Decent Work and Economic Growth in the South Indian Garment Industry

Authored by

Andrew Crane
Vivek Soundararajan
Michael Bloomfield
Laura J. Spence
Genevieve LeBaron

UNIVERSITY OF BATH

ROYAL HOLLOWAY UNIVERSITY OF LONDON

The University Of Sheffield.

Acknowledgements

Executive summary

This report focuses on the South Indian garment industry clustered around Tirupur and specifically on the labour challenges faced by the industry.

We conducted 135 interviews and engaged in a series of consultations with around 100 further participants (including business actors, workers, NGOs, unions, and government agencies) in South India during 2018-19 to explore these challenges and potential solutions.

We found that the industry is at a crossroads. Despite decades of growth it faces three main labour challenges – competitive threats from lower cost producing countries, labour shortages, and reputational challenges around decent work.

There is a widespread belief in the industry (including among employers, unions and workers) that pay and working conditions in the cluster have improved and that the worst forms of exploitation have declined in prevalence.

However, exploitation persists in a variety of forms. The most common forms of exploitation are restrictions on freedom of movement, health and safety violations, low pay, lack of contracts, gender discrimination, verbal abuse, and limited opportunities for collective bargaining and association. There is some, but more limited, evidence of forced, bonded and child labour.

These problems are a result of persistent structural conditions that give rise to exploitation. These include demand-led factors (namely, the cost, time and flexibility pressures experienced by producers) and supply-led factors which lead to vulnerability of workers (namely gender inequality, limited economic choices, and limited knowledge of relevant rights and protections among workers).

To tackle these challenges, local actors have experimented with a range of different approaches. We identify four main alternative pathways to change: (i) Economic upgrading; (ii) Responsible migration; (iii) Relocation of manufacturing; (iv) Diversification. Each offers its own set of opportunities and challenges for addressing decent work and economic growth.

We recommend that the industry and its stakeholders should collaborate to develop a shared Vision 2030 and accompanying goals to address decent work and economic growth in the sector. This should be used to drive alignment around a common strategy and provide a means for external branding of the cluster.
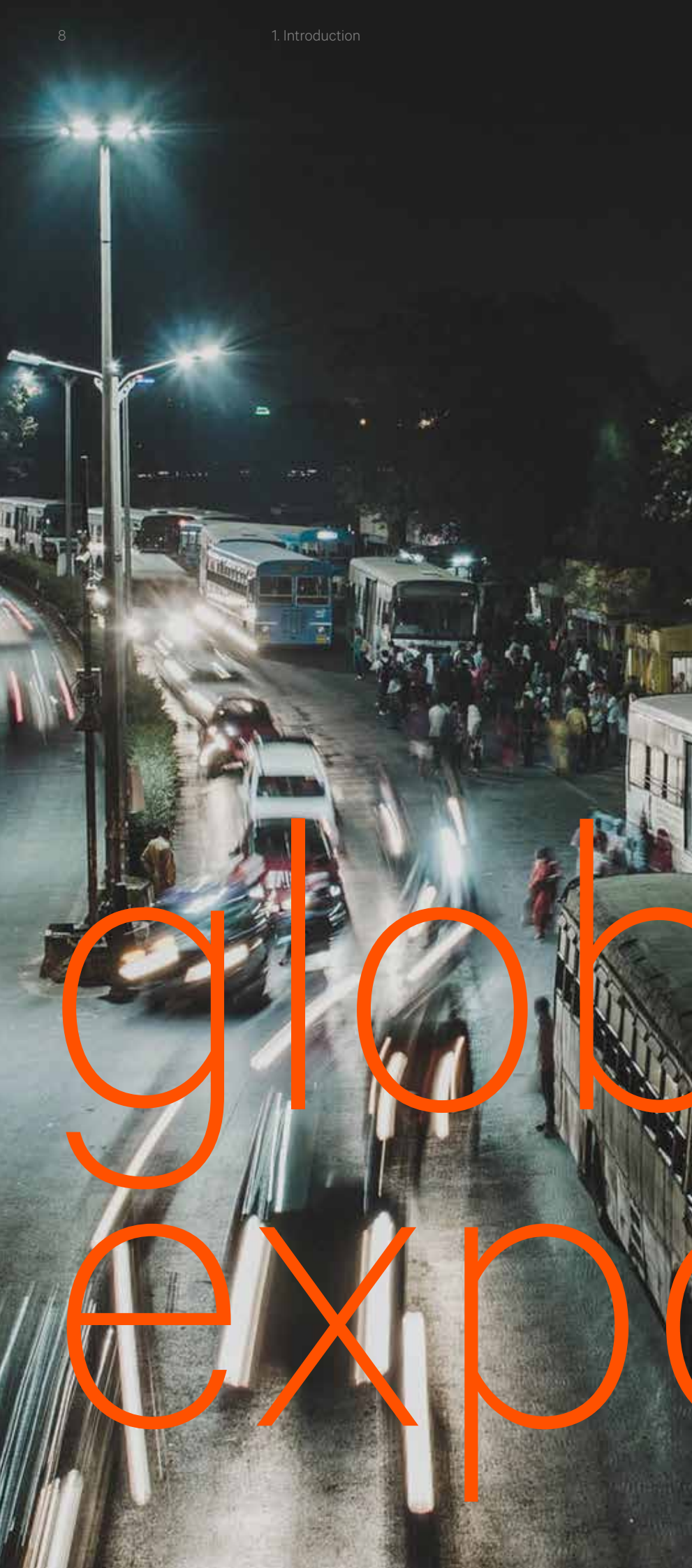
A multi-stakeholder taskforce should be formed to lead the Vision 2030 initiative. We recommend that this process be formalized and inclusive and led by an independent organization or chair.

Three key focus areas for the Vision 2030 should be freedom of movement, health and safety, and the development of worker-driven social responsibility. We offer 12 practical recommendations for key stakeholders to implement to tackle these focus areas.

Contents

1   Introduction

The South Indian garment industry clustered around Tirupur is a major manufacturing hub accounting for around 45–50% of all knitwear exports from India. Major global brands and retail chains including Adidas, C&A, H&M, Nike, Primark, and Walmart import clothing and textiles from the region.

Until recently, the Tirupur cluster had experienced rapid and sustained growth. The continued success and growth of the cluster is important for local and national economic development. However, today Tirupur stands at a crossroads. The industry faces three key challenges: increased competition from lower cost countries, labour shortages, and reputational problems around labour conditions. International brands, the media, and local NGOs continue to pressure the industry to improve working conditions, including the eradication of extreme forms of exploitation, such as forced and bonded labour.[1]

Our goal in this report, therefore, is to explore how to achieve economic growth in the South Indian garment industry while at the same time ensuring that workers experience decent work. To achieve this, we draw on 135 interviews and follow-up consultations with business actors, workers, NGOs, unions, and government agencies, conducted in South India during 2018-19 (see appendices for details).

Using the insights from these interviews and consultations, we first explain the nature and extent of the challenges facing the industry, and their implications for economic growth in the region. We then go on to show that, contrary to what some critics have suggested, many stakeholders believe that working conditions in the cluster have substantially improved and that the worst forms of exploitation are less widespread than in the past. However, exploitation does persist and poses a serious risk for the cluster in terms of reputation and continued growth – and, of course, for the workers themselves. We demonstrate that the drivers of this exploitation are deep-seated and structural, comprising both economic pressures from along the value chain, and social and cultural factors within worker communities.

Our analysis suggests that local business leaders are experimenting with four main pathways that could enhance both economic growth and decent work. These are: (i) economic upgrading; (ii) responsible recruitment of migrant workers; (iii) relocating manufacturing; and (iv) diversification. We describe each pathway and identify the main opportunities and challenges that they pose for addressing the twin problems of economic growth and decent work. We conclude that the garment industry will need to develop a collective Vision 2030 that maps out how these pathways will be developed to couple economic growth with decent work. This should be developed through a multi-stakeholder taskforce of key actors in and around the industry. In particular, we recommend that, by 2030, the taskforce prioritises its attention to tackling three key issues: freedom of movement for hostel workers, eradicating health and safety violations, and the development of worker-led social responsibility.

global exports

1.   We use the ILO definition of compulsory or forced labour "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily." ILO Forced Labour Convention, 1930 (No. 29)

Tirupur at
the crossroads

The Tirupur garment industry cluster is at a crossroads. The considerable success that it has achieved so far is under threat by a range of challenges. Here we briefly describe these successes and challenges before focusing in on threats to decent work in the next section of the report.

2.1   Growth of Tirupur – successes and advances

Tirupur is in many respects a success story. Exports have grown exponentially since the 1980s (See Figure 1), amounting to some Indian National Rupee (INR) Cr 25,000 (US$3.6bn) in 2017. There are now more than 8000 manufacturing units and 2000 spinning mills in the cluster.[2] The region is particularly strong in knitwear with a wide range of activities taking place including garment production, dyeing and bleaching, printing and embroidery. Although Tirupur is now held up as a successful example of the industrial cluster model of regional economic development, the industry has managed to grow and flourish with relatively modest government support.

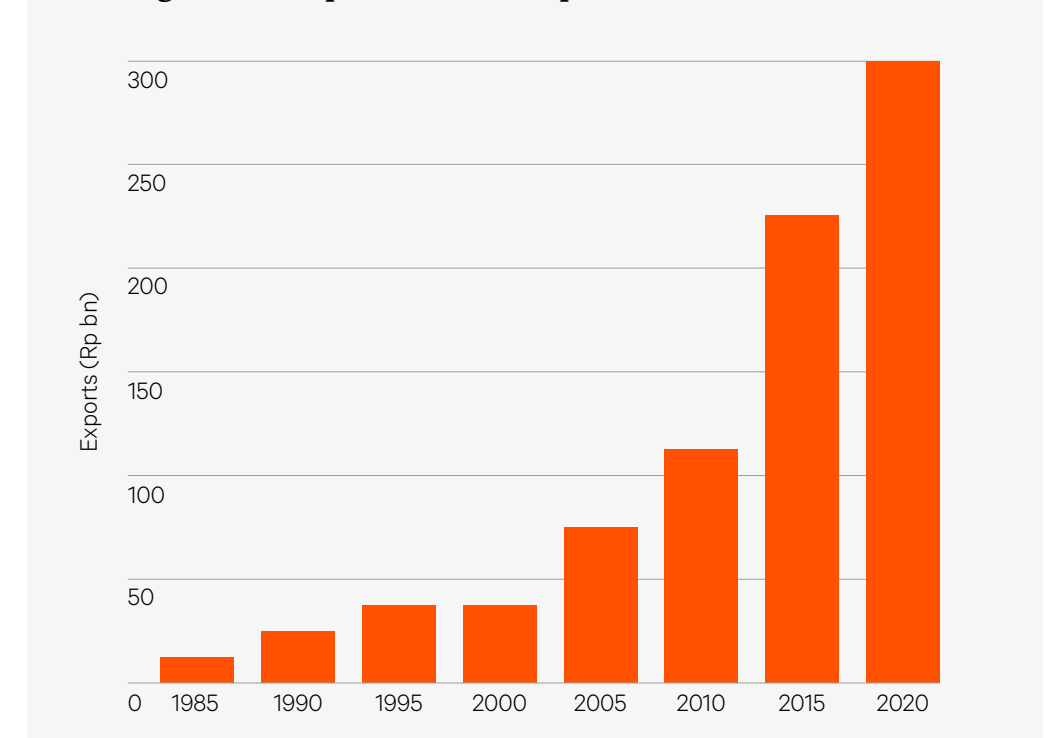**Value of garment exports from Tirupur**

Figure 1:

2.   thehindu.com/news/cities/Coimbatore/majority-of-textile-mills-closed-in-tamil-nadu/article2042295.ece

This success has brought improved economic prospects to many in the region. The cluster is estimated to employ some 300,000–400,000 workers, and Tirupur has one of the highest rates of employment of anywhere in India.[3] Pay and working conditions have also gradually been enhanced. A common motto among many business leaders is some version of "the worker of yesterday is the factory owner of today". There is some truth to this. A number of garment industry entrepreneurs in the region were previously workers, such as tailors or brokers, or they are the sons of entrepreneurs that began as workers or farmers. This social and economic mobility has been an important aspect of Tirupur's success.

> My father started this business in 1975. He was a tailor himself and that's how the business started. We started manufacturing for some local brands here and then later export buyers came into Tirupur and we started manufacturing for export. Until very recently, we had around 1300 workers working here at the factory."

Export Unit 4 – Owner

Another notable success of the cluster has been its attention to sustainability. Tirupur is probably unique among garment industry clusters in having a commitment to zero liquid discharge in its dyeing units, where all water is recovered and contaminants are reduced to solid waste. The cluster has also invested substantially in renewable energy, making it something of a leader in environmentally responsible garment production.

2.2   Competitive challenges

Despite these achievements, Tirupur is facing significant competitive challenges that threaten its continued success. In particular, there is growing competition from lower cost producing countries in Asia, such as Bangladesh, Pakistan, Sri Lanka, and Vietnam, as well as new entrants in Africa, most notably Ethiopia.

The lower costs enjoyed by these producers have a number of sources, namely:

— **Lower labour costs:** Countries such as Bangladesh, Laos, Myanmar, Pakistan, Sri Lanka and Vietnam all have lower average labour costs for garment workers than India.[4] Wages in Ethiopia can be as little as one quarter of those earned in Tirupur.[5]

— **More efficient production:** Efficiency in Tirupur garment factories tends to be lower than in many of their Asian neighbours. For example, while in Vietnam efficiency rates of 90% are common, in Tirupur factories 50% is the norm.[6]

— **Lower import tariffs:** Countries with least developed nation status such as Bangladesh enjoy beneficial trading relationships with the European Union in the form of duty-free imports for ready-made garments. This makes India-produced garments 10% more expensive than those from least developed countries.

These cost advantages are used by brands to pressure Tirupur producers to reduce prices, especially for larger orders.

> Five years before, they were paying two dollars. Now they are paying 1.5 dollars because they have opportunity of getting 1.5 dollars in other countries, Bangladesh, Vietnam, Sri Lanka, now Africa. So now I am under pressure to make the product at 1.5 dollars."

Export Unit 2 – Owner

2.3   Labour shortage

In addition to competitive pressures from other producer countries, a wide range of our interviewees suggested that the cluster is facing a severe shortage of both skilled and unskilled labour. Comments such as "our main problem is labour," "no new labourers are available," and "we hardly get any local workers," are common across employers in the sector.[7] Companies are struggling to recruit and retain workers, especially skilled, locally-based, young women but shortages are experienced across the board. Such workers agree that the industry is no longer very attractive for them.

> Nobody comes to work in this field now. The older generation is there, not the younger ones. I don't think so many will come into this field."

Worker 13 – Shift worker, Garment factory

Many producers prefer to hire young (mostly women) workers with an assumption that they can work faster, can be trained and managed easily, and will accept lower wages. Women workers are mostly preferred to perform what is considered to be light duty work, including tailoring, checking, and packing, while men are preferred to engage in what is considered to be heavy duty work like ironing, lifting, driving, printing, and dyeing. Men also tend to predominate in managing and recruiting.

> Labour shortage is at present our big issue... Here, as there is shortage of workers, we are paying more and more every year. Even though we pay more, we are unable to get workers."

Export unit 2 – Owner

Although the cluster as a whole is facing a labour shortage, the most affected are exporters (when compared to domestic units or mills) due to the specific requirements they have which are shaped by the quality and time constraints imposed by buyers. While exporters can fill a part of the shortage with temporary and home workers, they prefer permanent workers to maintain quality and reduce complexities. Also, buyers tend to demand exporters employ only permanent workers. However, some workers prefer more casual, piece-rate arrangements as this enables them to be flexible and take advantage of labour shortages by moving frequently between jobs to secure higher rates of pay.

3.   timesofindia.indiatimes.com/india/With-44-of-population-employed-Tirupur-best-forjobseekers/articleshow/51387475.cms
4.   just-style.com/analysis/how-labour-costs-compare-across-25-top-supplycountries_id134052.aspx
5.   See Barrett, P. and Baumann-Pauly, D. (2019). Made in Ethiopia: Challenges in the Garment Industry's New Frontier, New York University Stern Centre for Business and Human Rights
6.   thenewsminute.com/article/how-making-india-becoming-unviable-tiruppur-sgarment-industry-91232
7.   Quotes from interviews with owners/managers in Export unit 4, Spinning mill 1, and Export unit 5.

> "
>
> Q: Why did you work for this company when there are other companies?
>
> A: It is piece rate, we can work at any time, we can work for any company. We can change to companies where they pay more.
>
> Q: Have people left the company that you work at?
>
> A: They leave as the piece rate is not enough for them, so they search for jobs in other companies.

Worker 24 – Piece worker, Garment factory

2.4   Causes of labour shortage

Numerous factors contribute to the cluster's labour shortage. Here, we list some important ones identified by our respondents, beginning with those related to the supply of suitably skilled labour in the region:

— **Declining birth rate and increased education:** Tamil Nadu has a declining native population, with a current birth rate of 1.6 children per woman, which is below the replacement rate of 2.1.[8] The rate has been steadily declining since the cluster first emerged in the 1980s at which time the birth rate was 3.4.[9] This declining native population means there are fewer young people available to enter the industry, requiring the shortfall to be made up by migrants. The population is also increasingly well-educated, with a literacy rate in 2011 (the last time of measuring) at 80%, a steep rise from 73.5% in 2001, and considerably above the Indian average.[10]

— **Attraction towards service sector jobs:** There has been tremendous growth in the service sector and associated job opportunities, which has attracted potential workers away from the garment industry. In the first half of financial year 2018-19, the service sector has contributed 57.12% of India's Gross Value Added.[11] Service sector jobs are perceived to be easier to perform than those in the manufacturing sector, with fewer negative health impacts. Also, socially, the service sector jobs are a seen as higher status jobs and the garment industry jobs are seen as lower status jobs.

> "
>
> Their expectations are high, they don't want to work in garment field. They are expecting an office job, they are not ready to work in garment factories... They need a white-collar job. They are not ready to work at labour level."

HR manager 2 – large exporter recruiter

— **Preference towards bigger cities:** Tirupur is not a preferred location for many young intrastate migrants. This is because Tirupur is seen as a small, underdeveloped city with relatively poor infrastructure and fewer opportunities beyond the garment industry. Many workers prefer migrating to bigger cities like Chennai and Coimbatore with better infrastructure and job opportunities.

8.   Data from Census India: censusindia.gov.in/vital_statistics/SRS_Report_2016/7.Chap_3-Fertility_Indicators-2016.pdf
9.   Data from Indian Planning Commission: planningcommission.nic.in/data/datatable/data_2312/DatabookDec2014%20208.pdf
10. Data from Census India: census2011.co.in/census/state/tamil+nadu.html
11. Indian Brand Equity Foundation, 2019

Tirupur town © Alamy

— **Unaffordable housing:** The living cost in Tirupur is relatively higher than the surrounding villages or the rural areas where workers come from. Tirupur also does not offer a great deal of affordable housing facilities for families, so married workers do not feel able to relocate.

— **Family control:** Some parents are not interested in their daughters migrating to areas such as Tirupur because they do not want to lose control of them. Especially, they do not want them to make their own life choices, and many express concerns about potential elopements, reputational damage, and other problems.

— **Homesickness:** Many young girls do not prefer to be away from their family. For some, hostels are too alien. They claim that hostels do not offer them a home-like setting, so they return back to their families.

In addition to these labour supply issues, there are also factors relevant to the demand side of employers that amplify the effect of these labour shortages:

— **Fluctuation in production orders:** Very few suppliers receive consistent repeat orders. When a factory cannot provide continuous work, workers move to a different factory. This makes it hard for suppliers to bring back workers when needed and there is a constant need for hiring to meet short-term production orders.

— **Competition for skilled workers:** There is a heavy competition for a limited pool of skilled workers. As a result, it is relatively easy for skilled workers to shift factories, and so retaining them remains a major problem.

— **Reluctance to employ inter-state migrants:** While there is an increasing supply of workers from North India, many companies hesitate to employ them due to cultural and linguistic differences. They also express reluctance due to these workers being perceived as taking longer leaves of absence, often at the same time, which may hinder the production process.

2.5   Reputational challenges around decent work

The third major challenge facing the South Indian garment industry is the persistence of reputational threats around decent work. Over the years, the industry has experienced a string of NGO and media reports exposing poor practices, including extreme forms of exploitation such as child labour and forced or bonded labour associated with, for example, the Sumangali system in spinning mills.[12]

This attention has spurred various initiatives to better understand the problems and develop solutions. These have been mainly led by brands, NGOs and multi-stakeholder organizations such as the Ethical Trade Initiative. Many local businesses are now certified, often with multiple systems of certification, and are widely subject to social audit from international brands.

Although competitive challenges and labour shortages are widely acknowledged among business leaders in the cluster, the reputational challenges around decent work are far less widely accepted. Although many business leaders acknowledge that the industry still faces some problems in this respect, many others dismiss such concerns. They express a number of reasons why such challenges are not relevant:

Worker in Tirupur © Alamy

— **'South India has more decent work than in competitor countries':** Many owners believe that there are much worse labour standards in other competitor countries. As one owner said to us, "India is a leader in social compliance". Worse conditions elsewhere are expected to reduce reputational threats for India.

— **'Evidence is exaggerated':** The reports of researchers, NGOs, or social auditors that identify exploitation are frequently dismissed as inaccurate or biased. As one owner puts it, "Auditors come to see the fault only. If they don't find it they look more for it until they find something. It is their job to find fault." As such, civil society activities are closely monitored and at times curbed.

— **'Labour shortages prevent exploitation':** The existence of labour shortage is held up by some business actors as an indicator that exploitation cannot really be happening. According to this point of view, if workers experienced poor pay and conditions, then because they are in such demand they could simply change to a better employer.

— **'Transparency among workers is high':** The ubiquity of mobile phones among workers is offered as evidence that any exploitation would immediately be exposed and shared with other workers. Therefore, the argument goes, businesses know they have to offer good pay and conditions to keep workers happy. Any further reputational risks around decent work are consequently expected to be minimal.

— **'The worst kinds of exploitation are rare and isolated':** Finally, while many business leaders acknowledge that exploitation occurs in the South Indian garment industry, some suggested that the worst kinds of exploitation are rare. They tended to suggest that where such problems do occur, they lie elsewhere with small, domestically-oriented, or geographically distant units. As a result, business leaders tend to assume that their own companies do not face a reputational risk.

There is some validity to these arguments but they offer a very incomplete explanation of the situation on the ground. They also seriously risk blinding business actors to the very real reputational threats that they still face. The cluster effectively shares a reputational commons, where problems (or benefits) linked to one part of the cluster will also affect the reputation of those in other parts of the cluster.

In the next two sections, we will set out our findings with respect to claimed improvements in decent work over the past decade as well as evidence of persistent exploitation and its causes.

Advances in decent work

3

Many stakeholders contend that the South Indian garment industry has, overall, seen improvements in pay and conditions over the past decade. These shifts towards more decent work are clearly not universal, but they are argued to be quite widespread, especially in exporting units rather than in mills and in large units rather than in small units.

"

Salaries have been increased and awareness has also increased and the management is aware about it. Earlier workers were treated as slaves but now it has completely changed and management is also more conscious and careful."

Union leader 1

Some of the specific improvements noted by our respondents are as follows:

— **Pay:** Overall, wages have increased over time in the cluster and are relatively higher (especially in the exporting sector) compared with work of similar skill levels in the region and with similar work in some neighbouring countries, such as Bangladesh and Sri Lanka.[13]

— **Working conditions:** In general, working conditions have gradually improved across the sector. Workers and managers report lower incidence of forced overtime and health and safety violations, there is better training, improved facilities, and more companies offer benefits such as food and transportation.

— **Severe exploitation:** Most respondents suggest that there is a lower incidence of child labour and bonded labour in the sector, and reduced levels of violence and harassment in the workplace compared with ten or twenty years ago.

— **Improvements in hostel facilities:** Some improvements in hostel facilities can be observed. For example, some hostels allow workers to have their mobile phones and communicate freely. More hostels are offering food appropriate to different cultures.

— **Investments in affordable housing:** Some suppliers are building affordable housing for families. Some are offering rent allowance.

— **Improvements in infrastructure:** Equipment upgrading can be observed across the factories. Some factories are well maintained. Factories with certifications, in particular, appeared clean, bright, ventilated and well organised. This is a considerable improvement from how factories in Tirupur looked a decade ago.

— **Reduction in caste discrimination in the workplace:** The living conditions of individuals in general have improved. Workers experience little or no explicit caste discrimination in the workplace. Some workers pointed out that working in the garment industry has enabled them to escape caste-based work.

13.   See ILO. 2014. Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Industries: International Labour Organization, GDFTCLI/2014; Lu, S. 2018. Wage Level for Garment Workers in the World (updated in 2017): shenglufashion.com/2018/03/04/wage-level-forgarment- workers-in-the-world-updated-in-2017/.

— **Increasing acceptance of inter-state migrants:** Increasingly, suppliers are accommodating North Indian workers. Managers and supervisors are learning Hindi to communicate with North India workers. Some hostels offer North Indians with food that suits them or allow them to cook their own food but provide them with the necessary ingredients.

3.1   Reasons for advances in decent work

It is difficult to pinpoint the exact causes of these advances, but our research suggests several factors.

— **Social compliance:** Brands have instituted a range of responsible sourcing practices among suppliers in the cluster and workplace standards, certifications and social auditing are widespread. Interviewees reported that these practices have disseminated new norms and expectations through the cluster and appear to have had some positive impacts on workers, in particular on addressing the worst forms of exploitation, and in improving the working environment more generally.

> ❝ Why we are so organized? It's not because of us but it is because of external compulsion from the buyer. Otherwise these systems would not have been in place…. For domestic it is not mandatory but for export it is mandatory, it is mandated by the buyers who are giving us food every day. So we are mandated to erect all infrastructures and keep our place spick and span."

Business Consultant 1

Cotton factory, Tirupur © Getty

— **Competition:** Relatedly, firms involved in producing for export markets compete with each other and with those from other countries to secure orders from brands. Accordingly, the degree of social compliance can act as a competitive weapon either to keep business or to attract it away from competitors. As one business owner told us, as a result of the competitive pressures from other low-cost countries, "the main reason we are surviving is because of the compliance."

> ❝ If you take any certification across the globe then you can find most of these certifications in Tirupur. Now the factories are driven by compliance, export market is driven by compliance. If you are a client then you may have norms and compliance which I should adopt so …the whole industry is driven by standards now… So it's a competitive market, it can be spinner, dyer, or whoever it is they cannot deny saying that they will not comply because if they are not complied then the business will go to someone else."

Training Institute 7

— **Labour shortage:** In general, labour shortages tend to be good for workers because it increases their bargaining power relative to employers. However, this also has to be seen in the context of a growing supply of labour in the garment industry from other lower cost countries, as well as variations in demand for particular types of worker. Overall though, the nature of the labour market has meant that workers rarely feel tied to a particular employer, at least in urban areas. They are able to switch relatively freely in order to increase salary, especially in the case of those in greatest demand. Consequently, pay and working conditions have been increased as employers have sought to retain workers and prevent them from joining competitors or shifting to other industries.

Despite these advances, problems persist as we detail in the following section

Threats to decent work

4

The prevailing sense of our research evidence is that recent years have seen a shift in labour practices such that extreme forms of exploitation – child, forced/bonded labour and the Sumangali system are dramatically reduced in the textile industry in the region. Nevertheless, their shadow still remains with indirect evidence through second-hand reported incidences. We found direct evidence of other forms of exploitation which remain embedded and ubiquitous in the industry, with some variant even in the most progressive businesses.

4.1   Lingering reports of the worst kinds of exploitation

Despite improvements in labour conditions overall and the apparent decline in the prevalence of the worst kinds of exploitation, which we take to be child labour and forced/bonded labour, there remain some stubborn pockets of activity where more extreme forms of exploitation still occur. Both of these instances were reported particularly in relation to young women and girls, with the implication that parents and families allowed them to work under these conditions, for the good of the family or the girls themselves.

— **Child labour:** We found indirect evidence of child labour in small factories located outside Tirupur usually in rural areas, including reports in interviews with adult workers who were themselves formerly child labourers and reported incidents of child labour, usually in factories other than the current employer.

— **Forced or bonded labour:** There was also reported knowledge by a few workers of forced or bonded labour where the worker is locked into employment by the employer retaining a substantial proportion of the wages to be paid in a lump sum (to the individual or their family) at a later date. The suggestion was that this happened in rural areas and particularly in mills located near Madurai.

> "They have come in agreement, they have to work a minimum of a few years. They would have already paid their parents. We don't know how much they are paid. Agreement is signed. They are paid, they bring them, and if they want, they can take the money. It is like scheme. They work for a few years, and when they leave, they are paid a lumpsum amount"

Worker 49 – Shift Worker, Large Mill, Export

4.2 Clear evidence of systematic and embedded poor labour practices

Our data indicate continued widespread violations of national and international labour standards and law. These relate in particular to poor health and safety practice, restriction of movement, and a wide range of other poor practices enabled by structural problems and worker disempowerment.

— **Poor health and safety practice:** Very weak application of health and safety requirements is the most straightforward violation of existing laws, standards and customer requirements. Although we did not document

any reported incidents of serious injuries or fatalities, we found evidence of endemic health issues such as fainting and that regulatory health and safety standards are routinely disregarded by both workers and employers. Face masks and gloves are not made available for some required jobs, and workers themselves report finding safety equipment irritating and hot (fans and air conditioning are not in use on the whole) so choose not to wear them. Safety equipment, such as metal gloves for use with cutting machines, are frequently too large (indeed, dangerous) for women workers. In terms of health and well-being, women are disproportionately affected. While worker breaks and rest times are offered in most factories, they are not in some, and it was suggested that sanitation facilities are insufficient in number and toilet breaks not always freely granted. It appears to be not uncommon for workers to have restricted access to drinking water and to be fatigued and to faint, and sometimes the costs of being sent to hospital are deducted from their wages. Where a medical person is in place (as is required in larger organisations), they are sometimes found wanting, offering no real help to workers, prioritising sending them back to work over medical care.

— **Restriction of movement:** An enduring feature of the workforce, as we have noted, is that they are predominantly migrants (either from north India or more local rural regions), and the majority are women. According to local custom and expectation, it is deemed unsuitable for women to live independently and it is the norm for them to be housed in hostels attached to the factories or mills in which they work. Living in a hostel means restricted salary to pay for food and other expenses, and it also means restriction of movement. Consistently, it was clear that women living in hostels cannot leave them without permission of family and supervisors and outings are infrequent and controlled.

Hostel South India © Alamy

The hostel problem

Tirupur hostel

"Female workers are restricted, they cannot move freely outside the hostel. That is a secure area. No one can enter or go out without permission. Their safety is taken care of. We don't let them go outside regularly. We speak to their parents too regarding this. There is outing time. We take them to the city. We give them 3 hours time that is the free time allowed by the company."

Restricted freedom of movement in hostels is a key reputational challenge facing the cluster. This is because such restrictions are regarded as a major human rights abuse in themselves and, when coupled with exploitative labour practice of some kind, could be constitutive of forced labour. The situation though is complex. Accommodation in hostels is not limited to the textile industry, being a variation of the normal practice in universities and colleges in the region also. Hostels persist because they serve a purpose for both business and the families of workers. A repeated refrain is that young women were simply not safe on the streets on their own and being kept in hostels protects them. Also, it is clear that the moral reputation of young women is at stake if they are not known to be housed in secure accommodation. Reports of the comfort levels in hostels vary (available bathroom facilities, entertainment, food quality, supervisory control), but the most common characteristic that violates human rights is the restricted movement of women occupants. In most hostels, they are typically not allowed to leave of their own will.

Some brands have already required first tier suppliers to ban hostels. This may have unintended consequences though, with one affected supplier saying "the result is that we employ fewer women" because their families are unwilling to let them migrate without secure hostel accommodation. Therefore, more creative and sustainable solutions are necessary.

— **Gender discrimination:** Different formal and informal rules apply to how women should be treated in the workplace in contrast to men. While these may be intended to protect women (for example rules in relation to late-night working), they also enable outright discriminatory practice and lack of access to more prosperous work roles. We were told, for instance that better-paid ironing work does not suit women because it is too hard, but that women were preferred in other roles "because they can be paid less and do what they are told". Expectation of roles and contributions in the home add to this gendered imbalance of work opportunity.

— **Freedom to speak:** Similarly, freedom to speak is an issue in many workplaces. This appears to be related to safety issues, whereby workers are expected to exercise high levels of concentration. However, this is sometimes enforced unnecessarily robustly, and extended to breaks. Such restrictions on engagement go beyond the limited opportunity to contribute openly to working life (through feedback to supervisors or workers councils for instance) and the associated freedom of speech. Some workers report extreme verbal abuse if they try to raise a problem or even ask a question.

— **Verbal abuse:** Systematic verbal abuse (often called 'scolding') is commonplace, and we found occasional reported incidences of physical violence by supervisors towards workers who were not doing what they felt to be necessary. This also relates in extreme cases to isolated incidents of violent attacks (mainly on men) when workers formed romantic relationships. Women are subject to verbal abuse relating to their gender. For example, a woman worker who was often required to work night shifts reported being called names like 'prostitute' because of this.

— **Contracts:** The use of formal, written job contracts is virtually nil, both for piece and shift workers, and it is on the whole unclear to workers that this might be something that offers them protection. Employers also show no or little interest in issuing contracts, and fail to explain them to workers.

— **Unfair pay:** While pay has generally improved across the cluster, pay issues are still evident in the form of lack of a living wage, excessive working hours (particularly in garment factories), underpayment of overtime, very blurred lines around payment of Employee State Insurance (ESI) and Provident Fund (PF), a pay gap to the disadvantage of women and north Indian workers, and open exploitation of the opportunity to pay lower wages wherever possible. For instance, one group of workers stated their working hours as 12 hours a day (1.5 shifts), 6 days a week, knowing lucidly that they were only ever paid for one shift. We did not find any evidence of workers being paid the living wage. Piece rate workers, while able to often command higher wages if they are able to work fast and for long hours, have few if any protections, and face lower earning potential as they age.

— **Freedom of association:** While we saw little evidence of any explicit denial of freedom of association, we found very little or no formal or informal collective association, bargaining or union engagement. Workers show minimal interest in this, but there is also no information available to them about their options (especially for those who did not speak Tamil), little free time to dedicate to association, nor routes for them to engage should they wish so to do.

In mapping the instances of vulnerability to labour exploitation in our data, we have reflected on the likelihood of occurrence and the severity of exploitation. It should be noted, however, that all of the practices are of grave concern in that, while often commonplace, they represent non-compliance with national, regional and/or sector-based laws, not to mention global standards. We have defined 'exploitation' by those practices which are non-compliant with some or all of these standards. We are aware that some of these practices are culturally embedded and ubiquitous within the communities in which the businesses operate. We also note that the alternatives open to those working in factories in the textile sector in Tirupur may involve greater exploitation.

Finally, we found that workers were not disillusioned about their experiences. They were aware of what to expect prior to working, and on the whole reported a close match between their expectations and their experience. Worker exploitation in some form, we observe, is expected and embedded practice at all levels of the home, the workplace, and the supply chain.

Tirupur factory workers © Alamy

Limits of social auditing

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The persistence of these decent work deficits raises questions about the effectiveness of responsible sourcing – and social auditing in particular – in the Tirupur cluster. Historically, sourcing practices in the sector were driven primarily by three factors – price, quality and time – that could enable buyers to gain an economic edge over their competitors. Little consideration was given to the conditions under which products were manufactured. In recent years, however, as a result of increased scrutiny by a variety of stakeholders, brands have sought to guarantee that their products are responsibly sourced.

Social auditing has become the primary tool that buyers have used to ensure that their products are responsibly sourced. In garment supply chains, social auditing is performed in two ways. First, some buyers use their own in-house auditors or contract specialist social auditors to evaluate and certify their suppliers against their codes of conduct. The Walt Disney Company, for instance, has its own auditing programme and they engage only with suppliers certified by them. Second, some buyers use third-party standards such as SA8000 or BSCI as a benchmark and source only from suppliers that comply with these standards. Few engage in both types of auditing. There are key differences between these two types of social auditing practices, most notably that in the latter suppliers need to bear the costs of obtaining and maintaining the certifications.

Views among stakeholders on the effectiveness of responsible sourcing practices, and social audit in particular, are mixed. Some respondents suggest that brand-led approaches have been effective in driving greater attention to working conditions among firms in the cluster, and that strict compliance with labour standards is necessary to get orders. Also, a number of workers have personal experience of diligent audit practice.

> **"**
>
> Q: Have you heard of any harassment within the company, they don't pay well, sexual harassment?
>
> A: No. nothing like that, audits happen frequently, so nothing of that sort.
>
> Q: Do they come for audits?
>
> A: Yes.
>
> Q: What questions do they ask?
>
> A: They asked about the deductions, hostel, do they check the machinery periodically, what do you use for safety, fire safety, etc.
>
> Q: How long are there in the office when they come for audits?
>
> A: They are there for a whole day. 10:30 to 7 p.m.

Worker 24 - Contract Worker, Small Garment Unit, Domestic

Other respondents, however, see auditing much more negatively, especially the third-party standards. As one factory owner described, "the certification systems are the mafia," in that they involve high costs, are necessary to stay in business, but ultimately add little in terms of value. The majority of the workers we interviewed had never witnessed a social audit, or if they had, either the auditors did not directly approach workers, or the workers were required to be absent from the workplace on the day of the audit because they were not permanent employees and did not have ID cards.

Tirupur textile factory © Alamy

Indeed, the clearest finding from our research regarding responsible sourcing is the significant extent of deliberate circumvention of social audits by many firms in the cluster. Although there are clearly a number of firms that are diligent in meeting the social compliance requirements of buyers, interviews with workers and other stakeholders revealed that audit cheating is commonplace. This is manifested in a number of ways:

—   **'Coaching' of workers:** The majority of workers we spoke to who had been subject to audit reported that they were coached by managers about how to respond to auditors and what exactly to say in response to specific questions. This frequently involves lying about, in particular, working hours, overtime, and wages.

—   **Health and safety violations:** As detailed in the previous section, health and safety violations are commonplace in the cluster. However, many workers report being routinely instructed to use safety equipment on the day of audits and then allowed to stop using them straight afterwards.

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> They'll organize a meeting for shift-based workers before inspection or an audit takes place in the factory and coach them what to say and what not to say when they are questioned by the auditors. And they'll also ask them to follow safety precautions and use safety equipment's only during the time of audits so that the company can pass these audits. Once the audits are completed then they will be back to normal by removing all those things."

Worker 27 – Contract Worker, Small Garment Unit, Export

—   **Piece workers:** Most buyer codes of conduct and third-party certifications specifically exclude the use of piece workers and require factories to use only permanent contracted workers. However, piece work predominates in the cluster. Therefore, when audits take place, piece workers are routinely told to stay at home, or are coached on how to pass off as a permanent employee. Comments such as "we have to say we work for shifts, not piece rate", "we are sent home when buyers come to visit", and "only permanent employees are there when they come for audits; they send us home during audits" are common among workers in the cluster.[14]

—   **Outsourcing:** Another strategy of evading audits is to outsource some production to potentially non-compliant factories in order to meet deadlines without the explicit knowledge of brands. Although it is not clear the extent of this particular strategy in the cluster, some respondents view it as usual. As one intermediary said, "It can happen without permission too, but they don't disclose that it was done in another unit".

Social audits then have certainly played a role in focusing attention and action on labour standards in the cluster but they appear to have only limited effectiveness in ensuring decent work and preventing exploitation. This is broadly in line with extant findings about practices in the cluster[15] and elsewhere in global supply chains where social audit cheating has also been found to be rife in countries such as Bangladesh, China, and Pakistan which suggest that "audit programs generally fail to detect or correct labour and environmental problems in global supply chains.[16]

14.   Specific quotes are from interviews with Workers 14, 20, and 22.
15.   Soundararajan, V., Spence, L. J., Rees, C. 'Small business and social irresponsibility in developing countries: Working conditions and 'evasion' institutional work'. Business & Society, 57: 7.1301-1336.
16.   LeBaron, G., Lister, J. & Dauvergne, P. 2017. 'Governing Global Supply Chain Sustainability through the Ethical Audit Regime.' Globalizations, 14:6, 958-75.

Structural conditions

Our research found that the patterns of exploitation documented in the earlier section are not happening in a vacuum. Rather, they are shaped by structural conditions within the global and domestic garment industries. These structural conditions relate to both the factors that give rise to the business demand for exploitative labour practices, as well as the supply of workers who become vulnerable to these.

6.1 Structural conditions giving rise to the business demand for exploitation

In the first case, our data suggests that supply chain pressures fuel a demand for labour exploitation amongst businesses at the base of the supply chain. Three sets of pressures are especially important.

— **Cost pressures:** First, there is a price-cost squeeze in the garment industry. The international price of inputs like yarn and cotton have risen, fuelled in part by climatic conditions and changing global trade patterns. Labour costs have also risen as there's been higher scrutiny over worker pay and conditions. Over recent years, producers have absorbed most of these rising costs. At the same time, they are facing pressure to reduce production costs, as prices paid by buyers are falling and as India competes with emerging garment sectors around the world. Many businesses, and especially the smaller ones, are now operating on very small margins.

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> This is the time where we have to really analyse where we can cut the cost so that we can carry on."
>
> Export unit 7 – Owner

— **Time pressures:** Second, there has been a speeding up of garment production, as retailers compete to offer consumers new product lines more frequently, such as in 'fast fashion.' The time windows that producers have to complete order time has shrunk in recent years, which places a strain on businesses as they seek to complete orders on time in short production windows and ever-shorter turnaround times.

— **Flexibility pressures:** Third, there has been greater fluctuation in order size. As there is more and more variety in the order size demanded by buyers, with many opting for small and specialized orders, producers have coped by increasing their reliance on labour contractors and brokers. Tirupur has come to specialize in smaller orders with shorter delivery times. Our research found that reliance on intermediaries can increase the risk of exploitation.

These pressures are squeezing producers and create business demand for exploitative labour practices, which become a means of balancing the books and fulfilling orders on time and at cost. Some of our interviewees noted that they are accepting orders for prices that introduce the need to cut costs in ways that fuel labour exploitation. However, they noted that there is little alternative if they wished to stay in business.

6.2   Structural conditions that create a supply of vulnerable workers

In the second case, our data points to structural conditions that create a supply of workers vulnerable to labour exploitation.

— **Gender inequality:** Most significantly, we found that gender inequality is a key factor that shapes the degrees and forms of exploitation within the garment industry. As described above, women workers are most likely to experience limitations on their freedom of movement and lower pay, as well as sexual harassment. We found that the restrictions placed on women workers' freedom of movement are driven by pressures by their families to keep the workers safe. According to accounts from people in the industry, measures such as locking hostels at night, restricting workers' ability to leave the hostels, and keeping out visitors are necessary in order to protect women workers.

— **Limited economic choices:** We also found that regional economic conditions help to create a pool of vulnerable workers. Workers we interviewed explained that due to poverty, they frequently have no choice but to accept work at the pay and conditions offered within the garment industry. Many workers were from communities in which agricultural livelihoods are becoming less feasible, given changing weather conditions and especially droughts. In the face of these dynamics, some people are moving to Tirupur in search of better lives (though it's important to note, not enough to address the labour shortage, due to the combination of a preference for larger cities like Chennai and mismatch between the work available and skill level). However, living in Tirupur is expensive, and the lack of infrastructure and affordable housing makes it challenging, as one worker explained. Such factors shape families' decisions to send their children to Tirupur and drives them to live in hostels, rather than seeking out their own accommodation, which can increase their vulnerability to exploitation.

> 〞 We cannot survive in Tirupur without working. It is very costly and expensive to live here, the cost of living is high."
>
> Worker 23 – Small domestic garment unit

— **Limited knowledge of relevant rights and protections:** The workers within our study lack knowledge about their employment rights and relevant local laws and social protections. For instance, workers were not aware of minimum wages and laws surrounding deductions from wages for things like food or pensions, nor were they aware of the requirements around employment contracts. As one union leader told us, "90% of workers don't know about labour rights". No doubt, awareness of rights does not translate directly into those rights being upheld or exerted, but our research nevertheless identifies this lack of awareness of laws governing employment in the garment industry to be relevant in shaping vulnerability to exploitation.

These structural conditions help to explain why labour exploitation is still common within the industry despite advances over recent years. Many businesses at the base of the supply chain are struggling to cope with business

Factory equipment Tirupur © Alamy

pressures that make it challenging to operate and profit without such labour practices. Many workers feel they have no choice but to accept these conditions, since although they are aware that the pay and conditions of the garment industry can be exploitative, they are frequently still the best or only option available to earn a living – for the time being. However, when something better comes along, the workers will take it.

6.3   Variation in business response to structural conditions

Our data suggests that businesses at the base of the supply chain are responding to these pressures in a variety of ways.

Some openly acknowledge the supply chain pressures that give rise to a demand for exploitation within their businesses. For instance, business actors explained that: they are being forced to compete with other countries where working conditions are much worse, such as Ethiopia; the cost of the certification systems required by brand buyers (e.g. Fairtrade, BSCI, SA8000, Blue Sign, Organic) are very high; brands have no long-term commitment, and switch suppliers to save very small amounts of money; brands demand an end to bad labour practices, but do not alter their commercial practices (such as prices) to support improvements; the number of fashion seasons has increased to 12 and there isn't sufficient time to complete orders. These businesses often showed a willingness to try to address the problem, and shared their efforts to respond to and mitigate the pressures they face, as we describe in the next section.

Other industry actors, however, deny that there is any problem. One prominent industry leader explained that there couldn't be bonded labour within the industry because all workers have mobile phones now, and if workers were bonded, they would immediately blow the whistle. He noted that 'any problems are just petty issues.' This group of business actors were not only reluctant to admit that there are problems, but were also resistant to any change. When asked what could be done to help the industry, one industry leader said the best thing would be to "leave us alone".

Pathways to change

7

Our findings overall exhibit a mixed picture. The cluster is a relative success story and has experienced sustained growth that has brought increased prosperity to many. Overall workers have experienced improvements in pay and conditions yet the industry still fails to provide genuinely decent work and some forms of severe exploitation persist. Further growth is threatened by labour shortages. To tackle these challenges, local actors have experimented with a range of different approaches. We conceptualize these in terms of four main alternative pathways to change: (i) Economic upgrading; (ii) Responsible migration; (iii) Relocation of manufacturing; (iv) Diversification. In the following subsections we will describe each and lay out its opportunities and challenges for addressing decent work and economic growth.

7.1   Economic upgrading pathway

One way to address labour scarcity and sustain further advances in economic growth is to engage in economic upgrading, i.e. improve productivity and move from lower value activities to higher value activities in the supply chain. There are already some examples of good practice within the cluster, with initiatives aimed at upskilling workers, branding and product differentiation, and investing in automation and cost-saving technologies.

— **Upskilling workers:** Part of the labour shortage could be addressed by training more workers, thereby increasing the pool of qualified candidates. This has been shown to increase productivity within the cluster, increasing quality, reducing the hours required per piece, and increasing the wages workers could earn. This strategy has been shown to reduce wastage in terms of time and materials, but can also improve chances of retaining workers through improved worker experience and better health and safety. Workers with higher skills should earn higher salaries through salary increments and similar incentives. This is also an opportunity to offer 'soft skills' training, increasing the professionalism of the workforce, which can improve punctuality and effectiveness. Importantly, this training should include educating participants in individuals' rights in the workplace and at home, as well as needed skills in financial management. But this alone will not reduce exploitation; Indian labour laws need to be monitored and enforced.

> "We have to develop their skills because it is in our hand and we can't procure that from others. People who are joining our factory won't have any skills but gradually we are developing their skills and scale up gradually. So based on that we will give increments, incentives and wages."

Domestic Unit 7 – Owner

— **Branding and product differentiation:** A complementary strategy to upskilling workers involves firms in conducting higher value activities, such as branding, and related forms of product differentiation. Some companies are already creating new brands for the domestic Indian market to supplement their sales in the export market. There are also opportunities to brand the Tirupur cluster as a whole. Already known for high quality garments and short delivery times, there are additional opportunities to differentiate Tirupur's products as an 'ethical' choice, by emphasising

Free transportation © Alamy

environmental excellence in terms of Zero Liquid Discharge and the high standard of worker pay and experience. Of course, this would entail much stricter adherence to existing laws and best practice than is present so far across the cluster. If structural factors impacting the supply and demand for worker exploitation were not addressed, then such a strategy would be extremely risky and unsustainable (see section 6. Structural Conditions above). The conditions for such a strategy to be successful are not currently present in Tirupur.

— **Automation:** A third strategy is moving toward automation and increased use of technology. Some spinning mills are already using the latest technologies in terms of automation and this is at least partly due to a lack of other options with labour becoming increasingly difficult to find. We have found high variability in the use of new technologies in the garment-manufacturing units but there is higher uptake in spinning mills and so there is significant scope for upgrading across the industry. Automation and new technologies have their limits in terms of what tasks will still require human labour and the initial financial outlay can be significant. Additionally, automation could have negative impacts for workers as certain tasks will be replaced and workforces will thus be reduced. For these reasons, a well-thought out and just transition would be required to ensure positive outcomes.

7.2   Responsible migration pathway

As mentioned in Section 2, the shortage of appropriate labourers has resulted in companies rethinking their recruitment strategies. Increasingly, firms are reaching out to new regions within Tamil Nadu as well in other States for recruitment. In addition to a small section of workers from within the cluster region, a large proportion of workers in the garment industry come from impoverished and arid regions. The garment industry offers them a relatively better economic opportunity than staying home. The cluster has definitely made some positive impacts on some of these workers.

Nevertheless, there are also observations suggesting that workers from the impoverished regions are more vulnerable to exploitation. Specifically, workers from the poor Northern and North Eastern states tend to experience poorer pay and conditions. To tackle these problems a number of avenues are open to develop a more responsible migration pathway.

— **Free transportation:** Some suppliers are operating their own free transportation services to pick up and drop workers from nearby villages and towns, as one worker said: "they have also provided bus facilities to pick and drop workers from these places".[17] This way, suppliers can avoid the risk of managing hostels, while workers can stay with their family. Also, this enables women workers, coming from rural villages with insufficient transportation services, to travel back safely after work. On the other hand, controlling transportation enables suppliers to also control working hours. Some workers informed that by the time they reached home after a day shift it could be very late at night given when transportation was provided.

— **Broker remuneration:** Labour brokers are widely used to recruit workers. However, there is a concern among some employers that the labour brokers are exploitative. Some suggest that brokers' recruitment practices are based on false promises and that they shy away from taking responsibilities after they receive their one-off commission for each worker they send. While this appears to be the case with respect to some brokers, we also observed the precarious nature of the labour brokers themselves. If the worker leaves within a certain period of time for any reason, brokers need to find a replacement free of cost. Given that workers often change factories and employers, it is brokers that carry considerable risk. To avoid the risks imposed by the one-off payment system, a new system of commission is emerging in which the brokers are paid per day of work completion. So, instead of the one-off payment, they receive a commission for the number of days contributed by a worker.

— **New recruitment channels:** We also observed that suppliers are experimenting with innovative recruitment channels to recruit workers from these regions, including attending job fairs, placing flex boards in recruitment hot spots, collaborating with government rural development agencies, training institutes in rural villages, and local village heads, campaigning across villages, advertising through local TV channels, incentivizing workers to engage in recruitment, and establishing recruitment departments to specifically manage the recruitment process. Through these channels, employers can directly reach the workers in a legitimate manner and can avoid exploitative labour market intermediaries.

— **Improved hostels:** As mentioned, one of the main reasons migrant workers leave is because the hostels do not offer a home-like setting. Also, there is no affordable housing for families. So, in order to retain migrant workers, it is important to improve hostel facilities and create a setting where workers feel free as if they are in their home. The practice of restricting freedom of movement is culturally embedded but would have to be addressed in order to meet expected standards of decent work.

— **Integration:** Our study shows that due to cultural and linguistic differences, workers from Tamil Nadu and other states do no interact much. Inter-state migrant workers are often alienated, poorly informed of their rights, and suffer disproportionately from exploitation. Given that the inflow of workers from other states has increased, there needs to be mechanisms in place to improve their effective integration. Some businesses are beginning to address this through worker training but more needs to be done to also address prejudice among local business owners, workers, and communities. A challenge that was reiterated by many is that workers from other states take longer holidays. This may be true, but they tend to work hard otherwise often more than a local worker. So, such longer holidays are important to their health and wellbeing.

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> North Indian workers, they're usually not concerned about their health that much. For example, if they have night shift or morning shift then still they go and work in those shifts even when they are not feeling well and don't take proper rest at all. They are concerned about the salary and to make more money without taking any leaves and all."
>
> NGO manager 4

Beyond the workplace, responsible migration also will have to look at how workers are embedded into local communities more broadly. As one mill owner said, migrant workers need to be relocated "into the social infrastructure" of the community if migration is to be successful at scale.

7.3   Relocation of manufacturing pathway

Living costs in Tirupur are high, which hampers worker recruitment and retention. One solution has been a combination of company buses to transport workers to town and hostels to house them. But both of these options come with high costs and risks (see responsible migration pathway). Some companies have therefore opted to try out a more radical response, which is to move production units to rural areas where workers are more abundant and opportunities scarce. Relocating is less viable for spinning mills compared with garment factories, as they have already invested in their significant infrastructure, mostly already located in rural areas. But overall, this pathway offers a number of opportunities and challenges:

Cotton worker © Alamy

— **Improved worker experience:** Workers have expressed a desire to work close to home where they have support from their families and communities. These factors, combined with the lower cost of living, combine to improve the worker experience and their chances of staying longer. It has the potential to bring jobs to people in areas that are short on opportunities, while reducing costs and expanding opportunities for employers as well. Nonetheless, challenges remain in addressing embedded cultural issues that may restrict worker freedom and empowerment in such contexts, especially among women.

— **Inclusive working:** This pathway has the potential to be more inclusive, offering opportunities for married women, widows, and those with caring responsibilities at home. But this will require a change in mind-set within the industry, re-evaluating what employers have reported as being desirable characteristics in employees (e.g. beyond young women workers who are considered to be quick and docile). This mind-set not only limits the labour pool, but also targets the most vulnerable population since young women working away from home are the most likely victims of exploitative practices.

— **Monitoring:** Moving to rural locations introduces significant monitoring issues. Workers can become more vulnerable to exploitative practices in isolated areas, which also make the rest of the supply chain vulnerable by association. This can be overcome, but the extension of effective monitoring and the empowerment of workers in these areas will be essential. While informal networks can offer some protection for workers working close to home, the industry will need to actively resist reproducing exploitation that may occur in the villages and homes, and which may be more hidden and difficult to detect.

" **The only challenge is that the fabric supplier, dyeing, crossing etc are all carried out inside Tirupur. So, if you have a factory elsewhere then we have to transport the fabric, get the fabric dyed, get the accessories to your facility or head office then transport it to your secondary unit. So, these transportation cost is a challenge for us but that has to be met somewhere down the line."**

Export Unit 7 – Owner

— **Logistical challenges:** One big problem with relocation is that garment manufacturing units may lose some of the opportunities afforded to them by being within the local cluster. The biggest challenge is logistical. Tirupur's success has in large part been realised through its cluster organisation. Geographically removing units from this cluster introduces additional costs in terms of time and transport. As of now, only certain tasks can be performed outside the cluster, and so the costs of shipping materials and products to and from Tirupur need to be considered. There is potential to mitigate some of these costs through pooling resources and developing satellite clusters – options which would have to be adequately evaluated before significant investments are made.

— **Training:** While there are many willing workers in rural areas, most will require training. But there are opportunities to overcome shortcomings in skills (see economic upgrading pathway), and new intensive training modules are being trialled in rural units.

7.4   Diversification pathway

One final pathway was mentioned briefly and by only a few respondents but we include it for completeness. This is the diversification pathway, whereby local business leaders seek to reduce the overall risks caused by labour shortages by switching at least part of their business into other industries where the demand for labour is lower.

" **So now we are adapting to all those challenges that we are facing… and we are planning to diversify and want to do other things also apart from this textile. Because down the line we could see huge threat in terms of labour demand."**

Export Unit 7 – Owner

The diversification pathway can include switching into related or unrelated industries. Related diversification involves developing products or product lines that are still connected to textiles in some way, such as they use the same technologies or infrastructure, have similar customers, require similar employee skills, etc. For example, one entrepreneur discussed moving into the production of sanitary pads which still involves stitching but requires far fewer workers

per unit of production. Another option would be diversification into producing health and safety equipment for use by workers in the industry in line with our recommendations for addressing this key aspect of decent work (see section 8 below). Unrelated diversification would involve switching into entirely different areas of business where it would not be possible to leverage existing resources or capabilities. For example, one entrepreneur had set up a fully automated brick manufacturing plant in addition to their garments business. Whichever approach is considered there are clear challenges as well as opportunities:

— **Changing demand for labour:** Some forms of diversification could reduce reliance on the type of labour required by the garment industry and could target labour in more plentiful supply, such as low skilled workers or white-collar workers. However, switching to new (especially unrelated) industries can be high risk because companies have little experience and networks in such industries, and might struggle to leverage their existing labour recruitment networks.

— **Reducing economic pressures:** Some other industries that garment companies might diversify into may have less pressures compared with the garment industry, and potentially a greater opportunity for profitability. If so, this could, at least in principle, lead to improvements in pay and working conditions. Some companies are also switching from producing for export to producing for domestic because of perceived lower competitive pressures – although such a switch will not address the labour shortage problem. However, unrelated diversification would fail to exploit some of the core capabilities of firms in the garment industry such as their networks, existing relationships, and long-term experience.

— **Oversight:** Many other industries have even less oversight and lower enforcement of regulations than the garments industry. In these cases, working conditions would be unlikely to see any improvement.

For additional content go to the project webpage at:
go.bath.ac.uk/good-garments

Recommendations

8

Our initial findings were shared with key stakeholders through a process of consultation (see Appendix 2). We have drawn from these consultations in the development of this report and the recommendations presented here.

The Tirupur garment industry needs to work in partnership with others to solve the significant labour issues facing the industry. For this to happen, we recommend the industry first agree a shared Vision 2030 and accompanying goals to address decent work and economic growth in the sector. The shared Vision 2030 should be used to drive alignment around a common strategy among stakeholders involved in the cluster, as well as providing a means for external branding of the cluster. As one of the participants in our consultations noted, "This is an opportunity to think ahead and plan for the future in a more holistic way."

A multi-stakeholder taskforce should be formed to lead this initiative. We recommend that this process be formalized and inclusive and led by an independent organization or chair.

While the ultimate goals must come from stakeholders in Tirupur and the surrounding area, the report findings suggest some starting points.

In forming our recommendations, we pay explicit attention to the goal of coupling decent work and economic growth. The four pathways identified to achieve economic growth can have positive or negative implications for decent work. Ultimately, the industry must come together to decide which combination of objectives to pursue and how, but following from the research findings particular attention should be focused on three key issues:

1. Freedom of movement
2. Health and safety
3. Worker-driven social responsibility

These represent the greatest reputational risk (freedom of movement), the widest consensus on the desirability of change (health and safety), and the most leverage for addressing decent work more broadly (worker-driven social responsibility).

"This is an opportunity to think ahead and plan for the future in a more holistic way."

8.1   Freedom of movement

The study documented many instances of restricted freedom of movement, especially in relation to women workers. This includes restrictions on breaks, including toilet breaks. But the most systematic example of this is in the worker hostels where young women's ability to leave the hostel, even outside working hours, is severely restricted. While our findings show that these restrictions are often demanded by families to keep migrant women safe from physical and reputational dangers, they also represent a severe reputation risk for brands and, therefore, an existential threat to the cluster. Unless freedom of movement is addressed, it is unlikely that allegations of forced labour will cease, or that responsible migration will be deemed to be effective by external stakeholders.

Consultations revealed that brands are taking notice and beginning to demand changes. They are especially concerned with the unfreedom of movement and the inability to monitor all hostels effectively. The writing is on the wall; as one industry leader asserted, 'Hostels will be gone in 5 years.' The challenge will be to manage this transition in ways that benefit workers and the industry as a whole – so the industry remains a viable option for potential women workers and their families.

8.2   Health and safety

There is broad consensus that ensuring the health and safety of workers is an important component of a thriving industry. But there is also widespread recognition that current health and safety rules are not being followed or enforced. Part of the reason for this is a mismatch between the performance requirements of the job (e.g. the intricacy of the tasks and the time given to complete them) and the functionality and comfort of the health and safety equipment available (e.g. gloves that are clumsy, masks that are uncomfortable, equipment designed to fit men and not women). One widely used strategy to overcome this mismatch is for workers to choose to not use the equipment, except during audits. This is a high-risk strategy that puts both workers and business in a precarious position. A more sustainable solution needs to be found.

Likewise, the longer term health impacts for workers in the cluster remains unknown and current workers are unwilling to expose the next generation to the same conditions as they have experienced. Chronic health conditions among older workers as well as fainting remain an issue, as do low wages and excessive working hours, even if often voluntarily undertaken. Other potential health and safety issues include verbal and physical harassment and abuse. While there has been significant improvement within the cluster, this is an area where the industry must now strive for zero health and safety violations. In the face of a severe labour shortage, tackling the health and safety of current workers (and also to incentive the recruitment of future workers) is a top priority. It is also an area where there is broad consensus about the desirability of improvement. As one brand representative said in our consultations, "health and safety is a good place to start; it is a way to build trust and then you can start working on further things within the same cohort"

8.3   Worker-driven social responsibility

Unions exist, but with a small membership base, especially among the women and migrant workers who make up the majority of the workforce. In some cases, workers are afraid of losing or restricting their employment opportunities and, in other cases, they simply lack information about organised labour. According to one union leader: 'Workers have no awareness of their labour rights'.

Given the persistent limits of responsible sourcing and social auditing for guaranteeing the protection of workers' rights, workers need to be empowered to take charge of developing and enforcing solutions for the labour issues facing the industry. Brands need to guarantee and nurture the space within which this takes place and bear the costs of improvements. As such, the industry should embrace a 'worker-driven social responsibility' model, emphasising worker-driven, enforceable standards that are legally binding with brands, as the powerful drivers of these supply chains and the ones who share responsibility for improving working conditions. This is the most potent approach to meeting the current and future labour issues facing the industry. It is a solution that will not only empower workers, but also ensure the industry is employing best practices in this area, which will, in turn, safeguard the industry's reputation and viability moving forward. We recommend that an approach in keeping with the established Worker-driven Social Responsibility Network (WSR) perspective on worker-driven approaches to social responsibility is adopted.[18]

Cotton worker © Alamy

Worker-driven social responsibility

In contrast to prevailing social auditing and other brand-led responsible sourcing initiatives, a new approach has emerged in recent years that is worker-driven, enforcement-focused, and based on legally binding commitments that assign responsibility for improving working conditions directly to brands. Known as worker-driven social responsibility (WSR), this new approach has been shown to be effective in a number of challenging contexts, including US agriculture and the Bangladesh garment industry. Long-standing abuses have been eliminated and workers lives have changed for the better. According to the WSR network, WSR programmes must embody each of the six following principles:

1.   Labour rights initiatives must be worker-driven.

Given that workers have the greatest interest in ensuring their rights are protected, they and their representative organizations (whether unions or other forms of worker-based organizations) must be in charge of creating and implementing programmes designed to protect their rights.

2.   Obligations for global corporations must be binding and enforceable.

Respect for human rights cannot be optional or voluntary. Worker organizations must be able to enforce the commitments of brands and retailers as a matter of contractual obligation.

3.   Buyers must afford suppliers the financial incentive and capacity to comply.

Corporations need to incentivize respect for human rights through a price premium, negotiated higher prices, and/or other financial inducements that enable suppliers to afford the additional cost of compliance with the agreed labour standards.

4.   Consequences for non-compliant suppliers must be mandatory.

The obligations of brands must include the imposition of meaningful, swift, and certain economic consequences for suppliers that violate their workers' human rights.

5.   Gains for workers must be measurable and timely.

To ensure accountability, any programme designed to correct specific labour rights problems must include objectively measurable outcomes and clear deadlines.

6.   Verification of workplace compliance must be rigorous and independent.

Effective verification of supplier compliance must include the following components: inspectors who operate independently of buyers; in-depth worker interviews, carried out under conditions where workers can speak freely; worker education that enables workers to function as partners with inspectors; and a complaint resolution mechanism that operates independently of buyers and suppliers and in which workers organizations play a central role.

Vision 2030

8.4   Twelve recommendations to achieve decent work and economic growth

Vision 2030

1. Develop shared Vision 2030 and accompanying goals to address decent work and economic growth in the sector. A multi-stakeholder taskforce should be formed to lead this initiative. The process should be formalized, inclusive and be led by an independent organization or chair.

Freedom of movement

2. Establish a Hostel Freedom of Movement taskforce – Government and brands should support a worker-driven, cross-sector taskforce.

3. Provision of alternative smaller scale worker accommodation – move away from large scale hostels to smaller independent secure units which enable greater freedom and more comfortable living. This must include safeguards against exploitative private enterprise/landlords.

4. Phased elimination of hostels by 2030, with attention to impacts on women's access to employment and safety.

Health and safety

5. Establish a Health and Safety taskforce to develop objectives and priorities, promote best practice, and commission research on long-term health effects of the industry and evaluation of interventions to tackle health and safety problems.

6. Establish a goal of zero health and safety violations to be achieved by 2030 across the cluster which meets all existing legal requirements and social compliance standards.

7. Develop health and safety training programs in collaboration with workers and provision of safety equipment fit for purpose to ensure its use (comfort and safety).

8. Ensure an holistic approach to health and safety that also takes into account working hours, pay, abuse (verbal or physical), sexual harassment, bullying, intimidation, discrimination (gender, age, marital status, caste, ethnicity, cultural, linguistic, religious, sexual orientation) and other factors linked to physical and mental health outcomes.

Worker-driven social responsibility

9. Design and delivery of a WSR programme to address labour-related issues should be led by worker groups/organizations.

10. Workers must be enabled to act on their own behalf through education and knowledge of their rights, protection from retribution for participation in worker-driven initiatives and functioning internal mechanisms for support, complaint and implementation.

11. Brands, retailers and the other powerful actors in the industry must make legally binding commitments to support worker-driven social responsibility, and must alter commercial practices to prevent the business demand for exploitation.

12. Adequate compensation (fair payment and additional financial support) must be paid to suppliers to enable full compliance with labour standards through worker-driven initiatives.

For latest news and updates on the project, see:
go.bath.ac.uk/good-garments

Appendix 1: Methods

The research was conducted during two months of ethnographic fieldwork (March and June 2018) in Tamil Nadu. The research team travelled over 5000 kilometres, conducting site observations and interviews with a range of stakeholders.

The primary mode of data collection was semi-structured interviews. In total, the research team conducted 135 interviews with exporters, human resource officers, current workers, future recruits, workers' family members, NGOs, government agencies, recruitment brokers, contractors, training institutes, and village and community leaders. The research team also made observations of garment manufacturing units, spinning mills, recruitment campaigns, hostels, villages, families, and workers' dwellings. Interviews were recorded when consent was given and notes were taken in other cases. Data were also recorded in the form of informal conversations, documents and photos. The full list of interviews is provided below.

Most interviews were conducted in Tamil with some conducted in English where appropriate. The research team included a researcher and research assistants proficient in Tamil. Women workers were all interviewed by women research assistants. All audio recordings (including interviews and reflections) were fully transcribed and those in Tamil were translated into English. To check for accuracy, one researcher proficient in Tamil back translated the transcribed interviews.

We analysed the data to identify specific employment challenges facing the industry and to identify and categorise working practices on a continuum of decent work to exploitation and forced labour. We then assessed the relative frequency of these practices across our data. Having identified these challenges, we catalogued the distinct pathways for change discussed by the interviewees and their associated opportunities and challenges.

The preliminary findings were then written up in a consultation document and circulated to key industry stakeholders in India and the UK (appendix 2). The findings from these consultations were then incorporated into the final report.

Over 5000km & 135 interviews

Chettinad © Alamy

Appendix 1: Methods

Business actors

	Interviewee	Anonymisation code	Gender	Location	Date
1	Intermediary (indepdendent broker)	Labout broker 1	M	Tirupur	06/03/19
2	Intermediary (indepdendent broker)	Labout broker 2	M	Car	07/03/18
3	Intermediary (working in factory)	Labout broker 3	M	Tirupur	15/03/18
4	Intermediary (indepdendent broker)	Labout broker 4	M	Tirupur	16/03/18
5	Community leader and labour broker	Labout broker 5	M	Near Kunadadam	17/06/18
6	Domestic brand owner	Domestic brand 1	M	Car	07/03/18
7	Domestic unit manger	Domestic unit 1	M	Appipatti	07/03/18
8	Small domestic unit owner	Domestic unit 2	M	Tirupur	09/03/18
9	Small domestic unit owner	Domestic unit 3	M	Theni	12/03/18
10	Small domestic unit owner	Domestic unit 4	M	Theni	12/03/18
11	Small domestic unit owner	Domestic unit 5	M	Theni	12/03/18
12	Small domestic unit owner	Domestic unit 6	W	Theni	13/03/18
13	Large domestic unit owner	Domestic unit 7	M	Tirupur	16/03/18
14	Large domestic unit owner	Domestic unit 8	M	Tirupur	17/03/18
15	Business consultant	Business consultant 1	M	Tirupur	08/03/18
16	Business consultant	Business consultant 2	M	Tirupur	19/03/18
17	Small export unit owner	Export unit 1	M	Tirupur	09/03/18
18	Large export unit owner	Export unit 2	M	Tirupur	09/03/18
19	Large export unit owner	Export unit 3	M	Tirupur	09/03/18
20	Large export unit owner	Export unit 4	M	Tirupur	10/03/18
21	Small export unit owner	Export unit 5	M	Tirupur	15/03/18
22	Small export unit owner	Export unit 6	M	Tirupur	16/03/18
23	Large export unit owner	Export unit 7	M	Tirupur	16/03/18
24	Large export unit owner	Export unit 8	M	Tirupur	21/03/18
25	Trade Association Representative	Trade association 1	M	Tirupur	09/03/18
26	Trade Association Representative	Trade association 2	M	Tirupur	16/03/18
27	Trade Association Representative	Trade association 3	M	Tirupur	16/03/18
28	Trade Association Representative	Trade association 4	M	Tirupur	17/03/18
29	Trade Association Representative	Trade association 5	M	Tirupur	19/03/18
30	Trade Association Representative	Trade association 6	M	Tirupur	21/03/18
31	Large export unit HR manager	HR manager 1	M	Tirupur	10/03/18
32	Large export unit recruiter	HR manager 2	M	Tirupur	10/03/18
33	Large export unit recruitment manager	HR manager 3	M	Tirupur	10/03/18
34	HR manager/recruiter	HR manager 4	M	Tirupur	12/03/18

	Interviewee	Anonymisation code	Gender	Location	Date
35	HR manager/recruiter and hostel manager	HR manager 5	M	Tirupur	12/03/18
36	Training institute owner	Training institute 1	M	Thiruvarur	12/03/18
37	Training institute faculty	Training institute 2	M	Thiruvarur	12/03/18
38	Training institute faculty (focus group)	Training institute 3	Mixed	Thiruvarur	12/03/18
39	Training institute owner	Training institute 4	M	Thiruvarur	13/03/18
40	Training institute faculty	Training institute 5	W	Thiruvarur	13/03/18
41	Training institute faculty	Training institute 6	W	Thiruvarur	13/03/18
42	NIFT-TEA incubation and training faculty	Training institute 7	M	Tirupur	15/03/18
43	NIFT-TEA incubation and training faculty	Training institute 8	M	Tirupur	15/03/18
44	Government training institute/broker	Training institute 9	M	Kundadam	13/06/18
45	Print unit owner	Printer 1	M	Tirupur	16/03/18
46	Sourcing agent	Sourcing agent 1	M	Tirupur	17/03/18
47	Small spinning mill owner	Spinning mill 1	M	Near Coimbatore	20/03/18
48	Large spinning mill owner	Spinning mill 2	M	Near Coimbatore	21/03/18
49	Small spinning mill owner	Spinning mill 3	M	Near Coimbatore	21/03/18
50	Large spinning mill manager	Spinning mill 4	M	Near Coimbatore	21/03/18
51	Large international brand CSR manager	Brand 1	W	London	14/08/18
52	Large International brand buyer	Buyer 1	W	Skype	26/04/18
53	Worker - Exporter/Domestic	Worker 1	M	Tirupur	06/06/18
54	Worker - Large Exporter	Worker 2	W	Tirupur	06/06/18
55	Informal conversation: 4 home/domestic/export	Worker 3	Mixed	Tirupur	07/06/18
56	Worker - Large Exporter	Worker 4	W	Manapparai/ Alagampatti	08/06/18
57	Worker - Large Exporter	Worker 5	W	Manapparai/ Alagampatti	08/06/18
58	Worker - Large Exporter	Worker 6	W	Manapparai/ Alagampatti	08/06/18
59	Worker - Large Exporter	Worker 7	W	Manapparai/ Alagampatti	08/06/18
60	Worker - Large Exporter	Worker 8	W	Manapparai/ Alagampatti	08/06/18
61	Worker - Large Exporter	Worker 9	W	Manapparai/ Alagampatti	08/06/18
62	Worker - Large Exporter	Worker 10	W	Manapparai/ Alagampatti	08/06/18
63	Worker - Small Garment Exporter	Worker 11	W	Tirupur	09/06/18
64	Worker - Small Garment Domestic	Worker 12	W	Tirupur	09/06/18

Appendix 1: Methods

Continued

	Interviewee	Anonymisation code	Gender	Location	Date
65	Worker - Small Garment Export and Domestic	Worker 13	M	Tirupur	10/06/18
66	Worker - Large Exporter	Worker 14	M	Tirupur	10/06/18
67	Worker - Small Garment Exporter and Domestic	Worker 15	M	Tirupur	10/06/18
68	Worker - Small Garment Domestic	Worker 16	M	Tirupur	10/06/18
69	Worker - Small Garment Exporter	Worker 17	M	Tirupur	10/06/18
70	Worker - Small Garment Domestic	Worker 18	M	Tirupur	10/06/18
71	Worker - Small Garment Domestic	Worker 19	W	Tirupur	10/06/18
72	Worker - Large Exporter	Worker 20	W	Tirupur	10/06/18
73	Worker - Large Exporter	Worker 21	W	Tirupur	10/06/18
74	Worker - Small Garment Domestic	Worker 22	W	Tirupur	10/06/18
75	Worker - Small Garment Domestic	Worker 23	W	Tirupur	10/06/18
76	Worker - Small Garment Domestic	Worker 24	M	Tirupur	10/06/18
77	Worker - Small Garment Domestic	Worker 25	W	Tirupur	10/06/18
78	Worker - Exporter and Domestic	Worker 26	W	Tirupur	10/06/18
79	Worker - Large Exporter	Worker 27	W	Tirupur	11/06/18
80	Worker - Small Garment Exporter	Worker 28	M	Tirupur	11/06/18
81	Worker - Small Garment Domestic	Worker 29	W	Tirupur	11/06/18
82	Worker - Large Garment Domestic	Worker 30	M	Tirupur	12/06/18
83	Worker - Small Garment Domestic	Worker 31	W	Tirupur	12/06/18
84	Worker - Small Garment Domestic	Worker 32	W	Tirupur	12/06/18
85	Worker - Small Garment Exporter	Worker 33	W	Tirupur	12/06/18
86	Worker - Small Garment Exporter	Worker 34	W	Tirupur	12/06/18
87	Worker - Small Garment Domestic	Worker 35	W	Kundadam	13/06/18
88	Worker - Large Exporter	Worker 36	W	Kundadam	13/06/18
89	Worker - Large Garment Exporter and Domestic	Worker 37	W	Kundadam	13/06/18
90	Worker - Large Mill (Domestic or Export unknown)	Worker 38	W	Kundadam	13/06/18
91	Worker - Large Exporter	Worker 39	W	Kundadam	13/06/18
92	Worker - Large Exporter	Worker 40	W	Kundadam	13/06/18
93	Worker - Large Exporter	Worker 41	W	Kundadam	13/06/18
94	Worker - Small Garment Domestic	Worker 42	W	Kundadam	13/06/18
95	Worker - Large Mill (Domestic or Export unknown)	Worker 43	W	Thidugal	15/06/18
96	Worker - Large Mill (Domestic or Export unknown)	Worker 44	W	Thidugal	15/06/18

	Interviewee	Anonymisation code	Gender	Location	Date
97	Worker - Large Mill (Domestic or Export unknown)	Worker 45	M	Thidugal	15/06/18
98	Worker - Large Exporter	Worker 46	W	Thidugal	15/06/18
99	Worker - Large Mill Exporter	Worker 47	W	Near Kunadadam	17/06/18
100	Worker - Large Mill Exporter	Worker 48	W	Near Kunadadam	17/06/18
101	Worker - Large Mill Exporter	Worker 49	W	Near Kunadadam	17/06/18
102	Worker - Large Mill Exporter	Worker 50	W	Near Kunadadam	17/06/18
103	Worker - Large Mill Exporter	Worker 51	W	Near Kunadadam	17/06/18
104	Worker - Large Mill Exporter	Worker 52	W	Near Kunadadam	17/06/18
105	Worker - Small Mill Exporter	Worker 53	M	Near Kunadadam	17/06/18
106	Worker - Large Mill Exporter	Worker 54	M	Near Kunadadam	17/06/18
107	Aspiring Worker 1	Worker 55	W	Near Kunadadam	19/06/18
108	Aspiring Worker 2	Worker 56	W	Near Kunadadam	19/06/18
109	Aspiring Worker 3	Worker 57	W	Near Kunadadam	19/06/18
110	North Indian Workers (focus group)	Worker 58	M	Near Coimbatore	19/06/18
111	Home worker 1	Worker 59	M	Pallabatti	07/03/18
112	Home worker 2	Worker 60	M	Pallabatti	07/03/18
113	Exporter manufacturer checker	Worker 61	M	Theni	07/03/18
114	Exporter manufacturer supervisor	Worker 62	W	Theni	07/03/18
115	Parents of Worker - Large Exporter	Worker family 1	W	Manapparai/ Alagampatti	08/06/18
116	Parents of Worker - Large Exporter	Worker family 2	W	Manapparai/ Alagampatti	08/06/18
117	Parents of Worker - Large Exporter	Worker family 3	W	Manapparai/ Alagampatti	08/06/18
118	Shopkeeper and family	Worker family 4	Mixed group	Thidugal	15/06/18

Appendix 1: Methods

NGOs, Unions, and Government

	Interviewee	Anonymisation code	Gender	Location	Date
119	Co-director, domestic NGO	NGO 1	M	Tirupur	09/03/18
120	Co-director, domestic NGO	NGO 2	M	Tirupur	09/03/18
121	Co-director, domestic NGO	NGO 3	M	Tirupur	09/03/18
122	Worker, domestic NGO	NGO 4	W	Tirupur	16/03/18
123	Manager, domestic NGO	NGO 5	M	Bangalore	19/03/18
124	Managers, international NGO	NGO 6 and 7	W	Bangalore	22/06/18
125	Manager, international NGO	NGO 8	W	Bangalore	22/06/18
126	Manager, domestic NGO	NGO 9	W	Bangalore	23/06/18
127	Union Leader	Union leader 1	M	Tirupur	15/03/18
128	Union Leader	Union leader 2	M	Tirupur	17/03/18
129	Union Leader	Union leader 3	M	Tirupur	20/03/18
130	Project officer, Government organization	Government 1	M	Chennai	11/03/18
131	Labour inspector	Labour inspector 1	M	Tirupur	20/03/18
132	Social auditor	Auditor 1	M	Bangalore	23/06/18
133	Academic	Academic 1	M	Coimbatore	19/03/18
134	Academic	Academic 2	M	London	14/05/18
135	Journalist	Reporter 1	W	Chennai	23/03/18

Observations

	Observation	Location	Date
1	Small domestic garment unit	Appipatti	07/03/18
2	Home worker's house	Tirupur	07/03/18
3	Former factory supervisor's house	Village near Tirupur	07/03/18
4	Buyer/producer sales meeting	Tirupur	08/03/18
5	Buyer/producer sales meeting	Tirupur	07/03/18
6	Small domestic garment unit	Tirupur	09/03/18
7	Small garment export unit	Tirupur	09/03/18
8	Small garment export unit	Tirupur	09/03/18
9	Large garment export unit	Tirupur	09/03/18
10	Training institute	Thiruvarur	12/03/18
11	Training institute	Thiruvarur	12/03/18
12	Small domestic garment unit	Thiruvarur	12/03/18
13	Small domestic garment unit	Thiruvarur	12/03/18
14	Recruitment campaign talk	Thiruvarur	12/03/18
15	Recruitment campaign talk	Thiruvarur	12/03/18
16	Small domestic unit	Thiruvarur	13/03/18
17	Recruitment campaign talk (with Government official)	Thiruvarur	13/03/18
18	NIFT-TEA incubation and training	Tirupur	15/03/18
19	Large garment export factory	Tirupur	15/03/18
20	Large garment export factory	Tirupur	15/03/18
21	Small garment export unit	Tirupur	16/03/18
22	Large garment export unit	Tirupur	16/03/18
24	School for workers' children	Tirupur	17/03/18
25	Large domestic garment unit	Tirupur	17/03/18
26	Large spinning mill	Near Coimbatore	21/03/18
27	Hostel (large spinning mill)	Tirupur	21/03/18

Appendix 2: Consultation stage

Engagement with a wide range of stakeholders in the South Indian garment industry, both in India and the UK, has been a key driver of this research project. Accordingly, our initial report took the form of a thirty-page consultation briefing, which we took to multiple meetings in India and one in the UK during the month of March 2019. During this consultation stage, we met and engaged with around one hundred people including garment workers, trade union representatives, Indian and UK civil society organisations, UK brands, Indian and UK academics, Indian large business owners, Indian trade and regional associations (leadership and members), HR, social audit and procurement managers from Indian businesses, certification bodies, activists, UK government representatives in India, UK Home Office and Department for International Development representatives. All discussions were held under Chatham House rules. We also provided a survey for those wishing to make additional comments or who were not able to attend the meetings, which was completed by twelve additional people from the same groups.

The initial findings presented in our consultation briefing were generally, but not universally, well-received, though on the whole active discussion allowed for further exploration of the issues. Here we present the summary of the key topics discussed which are also represented in the body of this report, and a summary of our learning from the consultation process.

fairtrade textil factory © Alamy

Topic	Main feedback from consultation
Labour shortages	Confirmation that there is labour shortage across all levels. The gaps are being filled by supported migration from rural areas, of North Indian workers, and women workers kept in hostels. These are vulnerable groups for multiple reasons.
Improving decent work	Broad agreement with our observation of improved opportunities for decent work in the sector, but acknowledgment that further improvements are essential. Many still experience poor conditions and exploitative practices.
Persistent exploitative practices	While there was disagreement, overall participants confirmed our claim that worker exploitation is embedded through the supply chain, exacerbated by the cultural context. In particular, there was widespread consensus around the relative vulnerability of women and North Indian migrant workers who lack language skills, and culturally influenced control, choice and voice.
Structural conditions	Participants agreed with our identification of structural issues relating to business demands and supply of vulnerable workforce. In the latter category, the particular circumstances of the migrant workforce, not least linguistic barriers, were also consistently identified.

Pathways	Main feedback from consultation
Economic upgrading	A broadly positive response to the pathway of economic upgrading, but given that this is already happening in some instances, there was also wariness of the social costs of the initiatives proposed, especially when done badly. Counterintuitively, economic upgrading, such as upskilling, may not advantage the worker, not least if operational skills are not matched by upgrading in knowledge of rights.
Responsible migration	Broad agreement that there is a great deal of scope to improve the ethical and responsible nature of the migration process. Participants note that the approach to migrants should be one based on their needs and human rights with particular attention to the circumstances of women workers.
Relocation of manufacturing	There are short-term business advantages to opening a factory in a rural region (expansion rather than relocation), though the investment and risk are high and rewards may be short lived. Overall it was anticipated that this would bring advantages to workers, though with the caveat that care needs to be taken not to reproduce exploitation patterns.
Diversification	Although our findings show this is already taking place, consultation participants could not see so much opportunity or ultimate value in this pathway to change.

Bios

Andrew Crane
Professor of Business and Society and Director of the Centre for Business, Organisations and Society (CBOS) in the School of Management at the University of Bath, UK. He is also Co-editor of the journal, Business & Society, and author of several books, including Business Ethics, the Oxford Handbook of Corporate Social Responsibility, and Social Partnerships and Responsible Business.

@ethicscrane

Vivek Soundararajan
Senior Lecturer (Associate Professor) in International Business in the School of Management at the University of Bath, UK. His research explores the ways by which businesses, through their global supply chains, can contribute to social, environmental and economic sustainability. He has published widely in leading journals including Business Ethics Quarterly, Human Relations, Journal of Operations Management and Journal of World Business.

@Vivek_Soundar

Dr Michael Bloomfield
Lecturer (Assistant Professor) in International Development in the Department of Social and Policy Sciences at the University of Bath, UK. He is also a Research Associate at the Oxford Department of International Development and a Research Fellow at the Earth System Governance Project. He is the author of Dirty Gold: How Activism Transformed the Jewelry Industry, published by MIT Press.

@mj_bloomfield

Laura J. Spence
Professor of Business Ethics in the School of Management, Royal Holloway, University of London, UK. She is Associate Dean (Research) for the Faculty of Management, Economics and Law. She is Consulting Editor of the Journal of Business Ethics, an Advisory Council member of the Institute of Business Ethics, Chair of the Academic/Practitioner Horizon Group for the UK Construction Industry and a member of the All Party Parliamentary Group on Corporate Responsibility.

@Prof_LSpence

Genevieve LeBaron
Professor of Politics and Director of Sheffield Political Economy Research Institute (SPERI) at the University of Sheffield, UK. She is an Editor of Review of International Political Economy, and author and editor of many books and journal articles about labour standards and forced labour in the global economy.

@GLeBaron