



## Observance To International Labour Standards A Study on Selected Units In Bangalore Apparel Cluster



\* Dr. Mallikarjunappa NL

November, 2011

\* SEA Collage of Engineering & Technology Ekta Nagara, Basavanapura, K.R. Purum , Bangalore

### INTRODUCTION

There are atleast ten major garment manufacturing clusters in India. The Bangalore cluster accounts for 30 percent of the ready-made garments produced in the country. Most of these clusters are horizontally integrated in terms of exchange of capacities and transfer of production. Such an intra-firm linkage results in economies of scale and enhances the ability of the firms to respond to the delivery schedules demanded by global purchasers.

The state of Karnataka plays a pivotal role in domestic

as well as export garment market. Bangalore RMG export revenue for the year 2009-2010 was Rs.12, 650 crores, (US\$ 2.82 billion approx) which is the highest in India. The garment industry is the largest employment provider next to beedi industry in Karnataka. Around 250 garment manufacturing units are located in Bangalore cluster. There are eight lakhs garment workers in the state out of which 83 per cent workers are working in Bangalore cluster. Women form a significant eighty five per cent of the total workforce in the industry.

### Profile of RMGs in Bangalore Cluster

Large Scale Firms	Medium Scale Firms	Small Scale Firms
Gokaldas Export Ltd	Asiatic Exports	Atlantic Apparels
Gokaldas Images	Balaji Finishing House	Pro Asia Exports
K. Mohan Exports	Texport Syndicate	Unix Creation
Shahi Exports	Page Garments Ltd	Euro Clothing Company Unit
L T Karle Exports	Dressmaster Suits	Graffiti Clothing
Bombay Royan Exports	Venkateshwara Clothing Ltd	Indus Filla Garments
GoGo International	New Generation Apparels	Carnival Clothing Company
Madura Garments	Tulip Apparels	Top Stitch Garments
Texport Overseas Pvt Ltd	C S India	Wear Well
Texport Industries	Vigosa Exports	EnglishBlazer
Mandana Exports	Bangalore Suits	TopstitchApparels
Indus exports	American shirts	UpdateApparels
Integra Apparels	Everblue Apparels	CutbertsApparelsLtd
Febritex Apparels Limited	Denim works	Chaitanya Images
Tulip Apparels	Shalini Creations	First Step Baby wear
Scotts Garments	LNJ Bilwara Ltd	Cigfil Industries
Fibers & Fabric International	Leela Scottish Ltd	Zodiac Clothing
Texport Garments	Sonal Garments	Ranger Apparels Ltd
Arvind Mills Exports Ltd	Richa Global Ltd	Birdy Fashions Ltd

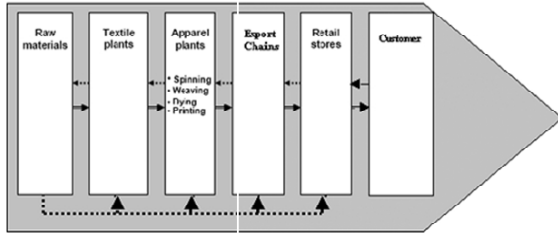
### Top Ten RMG Exporters in Bangalore

Sl No.	Manufactures	No. Of Units	Total No. of Employee	Export Qty Per Month (Lakhs)	Exporting Countries
1	Gokaldas Export Ltd	52	48000	39 lakhs pcs	USA,UK, GERMANY
2	Gokaldas Images	17	15000	12.75 lakhs pcs	USA,UK, GERMANY
3	K. Mohan Exports	7	9000	9 lakhs pcs	USA,UK, GERMANY
4	Shahi Exports	22	25000	17 lakhs pcs	USA,UK, GERMANY
5	L T Karle Exports	14	14000	10.5 lakhs pcs	USA,UK, GERMANY
6	Bombay Ryan	30	30000	22 lakhs pcs	USA,UK, GERMANY
7	Madura Garments	8	75000	7 lakhs pcs	USA,UK, GERMANY
8	Texport Overseas	9	12000	8 lakhs pcs	USA,UK, GERMANY
9	FFI	6	5000	7 lakhs pcs	USA,UK, GERMANY
10	Fabritex	3	3000	4 lakhs pcs	USA,UK, GERMANY

Source- AEPC

**Industry Supply Chain**

The apparel industry supply chain can be broadly categorized into five major components as raw materials, textile plants, apparel plants, export chains, apparel manufacturers, retail stores and customers.



Some of the global brands outsourcing their production to India are:

- |                              |                       |
|------------------------------|-----------------------|
| * Nike                       | * Pellestrom          |
| * Mexx                       | * Abercrombie & Fitch |
| * Reebok                     | * Adidas              |
| * Oxbow                      | * Chevignon           |
| * Old Navy                   | * Columbia            |
| * GAP                        | * Dockers             |
| * Banana Republic            | * Gaastra             |
| * O'Neill                    | * Guess               |
| * Champion                   | * Hollister           |
| * American Eagle             | * Levi's              |
| Outfitters                   |                       |
| * Sears USA                  | * Miss Sixty          |
| * Sears Canada               | * The Metro Group     |
| * Macy's Merchandising Group | * French Connection   |
| * Diesel                     | * Dillard's           |
| * H & M                      | * Zara                |
| * Debenhams                  | * Pall Mall           |
| * Spykar                     | * Talbots             |
| * Puma                       | * LTB                 |
| * Woodlands                  |                       |

Fast changing industry environment requires the Indian clothing industry to spruce up by incorporating latest technologies for mass customization such as three dimensional non-contact body measurements, digital printing and information technology. These technologies have to be leveraged completely for gaining dominance in the world market.

**Statement of the Problem**

The RMG sector in India employs nearly six million workers of which the Bangalore RMGE's units employ around eight lakhs. The demography of the workforce reveals that it is predominantly young, semi-skilled and un-organized. This study is an attempt to evaluate the conditions of labour in RMGE's vis-à-vis International Labour Standards (ILS). The task under-

taken might look somewhat unrealistic as the organized sector in the country is yet to fully adopt the labour standards and practices imposed on them by a very well developed regime of labour legislations. The ILS was imposed on the exporting units mainly because the public opinion in developed countries, who import goods and services from developing countries, requires the business firms to do so. It's a proof of higher level of human consciousness in the developed world.

**The ILS is an extension of the principles of human rights as enunciated in UN charter. They are:**

- \* Freedom of association & Collective bargaining
- \* Forced labour Convention
- \* Child labour
- \* Equality of opportunity and treatment, Tripartite consultation
- \* Labour administration, & Labour inspection
- \* Employment policy and promotion
- \* Vocational guidance and training and Employment security
- \* Wages and Working time
- \* Occupational safety and health , Social security,
- \* Maternity protection, and Social policy

It can be seen clearly that most of the labour standards are also expressly stated in the various Indian Labour Laws. It seems the attempt by the importers to enforce the same provisions of labour laws is an open admission of laxity or non-enforcement of Indian labour laws.

**Table 1: Value Chain in the Garment Industry (Approximate Percentages for One Piece)**

Sl. No	Cost Components	Percent
1	Retail shop profit and other costs (personnel, rent, administration, advertising etc.,)	50
2	Brand profit, overheads and promotion	25
3	Material costs and factory profit	13
4	Transportation, taxes and import costs	11
5	Factory workers wages	01
	Retail price	100

Source: www.stanford.edu/Vijayabaskar M, in Gopal Joshi, ed., 2002.

**2.LITERATURE SURVEY**

A number of studies have been conducted on various issues of garment industry. However studies focused on labor issues have been few indicating insufficiency of research. Among the available literature, recent studies are reviewed here.

Frynas (2000)1 opined that United Nation Human

Rights Standards and International Labour Organization (ILO) norms form the basis for the analysis of the HR practices garment firms on human rights.

*Heckman and Pages [2000]*<sup>2</sup> have shown that high levels of severance pay have resulted in reducing the hiring rate in some countries in Latin America. In Senegal, attempts to create more secure employment in the Labour Code resulted in a larger share of the workforce employed on short-term (three month) contracts

*Amartya Sen, (2000)*<sup>3</sup> thought about a crucial moment in the history of working people across the world. The first flush of globalization is nearing its completion, and we can begin to take a scrutinized and integrated view of the challenges it poses as well as the opportunities it offers.

*Martin and Maskus (2000)*<sup>4</sup> concluded that a labour standard provides utility to consumers, is costly to the firm, and improves worker productivity.

One example of such a standard is when workers are offered a safer environment to work. We then examine the case for labour standards when the country engages in trade and extract the main analytical arguments for the empirical analyses.

*Flanagan et al (2001)*<sup>5</sup> explained that, a value of of every hundred rupees will be distributed among the partners of the manufacturing process. Out of that 50percent will be retailers' share, 25percent will be brand name of the company, 13percent will be manufacturers share, 11percent will be transport and taxes and finally, one percent will be workers share. He identified the fact that, only least percentage of profit will be shared among the workers, who contributed a lot for the profit of the company.

*Brown, Deardorff, and Stern [2002]*<sup>6</sup> concluded that there is no evidence that countries with poorly protected labour rights attract FDI.

*Busse (2002)*<sup>7</sup> obtains mixed evidence regarding the effect of labour standards on comparative advantage; more precisely, the effect on comparative advantage depends on the type of standard and in the case of union rights or forced labour, for example, he finds evidence in favour of the conventional wisdom for labour intensive exports. The ratification of core ILO conventions is not significant in his analysis.

*Rajesh Bheda [2002]*<sup>8</sup> concluded that the variables stated below were associated with productivity: production location; organization type; labour standards; market orientation; export destination; production category; education level of the operator; production system; payment system; industrial engineering; training for supervisor; and managers.

*Flanagan (2003)*<sup>9</sup> considers the issue of trade and

labour standards using panel data. Even though this is a brave attempt at exploiting the advantages inherent in panel data, the problem is that the author focuses solely on core and non-core ILO conventions ratified as indicators of labour standards, which may or may not reflect the level of enforcement.

*Kucera (2004)*<sup>10</sup> used ILO Conventions on freedom of association and collective bargaining and other related ILO documents to evaluate violation of rights from various reports such as the annual survey of violations of trade union rights, the US State Department's Country reports on human rights practices.

*Dehejia and Samy (2004)*<sup>11</sup> formally investigate the links between labour standards and comparative advantage through their effects on the terms of trade. Specifically, suppose two countries (I and II) produce two traded goods ('x' and 'y') and each good uses two factors of production, labour (L) and capital (K). Perfect competition is assumed to prevail in commodity markets and in factor markets.

*Monitoring International Labour Standards [2004]*<sup>12</sup> the report provides a frame work with in which to assess compliance with Core Labour Standards, there are both positive and negative aspects of compliance. The negative aspects focus on the degree to which government permit citizens to exercise their rights without interfering. The positive aspects focus on whether government provides a legal and administrative structure frame work that ensures citizens are able to exercise these rights in practice.

*Black and Brainerd [2004]*<sup>13</sup> estimate the impact of increased levels of imports on the industry-level residual wage gap in concentrated versus non-concentrated sectors using CPS data for 1977-1994. They find that increased competition through trade contributed to the narrowing of the US gender pay gap during that time period.

*Meng and Meurs [2004]*<sup>14</sup> propose a methodology that can be used to study the firm's role in determining the gender wage gap by estimating a firm-specific gender wage premium for each firm in a single year. The premium is drawn from the firm fixed effects coefficients of wage regressions on separate male and female samples.

*International Labour Conference*<sup>15</sup> 92nd Session 2004, reported that freedom of association has historically been closely linked with freedom of expression, freedom of the media, freedom of assembly and universal suffrage. Employers' and workers' organizations are key players in national and international democratic movements, both past and present.

*Ray Marshall [2005]*<sup>16</sup> concluded that labour standards have always been very controversial because they

are at the centre of the clashes between strong political, economic and ideological interests. Building consensus on labour standards therefore could help improve the rules governing an open and expanding global economy.

*R. Gopinath Rao (2005)*<sup>17</sup> reveals that the network among cluster actors is very realizable. The role of the association ends only in organizing meeting only, when the entrepreneurs face problems otherwise there is no meeting or interaction.

*According to Lynn Salinger and Associates, (2005)*<sup>18</sup> a cost effective strategy for raising labour productivity and quality in Cambodia's garment factories is training to address Cambodia's weaknesses in professional development, production controls and engineering, and organization of work. The highest priority is to train workers in middle management line supervisors and industrial engineering.

*Sarna (2006)*<sup>19</sup> used a gravity trade model and find evidence in favour of the conventional wisdom for labour intensive exports but not total manufacturing exports. Their conclusion is that "possible negative effects through labour costs of stronger rights and democracy are offset by other positive effects of stronger rights and democracy.

*United States Agency for International Development (USAID, 2006)*<sup>20</sup> highlights the role of women in economies having greater access to trade expansion project and in development. Eighty percent of the work force in garment industry constitutes women employees. However, cultural norms, economic institutions and legal systems hinder women access to employment. In many societies, cultural religions and family norms dictates women specific role and responsibilities and hinder their participation in economic life. These in turn discourage investment in women's education, training and choice of participation activities.

*Giuseppe Casale A. Sivananthiran C.S. Venkata Ratnam [2006]*<sup>21</sup> concluded that in the past, one of the main components missing in development strategies in many developing countries was good governance of the labour market. In fact, the quality of governance is a major factor which determines whether countries are successful or not in reducing their poverty levels; it is vital to sustaining or enhancing productivity and competitiveness, particularly in the face of mounting pressure from government policies to open up markets in order to meet the challenges of globalization.

*Calvin's, et al (2006)*<sup>22</sup> study management practices related to accidents in the garment factories categorized into four major headings. The study covers im-

portance of the maintenance of records and first aid training to workers. Recognizing common accidents occurring in the garment industries do not installing adequate needle guards, belt guard; pulley guards; metal pads and loose electric wires.

*International Trade Union Confederation (2007)*<sup>23</sup> observed that, workers have the right to organize and collective bargaining, but employers are not obliged to recognize a union or to enter into collective bargaining and high representation levels are required to form a union. There is serious discrimination in employment and wages bound on nepotism and favoritism. Child labour is still present sporadically Estimates on children working in India vary between 10 million and 15 million. The enforcement of laws remains weak. *Alec Fyle [2007]*<sup>24</sup> argues that the intellectual and policy frameworks first articulated by the ILO in the 1980s remain important departure points for developing a more coherent, more sustained global effort against child labour. But they need re-visiting and more certain application. A key objective of this study is to identify the means by which the worldwide movement can gain the necessary traction to exert a sustained impact on the problem of child labour.

*D. Rajasekhar, J. Suchitra and R. Manjula(2007)*<sup>25</sup> concluded that both agarabathi and garment industry are highly- labour intensive industries, although the extent of capital used in the garment sector is much higher, however in the total value of the production in both these sectors the share of labours in the total value rated (sales) and particularly that of women is exploitatively low and this study also concluded that is agarabathi industry over 90 per cent of the workers are women and most of them are involved in the rolling process, but much of the value addition to the product takes place after rolling is completed by men workers involved in scenting process which implies that women are completely marginalized.

*Latheef Kizhissere et al (2007)*<sup>26</sup> concluded that, labour legislations of India are regarded as relatively strong. But, they failed miserably in actions and impacts. Labour rights were mainly achieved in India through strong collective bargaining measures by the strong unions during 1950-1970

*Guillermo de la .Dehesa. (2007)*<sup>27</sup> opine that "Increasingly the change of Social Dumping is heard as a rational for protectionist measures against developing country export. many businessman, labour unions, and politicians in developed nations, believe that lax working regulations and conditions, as well as weak political and social rights, provide developing-country export with an unfair advantages to country, this they argue that either developing country exports, of

cheap manufacturing garments should be subject to anti dumping duties to eliminate the "unfair" competitive factors or these countries should impose higher labour standards.

*Eric Graval and Quentin Delpech [2008]28* stated that over the last two decades, complementarily between national and international labour law and the impact of international labour standards on national legal rules have generated ever-widening debates - well beyond the confines of the legal profession.

*Filali Meknassi, 2007,29* building on recent research highlight the growing use of international labour standards by national jurisdictions and to distinguish the different legal applications that have resulted from this process at the national level.

*Anuradha Kalhan (2008)30* evaluated empirically the impact of export- oriented garment industry in Bangalore on its workers in terms of the conditions of their employment; wages; cost of living; and expenditure patterns; working conditions, and the state of their unions.

*Gregg Nebel [2008]31* opine that when considering the garment manufacturing industry, there are consistent linkages between garment production, raw material supplies, and the cost of labor. Proximity and availability have driven competitiveness. The historic migration of the garment industry has been driven by the need to move closer to fabric and raw material supplies, illustrated in the best cases by the growth of vertically integrated operations that strategically and commercially ally textile manufacturing and garment cutting, sewing, embellishment, and packaging.

### **3.Research Objectives**

The main objective of the study is to assess the current status of labour conditions in Bangalore garment cluster, through a descriptive method.

**The study proposes to meet the following objectives:**

(i) To make an assessment of current status of labour practices in Bangalore RMG cluster. (ii) To list the international labour standards with reference to garment industry. (iii) To evaluate compliance with international labour standards in Bangalore cluster. (iv) To evaluate the consequence of the variations between the standards and the labour practices.(v) To make suggestions for managements, policy makers and governments.

### **4. Research Methodology**

#### **Basic Research Design**

\* The basic research design adopted for the study is descriptive. Primary and secondary data pertaining to selected garment units in Bangalore cluster is analyzed using various statistical methods to evaluate the

current status of labour conditions and standards.

#### **Secondary Research Design**

\*The tools of secondary research design such as observation, personal interviews were also used. As part of the study, a constant interaction with various stakeholders was carried out. Three consultation meetings were held to discuss various aspects of the study with the stakeholders. Trade unions, workers, NGOs, consultants and government agencies were invited to the meetings.

\*The study highlights the growing complexity of ready-made garment industry owing to globalization.

#### **Questionnaire Design**

\* Structured questionnaire, personal interviews and discussions were the methods adopted for gathering primary data. These interviews and discussions were held during 2010-2011 and were clearly focused on the research objectives.

#### **Sampling Design Population**

The population for the study consists of 6960 (approx) garment manufacturing units in Bangalore cluster.

#### **Sample Size**

Sixty garment units, RMGs are selected for the study based on convenience stratified sampling - twenty units from each of the large, medium and small segments.

#### **Sample Unit**

Workers and officers constitute the sample unit. One hundred sixteen employees from each unit are selected for interview and questionnaire administration. The break up is as follows:

- i. One Chief Executive Officer, two managers and two supervisors from each of the selected sample units will be interviewed with open-ended questionnaires.
- ii. Five workers from each sample units will be interviewed with close-ended questionnaires. .

#### **Scope of the Study**

Though being a descriptive study, an assessment of the current state of affairs of the labour conditions in Bangalore garment cluster is the main objective. However this study is limited to a sample of garment units is subjected to an evaluation of current state of affairs and the ILS that garment units are expected to adhere.

#### **Limitations of the Study**

There are nearly ten clusters across India. This study focuses only on Bangalore cluster. Being a sample survey, the study suffers from limitations that generally affect a sample survey

#### **Significance of the Study**

The significance of the study lies in the fact that global garment industry value chain has benefited the companies that are able to design and brand cloth-

ing successfully. It is natural to expect that the garment factory workers who are at the lower end of the value chain also benefit reasonably in the value creation process. However, various empirical studies have shown that in global trade the benefits of a successful value chain are not fairly distributed. The garment factory workers are put to long hours of work under conditions that have long-term consequences for the health and welfare of the workers. Establishment of ILS is an evidence of the unsatisfactory labour conditions that prevail in globalized garment industry. The pretext of the intense competition and the need for being cost effective cannot be justification for non compliance or lacks adoption of ILS. Bangalore cluster being an important cluster in India, needs to be studied closely.

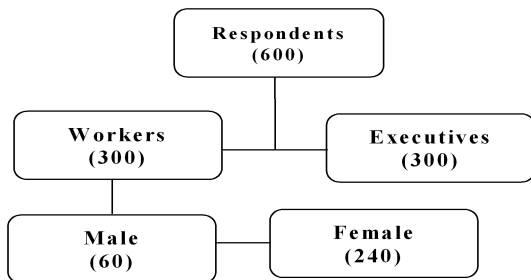
**Hypotheses**

Based on the objectives of the study, the following hypotheses have been formulated:

- \* Labour standards adopted in Bangalore garment cluster are not in accordance with International labour standards.
- \* Labour standards have no impact on the performance of the employees of garment factories
- \* Lack of awareness of the labour rights as per Labour standards on the part of employees.
- \* Social security measures of Indian garment firms are not comparable with International social security measures.
- \* There is laxity in enforcement of labour standards on the part of the management and government.

**5. FINDINGS & ANALYSIS**

This chapter contains analysis of primary data pertaining to employees and executives collected through a questionnaire. The composition of the respondents is given in the following chart:



In order to meet the research objectives and analysis more accurate, opinion is collected under ten different labels viz., (I) Freedom of Association and Collective Bargaining, (II) Forced Labour, (III) Child Labour, (IV) Equal opportunity and treatment, Tripartite Consultation (V) Labour Administration and Labour Inspection (VI) Employment Policy and Promotion, (VII) Vocational Guidance Training and Employment Security (VIII) Wages and Working timings, IX) Occu-

pational Safety Health Welfare and Social Security (X) Maternity Protection and Social Policy.

The analysis in the first step is based on descriptive statistics. The responses are recorded as "Yes" or "No" to various items and the percentage of responses is tabulated. In the second step a Chi Square table is prepared along-with the null hypothesis and alternative hypothesis.

**Table 2:** Freedom of Association & Collective Bargaining-Workers (In numbers and percentage)

Sl. No	Opinion of Workers About	Yes	No	Yes %
1	Freedom of association and collective bargaining policy	00	300	0
2	Presence of labour union	00	300	0
3	Existence of Grievance handling procedures	275	25	91.67
4	Freedom to join independent trade union	00	300	00
5	Attempts to form union in the factory	20	280	6.67
6	Workers punished/ fired for attempting to form union	225	75	75
7	Regular meeting with workers to discuss work related issues	150	150	50
8	Verbal abuse of workers	101	199	33.67
9	Overall	96	204	32

Source: Questionnaire

The above table presents workers opinion on Freedom of Association & Collective Bargaining (FA&CB). The table shows that the number of workers expressing positive opinion ranges from zero to two seventy five. On an average 96 workers expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from zero to 91.67 and the average adherence is 32.13 percent.

**Table2.1:** Freedom of Association & Collective Bargaining-Executives (In numbers and percentage)

Sl. No.	Opinion of workers about	Yes	No	Yes %
1	Freedom of association and collective bargaining policy	300	00	100
2	Presence of labour union	00	300	0
3	Existence of Grievance handling procedures	300	00	100
4	Freedom to join independent trade union	250	50	83
5	Attempts to form union in the factory	150	150	50
6	Workers punished/ fired for attempting to form union	280	20	93
7	Regular meeting with workers to discuss work related issues	250	50	83
8	Verbal abuse of workers	300	00	100
9	Overall	229	71	76

Source: Questionnaire data

The above table presents executives opinion on FA&CB. Two hundred and twenty nine executives out of 300 have stated that FA&CB exist in the organization. According to the executives, there is FA&CB policy. However the fact that in all the cases there are no unions as there is a fear among workers about retaliatory measure from management in the event of

formation of union or affiliating to an outside union. All executives have opined that grievance handling procedures have been successful. Most of the executives feel that workers are free to join trade unions and have stated that there were attempts to form unions in the companies. Most of the executives have stated that disciplinary actions are taken where necessary and that there is a consultation mechanism and that workers are treated with courtesy.

**Table 2.2:**

Comparison of opinions between workers and executives - Freedom of Association & Collective Bargaining (In numbers and percentage)

Employees	Descriptions	Opinions		Total
		No	Yes	
Worker	Count	204	96	300
	Percentage	68	32	100.00%
Executives	Count	71	229	300
	Percentage	23.67	76.33	100.00%
	Count	275	325	600
	Percentage	45.83	54.17	100.00%

Source: Questionnaire data

**Null Hypothesis:**

There is no difference of opinion between workers and executives.

**Alternative Hypothesis:**

There is difference of opinion between workers and executives.

*Significance Level: 1%*

**Chi-Square Test Results**

X2 Calculated value	118.751 *
Significant at	0.000
Degrees of Freedom	01

\*Significant at one percent level.

The above tables reveal that there is marked difference in opinion between executives and workers regarding the existence of freedom of association and collective bargaining. Thirty percent of workers and seventy percent of the executives have given the same response. The chi-square test results are significant at one percent level. Therefore, the null hypothesis is rejected.

**(II) Prohibition Forced Labour:** Workers opinion on Prohibition Forced Labour (PFL). It is reveal from the analysis number of workers expressed positive opinion ranges from 10to95. On an average202workers expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from 3 to 98 and the average adherence is 67 percent.

Executives on prohibition of forced labour. It is found that the number of executives expressing positive opinion ranges from 25 to 300. On an average 216 executives expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from 5 to 100 and the average adherence is 72 percent.The chi-square test results are not significant at one percent level. Therefore, the null hypothesis is not rejected. Hence there is no associa-

tion in opinion between workers and executives

**(III) Prohibition Child Labour:** Workers Opinion on Prohibition of Child Labour (PCL). It was revealed from workers expressed positive opinion ranges from 258 to 298. On an average 282 workers expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from 86 to 99 and the average adherence is 67 percent. Executives on Prohibition of Child Labour (PCL). That almost all executives agree on this. Alternative Hypothesis is rejected.

**(IV) Equal opportunity and treatment, Tripartite Consultation:**

According to 8.33 percent of the workers, companies have EOTTC policy. Less than 2 percent of the workers have stated that there is no requirement of pregnancy test before taking the job. According to 3.33 percent of workers opined that companies provide maternity benefits. Sixty seven percent of female workers have stated that after maternity leave they are given the same wages. Only 2.67 percent of female workers have stated that there is no harassment or discrimination. Fifty percent of them opined that there is no equal opportunity to work overtime. Thirty three percent of the workers told that there is uniform disciplinary action for all. 93.33 percent of the workers told there is no discrimination based on religion, caste, age, sex. But almost all workers have stated that there is no tripartite consultation policy. NGO's and other outside parties are not allowed to represent or negotiate on behalf of the workers. It can be found from the above analysis that there is no adherence or practice of EOTTC policy. Executives' Opinion on Equality of Opportunity and Treatment and Tripartite Consultation (EOTTC). It is revealed from the above table that 153 executives expressed the opinion that there is EOTTC policy. Adherence to various components of EOTTC policy varies from 0 to 100 in terms of the opinion of the executives. It can be inferred from the table that EOTTC policy is moderately practiced. Therefore, the null hypothesis is rejected.

**(V) Labour Administration and Labour Inspection:**

It is revealed from the workers expressing positive opinion ranges from 50 to 212. On an average 127 workers expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from 17 to 71 and the average adherence is 42 percent. According to 27 percent of the workers factory has labour administration policy. Only 17 percent of the workers felt that company's handles labour problem properly. Twenty five percent of the workers opined that officers from Labour/PF/ESIC visit the companies to solve the problem of workers. According to 67 percent of workers they have complaints against factory practices. Around 48 percent of the

workers have awareness about visit of labour inspectors. Majority of workers (71 percent) are willing to reveal the information to inspectors. It can be found from the above analysis that the companies moderately practicing LALI policy. Therefore, the adherence level of workers is not par with international labour standards.

Executives expressed positive opinion ranges from 269 to 290. On an average 278 executives expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from 90 to 97 and the average adherence is 93 percent. Therefore, the null hypothesis is rejected.

**(VI) Employment Policy and Promotion:** Workers Opinion on Employment Policy and Promotion (EPP). It is revealed from the workers expressed positive opinion ranges from zero to 290. On an average 152 workers expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from zero to 97 and the average adherence is 51 percent.

According to 93 percent of executives factory has EPP. Ninety seven percent of executives opined that companies directly recruit workers. About 95 percent of the executives opined that companies has provided hand book to employees. Ninety nine percent of executives said that companies have given approved standing order. According to 50 percent of executives; workers have received appointment order and according to 100 percent of executives companies has given confirmation, increment or promotion letter to workers. Hundred percent of executives felt that worker are eligible to ESIC, PF and gratuity and 98 percent of them opined that companies practices minimum wage policy. According to 72 percent of executives companies is having promotion policy. About 85 percent of executives felt that companies have equal promotion policy for both workers and managing staff.

The above statement reveals that there are differences in opinions between executives and workers regarding the EPP. Fifty one percent of workers and 85 percent of the executives have given the positive response. The chi-square test results are significant at one percent level. Therefore, the null hypothesis is rejected.

**(VII) Vocational Guidance Training and Employment Security:** Workers Opinion on Vocational Guidance Training and Employment Security (VGTES). It is revealed from the workers expressed positive opinion ranges from one to 220. On an average 58 workers expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from 0.33 to 73 and the average adherence is 23 per-

cent. Executives Opinion on VGTES. It is revealed from the above table that the number of executives expressed positive opinion ranges from 150 to 285. On an average 242 executives expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from 50 to 95 and the average adherence is 81 percent.

**Therefore, the null hypothesis is rejected.**

**(VIII) Wages and Working timings, Workers Opinion on Wage and Working Time (WWT).** It is revealed from the above table that the number of workers expressed positive opinion ranges from 55 to 298. On an average 226 workers expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from 18 to 99 and the average adherence is 75 percent.

Executives' opinion on Wage and Working Time (WWT). It is revealed from the above table that the number of executives expressed positive opinion ranges from 202 to 300. On an average 280 executives expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from 67 to 100 and the average adherence is 93 percent. the null hypothesis is rejected.

**(IX) Occupational Safety Health Welfare and Social Security Opinion on Occupational Safety, Health, Welfare and Social Security (OSHWSS).** It is revealed from the workers expressed positive opinion ranges from zero to 300. On an average 134 workers expressing positive opinion out of 300 respondents, the level of adherence in terms of percentage ranges from 0 to 100 and the average adherence is 45 percent.

Executives opinion OSHWSS. It is revealed that the number of executives expressed positive opinion ranges from zero to 300. On an average 227 executives expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from zero to 100 and the average adherence is 76 percent. Therefore, the null hypothesis is rejected.

**(X) Maternity Protection and Social Policy:** Workers opinion about Maternity Protection and Social Policy MPSP. It is revealed from the above table that the number of executives expressed positive opinion ranges from zero to 300. On an average 227 executives expressed positive opinion out of 300 respondents. The level of adherence in terms of percentage ranges from zero to 100 and the average adherence is 76 percent. It is found from the analysis and responses suggest that there is some measure of MP.

Executive's opinion MPSP. It is revealed from the above table that the number of executives expressed positive opinion ranges from zero to 300. On an average 227 executives expressed positive opinion out of

300 respondents. The level of adherence in terms of percentage ranges from zero to 100 and the average adherence is 76 percent. It is found from the analysis that there is reasonable agreement between executives and workers. However, with regard to social policy there appears lack of workers adherence. Therefore, we reject the null hypothesis.

#### **SUMMARY OF FINDINGS**

Much of the work force in apparel industry is in 'a work for low wage or die' situation in which bargaining power has always tilted in favor of the employers who have taken undue advantage of the disorganized labour force. The enforcement of labour laws is weak as the political executive is not inclined to advocate the causes of labour. Even the enforcement agencies have been meek spectators of violation of the labour laws.

There are many areas of disagreement between workers and management with respect to the labour standards. There is no partnership between workers and management. The reality is far removed from the ideal. The process of feminization is analyzed in two ways; firstly female workers are set to replace male workers in jobs that were traditionally reserved for the latter category.

#### **6. CONCLUSIONS & RECOMMENDATIONS**

In spite of adverse working conditions in the factory such as long hours of work, low wages, unhygienic conditions of work, hazardous operations and poor quality of supervision at the work place, there are not been any significant protests or strikes by the workers to assert their lawful rights and to get remedy. Although, the foreign buyers of garments who represent popular brands in the world exert pressure on the garment manufacturers to comply with the ILS, there are several ways in which a manufacturer can circumvent the compliance. As there is no sustained effort on the part of foreign buyers and law enforcing agencies, it is easier to avoid strict compliance. Compliance is not seen as an essential aspect of labour practice.

Another important aspect of the industrial relations and labour conditions is the prevalence of forced labour practices. Workers particularly female workers are denied the benefit of job rotation. Most of them are forced to perform the same operation for very long time, which is definitely detrimental to their mental and physical health. Confining workers to long hours of repetitive and monotonous job is a cruel labour practice indeed.

Labour regulations in garment sector are more or less the same as compared to other industrial sectors. But there is an additional imposition of ILS on the garment sector owing to its special status. The

legal regime is quite elaborate and exhaustive. The fact that the wages paid to workers in the garment is low as compared to minimum wages paid in the government sector clearly proves the lack of effective enforcement.

The abolition of contract labour (1970) is a very important piece of legislation in India. It expressly prohibits contract labour where the nature of the job is permanent in nature. In the recent years, though there is phenomenal increase in industrial production, the increase in manufacturing employment has been negligible - a fraction of a percent. This can be explained by increasing capital intensity in the manufacturing sector as a result of which capital-labour ratio has increased. Along with this trend, there is also a growing practice among not only Indian companies but also multi-national companies to hire contract laborers to such an extent that they constitute a predominant portion of the total workforce of a company. The courts have denounced such a practice. In a recent case the High Court of Karnataka ordered that even workers in a canteen of a factory should be deemed as factory workers and are entitled to the wages and other benefits on par with permanent employees. On this core there is a total failure on the part of the enforcement agencies. Contract labour is rampant in the garment industry.

Focusing on labour standard compliance in Bangalore cluster, it could be said that the results of the empirical study have reinforced in the earlier findings. A perceptual analysis of eight stakeholders reveals that there is no unanimity about the enforcement of the ten ILS. There is complete division of opinion between workers and management.

Analysis of the responses to the questionnaire is made in more than fifty tables using chi square and hypothesis testing. The null hypothesis states that there is no difference of opinion between workers and executives as to compliance with a particular labour standard. The same null hypothesis is used for comparing the opinion between male and female workers. The significant testing is done at one percent. In every case the null hypothesis is rejected indicating that the opinion of the workers about compliance with the labour standard is in direct contrast to that of the executives. This is an indication of the mistrust between workers and executives. It also indicates a very unhealthy organizational climate characterized by lack of trust, lack of free flow of information and more importantly absence of enlightened management.

#### **Recommendations**

Given the context of labour management relationship in garment sector only external interven-

tion can improve the situation of workers. Lack of unionization and lack of political affiliation coupled with ineffective role of the labour law enforcement agencies has contributed to the pathetic labour relations in garment sector. In spite of these real world factors, many successful government manufacturers have been able to get through the hurdle of ILS. But, the same relaxed and permissive situation cannot be hoped to continue forever. The growing concern for

environment, human rights and declined in the economies of Europe and America portends difficult times for the garment industry. Complete reliance on export led growth is getting riskier.

It may be utopian to expect that the managements of garment industries will become empathetic to labour overnight. Social action and educations is needed.

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