



Still 'Captured by Cotton'?

Update on exploitation of women workers in the garment industry in Tamil Nadu, South India

SOMO



Following the thread

In May 2011, the Centre for Research on Multinational Corporations (SOMO) and the India Committee of the Netherlands (ICN) published the report 'Captured by Cotton – Exploited Dalit girls produce garments in India for European and US markets'. The report uncovered troubling evidence that products for big garment brands and retailers were being made by girls under exploitative working conditions in Tamil Nadu, South India.

Currently, SOMO and ICN are working on a follow-up report, which is scheduled for publication in mid-April 2012. New field research has been conducted, including interviews with nearly 200 women workers. The new report examines the current situation at the four garment manufacturers originally investigated for Captured by Cotton. SOMO and ICN look at what the industry promised to undertake to curb labour abuses following the first report, what has actually been achieved, and to what effect. In advance of the forthcoming report, this fact sheet highlights some of the findings and recommendations.

Some improvements – but problems persist in the supply chain

In Captured by Cotton, SOMO and ICN revealed that a huge number of girls and young women working in the garment industry in Tamil Nadu in South India were employed under the so-called 'Sumangali scheme'. This exploitative scheme is tantamount to bonded labour, because employers are withholding part of the workers' wages until they have worked for three to five years. In addition, it was found that workers were severely restricted in their freedom of movement and privacy.

The majority of the Sumangali workers are from lower castes like the Dalit and come from marginalised communities. They are driven to work in urban areas by extreme poverty – lured by promises of a good income and a lump sum to pay for their dowry (which is forbidden by Indian law).

Since the first report, some improvements in employment conditions have been observed at the four manufacturers. Wages have increased, and so has the final amount that workers may receive at the end of their contract. Reportedly, workers at one manufacturer now receive the saved sum even if they quit their job before the contract has been completed. Another manufacturer has adopted a stated policy of only hiring workers who are over 18 years old.

Consultation between manufacturers, buyers, local NGOs and trade unions in the Tirupur Stakeholder Forum has resulted in guidelines for hostels where female workers live (September 2011). Workers' living quarters have improved somewhat, with less people per dorm. Workers also said there had been some improvement in the food served in the canteens.

There have also been some token improvements regarding freedom of movement. Permission to leave the factory compounds is granted more easily; sometimes groups of women are allowed to go out shopping unaccompanied.

However, major problems still persist, including the recruitment and employment of women workers under bonded labour schemes, as well as other forms of unacceptable labour abuses. Employers still recruit from among the poorest and most marginalised communities. Women workers are still expected to work for long hours of forced overtime, sometimes for up to 24 hours a day. And women workers frequently face physical and sexual abuse.

Companies have a responsibility to ensure that workers' rights are respected throughout their supply chain. Some have taken steps to address the issues uncovered in SOMO and ICN's first report. However, more needs to be done. Initiatives to phase out labour abuses should meet certain requirements in order to be effective and sustainable. It is essential that these initiatives are undertaken in a genuine multi-stakeholder setting, in particular involving local civil society stakeholders and the government. A credible initiative needs to set ambitious, concrete and time-bound goals. Furthermore, companies and retailers need to be transparent by informing interested parties about the progress of their actions. Such initiatives should be supportive of active labour unions, mature industrial relations between employers and unions, and a law-enforcing government.

Further information

The follow-up report is scheduled for publication in April 2012 and will be available from SOMO's website. The 2011 report 'Captured by Cotton – Exploited Dalit girls produce garments in India for European and US markets' can be downloaded at http://somo.nl/publications-en/Publication_3673.

Issues of concern

- ❑ Bonded and forced labour have not been abolished, but are still reported on an extensive scale.
 - ❑ No significant improvements have been found in terms of working hours and forced overtime. Cases of extreme long working days of up to 24 hours have been reported.
 - ❑ Occupational health and safety incidents continue to occur.
 - ❑ Women workers are still facing physical and sexual abuse.
 - ❑ Employers still knowingly and willingly recruit workers from the poorest and most marginalised communities, like Dalits, exploiting the fact that workers have no choice but to accept demanding working conditions and low wages.
 - ❑ Despite Indian law, buyer's codes of conduct and stated policies from at least one of the manufacturers, child labour has still not been abolished. At the four investigated manufacturers, girls younger than 16 were found to be working. At two of the manufacturers, researchers found girls younger than 14 in the workforce.
 - ❑ There are no trade unions active in the production units.
- None of the researched manufacturers have effective and independent grievance mechanisms.
- ❑ Dalits and girls from low castes are in a particularly weak position when negotiating labour conditions or filing complaints when facing harassment.
 - ❑ Allegedly, buyers have stepped up social audits, but only on the level of end-product units. Other units of the vertically integrated manufacturers are hardly monitored, let alone smaller suppliers further up the supply chain.
 - ❑ Interviewed workers testify that they are under pressure to give certain responses to audit questions. At least at one manufacturer 'audit trainings' take place.
 - ❑ There are signs that manufacturers provide forged accounts of working hours, in an attempt to keep their customers unaware of non-compliances and irregularities.
 - ❑ Auditors may not be sufficiently equipped to detect degrading treatment because of caste background or specific aspects of bonded labour schemes, such as forced saving schemes.

What can be done?

- ❑ Garment brands and retailers should commit to proper due diligence processes to manage their entire supply chain. This should include mapping suppliers beyond first or second tier levels, identifying risks, and detecting human rights violations along the supply chain.
 - ❑ As a consequence of spreading their production, individual buyers have less leverage over their growing supplier base. Purchasing practices should reinforce the implementation of corporate social responsibility (CSR) policies, instead of undermining them, as is often the case.
 - ❑ Focused attention should be given to caste discrimination in relation to certain labour rights.
 - ❑ Dialogue and collaboration with local trade unions and labour groups is essential. Buyers should commit to facilitating the establishment of trade unions at their suppliers, training of workers regarding workers' rights and liberties as well as occupational health and safety and gender issues. They should ensure that proper, independent complaint mechanisms are put in place.
 - ❑ When relying on for-profit social auditors, increased attention has to be given to improve auditing methodologies.
- ❑ Further collaboration is needed among buyers, for instance within the ETI Sumangali Bonded Labour group, or the Fair Wear Foundation. Collaboration on an industry level is essential, bringing together vertically integrated, as well as smaller, manufacturers, their suppliers – in particular the numerous spinning mills and weaving units – business associations and buyers. Important Tamil Nadu actors need to be involved, including: the Tirupur Exporter's Association (TEA), the Southern India Mill's Association (SIMA) and the Tamil Nadu Spinning Mills Association (TASMA).
 - ❑ Indian authorities are expected to enforce labour laws, both at the national and state levels.
 - ❑ US and European governments should address these issues with companies headquartered in their respective countries, in line with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.
 - ❑ There is a need for concerted 'CSR diplomacy' by US and European governments in the context of on-going diplomatic and trade relations with their Indian counterparts.



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