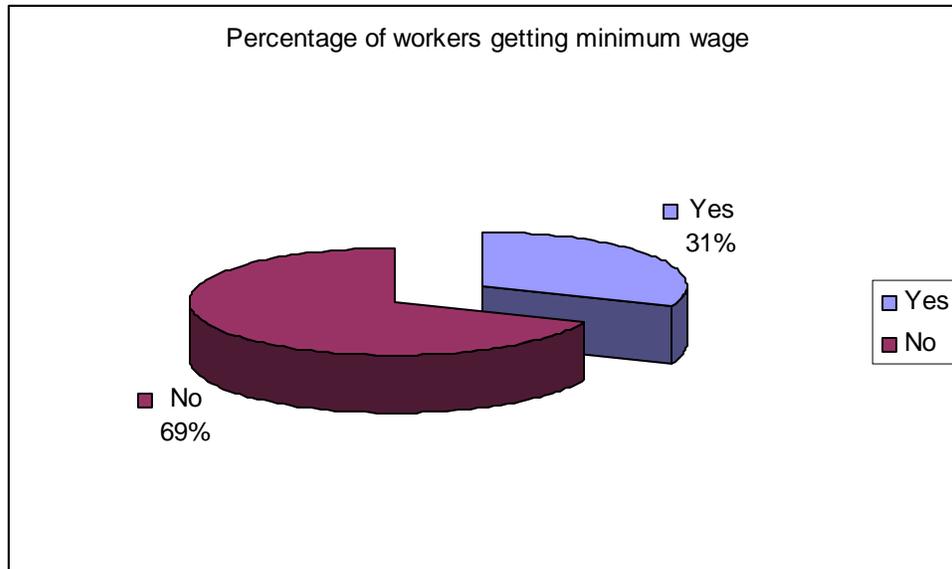
According to The Minimum Wages Act, 1948, every state government has to fix the minimum wages in the state. Minimum wages fixed by the Government consists of a basic rate of wages and a special allowance at a rate to be adjusted, to accord as nearly as practicable with the variation in the cost of living index number applicable to workers. Workers' cost of living index is called Consumer Price Index for Industrial Workers (CPI-IW). This index is revised every six months considering the rate of inflation and the minimum wage for industrial workers is adjusted accordingly.

Rs.3664.16 per month for helpers and Rs. 4314.54 per month for operators was the minimum which was in effect from July 1st, 2008 to January 1st 2009. This was declared in October 2008 but with effect from July 2008. On 22nd April, 2009, Labour Department of Govt. of Haryana, declared its new minimum wage which is Rs. 3840.01 for helper and Rs. 4490 for operator for a normal 8-hour working day. This notification came out on 22nd of April, 2009 but it is with effect from 1st January, 2009. That means workers are supposed to get the arrears(what was over and above the old rate of minimum wages) from 1st January 2009 to 22nd April,2009. None of these factories under our study pay the wage arrears to workers. It is general practice not to pay the arrears, workers do not even know that they are supposed to get the arrears. Even now the wage rate prevailing in the market is less than the old minimum wage.

Less than 35% of the workers get the new minimum wage for their work. The majority of the workers do not even know about the revision of wage rates let alone claiming arrears.

The following table gives the factory wise details of minimum wage

Factory	% of workers getting Minimum wage	% of workers not getting Minimum wage	Total
Factory B	22	78	100
Factory C	14	86	100
Factory A	81	19	100
Factory D	5	95	100
Factory E	9	91	100



To fulfill their daily needs, workers work 12.54 hours per day on an average against their 8 hours a day, in these five factories covered under our study. The average working hours in a week are 76 for a worker in the textile and garment industry. Generally, they start working around 9.30 in the morning and leaves by 8.30. 9.00 at night. Though they work 28.4 hours overtime a week, they are not in a position to meet their daily needs for a decent life. (See the part about payment in this report).

The following table shows the factory wise distribution of over time work. In Factory C, an average day of a worker is 12.9 hours long, whereas in Factory B, it is 13.57 hours. Average working days consist of 11.25, 12.9 and 12.09 hours in Factory A, Factory D and Factory E respectively. Average over time per week are 28.66 hours, 30.5 hours, 24.65 hours, 29.05 hours and 28.27 hours respectively for Factory C, Factory B, Factory A, Factory D and Factory E. Average over time per month a worker in Factory C, Factory B, Factory A, Factory D and Factory E is doing is 77.66 hours, 86.45 hours, 66.03 hours, 74.4 hours and 74.95 hours respectively.

'Including 5-6 hours of overtime a day, we hardly earn enough money to survive. If the company pays us double rate for overtime, it would be good, we can earn a little more working the same time', Factory B worker says.

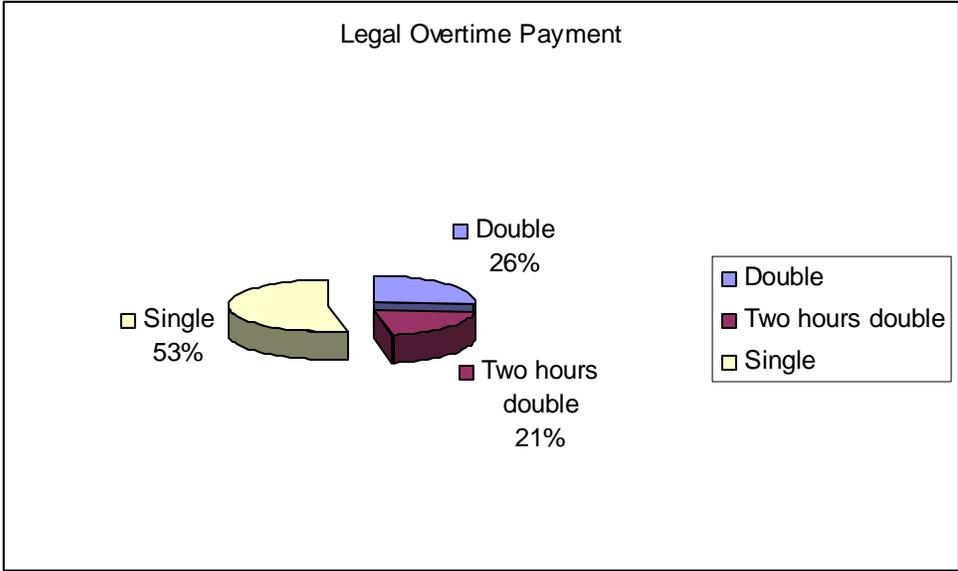
'We get only two hours double rate for over time. After two hours we are getting only single. Most of the companies are giving only single rate. But it is not our choice to work only two hours overtime and go home. If there is over time work, you have to do it. Nobody can refuse to do over time. Even women have to do over time night.' A Factory C worker.

'There is a minimum of 3-5 hours overtime work in factory D available everyday. There is no option. I stated working last day morning. From last day 9.30 am to 6.00pm. Took a break of 1 hour in the evening and continued working in the night till today morning 6.00am. And again worked from 9.30am to 6.00pm. Now I am going home. Too tired', a worker from Factory D.

'There should be mechanism which will force the factory to give us double double rate for overtime so that we do not have to work that hard without even getting proper sleep. Law is there, we know. But no company practices law here', a worker from Factory E.

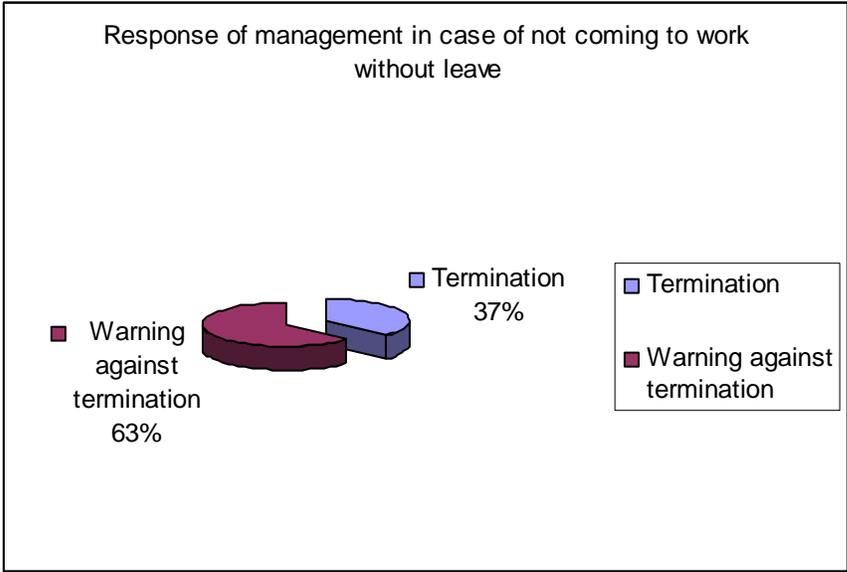
Company	Working hours/Day	Over Time/ Week	OT/Month
Factory C	12.9	28.66	77.66
Factory B	13.57	30.5	86.45
Factory A	11.25	24.65	66.03
Factory D	12.9	29.05	74.4
Factory E	12.09	28.27	74.95

For the overtime, workers should be paid double rate as per law. But only 26% workers responded that they get double rate for overtime. Factory A is the only company which is giving legal over time rate to workers. Factory C gives legal over time for only first two hours of over time work. Factory D, Factory E and Factory B give only single rate for over time. 21% workers said that only for the first two hours, they get legal overtime rate. 53% workers responded that they get only single rate for overtime. Refusing to work overtime means 'losing the job' for these workers. Workers said that there have been cases of workers losing jobs because they refused to work overtime. Overtime work is available and obligatory throughout the year. Workers get advance notice only for overtime on Sunday; on other week days they have to work overtime without any notice. All workers interviewed complain that management does not inform the workers of the reasons for over time in a friendly manner; rather they harass them by saying 'urgent shipping is pending'. Male and female workers have to work overtime, if there is over time work available. No special consideration to women is given. They have to do night also, if necessary.



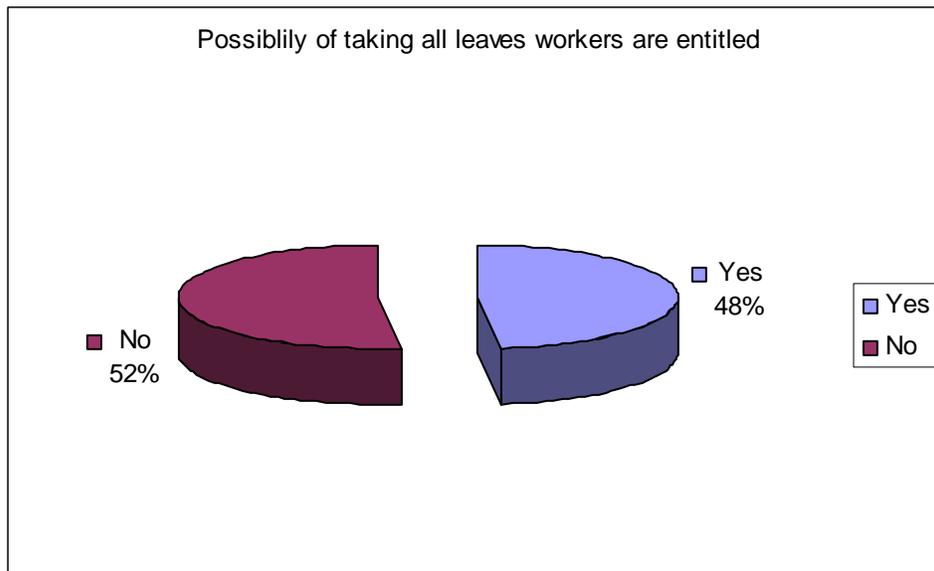
- Leave**

Workers said that even taking leave without pay is not always possible. 37% workers reported that this is taken as ‘termination from service’ and 63% reported that if they take such leave, they are warned against termination.



The following chart shows the response of management per factory.

Factory	Termination (% of workers reported)	Warning against termination (% of workers reported)	Total
Factory B	50	50	100
Factory A	19	81	100
Factory C	38	62	100
Factory D	30	70	100
Factory E	64	36	100



Coming late for work means half day leave for all workers. 52% workers reported that it is not possible to take all leaves they are entitled to have in a year. Only 48% workers said that they are able to take all leaves.

- **Social Security and other Benefits**

Lot of irregularities exist with regard to payment for the Provident Fund (mandatory requirement for employer and meant as a savings plan for emergencies and retirement). Only 15% workers responded that they get the account number for the PF into which the funds are to be deposited. Without the account number, there is no proof of deposit and workers cannot withdraw the funds either. 54% workers said that the management deducted PF but the workers are not provided with account numbers. 31% workers say that factory do not deduct PF from their wage. If factories deduct PF from workers wage, the factory has to contribute double of what workers contribute to the PF.

The following table shows the status of PF in each of the factories under our study.

Factory	PF cutting and giving workers A/c No(% of workers)	PF cutting but not giving A/c No to workers (% of workers)	PF not cutting (% of workers)	Total (% of workers)
Factory B	5	50	45	100
Factory A	31	42	27	100
Factory C	14	57	29	100
Factory D	10	65	25	100
Factory E	9	64	27	100

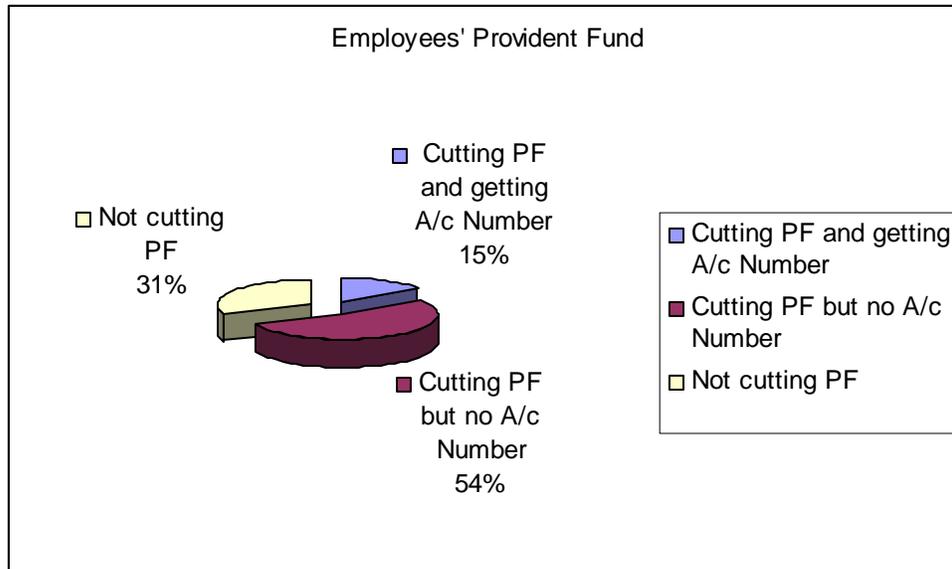
Only 31% workers have ESI facility (Employee State Insurance that enables workers to get health service from specified government facilities), among the studied sample.

The following table shows the percentage of workers in these factories having ESI facility.

Factory	% of workers reported to have ESI	% of workers reported not to have ESI	Total
Factory B	23	77	100
Factory A	42	58	100
Factory C	48	52	100
Factory D	15	85	100
Factory E	18	82	100

Contract workers do not get PF, ESI and any kind of benefits from the factories.

Most of the workers, including contract workers and direct workers get a meagre bonus of Rs 500-1000 once a year during Diwali in November. Other than this, they do not enjoy any benefits from the company.

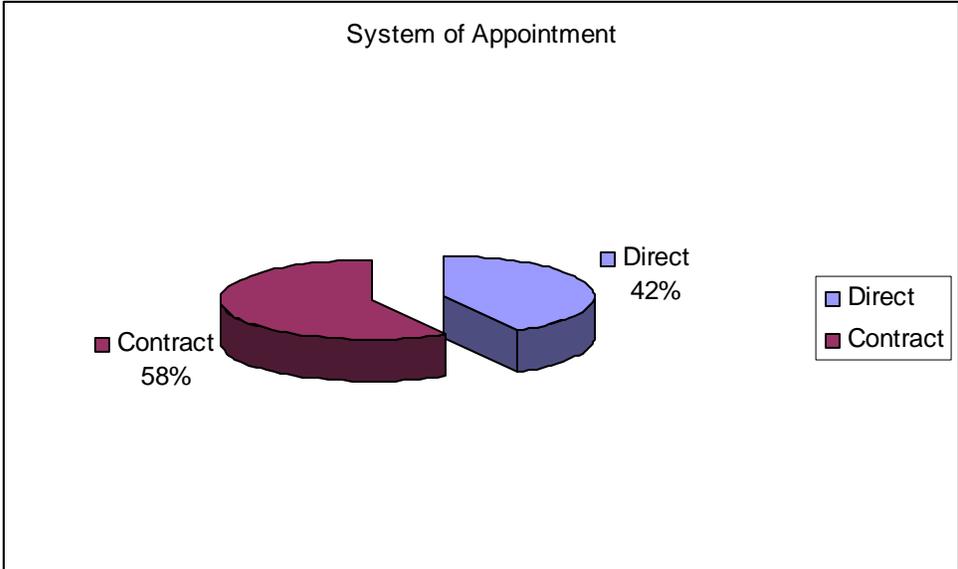


- **Discrimination**

Contract labour system is very prominent in this industry. 58% workers responded that they are working on contract labour basis. Companies employ contractors to supply them with labour. All workers, male and female working on contract labour get paid 15-20% less than those working on direct appointment by the company. Only 42% workers are employed directly by the company. Companies rely on contract system because 'Hiring and Firing' is very easy under the contract system and hire and fire is used extensively in this industry to discipline worker.

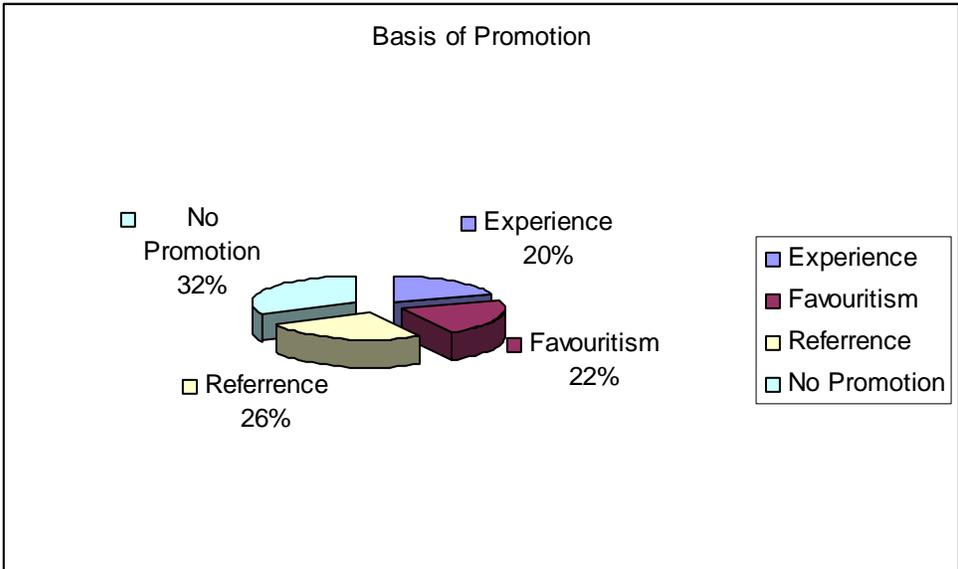
The following table shows the percentage of workers appointed on contract basis and directly by the factory.

Factory	% of workers on contract basis	% of workers appointed directly by the factory	Total
Factory B	77	23	100
Factory A	23	77	100
Factory C	57	43	100
Factory D	65	35	100
Factory E	90	10	100



- Promotion & Training**

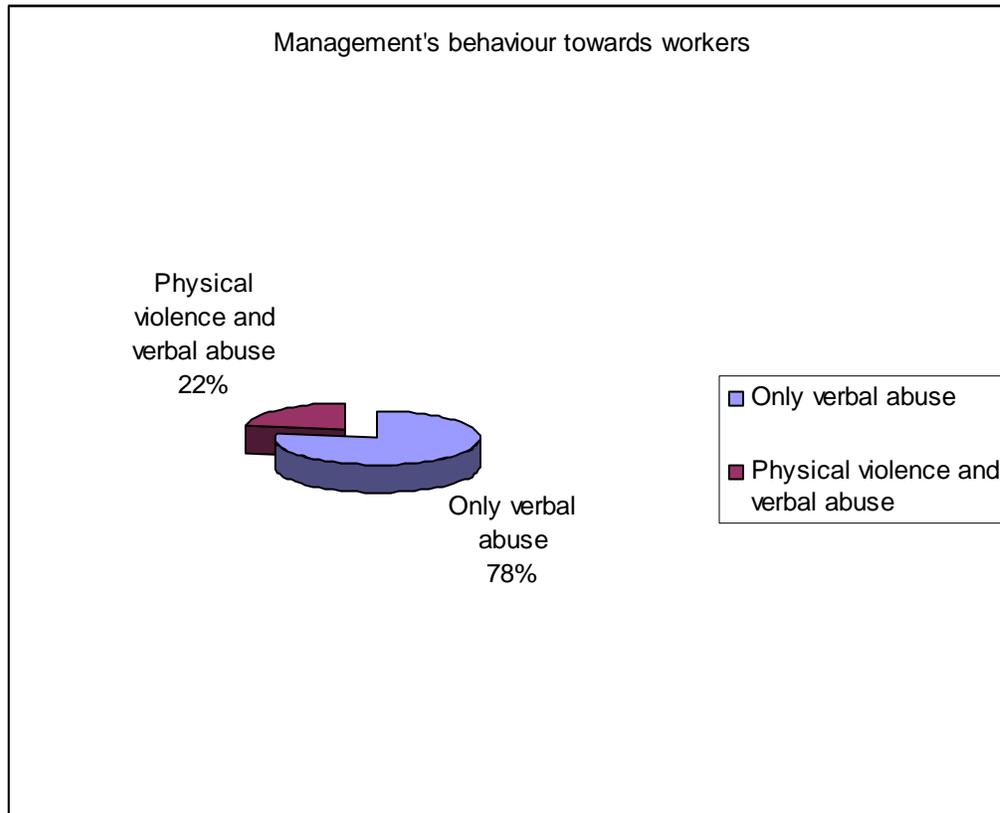
32% workers responded that there is no system of promotion in their companies. There are some workers who have been working in the factory for the last 12-18 years on the same post. 20% workers said that promotion is based on experience. 26% workers said that promotion depends on reference and 22% workers said that management promotes only those people who spy for them.



All workers said that management never imparted any kind of training to workers in these factories.

Verbal Abuse and Physical Violence

In all these five factories verbal abuse and physical violence are very common. All workers covered under this study reported that there is verbal abuse in their companies. 22% workers reported that there is physical violence also. All workers from Factory B report physical violence in their company.



- **Discrimination against Women Workers**

In all these factories, men workers and women workers do the same work and earn the same low wage. All workers responded that supervisors use demeaning language for with workers. 92% workers said that use of demeaning language is more frequent towards women than men. 22% workers reported physical violence also in their companies. *“There are cases of owner of the factory himself beating up workers in my factory”*, a worker from Factory B says. 13% workers from Factory B reported physical abuse of women in their factories.

The following table shows workers sense of discrimination towards women.

Factory	% of workers reported more verbal abuse to women	% of workers reported that men and women are equally the victims of verbal abuse	Total
Factory B	95	5	100
Factory A	88	12	100
Factory C	90	10	100
Factory D Apparels	95	5	100
Factory E	91	9	100

“ One cannot withstand the way the supervisors and floor in charge talk to women. But we are helpless. We cannot do anything. If you say something against it, the next target will be you. So we keep quiet hearing the abuses towards our sisters”, a worker from Factory B.

‘Getting abuses has become part of our daily life. Nothing can stop the management from abusing us. We are powerless’, a worker from Factory D.

- **Status of payment**

Only 46% workers work on the basis of salary. 54% of workers work on piece rate basis. There are two types of piece rate work, one is called ‘full piece rate’ and another one ‘part rate’. Under full piece rate system, a worker has to make the full piece. But the rate depends on the fabric and the style. For instance, for a simple cotton, half sleeve shirt, a worker will get Rs.15 and worker has to make 8-10 shirts a day. For a designer shirt in a different fabric, worker will get Rs.150 to Rs175. And normally, a worker will be able to make 4 shirts in three days. Under ‘part rate’, a worker has to make, collar, cuffs, pocket, plate etc. For that the normal rate is Rs. 4 - 5 a piece and the normal target would be 30-35 pieces a day.

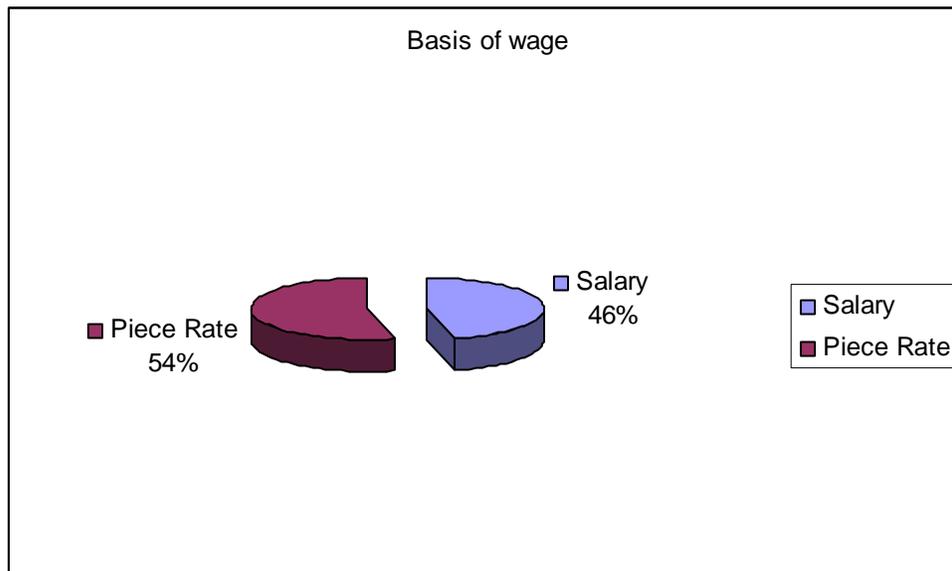
The following table shows the percentage of workers employed on salary and piece rate basis in every factory.

Factory	% of workers reported to be working on salary	% of workers reported to be working on piece rate	Total
Factory B	32	68	100
Factory A	77	23	100
Factory C	48	52	100
Factory D	25	75	100
Factory E	36	64	100

Working on piece rate will fetch workers less than minimum wages for 8 hour schedule and that will necessarily lead to doing over time. Some of them are doing “ over ‘over time’ ”.

Piece rate system is very complicated and the economics of piece rate system should be studied thoroughly.

Those workers who are on salary also has unachievable hourly target which will lead to over time. The situation is not different in any of the companies under our study.



- **Workplace Environment**

In all factories there are separate toilets for men and women but 93% workers responded that these are not adequate for the work force in their factories. 53% workers said that these toilets are so unhygienic that they do not want to use them unless it is very urgent. 70% workers said there is no water available in these toilets more than half of the time. There is no restriction from management’s part in using toilets, all workers said.

“I do not normally use toilets in the factory. Toilets are always stinking”, a worker from Factory B.

‘The factory does not believe in providing good toilet facilities, drinking water etc. We suffer, particularly in summer’, a worker from Factory D.

Percentage of workers reported inadequate toilet facility in their factories

Factory	% of workers reported inadequate toilet facility	% of workers reported unhygienic toilets	% of workers reported unavailability of water in toilets
Factory B	95	81	91
Factory A	92	42	58
Factory C	90	38	62
Factory D	95	50	70
Factory E	91	55	73

53% workers said that these toilets are so unhygienic that they do not want to use them unless it is very urgent. 70% workers said there is no water available in these toilets more than half of the time. There is no restriction from management's part in using toilets, all workers said.

- 77% workers said that there is not enough light in the factory. 24% said that there is not enough air in the working rooms. There is a canteen in every factory we covered under this study but these canteens only work when there is night shift. 89% said that the food served in the canteen is unhygienic and stale. *"Your stomach will go bad forever, if you eat two weeks regularly from the factory canteen"*, a worker in Factory B said.

- **Medical Facility**

All workers said that there is no medical facility available in the factory. There are first aid boxes containing tablets and workers are instructed to have certain tablets if they have problems. But no service of doctor is available. 72% workers said that they never received the service of factory doctors when needed.

Factory	% of workers reported no medical facilities received inside the factory
Factory B	82
Factory A	65
Factory C	71
Factory D	70
Factory E	73

All Factory B workers said that if they fall ill in the factory, they are instructed to take tablets and continue to work. Workers from all other factories said that they are sent back home, if they fall ill and mark absent in the register and their wage is cut. No worker said that they get paid sick leave from the factory. *"Wage is cut*

if we do not go to work, due to whatever reasons”, one worker from Factory A said.

Only 43% workers said that they are provided with clean drinking water. “I have been carrying water from home for last 6 months after I fall ill due to unclean drinking water from the company”, a worker from Factory D. This is ironic because the supply of water in workers’ homes is poor in quality to start with. “The drinking water we get in the factory is not good. One can see physical impurities in it”, a worker from Factory B.

‘Factory will not care us going sick and there fore, they do not provide us safe drinking water. At any given time some workers are sick because of the bad drinking water’, a worker from Factory E.

Following table shows the availability of drinking water in factories.

Factory	% of workers reported non availability of safe drinking water inside the factory
Factory B	68
Factory A	50
Factory C	48
Factory D	65
Factory E	55

- **Safety**

The workers interviewed respond that no accidents happened in their knowledge. 61% workers reported that there are emergency exits in their factories but 43% said that these emergency exits are locked. All workers said that they have seen fire extinguishers hung on the walls but do not know how to use them in case of emergency. No worker knows what fire drills are. There is no Health and Safety Committee in any of these factories.

The following table shows how many of the companies having emergency exits.

Factory	% of workers reported emergency exits in their factory	% of workers reported locked emergency exits
Factory B	56	41
Factory A	50	31
Factory C	86	62
Factory D	45	35
Factory E	82	55

V. GAP: ACTUAL INCOME & MONTHLY EXPENDITURES

Workers in the study calculated approximately their total monthly expenditure to be an average of Rs.6500.50. This may be an under-estimation as workers are habituated to think in terms of what can manage to survive with rather than what they need. 41% of this goes to food, 15% goes to housing, 8% goes to healthcare and education, 2% goes to entertainment, 3% goes to clothes and other necessities, 18% is sent home, 10% is other expenses, 3% is spent on transportation. 10.44% of total monthly income is spent on other expenses which includes repayment of loans, phone charge, spending on festivals, friends' and relatives' marriage, child birth etc.

Total Monthly Expenditure- Factory wise information

Factory	Total Monthly Expenditure (in Rs)
Factory B	5925
Factory A	6673
Factory C	6980
Factory D	6212
Factory E	6709

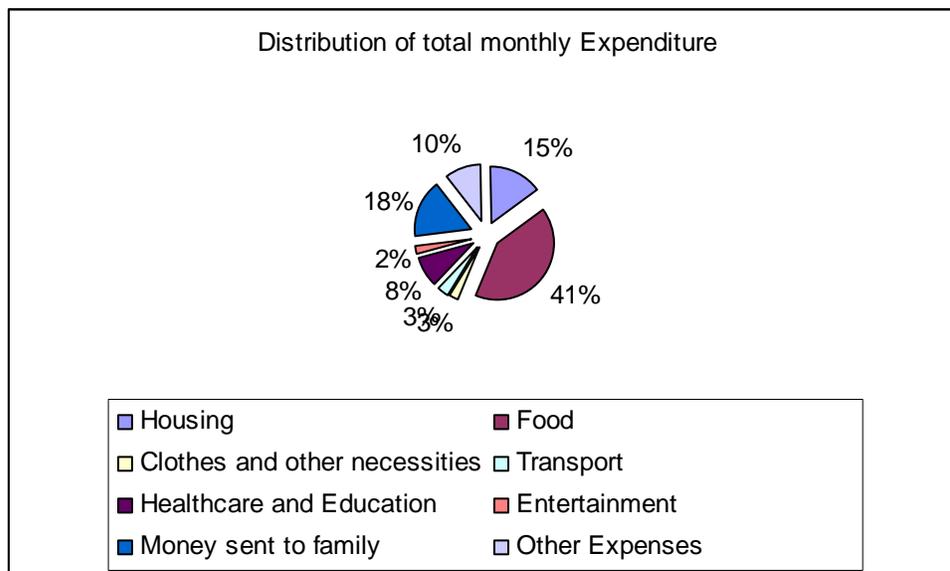
'We are not able to live a decent life with the money we earn. Living in NCr is very expensive. Have to struggle hard to save a 1000 or 1500 Rupees to send home. We know how to go to bed half empty stomach after 13-14 hours of worker', a Factory B worker says.

Saving is not even in their dreams. " We are not in a position to live a decent life today, give good education to our children, take care of our old parents. How can we even think of saving for tomorrow.", a Factory E worker.

'We are born to live and die in debts', a Factory B worker says.

The following table shows the components of total monthly expenditure. The table shows the amount workers spend just to survive in NCR, not to lead a comfortable life.

Items	Monthly Expenditure	Percentage
Housing	1000.5	15
Food	2607	41
Clothes and other necessities	190	2.9
Transport	215	3.3
Healthcare	315	4.8
Education	232	3.6
Entertainment	162	2.5
Savings	---	
Money sent to family	1100	17
Other Expenses	679	10.44
Total Monthly Expenditure	6500.5	100



Workers monthly earning on an average including overtime is Rs. 4585.5 and on an average of 6 persons live on this wage. As there is an average gap of Rs 1915 between the average monthly expenditure and average monthly income, these workers are always in debts.

'After all exploitation by factory management and looting by landlords, local shopkeepers and other service providers, we hardly end up having a Rs.1000 to send home', a worker from Factory C

The Asia Floor Wage, living wage calculation shows that Rs.6968 is the minimum living wage a garment industry worker in India should get to support a family of four by working a 48 hour (8 hours* 6 days) work week.¹

VI. CHILD LABOUR

All companies in Gurgaon display a board saying, “There is no worker who is less than 18 year old is employed in this factory” Workers anecdotally say that there is no incidence of child labour existing in these factories.

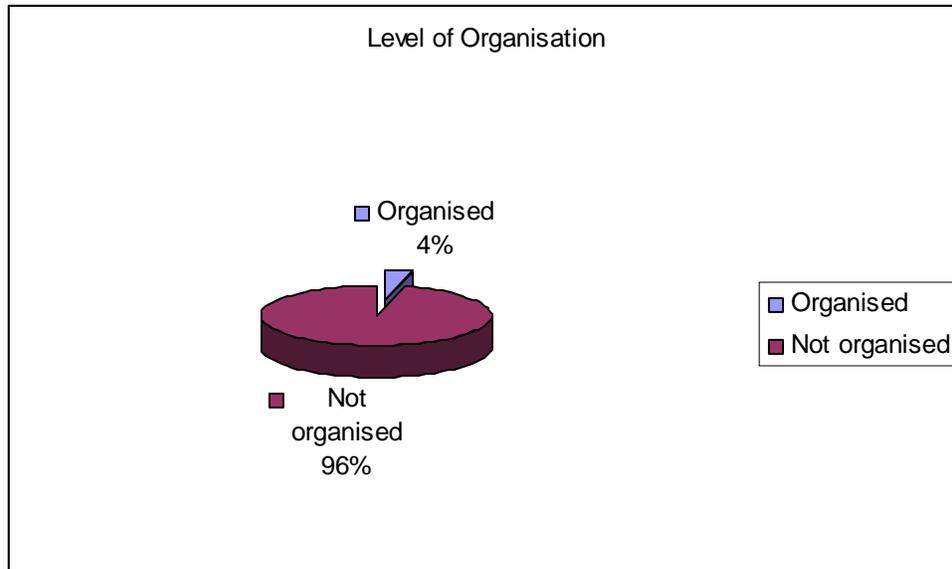
VII. FREEDOM OF ASSOCIATION

None of these five factories has a trade union. Only 4% (two from Factory B and two from Factory A) workers reported that they are members of trade unions and no worker interviewed has tried to form unions in these factories. 90% companies in Gurgaon employ local goons to take care of any sort of problems in the companies. Workers say that they can not even complain against late payment. There are cases of workers getting beaten up by local goons employed by the companies. If workers try to form union, they may lose their jobs, may have to face companies’ goons, in some cases they have to face false police cases against theft, or face abusive management and sexual harassment. These are very common tools with the management to suppress any kind of initiatives from the workers’ side to get organized. In Factory B, goons are employed and workers are literally frightened to complain against anything. A group of workers interviewed from Factory B say that *“We want to be part of union and form unions in our company. We know that union will make us strong and we will be able to talk to the management fearlessly, but we are scared. Scared of the brutal management. Every day workers are beaten up in our company. If the management observes anything abnormal, (worker talking about the injustice happening, seeing workers in a group is also abnormal here), they know how to bring back balance by using threat and force.”*

‘If the management has any doubt of a worker associating with any group, they will trouble the worker and terminate as soon as possible. Managements in gurgaon are normally very much intolerant towards this’, a worker from Factory A.

‘Management generally discourages workers by saying bad stories about unions. Like unions giving empty promises to workers and cheating them by associating with management through backdoors’ a group of workers from Factory E says. Other companies covered under our study also use threat and force to discipline workers. So, there is no question of ‘freedom of association’.

¹ See, www.asiafloorwage.org to know how this figure is arrived at.



There is no dispute settling mechanism existing in any of these factories. No workers remember any kind of strikes or manifestations in their factories. 73% workers said that the management knows how to act (threats, firing etc) when they detect any sign of conflict. 92% workers responded to this study said that they are in an agitating state of mind but they always suppress their urge because of helplessness.

VIII. OCCUPATIONAL HEALTH

Generally, these workers do not work with chemicals or toxics. But 67% workers identified that they are suffering from different types of health problems connected to work. These health problems include eyesight problems, gastroenterological problems, back pain and cervical spondylitis, sleeplessness and headache due to night shifts, urinary tract infection due to no access to drinking water and controlling the urge to pass urine, anaemia, skin diseases etc. A local organizer of a trade union in Gurgaon reported that he does not know a single worker who is not suffering from some sort of occupationally related disease especially among garment workers. Not even a single worker with a healthy face can be seen in the industry and these workers get old very early in their life.

Factory	% of workers suffering from health problems related to occupation
Factory B	77
Factory A	62
Factory C	67
Factory D	65
Factory E	64

IX. CODE OF CONDUCT

All workers reported that buyers and auditors visit their factories regularly but they never get a chance to talk to the buyers freely. Management representatives move along with the auditors and buyers in order to make sure that workers do not complain to them about the working conditions and other problems existing in the factories. All workers said that superficial changes are made in the factories and strict instructions given to workers during buyers' visits. There are small sessions of training given to workers on what to tell and what not to tell buyers in all these five factories one or two days before the buyers' and auditors' visits.

A worker from Factory B says' I was beaten up last year for allegedly trying to talk to buyers. After buyers left I was called to the managers' cabin and asked me to sign on a blank sheet of paper. When I refused to do so, I was beaten up severely" when asked why he did not file a complain against the factory management, he replies, " I am a powerless migrant worker who is here to work and take care of my family. Management has employed local goons, if I go ahead with a complaint, I will be beaten to death outside the factory, No one is here to talk for us. We are helpless in this city"

The story is more or less same in all these five factories. Instructions given to every workers:-

- Workers have to come in nice clothes, which most of them cannot afford
- They wear shoes, not slippers (which is the usual custom)
- They are instructed to hang their identity cards around their necks.
- They are instructed to tell the buyers that
 - They are paid in time
 - They are paid Rs.8000-9000 without overtime, when they are actually paid Rs.3000-4500.
 - They are paid legal rate (double of the normal rate) for the overtime they do.
 - They do not work more than 2 hours overtime a week
 - The company does not make workers work at night.
 - There are proper medical facilities available for workers
 - They are getting leaves they are entitled to.
 - They are getting bonus, gratuity, ESI, PF etc.

Other temporary arrangements that are made for visits:

- Muster rolls become available
- Doctor/s shown as available in the factory
- Ambulance as available
- Proper lighting in the factory
- Safety measures taken like proper fencing of machines etc
- Safe drinking water made available
- Toilets are made clean

- New towels and soap made available in the toilets
- No overtime work is given
- Proper tea breaks are given
- Supervisors do not abuse workers
- Working rooms are not crowded with machines. Excess machines are removed
- Workers working on contract and casual basis are told not to come for work.
- Notice boards renewed and many notices displayed on the board.

The day before buyers come there are instruction classes conducted by supervisors. Workers are threatened not to say a single word that is not in favour of the factory. All workers responded that they do not know what a code of conduct is.

A Factory B worker asks, 'What is the point in inspecting after informing the factory management, they will always get enough time to change the settings and impress buyers'

'The settings and preparations before buyers coming is very funny. Everything is well arranged for that day. Buyers should come for inspection without letting the management know in advance. Then only buyers will be able to catch them red handed', a Factory C workers says.

'What is happening in the factory on the Buyers visit/ auditors' visit day is just a drama. We feel that we are acting in a drama that day', a worker from Factory E.

'Buyers are particular about workers getting good treatment and all facilities, I know. But how are we going to benefit if the management is always able to befool buyers giving the wrong picture. Buyers should come inspection without informing in advance' a worker from Factory A.

'We always wanted to talk to buyers but never got a chance. Top management persons will always be moving with buyers. We know that management respects buyers. There is law in this country to protect us but what to do if management do not respect these laws. Only entity they respect and obey to are buyers. But buyers will never get the correct picture of the situation in the factory' a Factory D worker.

All workers have the opinion that buyers should visit factories without informing the factory management in advance so that they can find out the real working conditions in their factories.