

RESIGNATIONS AND RESISTANCE AMIDST STATE INACTION

CHRONICLING GARMENT WORK DURING THE PANDEMIC



ALTERNATIVE LAW FORUM

MARCH 2022

RESIGNATIONS AND RESISTANCE AMIDST STATE INACTION

Chronicling Garment Work during the Pandemic

March 2022

A Volume published by **Alternative Law Forum**

Reports authored by: Swathi Shivanand

(Forced resignations, Stealthy Closures co-authored with

R. Prathibha)

Coverpage illustration: **Shaunak Sokey**

Illustrations inside the report: **Shivangi Pant**

Report design and typesetting: **Anindita Dutta**

Printed at **Kriya Prakashana, Bengaluru**

This report is solely intended for non-commercial purposes and to enable further research and activism. All materials extracted and reprinted are consistent with fair dealing principles. This volume maybe distributed and republished for non-commercial or educational purposes with due attribution.

About The Alternative Law Forum

The Alternative Law Forum (ALF) was started in 2000. ALF is committed to responding to issues of social and economic justice. We work to make the law and legal institutions accessible to marginalized communities and citizens. We do so by conducting critical research with an interdisciplinary approach, offering legal support and pedagogic interventions.

Resignations and Resistance amidst State Inaction

CHRONICLING GARMENT WORK DURING THE PANDEMIC



lawyering for change

Alternative Law Forum

March 2022

Contents

Acknowledgements	6
Note about the volume	6
Foreword	7
Introduction	10
Garment Workers, COVID-19 pandemic and the Lockdown: A report from South Karnataka	16
<i>Introduction</i>	18
<i>Overview of garment industry in the Covid-era</i>	19
<i>Context for the report</i>	20
<i>About the report</i>	21
<i>Employer-State vs Garment Workers: Findings and Analyses from the Survey</i>	23
<i>Abdication of lawful responsibility by employers during the pandemic</i>	23
<i>Abdication of workers by the state during the pandemic</i>	25
<i>What Workers Want</i>	30
Appendix 1: Profile of Respondents.....	33
Appendix 2: Survey Questionnaire.....	34
Laid off during the Pandemic: A Case Study of the Closure of a Garment Factory	38
<i>Introduction</i>	40
<i>Timeline of Events (May-August)</i>	47
<i>State Policies on Garment Sector and Wages: An Overview</i>	52
<i>A Brief History of the ECC-2 Factory</i>	56
<i>Mandya's Impoverished Economy</i>	65
<i>Industrial Workers and their Rural Life-Worlds</i>	69
<i>The Illegal Lay-off, Worker Protests and Dispute Resolution</i>	75
<i>Conclusion</i>	98
Appendix 3: Pamphlet distributed by GATWU.....	102
Appendix 4: Examples of settlement received by workers at the end of 50 days.....	103
Forced Resignations, Stealthy Closures: A study of losses faced by garment workers Bengaluru during the pandemic	104
<i>Introduction</i>	106
<i>Overview of Garment Industry in Karnataka</i>	112
<i>Findings from the Survey: Why Workers Resigned</i>	118
Forced Resignations	122
<i>Asked to resign</i>	122
<i>Lockdown induced economic desperation</i>	122
<i>Pressure to resign</i>	122
<i>Strategies used to create coercive situations</i>	123
<i>Resignations, as understood in Indian law</i>	124
Citing 'Losses'	126
<i>No verification of losses</i>	126
<i>Loss of employment</i>	126
<i>No intervention by apparel brands</i>	127
<i>Closures and retrenchment in Indian law</i>	127
Lack of Compensation	129
<i>Non-transparency in 'settlement' dues</i>	130
<i>Indian Courts on the need for compensation</i>	130
<i>Low levels of 'settlement' due to periodic resignations</i>	131
<i>Non-provision of wages for the period of the lockdown</i>	133
<i>Findings from Survey: How workers and households coped</i>	139
Impact on household incomes	139
Loss of tenure and social security	141
Continuing in Bengaluru vs return migration	142
Impact on consumption and debt repayment	143
What workers want from the state	145
Meanings of work	145
<i>Conclusion</i>	148
Appendix 5: Notes on select factories.....	150
Appendix 6: Questionnaires.....	154
Appendix 7: Profile of respondents.....	156
Appendix 8: Sample of email sent to factories.....	158
Recommendations	160
FIGURES	
Figure 1: Women workers protesting at ECC-2 unit premises.....	40
Figure 2: Screenshot from the annual report 2018-19 of Gokaldas Exports on its 'people management'.....	57
Figure 3: Governance Framework for H&M's commitments to workers in its supplier factories.....	64
Figure 4: Workers listening to union leaders at the ECC-2 unit.....	69
Figure 5: Workers gathering to listen to union leaders and district administration.....	78
Figure 6: Screenshot of Gokaldas Exports' claims of empowering employees in its annual report for 2018-19.....	81
Figure 7: An image showing support for the protests at ECC-2 factory which was shared on the whatsapp group of workers.....	82
Figure 8: Why this is a clear case of union busting by Gokaldas Exports.....	86
Figure 9: Social Media Campaign by IndustriAll.....	92
Figure 10: Extract from NTUI's report on the protest at ECC-2 unit of Gokaldas Exports.....	93
TABLES	
Table 1: Percentage of operational holdings (in hectares) in Mandya district between 2001-2015.....	66
Table 2: Average size of landholdings (in hectares) in Mandya district between 2001-2015.....	66
Table 3: Comparison of benefits received by workers before and after protest.....	95
Table 4: Showing number of factories, number of women and men employed in garment factories across Karnataka.....	112
Table 5: Number of factories in Bengaluru Urban and in other districts of the state.....	114
Table 6: Showing some export-oriented garment manufacturing companies in Bengaluru Urban and the total number of workers employed.....	115
Table 7: Details of surveyed factories by location, client brands, licensed strength, workers' estimates on total workforce and workforce asked to resign.....	119
Table 8: Showing the tenure range of surveyed workers.....	132
Table 9: Showing continuous tenure of surveyed workers.....	132
Table 10: Nature of employment of working family members.....	139
Table 11: Current household incomes reported in the first phase of the survey.....	140

Acknowledgements

We thank all the garment workers who generously shared their experiences with us during the course of our research. We thank the Garment and Textile Workers' Union (GATWU) for their consistent support in our efforts to document the impact of the pandemic on garment workers. In particular, we would like to thank R.Prathibha, K.R. Jayaram and Ratnamma.

We also thank Prof. Supriya Roy Chowdhury for writing the foreword to this volume and placing the reports in the context of the larger political economy of global supply chain.

We also thank our illustrators Shaunak Sokey and Shivangi Pant and designer Anindita Dutta for typesetting the report.

Note about the volume

This volume is a compilation of three reports produced over the course of the years 2020 and 2021.

The report 'Garment Workers, COVID-19 pandemic and the Lockdown: A report from South Karnataka' was published jointly by *Garment Mahila Karmikara Munnade* and *Alternative Law Forum* in May 2020.

The report 'Laid Off During the Pandemic: A Case Study of the Closure of a Garment Factory' was

published by *Alternative Law Forum* in December 2020.

The report 'Forced Resignations, Stealthy Closures: A study of losses faced by garment workers in Bengaluru during the pandemic' was published jointly by *Garment and Textile Workers' Union* and *Alternative Law Forum* in March 2021.

Foreword

SUPRIYA ROYCHOWDHURY

In the last 20 months or so, since the outbreak of the COVID 19 pandemic, there have emerged several studies chronicling the hardship of informal workers. Garment sector workers, although in principle in the organized sector (governed by a minimum wage, health insurance, and so on), nevertheless suffered job losses, wage cuts, and inadequate access to state-sponsored relief during the pandemic. Drawing on surveys, case studies and interviews, the present volume, "*Resignations and Resistance amidst State Inaction: Chronicling garment work during the pandemic*", provides valuable insights into the lives of workers as they struggled with the pandemic, with job loss, and the indifference of local supplier companies, global brands, as well as of the state.

The export oriented ready-made apparels industry is relatively young, going back to the 1970s, when garment manufacturers in the global north shifted production to countries of the global south, mainly South and East Asia, attracted by their low paid workforces.

Production in this industry remains labour-intensive. The garment industry in Karnataka is a major hub of garments exports, where the workforce is predominantly female. The present compilation is contextualized not only in the pandemic but also within the broader political economy of global supply chain production systems.

Three reports are part of this volume. The first report chronicles the plight of a large number of garment workers who were not paid or only partially paid during the first lockdown, but received hardly any support from their employers or from the government in terms of ration, food kits, or health care. Post lockdown, even as factories opened, and workers were called back, ironically, a significant percentage of workers could not return to work, as factories withdrew the transportation services which they had earlier provided. The report provides a telling account of the impact of loss of work and income on garment workers and their households.

The second report is about the closure of a factory in Srirangapatna, near Mysore, and the questions this raises about corporate governance. The ECC-2 factory, a part of the famed Gokuldas Exports company, closed during the lockdown, without the management having sought government permission for closure, thus openly flouting The Industrial Disputes Act, which makes such permission mandatory. During tripartite exchanges between the union, government and the management, the illegality of the closure was highlighted repeatedly by the GATWU, the representative Trade Union. At no point, however, was the government prepared to take on the management for this flouting of laws.

The Srirangapatna factory's closure also drives home some hard truths about so-called global governance. The buyer company, H&M, was in principle subject to the regulatory framework of the Global Framework Agreement, and the recommendations of the NMC, a dispute resolution mechanism under the GFC. However, during negotiations, H&M took the role only of a facilitator, in a hands-off mode, rather than play a proactive role in challenging the Company's illegal closure. In this sense, then,

within the analytical framework of the global supply chain, the report on the closure of the ECC-2 factory underlines the inadequacy of the global governance system, at least as it exists in the present scenario.

The strength of the report is in laying out the broad political economy of the surrounding countryside: in a district where 30% households are below the poverty line, a large number of rural women from impoverished agricultural households were ready for industrial employment, which the company brought to these women. On the other hand, post closure, the company's penetration into the women's homes, and their deliberate use of patriarchal households and conservative local communities to force the women to resign, accept the closure, and thus bring the resistance to a halt, challenges received optimism about rural industrialization, when divorced from institutional guarantees of worker rights.

The third report is on the processes through which companies, in order to achieve their goal of downsizing or closures, were able to get a large number of workers to submit their resignation through coercion or force. Forced resignations has

been a long-standing, common practice in the garment industry, sustained by the inaction of the state labour department and the lack of unionization among the predominantly female workforce. The report highlights court judgements which have elaborated on what constitutes forced resignations and interpreted existing provisions in Indian law to place force and coercion outside the realm of what is lawful.

This series of reports does a commendable job of chronicling very micro dimensions of women workers lives and work, while at the same time critically pointing to broader features of the Indian political economy, particularly export-oriented industrialization via the model of global supply chains. Crony capitalism, as is well known, not only enables business to use money power to receive undue benefits from governments, typically

tax breaks, permits, subsidies or grants, thus bypassing the logic of robust competition, but also has a disrupting effect upon the larger community, and the social contract underpinning state obligations to protect the lives of the less privileged citizenry. Illegal closures, of the kind that happened in Srirangapatnam, and forced resignations that happened in many other companies, must be seen as an act of the state that permits business non-compliance with labour laws, which directly benefits capital, and therefore falls within the conceptual framework that the term crony capitalism signals. The context of the pandemic rendered such flouting all the more harsh, in its impact on helpless workers. In this sense, the series of reports here enables the reader to use the specific context of the pandemic to reflect more broadly on the nature of the Indian state and the state-capital relationship.

Introduction

Over the course of the pandemic-struck years of 2020 and 2021, the Alternative Law Forum (ALF) in association with the Garment and Textile Workers Union (GATWU) have been engaged in documenting the impact of the COVID-19 pandemic and the lockdown on garment workers in Karnataka. The unprecedented nation-wide lockdown in May 2020 wreaked havoc on working class households and migrant workers across the country. Garment workers, located at the exploited end of the global supply chain, were at the receiving end of the illegal actions of transnational apparel corporations who reneged on their commitments to their suppliers; factory employers who defaulted on the monthly salaries that the central government had declared needed to be paid mandatorily to workers; and by the state which refused to enforce this order and whose ration subsidies and distribution of essential items were at best patchy and at worst completely absent.

In Karnataka, most measures were focussed on curbing the spread of the virus with the pandemic dealt

exclusively as a health crisis. The impact of the pandemic and the lockdowns on livelihoods, nutrition and education were considered secondary to dealing with the pandemic. Against this background, we chose to document garment workers, who form a significant proportion of the workforce in the state and in particular in Bengaluru, in order to foreground the distress of the working classes in the state during, and because of, the pandemic-induced lockdown. Our decision to document the distress of garment workers arose from the fact that the garment sector is the largest employer of women as industrial workers; despite being part of the formal sector, they face exploitative conditions akin to unorganised workers.

CHRONOLOGY

The three studies presented here offer a chronological account of the distress faced by garment workers during the period of the first wave of the pandemic and after.

The first study, *'Garment Workers, COVID-19 pandemic and the lockdown: A report from South*

Karnataka' was based on a survey conducted just as the two month long nation-wide lockdown ended and various stages of unlocking the country and economy were underway. Garment factories had just restarted but transport had not resumed, leaving workers in a fix about how to get to their workplace. There were demands made by factory owners that working hours should be increased from 48 to 60 hours a week, laws regulating minimum wages, retrenchment and working conditions should be relaxed and factories not be inspected for at least six months. Against this context, in our survey, we asked garment workers from Bengaluru, Ramanagara, Mandya and Mysore districts how they survived the lockdown and what sources of support they had, the impact of the lockdown on their material and emotional lives and what they thought of the proposed measures to increase working hours and possibly cut down on ESI health facilities and employer contribution to provident fund. The report foregrounds the extent of vulnerability faced by garment workers at that time, the ways in which the state and employer abdicated their responsibilities towards workers and what workers desperately needed and wanted to be able to survive the aftermath of the lockdown.

In the second study, *'Laid Off During a Pandemic: A Case Study of the Closure of a Garment Factory'*, we focussed on one factory closure (Euro Clothing Company-2 of Gokaldas Exports) in a small town (Srirangapatna) in Mandya district. Soon after the nation-wide lockdown was lifted, an illegal layoff was announced on June 6, 2020 by the factory management. The report provides an in-depth study into the impact of the sudden closure on workers and their families, the patriarchal and anti-worker machinations of the management into forcing workers to resign, and the resistance mounted by workers and their union, Garment and Textile Workers' Union (GATWU) against the unfair and illegal practices of the management. This micro study of the labour dispute was set against the context of the widespread impoverishment of the countryside where the factory was located and the absence of any viable employment opportunities for women in the region. The factory had over the course of the ten years of its operations become one of the few centres of stable employment for women, allowing them to create aspirations for a better life.

The final study *'Forced Resignations, Stealthy Closures: A Study of Losses faced by Garment Workers in Bengaluru*

during the Pandemic' returned to the survey mode to examine at a larger scale how factory closures and/or workforce reductions were taking place in the city of Bengaluru, where the largest number of garment factories in the state are located. Through a sample survey of 25 factories and about 100 workers, we found that forced resignations were the main mode through which factory management were effecting closures and workforce reductions. Since resignations are by default considered voluntary, managements can bypass giving retrenchment or closure compensation and wages for notice period. Various judgements from Indian courts have classified forced resignations as an unfair labour practice; yet this practice has been a long-standing one in the garment industry and remains unregulated by the labour department. In the period after the nation-wide lockdown too, the labour department has not undertaken any enquiries into mass resignations (almost always a sign of forced resignations) in garment factories. In the second survey conducted a few months later with the same set of workers, we found that while many had returned to the garment industry, some, especially older women, had not been able to find work at all or had managed to find work at piece rates that offered no social security or employment benefits.

LOCKDOWN-INDUCED DISTRESS

The studies highlight the enormous distress faced by garment workers, much like the rest of the working classes, during the pandemic-induced lockdown. Left without an income suddenly, garment workers struggled to make ends meet, particularly in Bengaluru where they had the additional, fiscally-heavy responsibility of paying monthly rent and having to spend on groceries and ration. Workers reported having reduced consumption both in the range of items they previously consumed and the number of meals. Most garment women workers are in the range of 30-40 years and hence have children studying in schools or colleges. Workers reported that they had left their children back in their villages (where possible), had chosen to enrol one of two or three children due to lack of smartphones and internet connection.

In Srirangapatna and other districts apart from Bengaluru, workers are most often from nearby villages. While most did not have the burden of paying rent and to some extent procuring food items, they were anxious about meeting their 'commitments'. This is a commonly used term for the mandatory weekly payments women workers have to make for loans taken from

microfinance institutions. Sudden closures (as in the case of ECC-2 factory) or a complete absence of income for two months coupled with pressure from the microfinance institutions to pay up had rendered workers very anxious about how to meet their commitments and avoid the humiliation of being defaulters.

STRUCTURAL CONDITIONS

These pandemic-induced conditions need to be seen against the structural aspects of the garment industry, particularly the abysmally low monthly wages workers receive. Garment workers in Karnataka receive approximately Rs.7500 per month. This is the monthly minimum wage notified by the State Government, which it is duty bound to revise it periodically. However, successive state governments in Karnataka have refused to revise minimum wages in consonance with incomes needed to live with dignity. The last revision was in 2019 when minimum wages were increased only by nine percent.

Such low wages have cascading consequences, as the COVID-19 pandemic showed. Monthly wages are not sufficient to undertake savings on a regular basis. Without

savings, workers periodically resign in order to withdraw their provident fund dues or avail of their gratuity when they are in need of small and large sums of money to meet expenses. During the lockdown, the lack of savings meant garment workers struggled to make ends meet. When workers returned to factories and found that managements wanted to cut down workforce or close down factories, they did not have the financial wherewithal to challenge the managements when they asked them to resign. They were also in desperate need of money. Since resigning would give them some immediate money, workers preferred to resign rather than refuse.

DIFFERENTIAL IMPACT OF COVID-19 PANDEMIC AND LOCKDOWNS

What these reports also highlight is the importance of space/location in understanding the precarity of garment workers.¹ While most works on the garment industry have usefully delineated the power relations between transnational apparel corporations located in the Global North and their workers located in the Global South, not

¹ Shivanand, Swathi, and R.Prathibha. "How Places Matter: Understanding Workers' Responses to Garment Factory Closures during the Pandemic in Bengaluru and Srirangapatna." *Economic and Political Weekly* LVII, no. 5 (January 29, 2022).

much attention has been paid to the specificity of each of the places located in the latter. Garment-exporting countries in the Global South are understood as being governed by weak labour laws and their implementation and where workers are paid abysmal wages. While these facts stand uncontested, it is pertinent to explore the particular ways in which conditions of exploitation and precarity are created in each of these spaces.

In Bengaluru, garment workers are bound by the daily and monthly exigencies of being able to survive in the city. Income is necessary for food and groceries and monthly rent and utilities. A month without income can cause severe distress for the household. The pandemic and the lockdown did just that. It is in this spatial context that the mass resignations of workers in Bengaluru's factories (subject of the third report) needs to be seen.

Large sections of workers are dependent on public, private or company provided transport to reach their workplaces. Workers in districts outside of Bengaluru travel daily from nearby villages through shared autos or vans. By opening up factories but not making arrangements for transport, the state and employers added

to workers' anxieties and forced them to take unsafe, expensive and long journeys to reach workplaces. Further, in Bengaluru where schools and anganwadis double up as child care for working mothers, the continued closure of these spaces constrained women workers from returning to work.

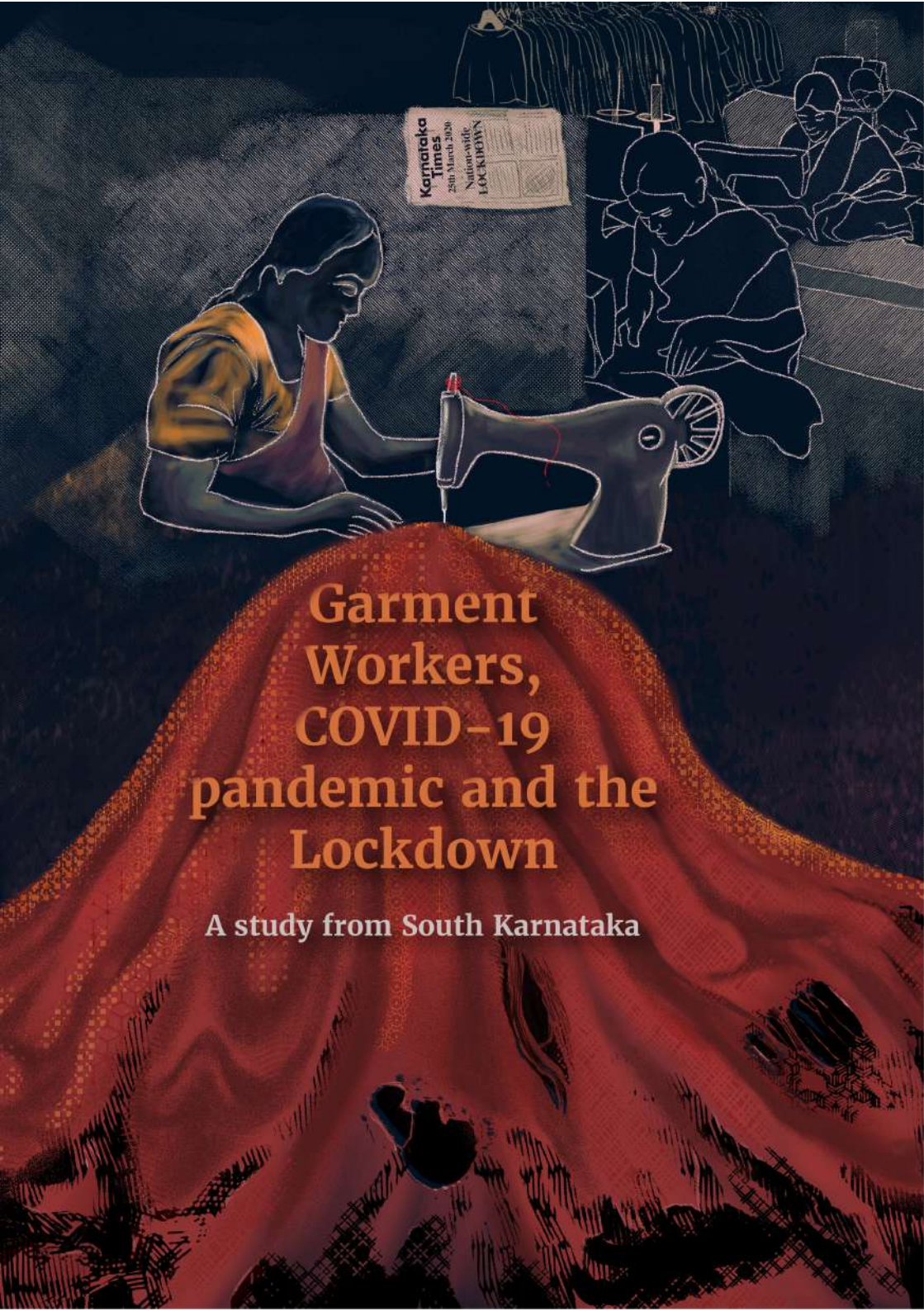
In Srirangapatna where we documented workers' protest against an illegal layoff announced by their factory, the importance of space acquired a different kind of importance. In order to force workers to resign, factory management deployed supervisors and other personnel to fan out to villages and employ coercive tactics that included convincing (in some cases shaming) spouses, male members of the family and other village elders to pressurise women to resign. The fact that workers in the factory in Srirangapatna were essential industrial workers residing and living in villages was used by the factory to its advantage. This case-study raises questions on the possibilities of newer forms of exploitation as garment capital travels deeper into more impoverished spaces of the Global South.

These are the broad questions and aspects that the three reports presented here have engaged with.

We hope this offers insights not only into the distressed conditions of one of Karnataka's significant class of workers but also into the structurally

oppressive conditions which the pandemic has only exacerbated and forcefully foregrounded.





Garment Workers, COVID-19 pandemic and the Lockdown

A study from South Karnataka

Author: Swathi Shivanand
Published by: Garment Mahila Karmikara
Munnade and Alternative Law Forum
Date: May 2020.

Introduction

The state of Karnataka went into complete lockdown on March 23, 2020 along with the rest of the country. The unpreparedness of the government in dealing with the devastating consequences of the lockdown has by now been well-documented by many studies, news reports, and social media accounts.¹ Over the last two months of lockdown, working classes have been absolutely impoverished, with lakhs of workers struggling for food and money. Stripped of their dignity, they have been reduced to standing in long, unending queues for food, for ration, and in the case of migrant workers, walking hundreds of kilometres to be able to reach home in other states. All of this has taken place—and continues to take place—as state and district administrations

struggle to cope with the scale of the unfolding distress.

As measures to ease the restrictions began to be discussed, state governments in north India such as Uttar Pradesh, Madhya Pradesh, Himachal Pradesh and Gujarat have decided to undertake measures that exempt factory owners from several of the labour laws that used to govern the relationship between an employer and worker. This includes raising the number of working hours to as much as 12 hours per day, not providing for overtime pay, and the elimination of legal options to challenge employers' diktats.²

Following these BJP-ruled states, Karnataka government on May 22, 2020 announced that it would

exempt factories from Sections 51 and 54 of the Factories Act, which regulated the maximum weekly and daily working hours, respectively. It revised the maximum working hours from 8 hours to 10 hours in a day and from 48 to 60 hours in a week. News reports from earlier in the month had stated that other labour "reforms" that the government was considering included relaxing laws regulating minimum wages, halting inspection of factories for the next six months or so among others. Factory owners in a meeting with the government reportedly also asked that they be exempted from paying salaries due to workers and not be made liable if workers complain against retrenchment and working conditions.³

Given these possible measures that will have far-reaching impact on workers in the state, Garments Mahila Karmikara Munnade and Alternative Law Forum came together to conduct a study of one segment

of workers—garment workers—who form a numerically significant part of the working class in Bangalore city and are increasingly to be found in the nearby districts of Ramanagara, Mysore and Mandya. Through this study, we wanted to not only ask the workers what they thought of these measures but also understand the difficulties faced by them during the lockdown, how it frames their worldview at the present and how it may inform what individual, and possibly collective, action they might undertake to face the post-lockdown scenario.

OVERVIEW OF GARMENT INDUSTRY IN THE COVID-ERA

The state in India values the garment industry for the foreign exchange that the industry brings in and for its ability to provide employment to a large segment of the population.⁴ It is on the basis of its importance to the Indian economy that the Confederation of Indian Textile Industry (CITI)

¹ Vikas Rawal, Manish Kumar, and Jesim Pais, "India's Villages during the COVID-19 Pandemic," Impact of Covid-19 Policies in India (Society for Social and Economic Research, n.d.), <https://coronapolicyimpact.org/2020/04/07/indias-villages-during-the-covid-19-pandemic/>; Chetan Choitani, "What Happens to the Wives of Male Migrant Workers, Who Run Entire Households in Villages?," *The Wire*, April 1, 2020, <https://thewire.in/women/lockdown-migrant-workers-wives>; Jean Dreze, "Excess Stocks of the Food Corporation of India Must Be Released to the Poor," *The Indian Express*, April 9, 2020, https://indianexpress.com/article/opinion/columns/coronavirus-lockdown-food-for-poor-migrants-mass-exodus-jean-dreze-6353790/lite/?__twitter_impression=true; Farzana Afridi, Amrita Dhillon, and Sanchari Roy, "How Has Covid-19 Crisis Affected the Urban Poor? Findings from a Phone Survey - I," April 23, 2020, <https://www.ideasforindia.in/topics/poverty-inequality/how-has-covid-19-crisis-affected-the-urban-poor-findings-from-a-phone-survey.html>.

² Arvind Narrain, Maitreyi Krishnan, and Clifton D Rozario, "COVID-19 Lockdown: Uttar Pradesh and Madhya Pradesh Watering down Labour Laws Is a Body Blow to the Working Class," *Firstpost*, May 11, 2020, <https://www.firstpost.com/india/covid-19-lockdown-uttar-pradesh-and-madhya-pradesh-watering-down-labour-laws-is-a-body-blow-to-the-working-class-8355791.html>.

³ Arpita Raj, "Labour Laws: Karnataka to Relook at Minimum Wage, Working Hours," May 9, 2020, *The Quint* edition, <https://www.thequint.com/news/india/labour-laws-karnataka-to-relook-at-minimum-wage-working-hours>; Sharan Poovanna, "Karnataka to Review Minimum Wages, Working Hours, Labour Law Compliance," *Mint*, May 9, 2020, <https://www.livemint.com/news/india/karnataka-to-review-minimum-wages-working-hours-labour-law-compliance-11589015389662.html>; Bala Chauhan, "After Land, Now Karnataka Mulls Labour 'Reforms,'" *The New Indian Express*, May 12, 2020, <https://www.newindianexpress.com/cities/bengaluru/2020/may/12/after-land-now-karnataka-mulls-labour-reforms-2142130.html>.

⁴ According to one report, the garment industry earned around 40 billion US dollars for the country and employed around 105 million. "Covid-19 Impact and Responses: India" (Fair Wear, April 16, 2020), <https://www.fairwear.org/covid-19-dossier/worker-engagement-and-monitoring/country-specific-guidance/india>.

has reportedly asked that the Government of India provide a relief package to the textile and apparel sector. The package reportedly includes reduction in bank interest rate, extension of soft loans, moratorium for the repayment of principal and interest amounts to the banks for four quarters (1st April 2020 to 31st March 2021) and an exemption from anti-dumping duty and basic customs duty of all raw materials, dyes and chemicals, intermediaries, spares, accessories, etc.⁵ The Clothing Manufacturers Association of India (CMAI) has reportedly stated that cancellation orders from buyers have started coming in, impacting adversely the ability of the industry to revive itself.⁶ Arguing for a relief package, the CMAI (which has around 3,700 members employing over 7 lakh people), has said most of its members do not have reserves to tide over this crisis which may span between three and six months.⁷

The crisis is evident, the losses real, and its effects possibly far-reaching. However, these losses

faced by factory owners and employers seems to be the only concern for Indian states as they repeal all measures that protect labour's interests. Such skewed priorities that privilege employers over labourers, profits over lives, misses a vital fact that one of our respondents poignantly summarised:

“It is a fact that the entire world has faced losses. It is a fact that factory owners have faced losses. But we have also faced losses. Who will listen to our losses?”

Poorna, Button Operator

This report is an account of these “losses”, one that the state needs to prioritise—but is refusing to do—as it prepares for a post-Covid economy.

CONTEXT FOR THE REPORT

Several news reports have begun to appear about how the pandemic has affected garment workers in several South Asia and South-East Asian countries. In Cambodia

and Malaysia, reports of heavy retrenchment have begun to appear;⁸ home-based workers in Pakistan have been severely hit with absolutely no work orders coming in;⁹ Bangladesh workers have reported that a majority of them have not received any payment for the month of April and although hundreds have begun to return to work, factories have not adopted safety measures to protect workers.¹⁰

In Karnataka, garment factory owners claim that they do not have the money to pay salaries to their workers and have asked for a stimulus package from the government, provide orders for domestic production or help pay employee salaries. This has left hundreds of garment workers in dire financial straits, an issue that will be presented in this report. With the state allowing garment factories to reopen even in red zones such as Bangalore, it becomes imperative to understand the difficulties faced by the garment workers in this post-lockdown scenario.

Our focus on garment workers is necessitated by some key facts: Over five lakh workers are employed by the industry in Karnataka; a majority of them are women and the impact of Covid-19 pandemic on women has been understudied; the effect of the proposed labour “reforms” will particularly affect women workers in the garment industry who will not be able to work longer hours or for reduced pay. Many of the grievances, anxieties that workers shared with us are not specific to the garment industry alone; the Covid-19 pandemic has united—although through enormous distress—the working classes across the state and the country. This report, it is hoped, will illustrate the extent of workers’ distress, the factors affecting workers’ individual responses, and the possible impact it may have on collective action.

ABOUT THE REPORT

The report is based on telephonic survey conducted between May 16 and 18, 2020 of 82 workers in Bangalore, Ramanagara, Mandya and Mysore districts (see Appendix 1 for profile of respondents). Most

⁵ ibid

⁶ Shramana Ganguly, “Apparel Shopping Goes Phut in COVID-19 Crisis,” Economic Times, April 14, 2020, <https://economictimes.indiatimes.com/industry/cons-products/garments/-/textiles/apparel-shopping-goes-phut-in-covid-19-crisis/articleshow/75136706.cms?from=mdr>.

⁷ “Covid -19 Impact: 1 Crore Job Cuts Likely in Textile Industry without Govt Support, Says CMAI,” April 14, 2020,

https://economictimes.indiatimes.com/industry/cons-products/garments/-/textiles/lockdown-1-crore-job-cuts-likely-in-textile-industry-without-govt-support-says-cmai/articleshow/75125445.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst.

⁸ “Live-Blog: How the Coronavirus Affects Garment Workers in Supply Chains,” n.d., <https://cleanclothes.org/news/2021/live-blog-on-how-the-coronavirus-influences-workers-in-supply-chains>.

⁹ “COVID-19 Management Guidance With Self-Assessment Checklist for RMG and Footwear Factories” (BetterWork Bangladesh, April 2020), https://betterwork.org/wp-content/uploads/2020/04/COVID-19-Management-Guidance_BWB_v2-2.pdf.

¹⁰ “Live-Blog: How the Coronavirus Affects Garment Workers in Supply Chains,” n.d., <https://cleanclothes.org/news/2021/live-blog-on-how-the-coronavirus-influences-workers-in-supply-chains>.

garment factories are located in Bangalore district, although there has been a steady migration of factories to adjoining districts and rural areas since around the year 2010. Union organisers point out that this migration of factories has been due to rise in land prices in the city and that mandatory wages are lowest in rural parts of the state and highest in Bangalore. Our respondents are workers in Bangalore as well as nearby districts, since much of the migration of factories is restricted to districts of South Karnataka. All names have been changed to protect privacy.

In the report, we provide a sense of working conditions prior to the lockdown as well as workers' perspectives about it; the impact of the lockdown on the material and emotional lives of garment workers; and the extent of vulnerability they feel currently. We framed our survey questions around their experience of accessing food and ration, their current concerns regarding their everyday lives, and their opinions on state and employer assistance as well as the proposed labour "reforms". We also asked them what their anxieties and fears were in this period of the Covid-19 pandemic and how they felt about the present and future (See Appendix 2 for our questionnaire).

Employer-State vs Garment Workers: Findings and Analyses from the Survey

Even as this report was being written, the Karnataka Government announced that factories registered under the Factories Act could increase their working hours, daily and weekly. When this survey was being conducted, this was still a possibility and not a certainty; workers' articulations on the matter of longer hours and reduced pay are now centrally important. Our analysis has now been aligned to reflect upon this new reality and will place workers' testimonies on record.

ABDICATION OF LAWFUL RESPONSIBILITY BY EMPLOYERS DURING THE PANDEMIC

The Karnataka state government clearly believes that losses faced by factory owners need to be recuperated through a thorough depletion of the worker's labouring body, as evidenced by its order on May 22, 2020 which raised the maximum working hours in a day and a week to 10 and 60

If we take into account our expenses for electricity, food and milk, van for transport interest on loans etc, we are barely able to meet the expenses with our salary. If they reduce even this, what is even the point of working?

Seema, Button Operator

respectively. This "generosity" towards factory owners is in stark contrast to the illegal and extractive behaviour of the latter in the matter of salary payments to workers, even during the crisis generated by the Covid-19 pandemic.

Only 61 percent of garment workers received full monthly wages for the month of March; 18 percent received 75 to 80 percent of their wages,¹¹ 9 percent received only between 30 and 50 percent of their wages.

The situation with regard to salaries for April was much worse with a whopping 63 percent having received no salary at all. 17 percent of workers reported that they

¹¹ In these cases, factory owners paid only for the 20-23 days that workers worked in March before the nation-wide lockdown was announced.

We will not work. We already work nine hours and are exhausted at the end of the day. Then we spend two hours travelling back and forth; if in a day we give up about 14 hours of our day to these factories, what will be left for us?

Shiva, **Works in Finishing**

received 50 percent and less of their salaries for April while an equal percentage reported receiving full salaries for the month. Many workers reported that full or partial salaries have been given only to those who reported to work in May. These workers are undertaking expensive or unsafe travel to be able to reach their workplace, a point we will get to later.

It is important to put these numbers in perspective lest it be said that factory owners are plagued by losses themselves. What really does 75 to 80 percent of wages translate to in real numbers? How much are factory owners paying when they pay garment 50 percent or even full wages?

When factory owners give workers 50 to 70 percent of their pay, what they are paying most workers is anywhere between Rs. 3500 and Rs. 5000. This calculation has been arrived at based on what respondents told us about what their monthly salary was. 83 percent of our respondents said they earned

less than Rs.10000 or less per month. Of these set of workers, 19 percent reported earning less than Rs.8000 per month.

These worker salaries have to meet expenses that

- go into feeding families of at least four to five members (62 percent of respondents reported this family size);
- pay rent (86 percent reported living in rented accommodations) and utility bills;
- transport back and forth from work (several workers reported being charged anywhere between Rs. 250 and Rs. 1000 by companies or private vehicles);
- for children's education, medical emergencies that may arise, repayment of loans, if any.

Difficulties for garment workers due to non-payment of salaries has been exacerbated by the fact that other earning members of the family had lost their jobs and income during this period of the pandemic. Even before the pandemic, income

security was a distant dream, with 51 percent of four-member households in our study reporting a total monthly income of less than Rs. 15000.

In a recent letter to Chief Minister BS Yeddiyurappa, factory owners referred to themselves as 'annadatas' and 'udyogadatas'.¹² The hollowness of such self-descriptions is laid bare when 96 percent of respondents said that they received absolutely no assistance from their employers, be it in the form of cooked food, dry ration kits, loans and advances. It is to these owners that the state has handed over 12 hours in a week that belonged to the worker. To be sure, these additional hours were put in by workers earlier as overtime. 50 percent of our respondents reported doing overtime duty, for which they got paid either by hour or piece, usually at rates higher than during normal workdays. The Karnataka Government's notification betrays a lack of understanding and empathy regarding workers' health and lives, particularly of women workers.

ABDICATION OF WORKERS BY THE STATE DURING THE PANDEMIC

By increasing working hours, the state has ignored working conditions in garment factories where 'production torture' has been well-documented—i.e. the need to meet deadlines for orders often means that workers are forced to work under high pressure and in excess of their working hours, so much so that workers are not allowed to even take periodic breaks.¹³ This takes place under verbally, physically and sexually abusive environments where the fact of many women workers supervised by few men brings into play the operation of patriarchal power.

Extension of working hours places at severe risk the livelihood of women workers as it makes it impossible for them to work for longer hours. Questions of safety, social taboos on women returning late, the need to maintain and provide for the household already restrict women's mobility and opportunities for employment. With the workday

¹² Theja Ram, "Increase in Overtime and Work Shifts: Karnataka Unions Oppose Proposed Labour Reforms," *The Newsmminute*, July 22, 2020, Online edition, <https://www.thenewsminute.com/article/increase-overtime-and-work-shifts-karnataka-unions-oppose-proposed-labour-reforms-129214>.

¹³ People's Union for Civil Liberties-(PUCL) Karnataka et al., "Production Torture: A Study of the Working Conditions, Including Workplace Harassment, Faced by Women Garment Workers in Bangalore and Other Districts" (Bengaluru, April 2019).

I am scared about going back to work because now I hear that we may have to stitch masks. We used to earlier stitch shirts but now this is a new thing and if we make mistakes, we will get very badly reprimanded. In garment factories, they employ choicest of abuses, refer to us in derogatory fashion. Those who work in garment factories do so because they have no option. Many times, I have felt that maybe it is better to do construction work rather than garment work.

Chandra, Tailor

further extended, it is quite likely that women may have to leave the workforce or put their safety, health and strength at stake to be able to earn meagre salaries.

Given that the state has dragged its feet on issues faced by workers during the lockdown, this move to extend working hours without speaking to workers' unions is further evidence of the abdication of the state's responsibility towards workers. Most workers told us that they received little to no assistance from the government. To a question on what the government had done for workers during lockdown, 60 percent said they believed that the state had done absolutely nothing for workers. 75 percent of our respondents said they received no free food from the government, 51 percent said they received no free ration from the government, 66 percent said they received no subsidised ration from public distribution system (PDS), and 18 percent said they received absolutely no assistance from the government.

Despite several calls from activists, trade union organisers and relief workers, the government offered no income support to working-class households. 45 percent of our respondents said that they had to borrow money to tide over the lockdown, mostly from neighbours, friends and relatives. While 68 percent reported not having paid rent, 32 percent paid their rent by borrowing money, dipping into savings or using their salary.

Although the government had asked landlords not to demand rent from tenants during the period of the lockdown, the lack of enforcement of this directive has meant that tenants have been left in the lurch. Most workers also expressed great tension and anxiety about having to pay rent, utility bills and interest repayments, all of which had accumulated over the last two months. Given that little to no savings is possible in low-income households such as a garment worker's, paying from fund reserves is not possible. 60 percent

of workers reported that they had no savings at all while many of the workers who did report that they had savings emphasised that they were very small in size.

We had to pay rent, we did not have a choice. Our landlord came in front of our house, early in the morning and asked us to pay up. When we said that the government had postponed payment of rent, they told us to get the government to our doorstep and tell them to waive off our loans and we will let go of your rent. In these circumstances, how could we not pay rent? We had to. The government will tell one thing, but we can't do what they say.

Radha, Tailor

The complete apathy of the state towards workers is seen in the fact that while it allowed factories to reopen, the state provided no transport facilities for workers to reach their workplace. During our survey, workers reported with great anguish their inability to go to work despite factories having restarted. 79 percent of workers reported that their factories had reopened and 72 percent said

they had been called back for work. But many reported being unable to travel to work or great difficulties they were undertaking to reach their workplace. Workers are walking to work, hitching rides from passers-by, getting together to hire vans for expensive rates paid for by themselves. Women in districts outside Bangalore reported undertaking arduous and unsafe journeys to be able to reach work. One worker told us that she is spending nearly 30 percent of her salary on autorickshaws since there are no bus facilities. She had to go to work because both her husband and son-in-law were not employed. Those who could not commute reported feeling extremely anxious and worried about the security of their jobs, especially since some of their colleagues had begun to work. Some workers stated feeling particularly restless about being unable to work because their colleagues who had returned to work had received full or partial payments. With no money at all in their hands, workers' responses indicated great desperation. Below are select excerpts from our conversations with workers on being unable to travel to work.

Mani is a 33-year old garment worker who travelled everyday for 45 kms to reach Mysore to work in a major export factory. She earned Rs.8000 per month as a tailor, of which she spent Rs. 2000 to purchase a pass for her daily travels. Her daily routine included leaving home 6 am and travelling for 2 hours to reach the factory. By the time she returned from work, it was usually 8.30 in the night.

Not only is her family already afraid for her safety, Mani is worried about what others in her village would say if she regularly returned late from work. Understandably, she is opposed to the extension of working hours because she will simply not be able to work longer hours and will have to quit. 'Gents can come whenever and go. But what will ladies do?,' she asks.

Now that she is unable to go to work because of the lack of transport facilities, she says, 'They should have made same rules for everyone; now some people can go to factory to work; some of us cannot because we have no means of work; earlier I was fine thinking no one is going to work but now that our factory has started 15 days ago, I am afraid I will lose job'.

Raji is a 38-year-old garment worker who travelled to the factory in Srirangapatna from her village in Mandya district everyday in a van for which she paid Rs. 1000 a month. Many from her village work at garment factories. Since the time she restarted work after the lockdown, she leaves home at 6 am so that she can reach factory by 9 pm. The reason she leaves three hours earlier is because she hails down vehicles and takes lift from these passers-by. Asked whether she did not consider this unsafe, she responded that she was afraid of losing her job. Given that her sons have no work right now, the family is dependent on her salary.

"If all factories were closed, or if everyone had access to transport facilities, it would be better. Most people are taking these unsafe options for fear that they may lose their jobs, especially since some of their colleagues are going. If we don't go, people around us will start talking, they'll ask us if we got fired, talk badly about us, whether we can't even hold onto our jobs."

Pavitra is a 25-year-old woman who travelled from her village to Srirangapatna everyday to work in a major export-based company. She works in their ironing department and earns Rs.8000 per month. It takes her 1.5 hours to travel one way to work and by the time she reaches home it is around 7 pm. "If it is increased to 8 pm or so i will reach home only by 10 pm. what will people around us say?"

Pavitra is managing to travel to work everyday on bike with someone she knows. She is paying for petrol right now. On the day we spoke to her, she wasn't able to go to work because that person refused. She was going to lose the day's salary.

What Workers Want

When we began our survey, extension of working hours and reduced pay were still only possibilities as were elimination of employer contribution to workers' PF (provident fund) and reduction of ESI (Employee State Insurance) facilities. We asked them whether they would continue to work if any of these provisions were altered. 66 percent of the workers said that they would not work for reduced pay; 65 percent said they would not work longer hours; 75 percent said that they would not work if ESI facilities were withdrawn and 82 percent said they would quit if the provision for PF was stopped.

All of us will leave work if they extend hours and reduce pay. As helper, I stand continuously for 8 hours. My feet have worn out in this way.

Raji, Helper

It's terrible if they reduce pay even during trying times such as these. We are putting our lives at risk and working. We will get together and ask.

Saraswathi, Tailor

It is important to mention here that the last two months of lockdown with no food or income support has left workers feeling extremely vulnerable with their impoverishment bearing down heavily on them. Those who agreed to working without these facilities pointed out how other members of the family did not have work, the pressure to pay rent, utility bills and interest on loans were extremely high and the possibility of not finding employment was something they could not afford. These anxieties are further fuelled by information circulating among garment workers that orders were reducing, factories may close unable to bear the losses, that factories can be closed without notice and workers will not be able to demand their dues. Other information circulating at the time of the survey included the possibility that they may have to work longer hours with/or reduced salaries; that workers may have to work on Sundays. One worker reported that she had been hearing rumours that they may have to work for piece rate and may not get fixed pay. Such circulation of information and

At night I can't sleep thinking about what will happen next. I don't know what to do about the future, how to manage expenses, with kids. I am tired of life. We have no money absolutely. We are so desperate that if they give us even Rs. 3000 we will have to work.

Chandra, Tailor

rumours was the reason that nearly 30 percent listed getting back to work as their primary concern, and not fear of infection, or reduced pay or long working hours.

Workers are afraid of getting infected during travel or within the workplace, worried that they may carry home the virus to their family members, that lockdowns could become a regular feature rendering them completely penniless. But they know they cannot afford to not work; those who have migrated to cities such as Bangalore say that earning money was the only reason they left their village; some are so desperate that they have said they will work under any conditions and reason that many small garment factories anyway do not have options for PF and ESI.

Right now, all workers are from Ramanagara which is in green zone. But workers from Mandya, where the infection spread is high might start to come now that inter-district travel is allowed. They will come because factory has given April salary only to those who have come to factory now.

Shiva, Works in Finishing

For factory owners who have always resisted the payment of even minimum wages to their workers, this desperation offers possibilities for further exploitation. During the course of our telephonic surveys, phone numbers of our volunteers got circulated among a few workers in Ramanagara who called us asking for help because factory owners were pressurising them to work on Sundays as well. One worker-organiser from the district told us that tailors in particular are being harassed to increase production and stitch masks; workers were asked to submit to oppressive conditions because employers know the former cannot afford to lose their jobs. It is important to recognise here that decades of struggle with the state and campaigning with brands had ensured that garment workers received some benefits, primary among them being that of PF. During our survey, 99 percent of the workers said they had access to ESI, 96 percent said they had PF and 92 percent said they got some form of bonus once during the year. Given that salaries themselves are a pittance and workers barely

manage a hand-to-mouth existence, they were vociferous about protecting these benefits that help them tide over financial and medical crises. Below are some excerpts from our conversations with workers regarding their PF benefits.

“PF is the only way in which we save given how little we earn. If they take that away from us, we will not have any savings left.”

Latha, Tailor

“The only reason we work in garment factories is because of PF. If that is not there, then it makes no sense for us to work such long hours at all for such small salaries.

Pavithra, Ironing Department

“We live a hand-to-mouth existence. So PF is like our savings. Our salary is spent in rent, food, children’s education etc. It is through PF which we can withdraw as a lumpsum that we can use for many things like repaying loan, taking a house on lease etc. We live and work with complete reliance on PF as our safety net.

Ganga, Button Operator

Even as workers were vociferous about retaining their existing rights and not have them dwindle, there were immediate concerns that they needed addressed by the government. They are as follows:

1. Income support to help with payment of rent, utilities and other necessities.
2. Adequate and inexpensive transport facilities that allow workers to help travel between work and home.
3. Ensuring companies pay both March and April salaries in full without conditionalities.
4. Job security so that workers are not retrenched.
5. Preventing harassment of workers by landlords and loan agents, particularly from microfinance institutions which have been insisting on payment of interest even during the lockdown.
6. Ensuring access to food and ration for the next few months and not only in cities. Many rural-based workers reported having received no food or ration from the state.
7. Waiving off agricultural loans was a priority for women workers who were part of rural households.

Appendix 1: Profile of Respondents

Respondents according to Location and Gender

Sl.No	Name of districts	Number of female workers	Number of male workers	Total
1	Bangalore	42	9	51
2	Ramanagara	13	1	14
3	Mysore	9	0	9
4	Mandya	8	0	8
	Total	72	10	82

Age-wise Breakup of Respondents

Age group	Number of respondents
20-30	19
30-40	47
40-50	16

Native Districts of Respondents

Name of districts	Within district	Outside district	Outside state
Bangalore	21	17	3
Ramanagara	10	3	1
Mysore	6	4	0
Mandya	5	3	0

Nature of Work of Respondents

Nature of work	Percent of respondents
Tailor	62
Helper	12
Button operator	6

Appendix 2: Survey Questionnaire

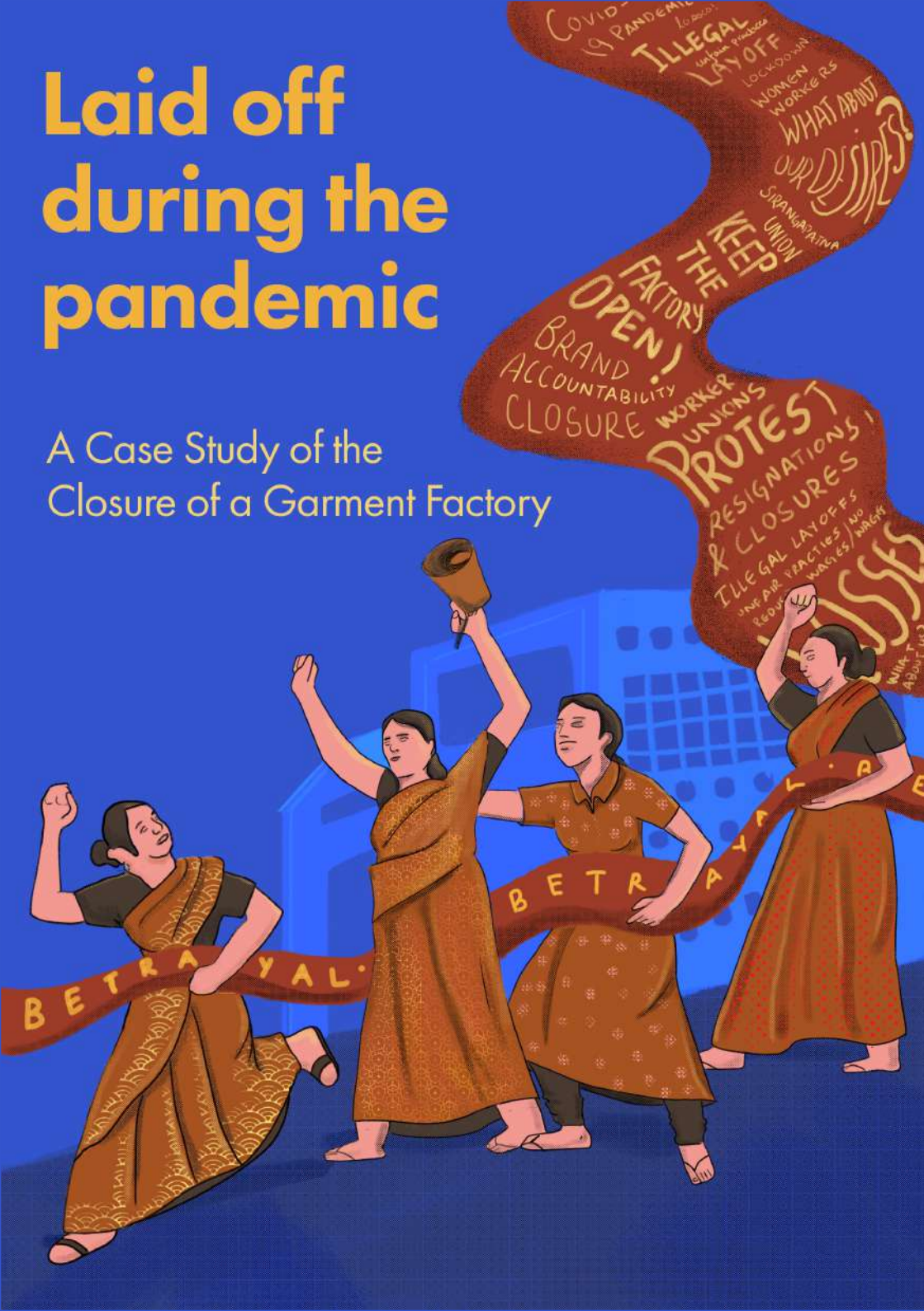
Survey of Garment Workers	
Personal Information	
1	Name
2	Age
3	Gender
4	Marital status
5	District working in (before lockdown)
6	Native district
7	No. of family members
8	No. of earning family members (before lockdown)
9	Total income of family (before lockdown)
10	Name of factory
11	Location of factory
12	Working as
13	No. of years of work
14	Salary
15	No. of hours of work
16	How often did you do over time?
17	Did you receive overtime pay?
18	What benefits did you receive from work (Yes/No)
a	ESI
b	PF
c	Free health check-up
d	Anganwadis
e	Indira Canteen
f	Jan Dhan
g	None
h	Any other (please specify)

Experience of lockdown	
20	When was the last day of work?
21	How much salary did you receive for March
22	How much salary did you receive for April
23	During lockdown, how did you manage for food?
24	During lockdown, how did you manage for money?
25	During lockdown, how did you manage for rent?
26	What other expenses did you have and how did you manage it?
27	Did you have savings before the lockdown?
28	What kind of savings? (Chits, FD, RD etc)
29	Have you continued saving?
30	Did you borrow money to survive the lockdown (If no, please go to q.34)
31	Who did you borrow from?
a	Moneylender
b	Neighbour
c	Relative
d	Bank
e	Other (Please specify)
32	How much loan did you borrow? If multiple sources, please provide break-up.
33	How much is the interest rate for the loans you have borrowed?
34	Did you receive aid from government during lockdown?
a	Free food
b	Free ration
c	PDS
d	Anganwadis
e	Indira Canteen
f	Jan Dhan
g	None
h	Any other (please specify)
35	Did you receive assistance from employer?
a	Food
b	Medical help
c	Loans/Advances
d	None
e	Any other (please specify)

	Current work situation
36	Has work restarted in your factory (If no, please go to q.42)
37	Have you been called back for work? (If no, please go to q.42)
38	How many workers have been called back for work?
39	How are you travelling to work?
40	How many hours per day are you working?
41	Any reduction in salary?
42	Do you think you will be called back for work? (Yes/No/Maybe)
43	Are you a member of any union?
44	Do you think unions are necessary?
45	What have you heard about the situation in garment factories?
46	What are your concerns right now regarding work?
47	What are your concerns regarding you and your family?
48	If and when work resumes in factory, are you willing to work for
i	Reduced Pay
ii	Longer hours
iii	No ESI
iv	No PF
49	If they answer yes to any of the above options, please ask them why?
50	What are your views on how the govt has handled lockdown for workers
51	What are your expectations from the govt
52	How are you feeling at the moment about the future
53	Please add your thoughts and observations about how the interviewee sounded or responded to the questions. It can be anything that the questionnaire didnt capture or you didn't have space to note down.

Laid off during the pandemic

A Case Study of the Closure of a Garment Factory



Author: Swathi Shivanand

Acknowledgements: R. Prathibha, K.R. Jayaram, Naveen, Padma.D, Mohan Mani, Gautam Mody, Dr. Soundarya Iyer, Mallige Sirimane, Prof. Supriya RoyChowdhury, Madhu Bhushan, Shakun Mohini, Prof. A.R.Vasavi, Prof. Rameshwari Varma, Aron Raman, Vaibhav Raaj.

Introduction



Figure 1: Women workers protesting at ECC-2 unit premises

Source: GATWU

On June 6, 2020, the Euro Clothing Company-2 Unit (ECC-2) of Gokaldas Exports Limited (hereafter Gokaldas Exports) in Srirangapatna¹ declared a ‘lay-off’.² The management ‘announced’ the decision through a notice pasted on the factory walls near the exit at 5.37 p.m. when the workers were leaving the premises for the day. In the days leading up to the notice, workers had been apprehensive that all was not well. A few days earlier, on May 30, they had heard

from their union leaders that the company had been shifting out the plant machinery late in the night. The next day, on a Sunday, they had all gathered in protest and had managed to stave off the shifting of machinery. But soon after that, the company had begun to move out production material, leaving workers anxious.

Still, when the lay-off was announced, there was great anger and sorrow among the women

workers, whose lives and desires lay shattered around them. Nearly a third of the workers had been working in the factory for over five years and more than half of the workforce had a continuous tenure anywhere between one and five years.³ This factory had been a lifeline for them, until the lay-off.

Those outside the gates rushed back in to join their colleagues still inside the premises. About 1300 workers sat down in protest demanding that the company withdraw the notice, resume operations and let them keep their livelihoods. Their union—Garment and Textile Workers Union (GATWU)—informed them that the lay-off was illegal, as it violated Section 25(M) of the Industrial Disputes Act, 1947 which makes it mandatory for a factory management to seek requisite permission from the government before announcing a lay-off.⁴ The management had not sought any such permission from the Karnataka state government.

Nearly 600 of the over 1300 workers held out for 50 days until continued uncertainty and the increase in compensation offered by the company pushed most to resign; 23 workers chose to be transferred to another unit in Mysore. But that the women held out for so long amidst a raging pandemic was remarkable in itself. Travelling every day to the factory, bearing the expenses of this transportation, these women continued to protest while withstanding the stress of watching groups of their co-workers give in to force and resign. For many, protesting meant bearing even more pressure as they battled familial displeasure of their activities. As R. Prathibha, president of GATWU, noted in an interview, such protests are few and far between in the garment industry. This is particularly so in metropolitan centres such as Bangalore where there are a large number of garment factories and finding employment in another factory is not very difficult, she explained. Workers in such urban centres prefer to resign and move onto another factory for employment.⁵

³ About 32 percent of workers had worked for over five years in the factory; 58 percent of workers had worked between one and five years.

⁴ The management which intends to lay-off its workers is mandated to seek permission from the state government, clearly stating the reasons for the intended lay-off. Upon receiving the application for lay-off, the state government has to conduct an enquiry in which the employers, workers and others interested in the lay-off are given an opportunity to be heard. The state government is obliged to respond within sixty days of receiving the application, failing which the permission is considered to be granted. Such an application for lay-off is not mandatory in case the lay-off is due to shortage of power or natural calamity, or fire, flood, excess of inflammable gas or explosion. Section 25 (M), Government of India, The Industrial Disputes Act.

⁵ R. Prathibha, Interview, July 8, 2020.

¹ A town in Mandya district in the southern state of Karnataka, India.

² According to Section 2 (kkk) of the Industrial Disputes Act, 1947, lay-off means ‘the failure, refusal or inability of an employer on account of shortage of coal, power or raw materials or the accumulation of stocks or the breakdown of machinery [or natural calamity or for any other connected reason] to give employment to a workman whose name is borne on the muster rolls of his industrial establishment and who has not been retrenched.’ Government of India, “The Industrial Disputes Act,” Pub. L. No. Act No.14 of 1947 (1947), <https://labour.gov.in/industrial-relations>.

CONTEXT FOR THE REPORT

Garment industries across the Global South have been drastically hit by the COVID-19 pandemic, with transnational apparel brands scaling back, demanding discounts, or refusing to pay for existing orders. A report by the Workers Rights Consortium (WRC) points out that as governments of wealthier nations shut down apparel demand, brands have been acting to limit their obligations to contracted factories.⁶ Since factories cannot afford to sue brands without adverse consequences, the burden of the economic disruptions caused by the COVID-19 pandemic has been passed down to the lowest level in the supply chain—women workers.

Reports from different countries in the Global South such as Bangladesh, Cambodia, Philippines, Myanmar, Pakistan and India are depressingly similar in that they speak of job losses, pay cuts, working in unsafe conditions on far worse terms. The WRC report calls on brands to share the financial

burden of the crisis generated by the pandemic, ‘rather than sloughing all costs onto suppliers and, in turn, workers’.⁷ But, by all accounts, such calls by international watchdog organisations have not translated into any pro-worker action.⁸

More worryingly, the pandemic is being used by supplier factories in south and south-east Asia to target unionised workers disproportionately. In its report, the Business and Human Rights Resource Centre (BHRRC) found that in this period of the pandemic, more than 4870 unionised garment workers have been dismissed by apparel factories citing reduction in orders and non-payment by brands. It also found that international brands which source from these factories had failed to resolve these matters despite their public commitment to protecting workers’ freedom of association.⁹

Job losses have been significant in the garment industry in India with union activists estimating that about

40 percent of workers are no longer employed.¹⁰ Workers in the country are further hindered by the fact that most of the industry’s labour remains not unionised, although they belong to the formal sector. While social security mechanisms such as provident fund and health insurance are available to some sections of workers—mostly those working in export-oriented factories—many have no such welfare benefits to fall back on to tide over the crisis. Despite the enormous distress faced by workers, sections of media are calling for reductions in labour costs to make the country’s apparel industry more competitive than, say, Bangladesh.¹¹ Such thinking is at the heart of decisions taken by many state governments that have begun to implement major anti-worker changes in their labour laws, ostensibly to aid industrial production.¹²

Even as garment factories close down or lay-off workers, these

events have hardly garnered the attention of the media and the public. These closures have certainly not led to any sustained protests from affected garment workers in India, perhaps even in south and south-east Asia. That both media and public attention were drawn to the protests at the ECC-2 factory of Gokaldas Exports constitute remarkable developments.

RATIONALE FOR THE REPORT

This case study, undertaken by the Alternative Law Forum, looks at what the intended closure of a factory means for individual women workers. It attempts to explore work in the garment industry through frameworks other than that of exploitation. It does not discount ‘production torture’, aspects of which workers we spoke to mentioned. Faced with imminent closure of the factory they depended on so much, workers emphasised how much the prospect of steady employment meant to them, how

⁶ Scott Nova and Ineke Zeldenrust, “Who Will Bail Out The Workers That Make Our Clothes?” (Washington DC: Workers Rights Consortium, March 2020), <https://cleanclothes.org/file-repository/who-will-bail-out-the-workers-march-2020.pdf/view>.

⁷ *ibid*, p.6

⁸ Kieran Guilbert, Naimul Karim, and Anuradha Nagaraj, “ANALYSIS-As Fashion Sales Fall Globally, Big Brands Leave Asia’s Garment Workers in Limbo,” *Thomson Reuters Foundation News*, April 30, 2020, Online edition, <https://news.trust.org/item/20200429232017-gbv1i>.

⁹ Alysha Khambay and Thulsi Narayanaswamy, “Union Busting and Unfair Dismissals: Garment Workers during COVID-19” (Business and Human Rights Resource Centre, August 2020), <https://www.business-humanrights.org/en/from-us/briefings/union-busting-and-unfair-dismissals-garment-workers-during-covid-19/>.

¹⁰ K.C.Deepika, “Estimated 40% of Garment Workers in Karnataka Have Lost Jobs: Unions,” *The Hindu*, June 26, 2020,

Online edition, <https://www.thehindu.com/news/cities/bangalore/estimated-40-of-garment-workers-in-karnataka-have-lost-jobs-unions/article31926772.ece>.

¹¹ Vivek Kaul, “Bangladesh Has Some Readymade Lessons for India,” *Live Mint*, July 8, 2020, Online edition, <https://www.livemint.com/industry/manufacturing/bangladesh-has-some-readymade-lessons-for-india-11594220932106.html>.

¹² Theja Ram, “Increase in Overtime and Work Shifts: Karnataka Unions Oppose Proposed Labour Reforms,” *The Newsmminute*, July 22, 2020,

Online edition, <https://www.thenewsmminute.com/article/increase-overtime-and-work-shifts-karnataka-unions-oppose-proposed-labour-reforms-129214>.

much *case* they had built around it. These explorations are crucial to understand why lakhs of women enter, and continue to remain, in the garment industry.

The case study documents strategies used by workers and their union to counter management tactics. It demonstrates how sustained organising at the factory by a union over the years—which included intervening to negotiate and bargain in favour of the workers with the management in small and big matters—is essential for workers to challenge arbitrary and illegal actions of the management. Especially in times of crises, as faced by workers at the ECC-2 factory, the strength and resolve of the union, built over the years, was the primary factor that enabled workers to receive enhanced compensation packages or transfer to another unit of Gokaldas Exports.

The characterisation of garment factories as sweatshops that allow transnational apparel corporations to make gargantuan profits is by now a well-established fact.¹³ However, the lay-off at ECC-2 factory foregrounds the workings of a number of

structural factors that enable the enormous profitability of the global garment industry—impoverishment of the rural economy, denudation of the labour rights regime, and the oppressive, patriarchal modes through which they combine to impact and marginalise women workers. Together with a raging pandemic that has only exacerbated and hastened anti-worker tendencies, the lay-off and subsequent events instantiate ‘development’ in a cruelly neoliberal India.

This study situates these events within the regional specificities of the home district of the workers. Drawing from conversations with activists and women workers, the study embeds the factory within the impoverished countryside, where unviable farm incomes and meagre aspirations for a better life for their children have driven many women workers towards unsustainable loan practices. In doing so, the case study will foreground how a deeply exploitative global industry pushes further into impoverished hinterland spaces in the Global South, in its quest for ever higher surplus extraction.

The study also locates the events around the factory closure within the recent history of policy environment created by successive governments in the state of Karnataka. With most state governments framing policies to encourage movement of industries into underdeveloped regions, it becomes important to understand the impact of these policies on the lives of women workers in these regions. Further, given that most research work around garment industry in Karnataka concentrates on Bangalore even though factories are moving to smaller urban centres out of the city, this study makes a foray into understanding the workings of garment factories based in non-metropolitan centres.

METHODOLOGY

Informed by scholarship within labour geography, the study pays attention to how particularities of a given spatial location determines the scale and intensity of worker action. Where a factory is located and what locations workers hail from are important spatial factors because they indicate the nature of social structures that inform lives of women

workers, and the constraints it places on workers’ agency.¹⁴

The location of the ECC-2 factory unit within a small town, the impoverished lives women workers led before joining the factory, and the marginal improvements they were able to effect with their wages acted as important positive factors for organising under a union. Simultaneously, patriarchal family and village structures that keep women under-educated, poorly paid and restrict their mobility adversely impacted the extent women asserted themselves in the face of the company’s blatantly illegal action.

Given the limitations of contact and travel due to a rapidly changing COVID-19 pandemic, this study has had to rely mostly on interviews, some conducted in person at Srirangapatna and Bangalore, and others over telephone in the months of June and July. Another major source of data for our study are videos of events that took place in different villages in the district, as union leaders chased down management representatives who were forcing workers to resign. Documentary sources include

¹³ Alessandro Mezzadri, *The Sweatshop Regime: Labouring Bodies, Exploitation, and Garments Made in India* (Cambridge: Cambridge University Press, 2016).

¹⁴ Recent debates within labour geography focuses on the ‘constrained’ nature of workers’ agency, with the emphasis on ‘reconnecting agency to the wider societal structures in which it is embedded’; Neil M. Coe, “Geographies of Production III: Making Space for Labour,” *Progress in Human Geography*, 2012, 2, <https://doi.org/10.1111/j.1468-2427.2007.00761.x>.

publicly available policy documents, annual reports, statements by brands, and data that indicate the nature of the economy and workforce in an Indian rural district.

The industrial dispute surrounding the lay-off is still being contested in

international fora by GATWU. This case study however limits itself to documenting and analysing the events from the announcement of the lay-off in early June up to a little after the sit-in protests ended in end-July.

Timeline of Events (May-August)

May 30	A worker informs GATWU union leaders Padma D. and NaveKumar that plant machinery is being shifted out from the factory premises at around 10.30 p.m. Naveen Kumar visits the factory and confirms this fact.
May 31	Around 300 workers assemble on a Sunday to protest the management's actions. The district police arrive and ask workers to leave since mass gatherings were prohibited in view of the pandemic. Upon hearing workers' apprehensions, the Deputy Superintendent of Police (DySP) and Tehsildar assure them that no machinery will be allowed to be shifted out.
June 1	The President of GATWU R. Prathibha sends a complaint to the Deputy Labour Commissioner-2 (DLC-2) stating that within the garment industry, the shifting of machinery is indication that the factory management intends to shut down its operations. She cites 9A violation of the Industrial Disputes Act, 1947 which forbids factory managements to effect changes in service conditions of workers without due notice. This notice should explain the nature of changes proposed to be effected. GATWU sends an email to the National Monitoring Committee (NMC) ¹⁵ and initiates contact with Hennes and Mauritz (H&M), the major transnational corporation, whose apparels the factory manufactured for atleast ten months every year. GATWU sends an email to Gokaldas Exports regarding unwarranted developments in the company.
June 2	Management begins to move out production material such as fabric.
June 3	The production department at ECC-2 unit was fully emptied out. Gokaldas Exports responds to GATWU's email and proposes a meeting after June 6.
June 4	Material from finishing department, storeroom and other parts of the factory were packed up. GATWU sends an email asking for an early meeting, that status-quo be maintained at ECC-2 unit and draws attention to shifting of production material and dismissal of supervisory staff. The union argues that this demonstrates a clear intention from the company that they want to shut down the unit.

¹⁵ See Figure 3, pg no 64.

	Gokaldas Exports proposes a meeting on June 6.
June 5	<p>GATWU sends another complaint pointing to the shifting of production material and asks for registering a complaint under the Industrial Disputes, 1947.</p> <p>GATWU sends letters drawing attention to the intended closure of ECC-2 unit to Mandya's Deputy Commissioner (DC), Superintendent of Police (SP), DySP, Srirangapatna and Tehsildar, Srirangapatna.</p> <p>GATWU also distributes pamphlets asking workers to protest the closure, since it is a violation of section 25(M) of the Industrial Disputes Act, 1947.¹⁶</p>
June 6	<p>The factory announces lay-off at 5.37 p.m., seven minutes after the workers had finished their shift for the day and were on their way out.</p> <p>All workers, numbering about 1300, sat down in protest immediately in the factory premises. The DySP and tehsildar met the workers and asked them to disperse since gatherings were not allowed due to the pandemic. They assured workers that the gates of the factory will remain open when they return on Monday. The workers left their factory at 8.30 p.m.</p> <p>GATWU leaders R. Prathibha, K.R. Jayaram, Sunanda and Poonima meet with representatives of Gokaldas Exports in Bengaluru. Management representatives agree that they intend to close the factory. GATWU strongly protests the closure.</p>
June 8	<p>All workers start sit-in protest at 9 a.m.</p> <p>GATWU approaches the local elected representative MLA Ravindra Srikantaiah to support the workers. He visits the factory at 11 a.m. to speak to workers. He calls for a meeting with Gokaldas Exports representatives and officials of the labour department. Only local staff of ECC-2 unit come for the meeting; top executives from the company stay away.</p> <p>Ravindra Srikantaiah then discusses the lay-off with the state's Principal Labour Secretary who confirmed to him that the lay-off was illegal. He also speaks to the Labour Minister Shivaram Hebbar who assured that he would look into the matter. Officials of the local administration, the Assistant Labour Commissioner (ALC) and the labour officer arrive at the factory after being called by Ravindra Srikantaiah.</p> <p>The ALC was instructed by DLC-2 to take a complaint from the union, immediately process the complaint, convert it into an industrial dispute and serve the notice to Gokaldas Exports this evening itself.</p>

¹⁶ See Appendix 3.

	<p>This was a remarkable achievement since this process of converting a complaint to industrial dispute normally takes between 5-10 days. In this case, it was completed within a matter of few hours.</p> <p>Over 1300 workers stayed through the night. The factory management refused to provide lighting in the area. Workers were provided food by GATWU that night.</p>
June 9	<p>Conciliation proceedings begin in the office of the ALC in Mysore city.¹⁷ Gokaldas Exports sends representatives from the production department and not from their Human Resources department. They ask for six days' time to respond to the notice. The conciliation officer refuses to grant this extension and instead gave time till the next day, i.e. June 10.</p> <p>Member of Parliament from Mandya, Sumalatha visits the ECC-2 unit and meets with workers and management.</p> <p>Gokaldas Exports files an injunction suit in the Judicial Magistrate First Class (JMFC) court in Srirangapatna against Padma and Naveen.</p>
June 10	<p>Second conciliation meeting with DLC-2 takes place in Bengaluru. Labour Minister Shivaram Hebbar visits the factory and assures workers that he would reopen the factory.</p> <p>A few workers complain to GATWU that their resignations were forcibly taken on June 8 and 9; GATWU forcefully questions the unit management and the latter assure that the resignation letters of these workers will be returned.</p>
June 11	<p>On suspicion that Gokaldas Exports might resort to legal strategies to stop the protests, GATWU searches for any matters in the courts regarding ECC-2 unit. They find out about the petition for injunction order filed by Gokaldas Exports on June 9. GATWU immediately files a vakalat in the JMFC court in Srirangapatna and seeks time to respond. The matter is posted for Monday.</p>
June 12-14	Sit-in protests enter week 2.
June 15	<p>Meeting with Mandya DC, representatives of GATWU and Gokaldas Exports. The DC tries to convince the management to continue operating the factory and offers any form of help in terms of subsidies and waivers until the company tides over the supposed economic crisis.</p>

¹⁷ Conciliation is a process by which a dispute between two parties is settled through mutually agreeable terms and discussions in order to avoid litigation. The process is assisted by a 'conciliator' who is a third-party to the dispute. In the case of an industrial dispute, officials of the Department of Labour (State or Central Government, as per jurisdiction) assist in the conciliation process in accordance with the Industrial Disputes Act, 1947.

June 17	<p>Conciliation meeting in Bengaluru headed by Labour Commissioner in which the DLC-2 and ALC also participate. Such meetings take place only in cases with high visibility that the state wishes to resolve urgently.</p> <p>GATWU files an application seeking permission to prosecute the management for its illegal lay-off.</p> <p>Gokaldas Exports sends email to GATWU asking for a meeting with the union and the brand H&M on June 18.</p>
June 19	<p>Meeting at the office of Gokaldas Exports with the company management, H&M and GATWU in Bengaluru. Gokaldas Exports refuses to accept that its action of announcing a lay-off at ECC-2 unit was illegal. H&M maintains that it is only a facilitator in the meeting and asks GATWU to continue bilateral discussions. GATWU refuses and asks for H&M to be an active participant in the talks.</p>
June 21	<p>Conciliation meeting takes place at the office of the DLC-2 in Bengaluru. The conciliation officer suggests that Gokaldas Exports and GATWU try to resolve the dispute bilaterally.</p>
June 23	<p>Gokaldas Exports proposes a revised compensation scheme to the conciliation officer. Proposes to pay 15 days' wages for every year worked, full wages from May 25 to June 6 and lay off wages from June 7 to June 23, bonus, leave encashment and gratuity where applicable.</p>
June 24	<p>GATWU conducts a General Body Meeting and passes resolution stating that Gokaldas Exports must pay full wages for the lockdown period and reopen the factory. Communicates the decision to the conciliation officer.</p>
July 4	<p>Factory representatives are caught on video urging workers to resign, spreading lies about the possibility of a prolonged court case if they continue to protest.</p>
July 8	<p>First NMC meeting with representatives from Gokaldas Exports, H&M, NTUI, IndustriAll, and GATWU. The issue of paying workers' wages for the month is brought up.</p> <p>Protest enters one month.</p>
July 9	<p>Factory representatives are again caught on video travelling to villages to get workers to resign.</p>
July 10	<p>Workers receive lay-off wages.</p>

July 14-22	<p>Bengaluru city is under lockdown. Cases of COVID-19 begin to rise in Srirangapatna, which until then had remained free of any reported cases. Workers' anxieties about the uncertain situation increase manifold as they begin to wonder if another nation-wide lockdown might be imposed.</p> <p>Numbers of workers succumbing to pressure and resigning rise and by the end of the lockdown in Bengaluru, nearly 800 workers resign.</p>
July 22	<p>The elected representative Ravindra Srikantaiah calls for meeting with Gokaldas Exports and asks their representative to see if the unit can be reopened.</p>
July 24	<p>Gokaldas Exports proposes a new compensation package for workers who want to resign,¹⁸ and transfer to their Mysore unit—Carnival Clothing Company-1 (CCC-1)—for those who want to continue to work.</p>
July 27	<p>Workers refuse the option of approaching the courts regarding the illegality of the lay-off.</p> <p>Of the 541 workers who were protesting, 518 workers resigned after agreeing to the settlement and 23 workers sought transfer to CCC-1 at Mysore.</p> <p>Sit-in protest ends after 50 days.</p>
July 28	<p>Gokaldas Exports withdraw the petition for injunction at the JMFC court.</p>
August 6	<p>Second NMC meeting with representatives from Gokaldas Exports, H&M, NTUI, IndustriALL. Gokaldas Exports points to the resignations of most workers and the transfers of the rest to claim that the dispute has ended satisfactorily.</p>
August 12	<p>Third NMC meeting with representatives from Gokaldas Exports, H&M, NTUI, IndustriAll, and GATWU. Discussion on GFA takes place.</p>
August 22	<p>At the conciliation meeting, the conciliation officer suggests that GATWU and Gokaldas Exports sign a joint memo agreeing to the terms of the agreement. GATWU refuses.</p>
August 24	<p>Conciliation meeting takes place. Conciliation officer is of the view that the proceedings be brought to a close since workers have resigned or transferred.</p>

¹⁸ See Table 3, pg no 95.

State Policies on Garment Sector and Wages: An Overview

The dominant model of understanding the contemporary global apparel industry is the global supply chain. This model is useful in that it foregrounds the relationship of exploitation that link retail brands (located in countries of Global North) with workers (located in countries of Global South) employed to produce its apparels. It provides clarity in conceptualising the power relations that characterise the industry, determining profits and exploitation at the two ends of the chain. It also clarifies the need within the global supply chain for impoverished local spaces—i.e. spaces characterised by widespread poverty and an absence of employment opportunities; and, where pro-worker labour laws do not exist, or if they do, are poorly implemented. These factors act as important incentives for both manufacturing companies and buyer brands when choosing a location to set up a factory or source apparels from, respectively.

Thus, state policies that can act as incentives for domestic and international companies as well as the effectivity of wage and welfare protection measures afforded to workers become relevant factors for study. This section provides an overview of the Karnataka state government's policies regarding the garment industry and the system of minimum wages applicable across the state.

TEXTILE POLICIES

In 2008, Karnataka framed the *Suvarna Vastra Neethi* policy with the objective of achieving 'balanced, higher and sustainable growth in the entire textile value chain from fibre to finished products, with emphasis on balanced regional development'.¹⁹ It set itself the target of generating five lakhs jobs and attracting investment of about Rs.10000 crores. It budgeted Rs.500 crores to be utilised in the period between the years 2008 and 2013 for initiatives under this policy.

Two-thirds of funds earmarked under this policy was meant to be directed towards the ready-made garment industry, since, it was claimed, the 'maximum value addition' takes place in this sector. The policy document argued that the garment sector can provide employment to rural workers; entry requirements were low since workers did not need 'sophisticated skill sets'; and that the sector had a 'woman-friendly employment orientation'.²⁰ The state committed to 'enhancing the capacity of garment industry', by undertaking skill development, providing infrastructure that would enable garment units to become internationally competitive and by encouraging the spread of the industry to backward areas of the state.

With regard to the last objective, the policy envisioned generating 50 percent of the total planned employment in taluks that had been identified as backward in the Report of the High-Powered Committee for Redressal of Regional Imbalances (HPRRI).²¹ In the textile policy, the

taluks in the state were divided into three zones, in the order of incentives that were to be provided; Zone 1 was designated as taluks that would receive the maximum number of incentives. For the purposes of this case study, it is important to note that Srirangapatna taluk was included in this zone. The incentives included:

1. *Credit-linked capital subsidy*: 20 percent of the value of fixed assets or Rs. 20 lakhs, whichever is lesser;
2. *Reimbursements of entry tax* on capital goods, including machinery, captive power generation, effluent treatment;
3. *Reimbursement of stamp duty* on lease deeds, sale deeds, loan and credit deeds and on imports;
4. *Other subsidies* on power, on treatment plants and special support to mega projects were also offered

These incentives continued to be offered in the subsequent policy called *Nutana Javali*²² that was in operation between 2013 and 2019. The targets for employment and

²⁰ Ibid, p.2

²¹ The High-Powered Committee for Redressal of Regional Imbalances, headed by DM Nanjundappa, developed a composite index to measure backwardness at the taluk level in Karnataka in 2002.

²² Department of Handlooms and Textiles, Government of Karnataka, "Nuthana Javali Neethi 2013-2018" (Bangalore: Government of Karnataka, 2013), <http://www.karnatakadht.org/english/njn-schemes.php>.

¹⁹ Department of Handlooms and Textiles, Government of Karnataka, "Suvarna Vastra Neethi 2008 - 2013" (Bangalore: Government of Karnataka, 2008), 1, <http://www.karnatakadht.org/english/njn-schemes.php>.

investment were the same as the previous policy—five lakh jobs and Rs.10000 crore. It also encouraged establishment of factory units away from corporation and municipal limits. It retained the classificatory scheme of dividing taluks into zones but reclassified taluks based on their levels of development. Srirangapatna taluk was reclassified into Zone 2 where incentives were lesser than in Zone 1.²³

The new textile policy, in force currently, does not envisage anything new except that only districts in the erstwhile Hyderabad-Karnataka region—now renamed Kalyana-Karnataka— have been classified under Zone 1. This is an indication of the government's stated priorities in pushing for industrialisation in one of the state's most neglected regions.

THE INCENTIVE OF LOWER MINIMUM WAGES

Apart from incentives to industries, the complex system of minimum wages prevalent in the country also ensures that workers are

paid differing salaries based on which zone the factory operates. In Karnataka, the highest minimum wages are afforded to workers within the Bruhat Bengaluru Mahanagara Palike limits. Wages are lower in Zones II, III and IV, with workers in the last zone receiving the lowest quantum of minimum wages. Srirangapatna is in Zone III in the state and thus receive lower wages than their counterparts in the neighbouring district of Bangalore. According to GATWU leaders R. Prathibha and K.R. Jayaram, garment factories have been moving out of Bangalore since 2010 to other towns and cities so that both labour and rental costs can be reduced.²⁴

Minimum wages hold special relevance for garment factory workers in Karnataka for very few companies offer workers more than the state-mandated wages. As the report *Production Torture* states, 'Their (garment workers) wages are solely determined by the statutory minimum wages declared by the governments since these workers

are largely unorganised and there are no instances of wages being fixed by collective bargaining.'²⁵ The report also provides a detailed account of how the effort to raise minimum wages in the sector was thwarted by garment manufacturers such as Shahi Exports and Himmetsingka Seide and a compliant state government in the years between 2014 and 2018. If the two companies insisted that paying increased minimum wages would reduce the 'international competitiveness' of the sector in the state, a pliant state illegally withdrew the final notification issued for the minimum wage revision. It is pertinent to note that the VII Pay Commission in 2016 has determined that the national minimum wage for the lowest ranked employee of the central government should be Rs. 18000 to ensure a 'decent standard of living'.²⁶ In the ECC-2 unit at Srirangapatna, workers only earned about Rs.7000-8000 per month as late as the year 2020. In

failing to revise minimum wages as mandated by law, the state has been complicit in keeping wages depressed, aiding employers at the cost of workers.

This overview of policies regarding garment factories and minimum wages is crucial for it provides us insights into how policy initiatives are premised only on offering 'incentives' to businesses. In successive textile policies of the state government, incentives include direct subsidies to garment factories, and indirect measures such as creating zones with lower minimum wages and not revising minimum wages periodically. While factories profit from these state policies, the lax implementation of pro-worker legislations has meant that business units can potentially close operations at any time of their choosing, leaving workers stranded. In this, they are aided by a state labour machinery which exert little to no control over how companies exit, as this report will show later.

²³ Ibid, 48. Targets were not met during both policy periods. Between 2008 and 2013, government data shows that actual investment was around Rs. 5000 crores and 2.67 lakh jobs were created. In the next period between 2013 and 2019, while about Rs. 9500 crores were invested, it resulted in the generation of only 1.92 lakh jobs.

²⁴ The other reason for the movement of garment factories is the rise in real-estate value of land in Bangalore making it expensive for factories to rent spaces in the city or more profitable to indulge in land speculation. R. Prathibha and K.R. Jayaram, Interview, March 9, 2020.

²⁵ People's Union for Civil Liberties-(PUCL) Karnataka et al., "Production Torture: A Study of the Working Conditions, Including Workplace Harassment, Faced by Women Garment Workers in Bangalore and Other Districts," 72.

²⁶ Ibid.

A Brief History of the ECC-2 Factory

In an export-oriented garment factory eco-system, the three key actors are: 1) the manufacturing company, in this case Gokaldas Exports; 2) workers and the union representing them, in this case GATWU and 3) the transnational apparel corporation for whom the workers are producing and Gokaldas Exports has received orders from, in this case Hennes and Mauritz (hereafter called H&M).

The ECC-2 unit of Gokaldas Exports was established in the year 2010. It drew workers from surrounding villages in Mandya district, growing over time to become a lifeline for its employees and their families. At the time of the closure, the unit produced only for the H&M brand and employed around 1300 workers. It was one of 21 factories of Gokaldas Exports, a leading firm in the garment export industry. It was the only unionised factory among the company's factories,

represented by GATWU. This section provides a brief overview of the three actors within the ECC-2 unit.

GOKALDAS EXPORTS

Gokaldas Exports is a public-limited company, with its headquarters in Bangalore. It began as a family-owned group of the Hindujas in 1979, until the company went public in 2005.²⁷ It has remained a largely-Bangalore based company with most of its factory units staying within the city limits. As such, apart from the central government's incentives to the garment industry, Karnataka state's policies have also offered a conducive environment at the state level for the company's operations and profits.

Garment units of Gokaldas Exports likely benefitted from the subsidies announced in the textile policies of the state, although unit-wise subsidies cannot be calculated

based on publicly available data.²⁸ What is certain though is that its movement out of Bangalore was determined by the possibility of reduced wage costs, given that low wages has been the cornerstone of the company's policy. Between the years 2004 and 2009, the company's annual reports indicated that one of the primary advantages India held was the substantially lower levels of wage costs the country offered. It was only from 2009 onwards that the company began to indicate that rising wage costs were a concern. In its annual report for the year 2009-2010,

the company stated that the substantial increase in rentals and operational costs had forced it to 'look into shifting (our) units to the smaller towns, viz. Tier-2 and Tier-3 categories. This effort is on and to ensure availability of skilled hands and we are in the process of shifting some of our units into smaller towns, like Mysore, Tumkur, etc.'²⁹ The company also stated in this annual report that the concentration of units in Bangalore alone could pose a risk to revenues in case 'localised social unrest' or 'breakdown of services and utilities' takes place. 'To minimise the locational risks,

Figure 2: Screenshot from the annual report 2018-19 of Gokaldas Exports on its 'people management'

Challenges		
<ul style="list-style-type: none"> The Company encountered challenges related to absenteeism and employee retention. The Company was required to produce more; more orders 	<ul style="list-style-type: none"> meant a greater pressure on its human resource To improve retention, the Company was required to enhance the attractiveness of each job role. 	<ul style="list-style-type: none"> The Company was also required to respond to increasing compliance requirements (ethical, social, business and legal)
Initiatives		
<ul style="list-style-type: none"> The Company implemented the Sakhi programme that made use of the 'buddy' concept to facilitate the induction and socialisation of new hires The Sakhi program delivered early success in the units where it was piloted and reduced new hire attrition 	<ul style="list-style-type: none"> significantly. In the current year, this program will be implemented across all locations and levels to support employee retention. The Company strengthened the structure for Learning & Development, launching a number of learning initiatives to enhance supervisory and 	<ul style="list-style-type: none"> managerial capability 90% of employees were trained in the current year on Prevention of Sexual Harassment. The Company instituted an Internal Committee (IC) specific to each unit that met on a monthly basis to create

Source: Annual Report, 2018-19, Gokaldas Exports, p.22

²⁷ This was also the period when the global garment industry shed the system of Multi-Fibre Agreements (MFA) where exporting countries were set limits on how much they could export. These quotas were arrived at by governments of importing countries in their respective bilateral agreements. The company's annual reports in this period indicate how the company was optimistic about capitalising on the opening up of markets in the post-MFA period.

²⁸ Annual reports of the company indicate a category called 'government grants'. It is however not possible to clearly delineate the proportion from subsidies offered by the state and central governments.

²⁹ Gokaldas Exports, "7th Annual Report, 2009-2010, Gokaldas Exports," Annual Report (Bangalore: Gokaldas Exports, 2010), <https://www.gokaldasexports.com/investors/>.

the Company set up factories/units in Chennai, Hyderabad, Mysore, Tumkur, Madanapalle etc,' it stated.³⁰

This emphasis on reducing labour costs continued with the company's subsequent annual reports stating that capacity expansion is being undertaken in low-cost, non-metro locations to achieve 'manufacturing competitiveness'. The reduction in employee proportion in Bangalore from 55 percent in 2017-18 to 53 percent in 2018-19 was hailed as an achievement in the 2018-19 annual report.³¹ 'Low-cost locations'—the phrase reiterated in several annual reports—essentially allows for the company to cut wage costs since non-metro locations have lower minimum wages.³² Since 2009 then, Gokaldas Exports has been not only been looking to cut its wage costs by moving to non-metro locations but also reduce 'locational risks', a euphemistic designation for socio-economic spaces characterised by union activity and increased workers' rights consciousness.

The annual report of 2018-19 stated that the company ran 21 units—19 in Karnataka, including 12 in Bangalore; and one each in Chennai, Tamil

Nadu and Madanapalle, Andhra Pradesh. It employed over 25000 workers, reported an 11 percent increase in its revenues and declared its intention to commission factories outside Karnataka (reasons were not elaborated upon in the annual report). Its nine non-metro units are located in Mysore, Mandya, Tumkur, Doddaballapur, Tiptur and Hassan in Karnataka and Madanpalle in Andhra Pradesh. It is pertinent however to mention here that the company has been slowly reducing the number of plants and subsidiaries over the years, from the high of 54 plants in 2007-08 to mere 20 units in 2020-21.

It is clear that when the ECC-2 unit was established in Srirangapatna in Mandya district in the latter half of the year 2010, it was in pursuance of the company's stated intentions of reducing labour costs by moving to non-metro locations. It also happened to be the first large company to set up operations in Mandya in a long time.³³ Given that women earned as less as Rs.50 for a whole day's of labour in the fields or in undertaking work such as agarbathi-making, a steady supply

of cheap labour was assured for the factory.³⁴ Mandya's impoverishment, described in the next section, was an aspect the company could capitalise on.³⁵ Further, this helped the company overcome the general problem of labour scarcity that garment factories faced in metropolitan centres.

The company has also relied only on local labour force who live around the factory for employment in its units, as its managing director and CEO Siva Ganapathy pointed out recently in a conference call with the company's investors. 'We have stayed away from migrant labour for strategic reason. In the past we have found that migrant labour typically take a month off or even longer during Diwali, Chhath Pooja and other such festivals and it impacts our production...many of them do not even come back after the holidays, so we have historically felt that it is better to focus on local labour force. It also helps us build goodwill in the community where we are operating.'³⁶

Given these factors, and the company's stated interest in moving out of Bangalore, why the company chose to shut down one of its non-metro units is a matter worth probing. The company has claimed a lack of orders from H&M and its managing director and chief executive officer Siva Ganapathy has claimed that the lay-off in the factory has resulted in wage cost savings of Rs. two crores per month.³⁷

But the fact that it chose to shut down the only factory with a unionised workforce is evidence that its motivations were not simply financial. This move by Gokaldas Exports needs to be understood against the larger context of supplier factories in other garment-exporting countries targeting unionised workers with unfair dismissals.

UNIONISING BY GATWU

GATWU began unionising workers in 2014 and slowly grew in strength to a worker membership of around 900, in a factory with 1300 workers. At the factory level, it took up issues

³⁰ Ibid, p.34

³¹ Gokaldas Exports, "Annual Report, 2018-19, Gokaldas Exports," Annual Report (Bangalore: Gokaldas Exports, 2019), 23, <https://www.gokaldasexports.com/investors/>.

³² It could also refer to lower expenses incurred in renting factory premises outside Bangalore.

³³ Only many years later, another large corporation—Shahi exports—set up its unit in the neighbouring taluk of Maddur.

³⁴ Poornima, Interview, July 13, 2020; Pavithra, Interview, June 26, 2020.

³⁵ One worker leader Padma told us that the company undertook a survey looking at the availability of labour and easy transport facilities for workers. When it began hiring workers, the company distributed pamphlets calling for people to join the factory, she said. Padma, Interview, June 26, 2020.

³⁶ Gokaldas Exports, "Gokaldas Exports Limited Q4 FY2020 Earnings Conference Call," June 29, 2020, 5.

³⁷ Ibid.

such as payment of overtime wages, instances of unfair dismissals and humiliating treatment meted out to workers. At the industry level, the union mobilised workers from the factory for protests regarding increase in minimum wages for garment workers and on other issues regarding worker rights.

In the garment industry, given time constraints and hostile attitude of the management towards unionising, building a union is a long-drawn out process. Padma, the vice-president of GATWU and who worked as a tag-checker in the ECC-2 unit, said that she had no idea about the union and its usefulness in the initial days. She was persuaded to join in by two of her colleagues who were leading the efforts to unionise. 'But I did not go for meetings regularly and only went if they offered transport.' An incident in the factory where GATWU successfully intervened to end the humiliation of a worker seemed to have changed the indifferent attitude many workers had towards the union. One worker who was accused of committing mistakes in his work was being forced to sit idle in the security room without any tasks being assigned to him. The then-incipient union intervened to have the worker restored to the shop floor.

'I don't know if others felt it, but I definitely felt that the union was strong when it resolved this issue,' said Naveen, the organising secretary of GATWU and who worked as a metal detector (MD) machine operator at ECC-2 unit. Like Padma, Naveen too was slowly drawn into the union after small, successful negotiations it conducted on behalf of the worker. 'When I first joined the factory, I used to do the work of four workers by myself...After a year, when I joined the union, I got to know what my actual work as a MD machine operator was. I then spoke up and told the management that I know what my work is and I will do only that much,' he said in an interview with us. Several workers we spoke to emphasised the courage to speak up that came from a greater awareness of worker rights and the security that a union existed which would stand up for their rights.

Another instance of successful negotiation was when a group of helpers in the factory were asked to suddenly transition into working as tailors and the union protested for several months to have them be restored to their position as helpers. In yet another case, the union intervened when overtime hours being logged in by the workers

were not being compensated commensurately. Instead, workers who asked for correct recording of and payment for their overtime hours had been roundly abused by staff members of the human resources department of the ECC-2 unit. Led by the union, workers went on a strike that resulted in the dispute being resolved in the workers' favour.³⁸

With confidence in the union's pro-worker bargaining abilities rising, membership began to increase. The management also stepped up its attempts to lure the worker leaders away, offering them sops such as positions as staff members, open and veiled threats of discrimination, and in some instances, even attempting to bribe them out of pro-worker stances. To their credit, worker leaders stood their ground. These years of building trust and confidence was put to test when the illegal lay-off was announced on June 6, 2020.

TRANSNATIONAL APPAREL CORPORATION H&M

H&M is the only brand for which production was being undertaken

at the ECC-2 unit. The brand had certified four of Gokaldas Exports' factories as eligible for production of its apparel. Apart from ECC-2, production for H&M by Gokaldas Exports is undertaken at factories in Tiptur, Mysore and Bangalore. Tiptur is a single-brand factory like ECC-2. However, it does not have a union.³⁹

The Swedish multinational corporation was founded in 1947 and is one of the world's major clothing retail brands with a presence in over 75 countries. It is listed on the NASDAQ stock exchange and its net sales in 2019 amounted to 233 billion Swedish krona. H&M has around 5000 physical stores in 74 markets across the world. The company has also claimed that in supplier factories (which amount for 85 percent of its total production volume) 'democratically elected worker representation' exists.⁴⁰

H&M is an important actor in this industrial dispute of the illegal lay-off at the ECC-2 unit, even if it attempted to downplay its role initially. Prior to the dispute, H&M had been actively participating in

³⁸ Poornima, Interview.

³⁹ These details were provided by K.R. Jayaram, legal advisor to GATWU.

⁴⁰ H&M, "Facts and Figures: About Us" (H&M), accessed August 23, 2020, <https://hmgroupp.com/about-us/h-m-group-at-a-glance.html>.

the affairs of the factory. One such instance, according to GATWU leaders, was H&M's insistence that a works committee be established at ECC-2. This was despite the fact that workers had already become members of GATWU and the union was active in the factory. 'We opposed the setting up of the works committee with the Gokaldas management because we believe it to be a union-busting measure. Why should there be a works committee when a union already exists in the factory? But the management said that this was being done on H&M's insistence,' said K.R. Jayaram. At a meeting with H&M, GATWU raised the issue of the necessity of setting up of a works committee when a union was already functional. 'We were told that these works committees had been set up in Bangladesh and Cambodia where it was functioning well. We asked them where else in India they had set up such committees. They refused to share these details,' Jayaram said. GATWU's misgivings arise from the possibility that such works committees can become a forum propped up by the management and undermine genuine, pro-worker

unionising. To prevent this, GATWU decided to participate in the elections for the works committee at the ECC-2 factory. Thirteen of the 15 members of the works committee were members of GATWU.

As with other transnational apparel corporations, H&M has also voluntarily committed to implementing labour rules and standards set by the International Labour Organisation (ILO) across its supply chain. In a sustainability commitment document that H&M's business partners have to sign, the following declaration is made: 'Our Specifications reflect our commitment to promote adherence to internationally agreed standards, including the Universal Declaration of Human Rights, the International Labour Organisation's declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.'⁴¹ A key pro-worker commitment is to freedom of association and collective bargaining for workers. H&M states a fundamental requirement it seeks in its business partners:

All workers, without exception or distinction, have the right

to join or form a trade union of their own choosing and to bargain collectively. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under national law, the employer encourages and does not hinder the development of parallel means for independent and free association and bargaining.⁴²

In pursuance of these stated commitments, H&M is signatory to the Action, Collaboration, Transformation (ACT) agreement which aims to 'transform the garment, textile and footwear industry and achieve living wages for workers through collective bargaining at industry level linked to purchasing practices.'⁴³ Here, 20 global brands and retailers and the global trade union IndustriALL

Global Union have reached an agreement to:

1. protect worker wages such that each worker does not receive less than a living wage;⁴⁴
2. encourage and protect freedom of association;
3. enable collective bargaining.

This has resulted in a Global Framework Agreement (GFA) signed between H&M and IndustriALL, in which the global brand has committed to 'actively' using 'all its possible leverage to ensure that its direct suppliers and their subcontractors producing merchandise/ready made goods sold throughout H&M's retail operations respect human and trade union rights in its workplace.'⁴⁵ The GFA was entered into with the 'shared belief that well-structured industrial relations are an essential component of stable and social relations in production' and that such relations 'enable business to flourish and to provide decent work with respect and dignity'.⁴⁶

⁴² Ibid.

⁴³ Action, Collaboration, Transformation, "ACT Members" (Action, Collaboration, Transformation), accessed August 23, 2020, <https://actonlivingwages.com/members/>.

⁴⁴ A 'living wage' is the minimum income necessary for a worker to meet the basic needs of himself/herself and his/her, family including some discretionary income. This should be earned during legal normal working limits.

⁴⁵ "Global Framework Agreement (GFA) Between H&M Hennes & Mauritz GBC AB and IndustriALL Global Union and Industriefacket Metall: On Compliance and Implementation of International Labour Standards at the Suppliers of H&M Hennes & Mauritz GBC AB," n.d.

⁴⁶ Ibid.

⁴¹ H&M, "Sustainability Commitment H&M Business Partner" (H&M, January 2016), <https://hmgroup.com/sustainability/sustainability-reporting/standards-and-policies/sustainability-commitment.html>.

In this agreement, H&M has committed itself and its supplier factories to the implementation of international labour standards around:

- freedom of association and collective bargaining, i.e. workers' right to join or form a trade union;
- protecting workers against discrimination on the basis of any social location;
- forbidding dehumanising forms of labour such as child labour, bonded, forced, prison and illegal labour;
- ensuring permanent forms of employment rather than labour-only subcontracting or apprenticeship;
- fair living wages and benefits that meet basic needs of employees and provides discretionary income;
- regulating working hours and providing for mandatory weekly

rest days;

- occupational safety and health standards.

The agreement also bound H&M to informing all its direct suppliers of the existence and the implementation of the agreement, who in turn have to inform their employees of the GFA. Figure 3 depicts how H&M's pro-worker commitments are to be actualised.

It is on the basis of this existing governance framework for H&M and the dispute resolution mechanism through the NMC that GATWU raised the matter internationally. 'This was the first time since the NMC was formed that the forum had been activated to resolve an industrial dispute,' said K.R. Jayaram. The lay-off at ECC-2 unit was to be a testing case for the much-hailed agreement between a global brand and a global trade union.

Figure 3: Governance Framework for H&M's commitments to workers in its supplier factories.

H&M is one of 20 brands that has signed the ACT agreement with IndustriALL Global Union.

The specific terms of agreement between H&M and IndustriALL Global Union is laid out in the Global Framework Agreement.

In the case of an industrial dispute in one of its supplier factories, H&M commits to initiating a National Monitoring Committee (NMC).

The MC is a tripartite mechanism where H&M, the supplier factory (in this case Gokaldas Exports) and the trade union affiliated to IndustriALL (in this case Union Unites) sit together to resolve the dispute.

Union Unites is a wing within the New Trade Union Initiative (NTUI) and is the affiliate union to IndustriALL. GATWU is affiliated to NTUI, a federation of unions.

Mandya's Impoverished Economy

Almost all workers in the ECC-2 factory of Gokaldas Exports lived in villages in Mandya district. Located in the southern part of Karnataka, the district is commonly believed to be a well-irrigated, agriculturally prosperous district. 'The verdant greenery one sees on the (Bangalore-Mysore) highway gives the impression that it is a fully irrigated district. But it is only 49 percent irrigated and the rest is dry land. The district has a very large number of marginal farmers and has seen a great degree of land fragmentation,' explained Mallige Sirimane, an activist with Karnataka Janashakti, an organisation that has been working in the district for several years now.⁴⁷

This fact of large-scale fragmentation bears out in the data on land holdings from agricultural censuses conducted over the years.⁴⁸ There has been a steady increase in marginal (less than one hectare) and small landholdings

(between one and two hectares) in Mandya district since at least the year 2000 (see Table 1). That is, farms that are being used for agricultural production (also called operational landholdings) have been reducing in size. While in 2000-01, total operational marginal landholdings were at 79 percent, it had increased to 83 percent by 2015-16. Currently, over 95 percent of agricultural land is being operated upon by small and marginal farmers.

The average size in each of these operational landholding categories has remained steady over the years: 0.20 hectares for the below 0.5 hectare category; at 0.7 hectares for the 0.5-1 hectare category; and at around 1.3 hectare for the small landholding category of one to two hectares (See Table 2). What this indicates is that lands within the small and marginal categories are not getting consolidated into larger operational holdings; farmers are unable to use economies of scale for greater yield; and that an

⁴⁷ Mallige Sirimane, Interview, July 22, 2020.

⁴⁸ Data from agricultural censuses was accessed here: <http://agcensus.dacnet.nic.in/districtsummarytype.aspx>

Table 1: Percentage of operational holdings (in hectares) in Mandya district between 2001-2015

Year	Below 0.5 (%)	0.5-1 (%)	Total Marginal holdings	1-2	Total
2000-01	57.59	21.88	79.47	14.51	93.98
2005-06	60.53	20.53	81.06	13.47	94.53
2010-11 ⁴⁹	48.75	26.85	75.6	17.47	93.07
2015-16	63.1	19.92	83.02	12.48	95.5

Source: Collated from Agricultural Census, 2001-2015

Table 2: Average size of landholdings (in hectares) in Mandya district between 2001-2015

Year	Below 0.5 (%)	0.5-1 (%)	1-2
2000-01	0.21	0.70	1.37
2005-06	0.20	0.70	1.35
2010-11 ⁵¹	0.33	0.70	1.31
2015-16	0.20	0.70	1.34

Source: Collated from Agricultural Census, 2001-2015

agriculturally predominant district is conducting its farming operations in unviable ways and cannot sustain its dependents.⁵⁰

'The reason that women have turned into primary earners is because farming on such small lands is unviable...The income they get from farming is so little and more often than not the income is much lesser than the investment made into cropping...Agriculture is not able to sustain families,' Mallige said.⁵² Blaming this state of affairs in agriculture on a lack of vision for developing the district, she listed several measures that could have helped increase incomes in the district: cooperative farming

initiatives where fragmented land holdings could get consolidated into viable land sizes; creating value-addition by converting agricultural and horticultural produce into consumer products and promoting small and medium-scale industries to offer gainful employment to residents of the district. The last big factory that was started in the district was a sugarcane factory and that was started about a 100 years ago when the state was ruled by the monarchy, Mallige pointed out.⁵³

The garment industry is the only other industry that has entered the district in the recent years. 'Apart from the ECC-2 unit, Mandya district has four other large garment factories: two owned by Shahi Garments, one by Girish Exports and another by Gillwood. Together, they had employed about 10000 workers before the pandemic. This number has now reduced to about 7000,' said K.R. Jayaram. Women also travel to the neighbouring districts of Ramanagara and Mysore to work in garment factories, he added. After agriculture, it is only the garment industry that has provided women with some steady form of employment.

These forms of neglect by successive governments bear out in data that measures backwardness. The Human Development Index (HDI) report of the district, published in 2014, pointed out six out of seven taluks in the district had been classified as backward, including three as 'more backward' in the HPRRI report of 2002.⁵⁴ Srirangapatna, Pandavapura, and Maddur were classified backward and Krishnarajpet, Nagamangala and Malavalli were classified 'more backward'. An average of 30 percent of the households in the district are estimated to be under the poverty line; within the taluks, this ranged between 24 percent and 38 percent. According to the HDI report, the so-called agriculturally rich taluks have a higher number of poverty-stricken households than the agriculturally poorer taluks. The relatively higher degree of prosperity among the latter category of taluks is because of cash inflows from migrants who have left the district in search of employment.

In her essay, A.R. Vasavi points out that small and marginal cultivators are 'trapped' in a 'debt-low

⁴⁹ The decrease in operational holdings in the categories of below 0.5 and 0.5-1 hectares for this time period needs to be correlated with the increase in consolidation of landholdings through tenancy seen throughout the country between 2002-03 and 2012-13. Resource-rich farmers leased in lands from small and marginal farmers to conduct farming at larger scales. See Vaishali Bansal, Yoshifumi Usami, and Vikas Rawal, "Agricultural Tenancy in Contemporary India: An Analytical Report and A Compendium of Statistical Tables Based on NSSO Surveys of Land and Livestock Holdings" (New Delhi: Society for Social and Economic Research, 2018). How this panned out in Mandya is not clear but it is possible that some consolidation through tenancy took place in this period.

⁵⁰ In an article on why agrarian capital did not develop in Mandya district, Narendar Pani argues that small peasant agriculture limited the development of large-scale agrarian capital; with irrigation provided by the Krishnarajendra Sagar dam, it further acted as an incentive in retaining small farmers in agriculture. Narendar Pani, "First Nature and the State: Non-Emergence of Regional Capital in Mandya," *Economic and Political Weekly* 52, no. 46 (November 18, 2017).

⁵¹ See footnote 48.

⁵² Sirimane, Interview.

⁵³ There are a few sugar processing factories dotting the district but they are not arenas for employment for women.

⁵⁴ Mandya Zilla Panchayat, "Mandya District: Human Development Report 2014" (Mandya: Government of Karnataka, 2014).

price-loss' circuit, making it the single most important source of agrarian distress and suicides.⁵⁵ Livelihoods in rural areas have been 'subjected to declining levels of income, exposure to multiple forms of risks, and worsening of their vulnerabilities to poverty and distress.' Citing data on monthly incomes. Vasavi points out that the average monthly income of rural households is only Rs. 6426, while the basic income recommended by the 7th Pay Commission is Rs. 18000. In such circumstances, any employment that offers steady wages, even if low, are considered valuable. The steadiness helps ensure regular income as well as the possibility of availing loans, as the next section will show.

These are the economic conditions that structure the lives of women who had been working in the ECC-2 unit of Gokaldas Exports. Those who had taken up paid jobs before joining the factory invariably worked on their own bit-sized farms and/or as agricultural labourers. In 2011, the stated agricultural wages for

a woman worker ranged between Rs. 100 and Rs.145 per day,⁵⁶ while, for men, it ranged between Rs. 225 and Rs.275. It is important to put this in some perspective: according to union leaders and workers, a significant number of women who worked in ECC-2 unit, were primary earners in their households—their husbands having either died, abandoned families or were not earning members. The low wages for a female agricultural labourer, received only seasonally and not throughout the year, were not enough for women to run households. These were facts Gokaldas Exports likely knew when they started their unit in Srirangapatna. The paltry but steady wages they offered were more than what women could ever earn in a predominantly agricultural district where gender-unequal wages were the norm. It is to this desperate poverty that women workers have been abandoned to now with the sudden, unexpected closure of the ECC-2 unit of Gokaldas Exports. That too, in the time of a pandemic-induced economic distress.

Industrial Workers and their Rural Life-Worlds

'It feels like someone has blindfolded us and left us in the jungle. There is no light anywhere for us. (This factory) was like a ray of light for us but we feel like we are being pushed back into darkness,' said Pavithra in a conversation with us outside the factory where she was protesting along with her workers.⁵⁷ Pavithra had been working for the last eight years in the cutting section in the ECC-2 unit and was the sole provider for her family. Her alcoholic husband had long stopped contributing to the household; even when he had been providing for the family, his

contributions had been minimal since he worked as an agricultural labourer only for two-three days a week.

As Pavithra's income steadied the household, her widowed mother and she gave up on the home-based work they used to undertake making incense sticks. Twelve hours of continuous, back-breaking work used to earn them both a combined total of Rs.150-Rs.200 per day. In comparison, the Rs.8000 or so Pavithra started to earn in the factory was a much better deal. Her 'desires' soared, just a little,

Figure 4: Workers listening to union leaders at the ECC-2 unit



⁵⁷ Pavithra, Interview.

⁵⁵ A.R.Vasavi, "The Displaced Threshing Yard: Involutions of the Rural" (Malcolm Adisheshaiah Memorial Lecture, n.d.).

⁵⁶ Ground realities may have varied. Women workers who we spoke to who had worked as agricultural labourers before joining the factory reported earning much lesser than the wages mentioned in the Human Development Report.

and she began to send her only son to a private, convent school. The fees were high and had to be paid 3-4 times a year, along with an annual ‘donation’ of Rs. 20000. For Pavithra, whose family has been without assets such as land and house and have survived on the strength of their labour for at least three generations, sending her son to a ‘good school’ had been a great desire. She had not had much education herself after she lost her father at an early age and her struggling mother married her off early. ‘We come work here in the factory, we feel like we should take our kids upto some level. Aase. They (the company) are burying this aase too. Should only their children go on to become doctor-engineer? Should our children remain at this level only?’, Pavithra asked.

As we spoke to the protesting workers, the Kannada term ‘aase’ came up repeatedly, one that translates into something akin to a mix of desire, hope, longing. The aase that these women referred to—a ‘good’ education for their children, a house of their own, and meagre capital to invest into farming—may have seemed well within their reach when they were earning regular salaries. ‘There was

a certain courage that I will manage things somehow. I get salary. I can work. With the company around, we felt like there is someone to support us,’ Pavithra said, in explaining what the factory meant for her and her colleagues. ‘This company is like a temple, like a mother, who can sustain us. Now we have nothing. Absolutely nothing.’⁵⁸

‘COMMITMENTS’: WOMEN IN DEBT

When Poornima started work in the factory ten years ago, she walked everyday for four kilometres before she could get an auto that would take her to the factory. People in the village asked her why she did not just stick to working as an agricultural labourer. ‘At that time, if I worked from 9 am to 3 pm in the field, I would get Rs. 50 as wages. When I started in the factory, I used to earn Rs.130 per day,’ Poornima told us in interview.⁵⁹ Unlike many of her colleagues, she had a husband who contributed to the household through his work on their farm. He looked after daily expenses while Poornima’s steady wages ensured they remained eligible borrowers from microfinance institutions.

For most women workers like Poornima, monthly wages and

yearly bonus made it possible for workers to access loans from microfinance institutions. These private money-lending firms provide women with chunks of money they could use to pay school fees, monthly instalments or pay off other debts incurred—in all, they offer women the possibility of making modest incremental changes in their lives. In Mandya, microfinance institutions began to arrive around the year 2012 and expanded massively when the Shri Kshetra Dharmasthala Rural Development Project entered the moneylending market.⁶⁰ Locally called ‘Dharmasthala Kendra’, this particular microfinance institution functions by initiating membership groups of 10 to 20 women; women pay a weekly membership charge of Rs.10 after which they become eligible to borrow money. ‘After six months, they gave us Rs. 10000. Now we have borrowed Rs.50000. We wanted to build our own house,’ Poornima said.

Employment opportunities offered by the ECC-2 unit in Srirangapatna coincided with the entry of these private lending firms. Most women in the factory showed their salary slips and their Aadhar details and were provided small amounts of

money. This combination of loans and the steadiness of factory wages have enabled women pay for basic necessities of food, rent and utilities; send children, particularly daughters, to schools and colleges; tide over emergencies and, most importantly, keep circulating their debt. However, over the years, debts have grown among rural households, and the worry over how they would fulfil these ‘financial commitments’ were one of the main causes of grief and worry for the protesting women at ECC-2 unit.

‘Everywhere, we have taken loans with a promise to pay it back in two years. I have borrowed from kendras (microfinance institutions), banks and private money lenders and have an EMI to pay. I have to pay interest monthly for some and weekly for others. How will I pay them now?’ Poornima said in her interview with us.⁶¹ By working overtime on all Sundays and whenever else the factory called for overtime work, Poornima had been able to earn about Rs.10000 a month. Working without a break all days of the month, she had been able to meet her ‘commitments’.

Speaking of the ways in which microfinance institutions operate,

⁵⁸ Ibid.

⁵⁹ Poornima, Interview.

⁶⁰ Sirimane, Interview.

⁶¹ Poornima, Interview

Mallige explained: 'Microfinance institutions start with offering loans at very little interest. Women may not have taken it up if they were approached individually. But when they see other women in the group wanting to take up loans, they feel encouraged that they are not alone; if there is any trouble in the future, they feel like there are others who will also face the same trouble. It instils some form of mob psyche. What they don't realise is that the burden of paying interest or clearing the loans is an individual exercise.'⁶²

With the announcement of the lay-off, one of the main causes of worry for Poornima was how she would meet the weekly expense of Rs. 610 that she had to pay Dharmasthala Kendra. 'During a recent kendra meeting, the kendra manager asked someone to fetch me for the meeting saying I should attend the meeting. There were some ten people sitting there at that meeting,' Poornima said, indicating at the prospect of humiliation she faced at being called out in public for non-payment of debt. 'At other

times, we could have turned to some friend for monetary help. Now when none of us have money, what should a woman do?...Should we get scolded? Are we small children that we should stand around and get scolded?'⁶³

Microfinance institutions have long played on this fear of humiliation, as several reports linked to indebted farmers' suicides have noted.⁶⁴ What also makes women ideal borrowers for these microfinance institutions, according to Mallige, is the association women make between their honour and integrity and their ability to clear loans. 'These microfinance institutions have taken these positive attributes amongst women and capitalised on them to make profits,' she added.⁶⁵ Since the Dharmasthala finance in particular is associated with a major temple trust, women have the added concern that they have borrowed from a deity and must not default on loans.

Rural indebtedness has been a concern for governments and policy-makers in India for centuries

now, ever since land became a commodity for transaction. While state policies and initiatives have focussed on economic factors, it is important to pay attention to cultural logics that govern individual decision-making in rural areas. A.R. Vasavi, in her essay on debt entrapments, argues for paying attention to how individualisation in agriculture and an increased spending on rituals and festivals have created unsustainable lives for marginal cultivators. Reviewing individual cases of deaths by suicide, Vasavi found that social obligations such as conducting rituals and weddings and consumerist desires of owning a house, a television, a motorcycle had driven farmers deeper into debt, especially after repeated crop failures. 'Capitalisation of agriculture within an unaltered agrarian social fabric results in the working of two differing sets of cultural logics, that of privileging or pressing the individual to act for his or her own economic benefit and the continued pressure of having to subscribe to collective activities,' Vasavi argues.⁶⁶

Vasavi's argument drawing on prevailing cultural logics in contemporary rural societies has relevance in understanding the lives

of women workers of the ECC-2 unit. Most, if not all, women in the factory are subject to these societal obligations. Unlike industrial and/or migrant workers in cities, they continue to stay in their village homes; working in an industry has not alienated them from their rural contexts. This also means that when humiliation occurs on the issue of non-payment of debts, women have no choice but to continue to inhabit the same spaces. A substantial difference between agriculturists that Vasavi reviewed and the women here are that the hope of repayment came from the steadiness of wages and employment in a garment factory. In the case of women like Poornima whose family places some hope for prosperity also from farming, even the initial investment before the sowing season came from loans borrowed on the guarantee of her continued employment. Industrial employment thus contributed to maintaining agricultural investment in some households.

This section has focused on the aases of garment women workers and the debts they take on with the faith that they will be able to repay. But it is important to recognise that these individual debts women take on are the result of structural factors

⁶² Sirimane, Interview.

⁶³ Poornima, Interview.

⁶⁴ Chander Suta Dogra, "Why Microfinance Is Becoming a Bad Word All Over Again," *The Wire*, January 15, 2016, <https://thewire.in/banking/why-microfinance-is-becoming-a-bad-word-all-over-again>; M Suchitra, "Microfinance Institutions Escape Charge of Abetting Suicide of Clients," *Down To Earth*, July 2015, <https://www.downtoearth.org.in/news/microfinance-institutions-escape-charge-of-abetting-suicide-of-clients-38019>.

⁶⁵ Sirimane, Interview.

⁶⁶ A.R.Vasavi, "Debt and Its Social Entrapments," *WSQ: Women's Studies Quarterly* 42, no. 1 & 2 (2014):25

that keep wages depressed and do not allow for accumulation through savings. Some of these factors are as follows:

1. Garment factories do not provide livable wages (a typical salary for a garment worker is Rs.8000 when a minimum livable wage has been estimated to be Rs.18000);
2. The state government which has refused to undertake the legally mandated upward revision of minimum wages (see section on minimum wages above);
3. Transnational apparel corporations have built their profits on sweatshop labour but have refused to make livable wages a precondition for agreements with supplier factories.

While this section focuses on the meanings of work, it is pertinent to mention here that the loss of a garment factory job also entails a loss of social security for workers, in the form of provident fund (PF)⁶⁷ and

access to subsidised health care through Employee State Insurance (ESI) dispensaries.⁶⁸ While PF is an extremely important part of why a garment worker continues working in exploitative conditions, for workers outside Bangalore, ESI dispensaries are vital healthcare facilities since they are poorly-serviced by affordable private healthcare services.

These structural factors and income losses have intimate consequences. With this certainty of a stable income snatched away, women workers at ECC-2 factory seemed to wonder if they had been too covetous, if they should have limited their aase, their modest aspirations for a better life. 'If this factory had not been there, I would not have made so many commitments. If they had only told us a year ago that the factory would close, we would have reduced our commitments... Now when I think about the factory, the future, I feel very, very scared,' Poornima said.⁶⁹

The Illegal Lay-off, Worker Protests and Dispute Resolution

When Gokaldas Exports company started its operations in Srirangapatna, it relied to some extent on word-of-mouth communications to hire workers. It also distributed pamphlets in the town and in villages calling for women workers to join its workforce, recalled Padma, worker-leader from GATWU in an interview.⁷⁰ As hordes of women from villages around Srirangapatna joined the factory over the years, the number of workers had at one point swelled to 1700. Even until as recently as March 2020, the company had recruited its house-keeping staff to fan out into villages to ask women to enrol into the factory, she added. Even at the time of the lay-off, the factory had production material such as fabric that could last another six months, Padma claimed. Given these factors, workers believed that the factory had not been too

adversely impacted by the COVID-19-induced lockdown. They even accepted the partial salaries that the company gave them for the period of the lockdown, although they were entitled to full payments.⁷¹

When Gokaldas Exports announced the lay-off, workers volunteered to sacrifice their wages. 'We even told them not to pay our salaries for three months. We told them we will manage somehow but they should save our factory for us,' Pavithra told us. Gokaldas Exports refused to budge, and repeatedly stated that the pandemic-induced losses such as reduction in orders had made running the factory unviable. H&M, the global apparel brand which is the primary buyer from the unit has claimed that its orders with Gokaldas are at 'the same level as in the same period last year.'⁷² In a meeting with local government

⁶⁷ On a recent history of PF and its importance for garment workers, see People's Union for Civil Liberties-(PUCL) Karnataka and Women Against Sexual Violence and State Repression, "Thread and Tension: An Account of the Historic Uprising of Garment Workers," 2017, http://puclkarnataka.org/wp-content/uploads/2018/12/GW_-_Protest-Report-english-book.pdf.

⁶⁸ For the importance of ESI for garment workers, especially outside Bangalore, see Mohan Mani and Prathibha.R., "Feminisation of Work and Health Care: Occupational Health Needs and Access to the ESI Corporation for Karnataka Garment Workers," Occasional Paper Series (Institute of Public Policy, July 2019), <https://mpp.nls.ac.in/wp-content/uploads/2019/10/Occasional-Paper-Series-07-1.pdf>.

⁶⁹ Poornima, Interview.

⁷⁰ Padma, Interview.

⁷¹ The Ministry of Home Affairs issued a notification that employers must pay their workers full wages during the period of the lockdown. Ministry of Home Affairs, "Order No.40-3/2020-DM-I(A)" (Government of India, March 29, 2020), https://www.mha.gov.in/sites/default/files/PR_MHAOrderrestrictingmovement_29032020.pdf

⁷² RM Cooperation-DE, H&M, "Full Wages, Trade Union Rights and Job Security Also with H&M's Suppliers in Asia," June 18, 2020.

officials and worker representatives, the management is said to have claimed that the land rent was too high and the company could not afford it. Workers reported to us that district officials and elected government representatives offered any help needed to keep the factory going; even the landowner had offered to collect lesser rent, if necessary. However, their requests to keep the factory going fell on deaf ears.

BREAKING WORKERS' SOLIDARITY

Instead, Gokaldas Exports went about actively courting resignations from workers after announcing lay-offs. Resignations are by default considered voluntary and managements do not have to go through the legal processes of getting permission from the state labour department, offering a notice period to workers and providing closure compensation. 'Factories in the garment industry always want to shut down operations wherever it doesn't work out for them...When a factory is started they have to get registered under the Factories Act and it doesn't become easy to just shut shop and leave. So what they do is...to start rumours

through supervisors that the factory will shut down...Workers get afraid. They think "Oh we won't get even what is due to us, so we should just resign." And they all begin to resign one by one; then it becomes easy for them to close the factory,' R. Prathibha, president of GATWU said in an interview.⁷³

In the case of this illegal lay-off at its ECC-2 unit, protesting workers have reported that the management deployed supervisors who were offered as much as Rs.400 for every worker resignation they managed to get. As soon as the lay-off was announced, supervisors fanned out to villages of workers in their departments, put pressure on them and their spouses and managed to get resignations, sometimes as late as 12 in the night. 'Supervisors are the ones who are in contact with workers every day. They know which village the worker comes from, what her financial and family circumstances are...If the supervisor knows she gets scared of her husband, he will call her husband; if he knows she has too many financial problems, he will lure her with money. Supervisors know the worker's weak point and will know exactly how to apply pressure,' explained Prathibha.⁷⁴

One such pressure point that supervisors deployed with women workers was the patriarchal control families exert on them. 'In some cases, supervisors have taunted the husbands or sons of the women asking why they are letting their women go out into public, sit and protest and if they had no shame in letting their women protest,' Pavithra said.⁷⁵ Yet another protesting worker Geeta told us that a few women workers who resisted these pressures were cowed into submission by their husbands who beat them into resigning.⁷⁶ Auto-drivers who ferried women between their villages and the factory were also reportedly deployed to apply pressure on women to resign. Village elders were reportedly used as another pressure point to get women to resign. 'If some women in a village had refused to resign and was joining in the protest at the factory, they were subject to taunts by those in the village. "See, she thinks she can get the factory to open. Look at her go"—such kinds of comments were directed at the women,' Prathibha said.

In most cases, supervisors drew on the ignorance of workers and their families about labour laws,

the fear that their hard-earned money will also be lost and the anxiety that they should cut their losses and exit with as much as they can. In this, misinformation was a key tactic deployed by the management. Workers reported that their colleagues who had resigned were told that the factory would certainly not be opened, and if they did not give in their resignations immediately, they would lose whatever compensation they were getting now. Supervisors reportedly told workers that when the factory completely closed down, there would be no Human Resources (HR) department and workers would have no place to tender their resignations. Will you travel to Bangalore to give your resignations and get your compensation? they asked the workers. Unaware of the company's legal obligations to them, workers panicked and gave in their resignations. 'After resigning, many workers have told us that they actually need their jobs and have been asking us if they can take back their resignations,' Manasa, an executive committee member of the union, told us in an interview.⁷⁷

To prevent workers from protesting, the management even filed a

⁷³ R.Prathibha, Interview.

⁷⁴ ibid

⁷⁵ Pavithra, Interview.

⁷⁶ Geeta, Interview, July 13, 2020.

⁷⁷ Manasa, Interview, July 11, 2020.

petition in the local court seeking an injunction on the protest gathering taking place inside the factory premises. In its plea, the company argued that protestors were not following social distancing norms and hence posed a threat both to workers and the general public. It also claimed that it had a fundamental right to declare a lay-off since COVID-19 was a 'natural calamity' against which the company had been helpless. It tried to prevent workers from staging a protest at the factory premises by seeking an injunction order from a local court. In its petition, the management accused worker leaders Padma and Naveen of creating a 'fear psychosis' among managerial and supervisory staff and of instigating nearly 1000 workers. These, and other

arguments, were challenged by GATWU in its response to the court. Gokaldas Exports' actions are an instructive example in understanding how companies are using the COVID-19 induced economic distress to justify illegal actions such as lay-off and attempt to use the judiciary to thwart workers' right to protest.

In any case, as the protests continued to hold strong weeks after the announcement of the lay-off, the management intensified its efforts to break the strike on ground. Where workers confronted them with the union's assertions that the factory would reopen, supervisors changed tactics to reassurance. 'They told them that if the factory reopened, the supervisors themselves would be there to hire

them back. They told workers to trust them that they would get their jobs back,' Pavithra told us. Yet another tactic was to trick workers into believing they would get jobs in other factories. Poornima narrated how some of her colleagues had resigned because they were led to believe by factory managements elsewhere (small units around Mandya and the Shahi factory in Maddur) that jobs were on offer in these factories. Believing this, some workers tendered resignations at ECC-2 unit—after all these factories had taken down their details and asked them to come by on July 5 to possibly join in. Claiming that this had been orchestrated by the ECC-2 unit management, Poornima said, 'This was an attempt by the management to break our strike. When these workers who had resigned went there on July 5, they were sent away and told that if there were openings, then the factory itself would call them.'⁷⁸

Workers also reported instances where it was apparent that Gokaldas Exports had intensified their strategy of fear-mongering and attempts to bring the union to

disrepute. A few weeks into the protest, news began to circulate among workers that the ECC-2 unit's management had told other factories that the reason they were shutting down was because of the union. 'We know it's because we have an active and strong union that the company wants to shut us down,' 26-year old Manasa said in an interview with us. 'They have told other factory managements that we go on strikes frequently and that they should not hire us,' she claimed.⁷⁹ Poornima also claimed similarly and said, 'We have networks with workers in other factories in Mysore, Belavadi and Shetterhalli who have told us that the ECC-2 unit management has shared our Aadhar details with other factory managements so that we cannot even apply there.'⁸⁰

The management also amplified its misinformation campaign. Sample, for instance, this address by a management representative to workers on June 30, 2020, ostensibly giving an 'update' on the conciliation proceedings that had been initiated by the state labour department.

Figure 5: Workers gathering to listen to union leaders and district administration



⁷⁸ Poornima, Interview.

⁷⁹ Manasa, Interview.

⁸⁰ These details have not been independently verified.

...the labour department has postponed the case to July 10. Labour commissioner has given a suggestion to the management and union. Union and management should sit and talk to each other, settle and close the issue. This is the suggestion he has given. This is the first point.

The second point is that this July 10 if the state conciliation does not go well, then it will go to arbitration, to the labour court. If it goes to labour court, we don't know how long this case will go on. In this interim period, if workers join elsewhere for work, they will not get settlement. This is the second point.

The third point is that Corona is spreading rapidly. Bangalore may be locked down... They will probably put Bangalore under lockdown again. Even the prime minister is addressing the nation today at 4 pm. So, we requested the management, this is corona period, if the case is in the court, it will keep going on. Because of our request, from tomorrow the company is

setting up help desks...Whoever tenders their resignation at the help desk will get their settlement immediately. So, from tomorrow, for the next three days, from 11 am, the management will set up help desks...whoever resigns will get settlement on the spot.⁸¹

The management representative here sought to use the contingent uncertainties generated by the pandemic—possibilities of unexpected lockdowns and rapid spread of the virus—to get workers to resign. He was also playing up the anxieties of workers that the protests could turn out to be a long-drawn one if the case landed with the judiciary. For workers who survived on the immediacy of loans and wages, waiting for years for the issue to be resolved was not an option they could afford. In fact, during the course of the protest, the most common anxiety the union had to address was whether the matter would end up in the court. 'The experience with courts for most workers come from anecdotes they may have heard about property disputes which take years to resolve in courts. They fear this is what may happen here as well and their

money will be tied up,' explained Prathibha.⁸² It was this fear that the management representative was playing upon when he said that workers could lose their settlement if they did take up work elsewhere during the pendency of the case.

In later weeks, management tactics further built on this fear of courts. In another instance where management representatives travelled to a village courting resignations, they spoke of instances where unions had supposedly failed workers when the matter ended up in court. Citing an earlier instance of how workers of a textile mill received compensation years after the closure, one representative said, 'They may have given (compensation) now, but all these years what could they do? Who gave them money to run their house? Who gave them loans? Who gave them rations.'⁸³ Such forms of breaking worker solidarity drew upon popular perceptions and worries about judicial delays and consequent losses for litigants.

It is evident then that Gokaldas Exports used a combination of pressures: contingent stresses such as the pandemic, conservative/patriarchal factors such as men's

Figure 6: Screenshot of Gokaldas Exports' claims of empowering employees in its annual report for 2018-19



control over the women in their family, systemic issues such as court delays. The goal was to leave workers with a sense of helplessness and lack of control over their futures so that resignation packages would seem the only way they could at least cut their losses and pay off some debts.

UNION STRATEGIES

After the management representative finished his address to workers at the ECC-2 premises on June 30, he asked workers present if they had any clarifications to seek. What happened next was testament

⁸¹ Transcript of video recording from June 30, 2020 at ECC-2 unit premises.

⁸² R.Prathibha, Interview.

⁸³ Extract from transcript of video recording from Mahadevapura village on 13 July 2020

to the strength workers drew from the union-led protests. They asked the representative why he was taking the management's side, why the management announced a lay-off suddenly without notice to workers, why they did not discuss with and prepare workers for the lay-off. They told him that if the management had any consideration and respect for the women who had worked for all these years, they would have discussed the lay-off with the workers. Drawing attention to garment industry's practices of not hiring women over the age of 35, one of the workers present asked the representative: 'You also know that for the next two years there will be no work. Those who used to go to coolie work also don't

have any work... You only say no to women who are over 35. When the situation is like this, where should we go sir?'

Countering the representative's address which tried to paint the management as considerate, one of the worker leaders Mahadevamma told the workers present that what the representative said was only half-truth. At conciliation meetings in Bangalore, she said, the management team that participated did not commit to anything, did not speak to the workers present and did not want to explore any options to keep the factory operational. Turning to the representative, she said: 'We told them not to give us

salary for three months and to just reopen the factory. They didn't respond to this proposal. We asked them to bring the factory owner to us, we will talk to them about our difficulties...Did they say anything to us? Nothing. If you suddenly put it on the notice board, won't we feel hurt when you treat us like this?'

These questions to the management's representative came from the concerted efforts GATWU had put in in keeping the workers protesting for their rights. Worker leaders such as Padma and Naveen had started whatsapp groups to keep the workers connected to the protests, even as gathering everyday at the factory premises became increasingly untenable for workers. Workers alleged that the ECC-2 unit management had managed to bribe some of the auto-drivers who had previously ferried the workers to not bring them from their villages to the factory. As days turned to weeks, it also became financially impossible for women to keep spending on transport. The detection of COVID-19 cases in the district also restricted movement. The Whatsapp group then transformed into a virtual newsroom where worker leaders

posted information and news on developments regarding the protests. 'Padma and Naveen sent messages every day on the group asking them to not give in their resignation. They told them that they should ask whichever management representative comes by what they (the representative) stand to gain if you resign. They explained to the workers what they stood to lose if they resigned and how the union was fighting to keep the factory open. That's how we've managed to push this for this long. This is an achievement for us. In the history of organising in the garment industry, it's hard to sustain workers for this long,' Prathibha had explained.⁸⁴ As GATWU took the matter to international arbitrators such as IndustriALL and drew H&M into the picture, shows of solidarity began to appear from workers and unions across the world. Images and videos of these forms of support were shared with workers through the whatsapp group as well.

Workers leaders such as Padma, Naveen and Mahadevamma also took to following management representatives to villages and confronting them regarding their

Figure 7: An image showing support for the protests at ECC-2 factory which was shared on the whatsapp group of workers



⁸⁴ R.Prathibha, Interview

illegal actions and also filing complaints at police stations. Videos of these confrontations and images of the complaints were circulated on the Whatsapp group to sustain solidarities. In these videos, management representatives pushed to a corner after having been found seeking resignations, insist that they are here only to tell workers that the factory will not reopen and if they want to resign, they should do so at the factory. In one such video, two management representatives Ramesh and Dileep are confronted by Kempegowda, a farmer leader from the region, along with worker leaders. Following is a brief extract from the conversation:

Dileep: What we were told was that they probably have not been able to come because of corona...I called Sudhakar (another worker) and asked will you resign. He said I will go tomorrow and give my resignation there only. Your wish is what I told him. No one has been forced to resign.

Kempegowda: Isn't coming home to ask for resignation not a form of force? If they wanted to resign, would they not come there and resign themselves? You don't have to come here and do this as an agent. They will only come. (*Noise for a*

few seconds as a lot of people speak at the same time) You should be supporting them. Will you sit quietly if you lose your job? Tell me, will you sit quietly if you lose your job?

...
Woman worker (narrating about a call her husband received): They had called my husband. He told me that I have got a call from the factory. I asked him who called but he didn't know... He said that the caller asked if your wife goes to the factory. My husband said yes. The caller told him to get me to resign, the factory will shut down. He told them, no I won't ask her to resign. Let's see what happens.

...
Kempegowda: Why are you doing all this? Union is there. Why dont you talk to them?

...
Naveen: Coming to the village and asking them to resign is illegal. They should go voluntarily and resign. When they go to resign, it has to be of their own will.

Kempegowda: Who told you to come here and get resignations?

Ramesh: Head office contacted us and told us to talk to them.

Kempegowda: Did they ask you to get resignations? Tell us who in the head office told you to get resignations.

Ramesh: There's nothing like that...(Noise)...I work in the payroll dept at head office...

Mahadevamma: So many have been cheated in their settlement and gratuity. They are calling us and crying. Why haven't you given them any clarity?...For so many ladies, the cheque has bounced.⁸⁵

Such videos had the effect of clarifying further to the workers the malicious ways of the company. 'After seeing videos of how the management is trying to get our resignations, I am thinking how much the HR department is cheating us. People are getting much less compensation than they are actually entitled to, even after working for 9 to 10 years. They must have such cheap mentality, going and asking for resignations,' said Manasa in an interview.⁸⁶

This 26-year-old worker had been employed as a checker in the ECC-2

unit for about six years and was the stable earner in her family of four—parents, sister and her young child. The factory was the first place she had been employed and joining the union had given Manasa the confidence to assert herself. 'First when I joined the factory and if I did something wrong I would start crying...But after I became friends with Naveen and joined the union, I started getting the strength...When the union started in 2015, they would educate us that we should not be bearing such abuse. That's when we started to question them. The management wouldn't say anything then and would not yell at us but would increase targets for such workers.'⁸⁷

Such experiences of torture from garment factory managements that cannot be easily challenged is what made workers reject the option of transferring to Gokaldas Exports' other units in Mysore or Bangalore. In our interview, Padma explained why GATWU rejected this offer of a transfer: 'We don't want to be transferred anywhere. They'll put us there and one-two months later, they'll start to torture us...so much so that workers will be forced to

⁸⁵ Transcript of video recording on July 9, 2020, recorded at Haravu village, Pandavpura Taluk, Mandya district.

⁸⁶ Manasa, Interview.

⁸⁷ ibid

Figure 8: Why this is a clear case of union busting by Gokaldas Exports

Gokaldas has claimed in all negotiation forums that it had no choice but to close the ECC-2 unit. The COVID-19 pandemic, it has claimed, was a natural disaster which had impacted the company economically.

However, at an investor call on June 27, 2020, the managing director and CEO Siva Ganapathy exuded confidence that the company was well-placed to absorb the disruptions caused by the pandemic.

The company, he said, had grown by 17 percent in the last quarter of 2019-2020 despite having lost 8 days during peak supply season in March. The company has been adding new customers, increasing business with profitable customers and been introducing different operational and design measures to grow into an all-season player. He emphasised that the company grew to acquire greater market share when the rest of the industry declined.

The company, he said, had been producing 25000 personal protection equipment per day, some of it for the Government of India. 'We have the strategy, the business book, the resources and the capability to sustain and bounce back out of COVID and emerge much stronger', he said. Importantly, he predicted being able to return to older volume levels of production from November-December.

This contradicts the company's assertions with the state labour department that severe business disruptions have taken place, that the company sees no possibility for immediate recovery in the global or Indian apparel sector, and that all its factories are operating way below capacity.

That the company chose to lay-off 1450 workers in ECC-2 unit alone instead of spreading out the reduction of workforce across its factories also confirms the argument that this was a union-busting measure. Spreading reductions across factories would have meant reducing 30 workers per factory.

Source: Gokaldas Exports Limited, Q4 FY2020 Earnings Conference Call, June 29,2020

resign.' On what constitutes 'torture', Padma explained that workers may be assigned tasks that they are not trained for; even if the worker may pick up the new skill required, she could be transferred to another section, requiring her to pickup another new skill. 'They will create situations like this and we will have no choice to resign,' she said. Padma also anticipated resistance and hesitation from existing workers in the factory towards those who get transferred. She suspected that even if in the initial months, the company offered transport to its Mysore unit, it may withdraw later, leaving workers stranded again.

Further, travelling long distances for work may not be an option for women whose families exercise restraint on their movements; it is also not an option for the additional financial costs workers would have to incur, the increase in travel time and the lack of transport options. Given that most women in the factory travelled from interior parts of the district, from villages where they travelled in shared autos, the lack of transport, especially for their return journey, can become especially difficult.⁸⁸ The offer of

transferring workers who insisted upon employment was then only a feeble one and was made only because Gokaldas Exports knew women would most likely not take up the offer.

Claims that Gokaldas Exports sought to shut the factory down because of the union is bolstered by the fact that the management had attempted to break the union earlier as well (See Figure 8). In separate interviews, both Padma and Naveen spoke of how they had been subject to threats and intimidation on some occasions and had been attempted to be bought off with money. Both attested to their commitment to workers, and the few successful pro-worker confrontations they had had with the management had strengthened workers' faith in the management. Naveen believes that the strength of the union is what prompted the company to shut down its operations.⁸⁹

In a labour-intensive sector such as the garment industry, keeping wages depressed is essential

⁸⁸ Mallige from Janashakti pointed out that women who lived in villages closer to the railway stations have more access to transport options than those living further away.

⁸⁹ Thanks to Mohan Mani for pointing out that worker reduction could have been spread out over different factories instead of only in ECC-2 unit and that this would result in reducing workforce by 30 persons in each unit (This point is highlighted in Figure 8).

for the large profits brands and supplier factories make. Unionising efforts then are particularly resisted because a workforce that is conscious of its rights and is organised can have industry-wide consequences such as protesting for increase in minimum wages, for the provision of allowances such as dearness allowance. In this case, Gokaldas Exports has not shut down its operations in any of its 20 other factories, giving ample credence to the allegation that this is indeed a union-busting measure. ‘They keep repeating that they have been affected by coronavirus pandemic and so have to shut down. Aren’t other factories affected by them? They have a factory in Tiptur? Aren’t there more cases (of COVID-19) there?’ Poornima questioned in her interview with us. ‘If they had a shred of humanity, they would realise that they have made their profits from our labour and should not cheat us by shutting the factory down,’ she added.⁹⁰

Such clear articulations of worker rights are hard to come by in an industry whose workforce is hard to organise given long and tiring working hours that workers are

subject to, retributive managements that penalise unionised workers and the availability of other garment factory jobs for workers in places such as Bangalore. ‘The reason that unionisation can take place more strongly in rural areas is because they do not have many other opportunities; they feel like they will fight and somehow keep the factory open. In Bangalore, if workers get yelled at, they will leave the factory and go join somewhere else. So whatever we do here it is harder for us to retain workers (in Bangalore),’ said Prathibha.⁹¹ This desperation of a rural industrial worker makes her fight harder for a job and Gokaldas Exports had not taken this fact into account when it decided to make a quick exit from the small town of Srirangapatna. Instead, it found itself embroiled in a controversy of international proportions.

INSTITUTIONAL SUPPORT AND ABDICATIONS

A couple of days after the lay-off was announced, workers gathered in large numbers on a call by the union. As news of the protest spread, elected representatives and local leaders began to arrive at the protest. The Member of Legislative

Assembly (MLA) of the constituency Ravindra Srikantaiah remained steadfast in his support, even providing lunch daily to workers protesting in the factory premises. His intervention and support to the union also resulted in bringing the issue of the illegal lay-off to the notice of senior bureaucrats and ministers in the Karnataka State Government. The district administration and police also did not intervene to ban physical protests, giving the workers a chance to maintain visible pressure on ground. Such forms of political support encouraged women workers to even personally appeal to the deputy chief minister when he was on a visit to the district.

The range of collective bargaining measures undertaken by the workers and their union are notable for two reasons: the closure of other garment factories, especially in the time of the pandemic, has mostly gone by unnoticed in media and government and these measures attained significant visibility in both realms; and because protests against closure have been even rarer in this time of the pandemic. Especially remarkable has been the manner in which the women workers took their protests to the deputy chief minister—given

the social distance between rural women workers and a deputy chief minister in a deeply hierarchical electoral polity has always been so vast and unbridgeable (except perhaps in the time of elections).

With political channels activated, the bureaucracy was also pushed into acting on the complaint raised by GATWU. The labour department initiated conciliation proceedings based on the first complaint raised by union president Prathibha on the shifting of the plant machinery. But given that ground realities had changed after the lay-off was announced, the conciliation proceedings revolved around this matter of the lay-off. It should not have; even the labour department officials conceded that this was illegal. By law, the labour department should have acted upon the complaint filed by GATWU on the matter of the illegal lay-off announcement and initiate measures to prosecute the company. ‘The labour department has no discretionary powers in the matter of who it will decide to prosecute. The law is clear on this. The announcement of the lay-off is a clear and direct violation of the Industrial Disputes Act. Until the time that the department gives the factory permission to lay-off, the

⁹⁰ Poornima, Interview.

⁹¹ R.Prathibha, Interview.

worker is entitled to full wages,' Maitreyi Krishnan, lawyer for GATWU explained.⁹² Even after the lay-off has been legally announced, workers are entitled to wages till they are retrenched, she added.

Given these incontrovertible facts, the labour department should have passed an order asking Gokaldas Exports to pay full wages to the workers. It did not. Workers received only half a month's wages for June. It should have taken the complaint by GATWU and proceeded to prosecute the company. It did not. 'The labour department took the matter into conciliation...On the one hand, the officials involved said that no conciliation is possible on the matter of an illegal action (lay-off). They also say that the proceedings are being undertaken in good faith. Sometimes they say, the matter of prosecution is a different matter and conciliation is a different matter,' Prathibha said. With workers insisting that the matter not be taken to the courts, GATWU also held back on pushing for prosecuting the company.

The labour department's inconsistent and partisan behaviour in favour of the company gave the

company the time and space to solicit more resignations, preying on the fear and anxieties of the women workers. 'For a tripartite mechanism (state-worker-employer conciliation mechanism) to work, we should have an active state that implements labour laws. For instance, the state should ensure provision of full wages, should have laws that allow for unions to be recognised so that collective bargaining can take place,' said Maitreyi. The problem often is, she added, that the state is unwilling to prosecute companies violating the laws.

The laxity of labour departments in holding companies accountable to labour laws has meant that unions in the garment industry have little to no traction with domestic factories. Workers have a right to not be dismissed at will and the Industrial Disputes Act, 1947 protects them against such punishment dismissals by mandating companies to seek permission before dismissing a worker. This continues to be blatantly flouted. Minimum wages continue to be the norm in export-oriented garment factories, although, as Maitreyi explained, these wages were only meant

to protect those workers in unorganised sector who do not have any bargaining power. It is worse in factories that produce for local markets where even minimum wages are not paid, let alone additional mandatory allowances such as dearness allowance, social security measures such as provident fund and health insurance such as employee state insurance.⁹³ In the ECC-2 unit in Srirangapatna, Pavithra told us, her salary rose every year (possibly due to changes in variable dearness allowance) by a mere Rs.10-15. A worker's experience and duration of work with the company did not positively impact wages. Women worked at unchanged wage levels for a number of years at the factory.

'Today the labour department's job is to a) finding on paper that you got minimum wages, PF, ESI; b) and then when there is closure, you got your legal dues. Whether the closure was legitimate or illegitimate, whether the procedure of Chapter V(b) (of Industrial Disputes Act, 1947) was followed, none of that is on the table,' explained Gautam Mody, general secretary of NTUI, in an interview.⁹⁴

As the conciliation proceedings drew on at the labour department, GATWU took the matter to the NMC, a dispute resolution mechanism established under the Global Framework Agreement (GFA) that H&M had entered into with IndustriALL, a global trade union (For the structure of the NMC, see Figure 3). For the first time since the agreement was signed between IndustriALL and H&M, this mechanism was activated to bring pressure on the latter to protect worker jobs in the ECC-2 unit at Srirangapatna. Besides, H&M had begun to face pressure from other unions in places such as Sweden to act in support of the workers. In response to a letter from a trade union associated with H&M's retail outlet in Sweden, the brand claimed that orders to Gokaldas Exports were at the same level as the previous year and that the reason for the dispute was due to a difference in interpretation by the supplier and the trade union. It promised to facilitate meetings between the union and the company and to find a 'common industry solution' to the crisis generated by the COVID-19 pandemic.⁹⁵

⁹³ R. Prathibha and K.R. Jayaram, Interview.

⁹⁴ Gautam Mody, Interview, August 21, 2020.

⁹⁵ RM Cooperation-DE, H&M, "Full Wages, Trade Union Rights and Job Security Also with H&M's Suppliers in Asia," June 18, 2020.

⁹² Maitreyi Krishnan, Interview, July 22, 2020.

While Gokaldas Exports refused to attend the NMC meetings initially, it came to the table a month later. In these meetings however, H&M claimed that it was only a ‘facilitator’, that it had no control over which unit Gokaldas Exports assigned H&M’s orders to; and that its power was limited only to certifying the company’s units as eligible for producing its orders and nothing more, Prathibha reported. ‘H&M’s stand can be understood as a reasonable stance so long as business is within the law. The question is when a supplier violates the law, and violates it with such openness, and then violates the law in terms of shutting the plant down... This is where the question is—what was H&M doing? (It) was informed of the event by IndustriALL as soon as it arose... It took them nearly a month to call a meeting of the so-called NMC,’ said Mody. The first meeting was called on July 8, a month after protests began, and the second meeting was called another month later on August 8, after the sit-in protests had concluded.

In these meetings, Gokaldas Exports did not accept that it had violated the law or that it was bound by the GFA that H&M had signed with IndustriALL. H&M made no efforts to call out Gokaldas Exports for the latter’s refusal, although the

brand was bound by the GFA to inform any supplier it enters into a business partnership with about the agreement. The meetings ended without resolution since H&M refused to use its relationship with Gokaldas Exports to ‘protect human and trade union rights’ and Gokaldas Exports refused to commit to resolving the matter with the union.

Figure 9: Social Media Campaign by IndustriALL



The Global Union IndustriALL has condemned Gokaldas Exports for what it calls as ‘union-busting’, stating that its ‘behaviour violates international labour standards’ and has stated that it would be contacting other brands such as C&A, Marks and Spencer, Gap, Adidas, Bestseller who source from Gokaldas Exports’ factories. It also initiated a social media campaign,

supporting GATWU against the company (see Figure 9). While IndustriALL placed the blame squarely on Gokaldas Exports, NTUI and GATWU have pointed to the ways in which the lay-off was a violation of H&M’s commitments in the GFA. In their report at the end of a month of protests, NTUI pointed out the series of violations by Gokaldas Exports which H&M could have confronted the former about but did not. These ranged from penalising workers for freedom of association, violating existing labour laws and not paying in full during the lockdown (see Figure 10). ‘Apart from Gokaldas’ impunity, it is H&M that has absolutely failed to stand up to its own responsibilities... Nobody forced it into its voluntary code of conduct, nobody forced it into signing its GFA with IndustriALL. It is the utter failure of

the 22-billion euro firm. They must take responsibility too,’ said Mody.

H&M’s violations of its own public commitments to protecting workers’ freedom of association and ensuring compliance with national and international labour standards in its supplier factories has however become the typical response of international brands when assault on labour rights in countries in south and south-east Asia. Studying nine cases of union busting and unfair dismissals in south and south-east Asia, the Business and Human Rights Resource Centre (BHRRC) found that brands’ responses to these events and practices had been unsatisfactory. Brands either chose to not engage at all despite mass dismissals or their limited engagement had not been wholly unsatisfactory to worker unions.

Figure 10: Extract from NTUI’s report on the protest at ECC-2 unit of Gokaldas Exports

Moreover, H&M in its own Code of Conduct commits to “implement them (Sustainability Commitment) in our operations as well as aim to realize them throughout our supply chain.” These sustainability commitments include:

“All work performed (in the supply chain) must be on the basis of recognized employment relationship established through national law and practice.” – GE is in violation of this by declaring an illegal layoff without following due process of national law. H&M has taken no action against GE for this.

“All wages shall be paid on a regular basis and in full (in the supply chain)...” – GE is in violation of this when they paid only 50% of wages for lockdown period violating a central government order. H&M has not just taken no action against GE for this but has also not financially contributed to ensure payment of wages in this unprecedented condition despite their global commitment on covid relief.

The lay-off, illegal as it may be, makes workers eligible to half a month’s wage for the month of June, due today – 7 July. There is no sign of this being paid. This is a third degree pressure on workers to give up their fight.

Given the unalterable reality of the supply chain model, garment factory unions have tried to work with and make use of the supply chain to foreground worker interests. Unions have sometimes been successful in holding export-oriented factories accountable by taking violations by the latter to buyer brands, who have often committed themselves to protecting worker rights throughout their supply chain. In this case too, GATWU attempted to do that and invoked the regulatory structure of the GFA that H&M had voluntarily submitted to with IndustriALL. However, H&M's decisions to characterise the dispute as based on 'different interpretations' of labour laws by the union and Gokaldas Exports demonstrate the ease with which brands can shirk responsibility and not be held accountable. Where, for instance, is H&M's own interpretation of the actions of Gokaldas Exports—in laying off workers at the time of the pandemic, pressurising workers into resigning, shutting down the only unionised factory? Where is H&M's own interpretations of the national labour laws that clearly do not allow for lay-offs without prior permission

or of international labour standards that allow freedom for association?

Such behaviour by an international brand shows up the inadequacy of the voluntary regulatory structure that a transnational corporation submits to as part of its public image-building exercise. In its report on multi-stakeholder initiatives—such as those by IndustriALL which resulted in a GFA with H&M—MSI Integrity, a non-profit initiative studying the impact of multi-stakeholder initiatives on human rights, has argued that this form of global governance had 'failed'. It argues: 'MSIs are not effective tools for holding corporations accountable for abuses, protecting rights holders against human rights violations, or providing survivors and victims with access to remedy.'⁹⁶ This assessment has borne out in the case of the protesting workers of the ECC-2 unit who have been failed again, this time by global forms of governance.

On 5 August, weeks after most workers had resigned, H&M responded to the BHRRC report on unfair dismissals in which it was

held accountable for Gokaldas Exports' lapses.⁹⁷ It stated that it will be withdrawing from its business relationship with Gokaldas Exports by gradually reducing its orders over a period of 18 months. This decision would be re-evaluated only if 'convincing signs and actions of remediation' from Gokaldas Exports' became visible over the next few months.

THE END OF SIT-IN PROTESTS

By the end of July, protesting workers had begun to tire, their ability to hold out dwindling as expenses, anxieties and uncertainties mounted. Gokaldas Exports held onto its stance that it

would not reopen the factory, its illegalities remained unquestioned by the labour department, and its union-busting measures did not provoke any pro-worker response by H&M, which was content to call itself as 'facilitator'. Workers were clear they did not want the matter to land up in court, afraid that the long-winding processes of Indian judicial system would rob them of the compensation package in the immediate term. Their two-month long protest yielded some success when the company announced a better compensation package than the one offered to workers who had resigned earlier.

Table 3: Comparison of benefits received by workers before and after protest

Compensation package	From the day lay-off was announced	On July 27
Compensation (applicable for workers with more than 240 days of continuous tenure)	15 days wages for every year worked	One month's wages for every year worked
One-time compensation	No	Yes. Rs. 4000 per worker
One month's wages as notice period	No	Yes
Monthly and lay-off wages	No	Full wages from 25 May to 6 June; Lay-off wages from 7 June to 25 July
Gratuity (for workers with more than five years of experience)	Yes	Yes
Annual Bonus (applicable for workers with more than 240 days of continuous tenure)	Yes	Yes
Leave encashment (applicable for workers with more than 240 days of continuous tenure)	Yes	Yes

⁹⁶ MSI Integrity, "Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance (Summary Report)," July 2020.

⁹⁷ H&M, "H&M Statement in Response to BHRRC Report on Freedom of Association during COVID-19" (Business and Human Rights Resource Centre, August 5, 2020), <https://www.business-humanrights.org/en/india-unions-accuse-factory-producing-for-hm-of-union-busting-after-dismissal-of-1200-garment-workers-during-covid-19-incl-comments-by-hm>.

As the table above shows, the compensation package offered to workers who had protested through the period of about 50 days is far better than that workers who resigned through the course of the protest. Depending on the number of years of continuous tenure, workers received two to four times more than what they would have received had they resigned through the course of the protest. Following are some specific instances of the increased compensation:

1. A worker with 10 years' service received a settlement amount of Rs. 1,76,358. If she had resigned earlier, she would have only received Rs. 72,727, which includes only her statutory benefits.
2. A worker with 5 years' service received a settlement amount of Rs. 1,05,200. If she had resigned earlier, she would have only received Rs. 46,856, which includes only her statutory benefits.
3. A worker with 1 year of service received a settlement amount of Rs. 35,181. If she had resigned earlier, she would have only received Rs. 13,577, which

includes only her statutory benefits.

4. A worker with 6 months' service received a settlement amount of Rs. 19,509. If she had resigned earlier, she would have only received Rs. 6,452, which includes only her statutory benefits.⁹⁸

It is important to mention here that most workers would have received compensation similar to workers in examples 1, 2 and 3. Out of 1329 workers, 432 workers had a continuous tenure of above five years and 767 workers had a continuous tenure between one and five years. Only 130 workers had a continuous tenure of less than one year.

About five hundred workers accepted this new package; 23 workers opted for a transfer to the Carnival Clothing Company unit of Gokaldas Exports in Mysuru. GATWU continues to hold H&M responsible in international dispute resolution fora and is seeking the reopening of the factory.

Although workers' demand that the factory be reopened was not

met, the compensation package offered to workers at the end of the protest represents a major victory. In an industry where factory managements continue to force workers into resigning when they want to shut down their units, the strength and resolve of the union-led resistance at the ECC-2 factory was arguably the sole reason for workers to receive an enhanced compensation package, especially in the time of a pandemic. Another remarkable outcome of the protest was that Gokaldas Exports offered

transport services to workers who opted for a transfer to their unit in Mysore; most workers who did take the transfer were core members of GATWU, thus allowing for the union to continue its work among garment workers in the region. Despite the loss of jobs and its attendant securities, the sustained protests at ECC-2 factory is a fine example of the strength and commitment that a unionised workforce and union can achieve for workers in the face of illegal and arbitrary action by managements.

⁹⁸ These details of settlement have been provided by GATWU. See Appendix 4 for more details of the calculations.

Conclusion

In our conversations with workers, the subject of suicide came up often. Women spoke of how some of their colleagues wanted to end their lives or had contemplated it themselves. This was often a way to convey the extreme distress that they were going through, the sense that they could no longer control the way their lives were going to be conducted and that they had been abandoned to penury and humiliation. This deeply troubling and repeated references to suicide must be seen within the contemporary reality of rural India where farmer suicides, and news of farmer suicides, have become entrenched in the consciousness of rural citizens.

This case study has highlighted the desperation and distress of women workers who were suddenly faced with a permanent closure of their only source of income. Their lives, for the past ten years, had been shaped by the imperatives of capital to find low-cost locations and the policy decisions of the state to promote 'balanced regional development'. Their desires had

been built on the notions of stability that permanent employment in the factory had offered them and their families. Now, however, there was no space for desire, as visceral concerns of survival became predominant.

This episode raises important questions here for governments and policy makers, domestic companies, and transnational corporations and the global governance regimes that they have voluntarily submitted to.

GOVERNMENTS AND POLICY MAKERS

The notion of balanced regional development has been a stated policy imperative in governments since at least the 1960s. The textile policies in Karnataka for the last 15 years at least has paid homage to this notion and attempted to encourage geographical dispersal of industries to its 'backward areas'. Arguably, the ECC-2 unit of Gokaldas Exports was enabled by the incentives provided by the policies. Given these direct and indirect subsidies that the company profited from over the years, should

the state not hold the company to its 'public responsibility'?

Further, given such practices of sudden closure that private companies resort to with great alacrity, how feasible is it for states to depend largely on private enterprises to promote balanced regional development? It is also important to recognise that most factories are not creating assets but are making asset-like investments (eg: leasing land and not buying in Srirangapatna). In the case of a sudden closure, the state has no assets to take over and pay the legal dues of workers.⁹⁹ Governments and policy makers need to move away from the model of incentive provision to create more sustainable economies in already distressed rural/non-metro economies.

Finally, as this case study shows, the abdication of labour department in the matter of workers, its inability and reluctance to hold companies accountable to labour laws, has heightened consequences for laid-off workers in distressed rural economies. Without other avenues of employment, workers are far more dependent on companies

than workers in metro locations. This should translate into a far more active labour machinery that keeps companies in check. However, this reluctance of labour departments to ensure companies follow legal procedures in the process of exiting a location has ensured that capital can be irresponsibly mobile and continue its dominance over labour.

DOMESTIC COMPANIES

This case study has shown how a domestic garment company, motivated by the need to find 'low-cost locations' with minimal 'locational risks', decided to establish a manufacturing unit in a town located in a distressed economic countryside. Incidentally, this move to an impoverished region mirrors the shift that transnational apparel companies—buyers for this domestic garment company—made in moving to low-cost locations in south and south-east Asia.

But as this case study has shown, and as events in the garment industry in the COVID-19 period has shown, companies—both domestic and transnational—are not merely interested in low-cost locations but also in a subjugated workforce that will not raise issues of worker and

⁹⁹ Thanks to Mohan Mani for pointing this pattern in investment by garment factories.

human rights. Gokaldas Exports' decision to close the ECC-2 unit—which is the only unionised factory—is a clear indication of the necessity of capital for not merely poorly-paid workers but workers who will not challenge their exploitation, and will submit to more.

Given these circumstances, the question of what constitutes the responsibility of a private enterprise, especially one that benefits from state resources and subsidies needs greater and more public examination. This is particularly relevant in a COVID-19 world marked by economic distress. Should a unit that has received subsidies for nearly a decade be able to shut shop without providing evidence of any economic distress it is facing?

Finally, workers' demand to open up the factory, the offer to forego wages upto three months and the novel ways in which the union resisted moves by the management must be understood as a claim made by the workers on the factory as their own, as an entity in which they should have a say. This was not merely a factory run by the 'management', this was their company as well. When one worker told us that the company made profits from their labour and

managed to open up units in other locations, she was laying a claim on Gokaldas Exports as whole on behalf of all of the company's workers. Such claims resonate with several provisions within the Indian Constitution that call for worker participation in management and profits of the company.

TRANSNATIONAL CORPORATIONS AND GLOBAL GOVERNANCE ENTITIES

The questions raised above with regard to domestic companies and their ethical responsibilities have been the subject of debate for transnational corporations as well. This has resulted in the emergence of multi-stakeholder initiatives that seek to hold corporations accountable to international labour standards across its supply and retail chains. Such voluntary commitments corporations make are an exercise in rooting mobile capital to the spatial contexts from which they derive their gargantuan profits.

This case study demonstrates how it is not merely the 'impoverished Global South' that corporations are drawing profits from. As worker consciousness increase with heightened unionising activity, transnational and domestic companies are moving further

interior into more economically distressed spaces in the Global South in search of subjugated workforces.

Given these new spatial moves made by transnational corporations and their supplier companies, the only source of pressure for both sets of companies are the multi-stakeholder agreements that corporations have entered into with global governance entities. In the case of the ECC-2 unit, H&M acted far too slowly and did too little. Workers when faced with the closure of a factory are thrown into a great degree of

turmoil, the pressures on them to resign increase daily especially by unscrupulous managements, and the inability to meet their financial commitments is too much uncertainty to bear. Their capacity to hold out is far less than the company they are holding out against, a fact that H&M and Gokaldas Exports used to their advantage, in varied ways. This episode raises serious questions on the efficacy of these voluntary governance structures that transnational corporations submit to and whether they can come to the aid of workers in times of crisis, such as during the pandemic.

Appendix 3: Pamphlet distributed by GATWU

GATWU Garment and Textile Workers Union
ಗಾರ್ಮೆಂಟ್ ಅಂಡ್ ಟೆಕ್ಸೈಲ್ ವರ್ಕರ್ಸ್ ಯೂನಿಯನ್
(Affiliated to New Trade Union Initiative - NTUI)

ಆತ್ಮೀಯ ಶ್ರೀರಂಗಪಟ್ಟಣದ ECC-2 ಕಾರ್ಮಿಕ ಸಂಘಟನೆಗೆ,

ನಿಮ್ಮ ಗೌರವದ ಭಯ ಮತ್ತು ಆತಂಕ ಅಗುತ್ತಿರುವುದು ನಮಗೆ ತಿಳಿದಿದೆ. ಹತ್ತೊಂದು ವರ್ಷಗಳಿಂದ ಈ ಕಂಪನಿಯಲ್ಲಿ ಕೆಲಸ ಮಾಡಿಕೊಂಡು ಬರುತ್ತಿದ್ದೀರಿ. ಇನ್ನು ಮುಂದೆ ಈ ಕಂಪನಿಯು ಇರುತ್ತದೆಯೋ ಇಲ್ಲವೋ ಏನಾಗುತ್ತದೆಯೋ ಎಂಬ ಚಟುವಟಿಕೆ.

ಯಾವುದೇ ಕಾರಣಕ್ಕೂ ಪದವಿ ಅಗತ್ಯವಿಲ್ಲದ ಅಧಿಕಾರವಹಾರದ ಅಥವಾ ಪರೋಕ್ಷವಾಗಿ ಬೇರೆ ಬನಗಳ ಯಾವುದೇ ಒತ್ತಡಕ್ಕೆ ಮನೆಯಿಂದ ನಿಮ್ಮನ್ನು ಬಿಟ್ಟು ಯೂನಿಯನ್ ಜೊತೆ ನಿಂತಿದ್ದರೆ ಅದರ ಯಾವುದೇ ಕಾರಣಕ್ಕೂ ಕಂಪನಿಯು ಯಾರಿಂದಲೂ ಮುಕ್ತವಾಗಿ ಸಾಧ್ಯವಿಲ್ಲ. ಏಕೆಂದರೆ ಡಾ. ಅಂಬೇಡ್ಕರ್ ಅವರು ಬರೆದಿರುವ ಸಂವಿಧಾನದಲ್ಲಿ ಮತ್ತು ಕಾನೂನುಗಳಲ್ಲಿ ಹಲವಾರು ನಿಬಂಧನೆಗಳನ್ನು ಮಾಡಿದ್ದಾರೆ ಮತ್ತು ಕೆಲಸದಿಲ್ಲದವರು ರಜೆ ಫೋನ್ ಮಾಡಬೇಕಾದರೂ 1 ತಿಂಗಳ ಮುಂಚೆ ಕಾರ್ಮಿಕ ಆಯುಕ್ತರ ಅನುಮತಿಯನ್ನು ಪಡೆಯಬೇಕಾಗುತ್ತದೆ. (Industrial Dispute Act 1947, Chapter 5-B, Section 25-M) ಮತ್ತು ಅರ್ಧ ವೇತನವನ್ನು ನೀಡಬೇಕಾಗುತ್ತದೆ.

100 ಜನಕ್ಕಿಂತ ಹೆಚ್ಚಾಗಿ ಕಾರ್ಮಿಕರಿಂದ ಯಾವುದೇ ಕಂಪನಿಯನ್ನು ಮುಚ್ಚಬೇಕಾದರೆ ಆ ಕಂಪನಿಯು ಸರ್ಕಾರದ ಅನುಮತಿಯನ್ನು ಪಡೆಯಬೇಕಾಗುತ್ತದೆ. (Industrial Dispute Act 1947, Chapter 5-B, Section 25-O) ಅನುಮತಿಯನ್ನು ಕರ್ತವಿ ಸರ್ಕಾರದ ಕಾರ್ಮಿಕ ಇಲಾಖೆಯು ಕೊಡಬೇಕಾಗುತ್ತದೆ. ಅನುಮತಿಯನ್ನು ಕೊಡುವುದಕ್ಕೆ ಮುಂಚಿತವಾಗಿ ಸರ್ಕಾರವು ಹಲವಾರು ರೀತಿಯಲ್ಲಿ ತನಿಖೆ ನಡೆಸುತ್ತದೆ. ಕಂಪನಿಯನ್ನು ಮುಚ್ಚಲು ಕಾರಣವೇನು ಮತ್ತು ಕಂಪನಿಯಲ್ಲಿ ದುಡಿಯುತ್ತಿರುವ ಕಾರ್ಮಿಕರಿಗೆ ಎಲ್ಲ ರೀತಿಯ ಪರಿಹಾರ ಪಡೆದ ಕಾನೂನುಬದ್ಧವಾಗಿ ಬರಬೇಕಾಗಿರುವ ಎಲ್ಲಾ ಬಾಕಿಗಳನ್ನು ನೀಡಿದ್ದಾರೆಯೇ ಎಂದು ಪರಿಶೀಲಿಸಿ ಮತ್ತು ಯಾವ ಕಾರಣಕ್ಕೂ ಕಂಪನಿಯನ್ನು ಮುಚ್ಚುತ್ತಿದ್ದಾರೆ ಎಂದು ಸರ್ಕಾರಕ್ಕೆ ದುಪ್ಪಂಚಿಯಾದಲ್ಲಿ ಮಾತ್ರ ಕಂಪನಿಯನ್ನು ಮುಚ್ಚಲು ಅನುಮತಿಯನ್ನು ಸರ್ಕಾರ ನೀಡುತ್ತದೆ.

ಇದ್ದಲ್ಲಿ ಅನುಮತಿಯನ್ನು ಪಡೆಯಲು ಕಂಪನಿಯು ಕಂಪನಿಯಿಂದ ಆರು ತಿಂಗಳಿಗಿಂತ ಹೆಚ್ಚು ಸಮಯ ತೆಗೆದುಕೊಳ್ಳುತ್ತದೆ. ಅದಕ್ಕಿಂತ ಯಾವುದೇ ಕಾರ್ಮಿಕರು ಹೆಚ್ಚು ಅಗತ್ಯವಿಲ್ಲ. ಗೋಕಲ್‌ದಾಸ್ ಎಕ್ಸ್‌ಪೋರ್ಟ್ಸ್ ಒಂದು ಸಾರ್ವಜನಿಕ ಹೊಡೆತ ಕಂಪನಿಯಾಗಿದ್ದು, ಸಾವಿರಾರು ಕೊಟಿ ವಹಿವಾಟು ನಡೆಸುತ್ತಿದೆ ಮತ್ತು ವಿಶ್ವದ ಅತ್ಯಂತ ಹೆಸರಾಂತ ಬ್ರಾಂಡ್‌ಗಳಿಗೆ ಉದಾಹರಣೆಗಳನ್ನು ಸಿದ್ಧಪಡಿಸಿ ರಫ್ತು ಮಾಡುತ್ತಿದೆ ಮತ್ತು ಕಂಪನಿಯು ಅಷ್ಟು ಸುಲಭವಾಗಿ ಬಾಲಿಯನ್ನು ಮುಚ್ಚಿ ಹೋಗಲು ಸಾಧ್ಯವಿಲ್ಲ. ಗೋಕಲ್‌ದಾಸ್ ಎಕ್ಸ್‌ಪೋರ್ಟ್‌ನಿಂದ ಬರಬೇಕಾಗಿರುವ 1 ರೂ. ಬಾಕಿಯನ್ನು ಕೊಡಬೇಕಾದರೂ ಸಾಧ್ಯವಿಲ್ಲ. ಗೋಕಲ್‌ದಾಸ್ ಎಕ್ಸ್‌ಪೋರ್ಟ್‌ನಲ್ಲಿ ನಿಮ್ಮ ಬಾಕಿ ಏನಾದರೂ ಇದ್ದರೆ ಅದು ನಿಮ್ಮ ಬ್ಯಾಂಕ್‌ನ ಬಾಕಿಯಲ್ಲೇ ಇದ್ದಂತೆ ಎಂದು ತಿಳಿಯಿರಿ.

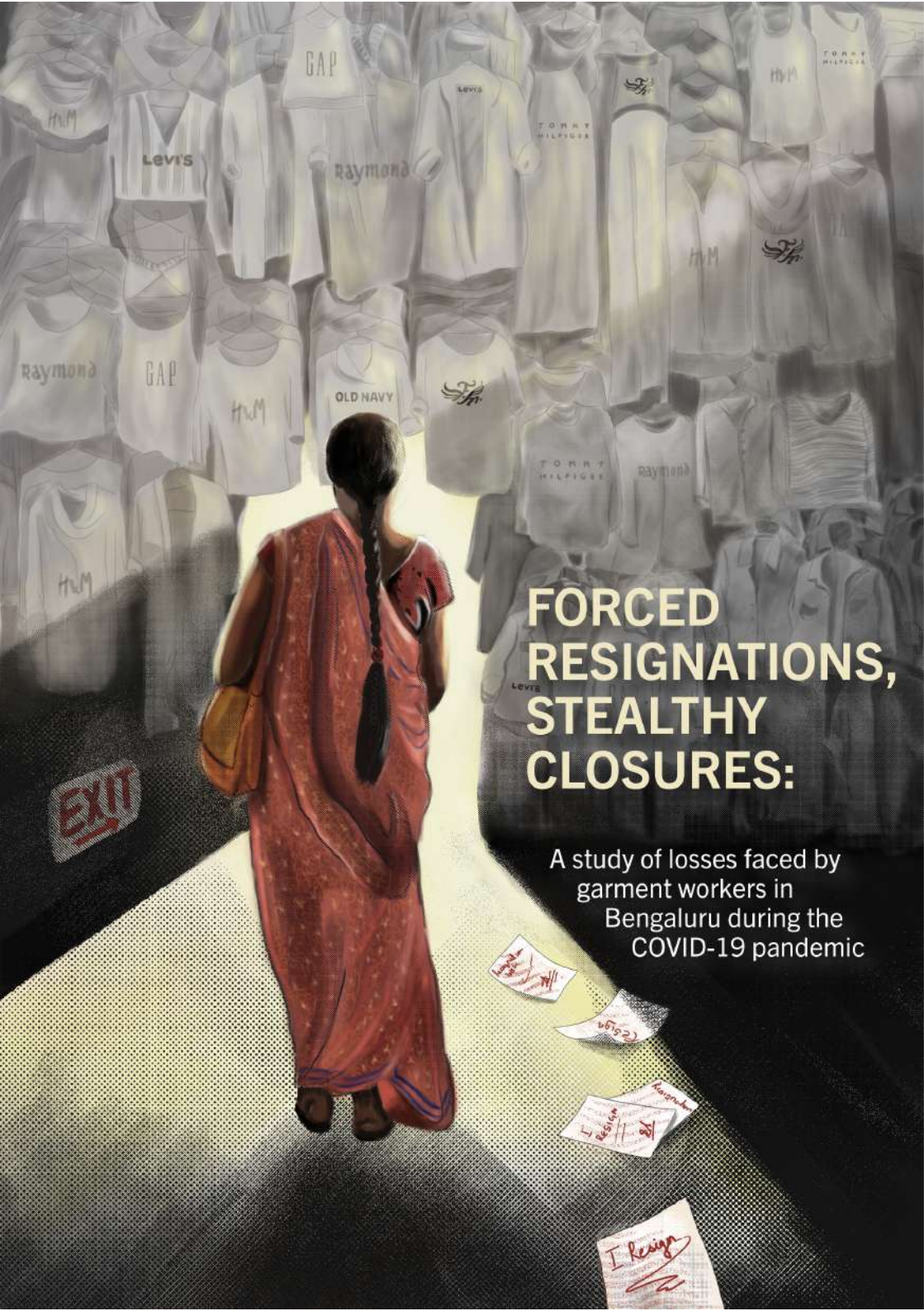
ಈ ಹಿಂದೆ ಮೈಸೂರಿನ ಬನ್ನಿವಾಟುಪುರ ಬಳಿಯಿರುವ ಸಿಸಿ-1 ಕಂಪನಿಯು ಇದೇ ರೀತಿ ಮುಚ್ಚಲು ನಿರ್ಧರಿಸಿದ್ದರು. ಅಲ್ಲಿ GATWU ಎಲ್ಲಾ ಕಾರ್ಮಿಕರ ಬೆಂಬಲದಿಂದ 15 ದಿನಗಳ ಕಾಲ ಹೋರಾಟ ನಡೆಸಿ ಮುಚ್ಚಿದ ಕಂಪನಿಯನ್ನು ಮನುಷ್ಯ ಕೆರೆಯವಂತೆ ಮಾಡಿತು. ಇಂದು ಈ ಕಂಪನಿಯು ಒಂದು ಉತ್ತಮವಾದ ಕಂಪನಿಯಾಗಿ ಕೆಲಸ ನಿರ್ವಹಿಸಿಕೊಂಡು ಬರುತ್ತಿದೆ.

ಅದಕ್ಕಿಂತ ಯಾವುದೇ ಕಾರಣಕ್ಕೂ ಭಯಗೊಳ್ಳದೆ GATWU ಜೊತೆ ನಿಲ್ಲಿರಿ, ಕಂಪನಿಯನ್ನು ಸಾಧ್ಯವಾದಷ್ಟು ಮಟ್ಟಿಗೆ ಇಲ್ಲಿಗೆ ಮುಂದುವರಿಸಲು ಹೋರಾಡೋಣ. ನಿಮ್ಮ ಗೋಕಲ್‌ದಾಸ್ ಎಲ್ಲಾ ಸವಲತ್ತುಗಳನ್ನು ಕೊಡಿಸಲು ಯೂನಿಯನ್ ಹೋರಾಟ ನಡೆಸುತ್ತದೆ.

ಸಂ.17/1, 1ನೇ ಮಹಡಿ, ಹೊಸ ಗುಡ್ಡದಬಳ್ಳಿ, ಬಾಲಾಜಿ ಕಲ್ಯಾಣ ಮಂಟಪದ ಹತ್ತಿರ, ಮೈಸೂರು ರಸ್ತೆ, ಬೆಂಗಳೂರು-560026

Appendix 4: Examples of settlement received by workers at the end of 50 days

No. of years of service	Wage Per Day	Gratuity	Leave Balance	Statutory Bonus	Wage Balance	Total (What workers would have received had they resigned earlier)	Additional benefits			Total	Grand Total
							One month notice pay	Compensation at the rate of one month per year	One-time compensation		
10 years		52254	7316	9115	4042		90574	4000	103631		
5 years	348	26127	7664	9023	4042		45287	4000	58344		
1 year	348		3047	6602	3928		8802	4000	21604		
6 months	348		697	1713	4042		9057	4000	13057		



FORCED RESIGNATIONS, STEALTHY CLOSURES:

A study of losses faced by
garment workers in
Bengaluru during the
COVID-19 pandemic

Authors: Swathi Shivanand and R. Prathibha
Field Research and Survey: Ratnamma, Sunitha H.C., Harshita G.K.,
Legal Research: Sarada Mahesh, Anagha M.V., Prakhya C.V.

Introduction

Forced Resignations, Stealthy Closures examines the extra-legal ways in which garment factories pressurised workers into resigning in the latter half of the year 2020 and how this impacted workers and their families. The pandemic and its world-wide impacts are indeed unprecedented. But, as this report shows, garment factory managements used unfair practices—cultivated and perfected over decades—to effect the de-facto closure of their manufacturing units, with minimum financial and legal liabilities. If prior to the pandemic, apparel factories in Bengaluru complained about labour scarcity and high worker attrition rates, the advantage shifted solidly in favour of employers when factory managements refashioned their workforce to cut labour costs significantly. Months later, the apparel sector may now be recovering and workers may be back in the factory. But the losses borne by women who were forced into resigning amount to more than an interim period of unemployment. This study is a document of these losses.

CONTEXT FOR THE REPORT

The situation of garment workers in Bengaluru has been similar to workers in several apparel-manufacturing countries in the Global South. The pandemic has been deployed by factory managements and transnational apparel corporations to renege on legal, financial and even voluntary commitments made to workers. In one report studying unfair worker dismissals in four countries (Myanmar, Cambodia, India and Bangladesh), the Business and Human Rights Resource Centre (BHRRC) estimates that nearly 5000 workers were dismissed by nine factories citing reduced orders due to the COVID-19 pandemic. Workers however claimed that they were targeted for their union membership and organising.¹

Reports from across the Global South are pointing to the disproportionate impact of the pandemic on the workers. A report by the Clean Clothes Campaign (CCC) has attempted to estimate the adverse impact on wages for apparel workers in the Global South. The report argues that apparel workers are owed between 3.19 and 5.78 billion US dollars, only

for the first three months of the pandemic, i.e. March to May 2020.² The campaign arrived at these rough figures by calculating the ‘wage gap’ between average monthly wages paid to workers and what they were paid in the months from March to May. In India, accounting for over 21.5 lakh workers in the three major garment-producing centres of National Capital Region (NCR), Tirupur and Bengaluru, the report estimates that workers are owed nearly 380 million dollars in wages.³

The loss/decline of wages had an adverse impact on workers’ access to nutrition, as garment workers and their families struggled with hunger, a report by the Workers’ Rights Consortium (WRC) showed in November 2020. If 77 percent of workers surveyed reported that they or a member of their household had gone hungry since the beginning of the pandemic, over 80 percent

reported that they had reduced their food consumption or were forced to skip meals during the pandemic.⁴

Garment workers in Bengaluru’s export-oriented apparel supplier factories have also been subject to wage losses and dismissals. A news report in June 2020 pointed out that lack of demand, increase in air and sea freight charges and demands for discounts from buyers was making manufacturing unviable for garment factories, leading to layoff of workers.⁵ In September 2020, another news report claimed that at least 9000 workers had lost jobs in garment and manufacturing units in Bengaluru Urban and Rural districts. This was based on complaints registered with the labour department. The report stated that the actual number would be far more since not everyone who lost their jobs would register a complaint.⁶ With the city hosting about 2.5 lakh

² Clean Clothes Campaign, “Un(Der)Paid in the Pandemic: An Estimate of What the Garment Industry Owes Its Workers” (Clean Clothes Campaign, 2020), <https://cleanclothes.org/file-repository/under-paid-in-the-pandemic.pdf>.

³ These calculations were based on minimum wages for the garment sector in each of the country surveyed. The report points out that since workers did earn more than minimum wages such as pay for overtime hours, bonuses and other allowances, the wage gap is ‘undoubtedly more than what is represented in the report’.

⁴ Workers’ Rights Consortium, “Hunger in the Apparel Supply Chain: Survey Findings on Workers’ Access to Nutrition during COVID-19,” November 2020, <https://www.workersrights.org/hungerincovid>.

⁵ Akshatha Machina, “Bengaluru’s Garment Sector Has a Big Covid Tear,” *The Economic Times*, June 9, 2020, Online edition, <https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/bengalurus-garment-sector-has-a-big-covid-tear/articleshow/76254872.cms>.

⁶ ET Bureau, “Karnataka: Complaints Show 9,000 Lost Jobs, but That’s Just the Tip of the Iceberg,” *Economic Times*, September 22, 2020, Online edition, <https://economictimes.indiatimes.com/news/politics-and-nation/karnataka-complaints-show-9000-lost-jobs-but-thats-just-the-tip-of-the-iceberg/articleshow/78248722.cms?from=mdr>.

¹ Alysha Khambay and Thulsi Narayanaswamy, “Union Busting and Unfair Dismissals: Garment Workers during COVID-19” (Business and Human Rights Resource Centre, August 2020), <https://www.business-humanrights.org/en/from-us/briefings/union-busting-and-unfair-dismissals-garment-workers-during-covid-19/>.

of the four lakh garment workers in the state, the impact of job losses have been severe for working-class households in the city.

It is important to mention here that garment factory managements have, for decades now, been deploying the practice of closing factories overnight, without notice. Similarly, this practice of using provisions of the law to force workers into en-masse resignations has been a long-standing one. Such resignations allow managements to bypass the provisions for legal compensation and cheat workers of what is rightfully due to them. When workers challenge such illegal practices, managements have ensured that workers have to wait for years before the courts decide on the matter. The COVID-19 pandemic has only provided supplier factories with the cover of legitimacy—i.e. a general perception of financial losses—among the public, workers and bureaucracy to deploy these practices yet again.

This present report is in continuation of the earlier work undertaken by Garment Mahila Karmikara Munnade and Alternative Law Forum (ALF)'s *Garment*

*Workers, COVID-19 pandemic and the Lockdown: A Report from South Karnataka*⁷. In this report, we had documented the abdication of responsibility towards workers by

- employers, who had not paid them full or even partial wages for April and mostly partial wages for March;
- the state, which had not ensured universal access to food grains or rations or provided no income support.

The report had documented how women workers were extremely anxious about the loss of incomes and the mounting debts they were had taken on to survive the months of the nation-wide lockdown. With factories reopening and several workers being unable to travel to work due to lack of public transport, workers reported desperation to return to work so that they could earn.

Four months later, Garment and Textile Workers Union (GATWU) and ALF undertook a sample survey to

- map the strategies deployed by factory managements to undertake the closure of factories or reduction of workforce;

- assess the impact of the closure on household incomes, food consumption and fulfilling financial commitments for families of garment workers;
- document the losses around work and tenure that workers are faced with due to sudden closures and retrenchments.

METHODOLOGY

Why Bengaluru?: While factory closures from other parts of the state are also being reported, our decision to focus on Bengaluru is informed by the fact that there are some typical features of a garment worker household in the city that allows for comparison across households (See Appendix 7 for profile of respondents). Some of these features include: the spouse works in the informal sector; material ties with native village continues in the form of reinvestment in the village or bringing in food ration and groceries from the village; that a major monthly financial commitment includes paying rent for their houses. The pandemic-induced economic difficulties disrupted these patterns of work and residence for garment workers and several strategic decisions made by workers then were an effort to offset the impact of these decisions, as this report will show.

Survey: The survey was conducted in two parts, first in the months of September and October 2020 and later in January and February 2021. Conducting the survey over two phases allowed for us to map both the intermittent recoveries and enduring losses faced by workers when they were forced to resign in the latter half of the year 2020.

Given the continuing prevalence of COVID-19 pandemic, the survey questionnaire was primarily administered through telephone; only in some cases, workers were met personally at home. The survey mapped closures or reduction in workforce in factories in three areas in Bengaluru: in and around Mysore Road, in and around Peenya Industrial Area and in and around Bommanahalli. We selected factories where we heard about closures and reductions in workforce.

A total of 89 workers from 25 factories were interviewed in the first phase. We focussed only on workers whose terms of employment had changed since lockdown restrictions were eased in May in India: that is workers who were currently unemployed or had taken up new/different forms of employment, or had been transferred from their earlier place

⁷ Garments Mahila Karmikara Munnade and Alternative Law Forum, "Garment Workers, COVID-19 Pandemic and the Lockdown: A Report from South Karnataka," May 24, 2020, <http://altlawforum.org/uncategorized/garment-workers-report/>.

of work. Our questions to workers focussed on two broad areas: 1) the specific ways in which their terms of employment changed: how did the factories they worked in close down, if their departure had been forced, what they received when they resigned; 2) mapping the changes in household incomes and expenses, in consumption patterns and the difficulties they are facing in their existing circumstances (For questionnaire, see Appendix 6).

In the second phase, conducted in January, we conducted a resurvey of 65 of workers from the first phase. In this resurvey, we focussed on whether workers had managed to find employment in the interim period; if yes, what the terms of their employment were; and how the money received after resignation was utilised. The aim of this phase was to map the patterns of recovery in the apparel sector and ways in which workers were short-changed during the worst months of the pandemic.

All names have been changed to protect identities.

Through field surveys, we documented the closure of factories through photographs. Visual documentation of the closure of 11 factories has been undertaken.

Responses from factory managements: We also emailed factory managements that had closed down or reduced their workforce on publicly available email addresses in order to provide them a chance to respond to what workers had reported to us about forced resignations and the number of workers forced to resign. We did not hear from any of them (See Appendix 8: Sample of email sent to factories).

Data from official sources: In order to provide an overview of the readymade apparel sector in the state and in Bengaluru city, we also obtained data about operational and closed factories from the Department of Factories and Boilers through the Right to Information Act, 2005. This data has been used to understand the patterns of ownership in factories and the nature of workforce in the sector. This data may not represent with full accuracy the figures on the ground since data is not often updated and/or factories close down or lay-off without prior permission from labour divisions concerned, as mandated by law. This, however, is the only data available in a consolidated fashion. Apparel manufacturing companies do not make available data on the number of factories

run by them or the total workforce in these factories. Our emails to these companies also did not elicit any response, as mentioned earlier. In such a situation of opacity, data from the Department of Factories and Boilers is the only available source of information.

Analysis: The study is primarily focussed on the losses faced by workers as the burden of the economic disruptions due to COVID-19 are borne by those at

the bottom of the supply chain. Accordingly, the study foregrounds the impact of retrenchment and closures on workers and their households. The most important aspect of the analysis presented in the report is that it (the analysis) draws from the decades-long experience of GATWU in mobilising and unionising garment workers in Bengaluru and beyond. This experience provides the historical context to situate the findings from the study.

Overview of Garment Industry in Karnataka

According to data obtained from the Department of Factories and Boilers under the Right to Information Act, 2005, there are over 950 licensed garment factories employing about four lakh workers in 23 districts in Karnataka.⁸ The proportion of women employed in the garment industry is over 65 percent in most districts of the state.

Table 4: Showing number of factories, number of women and men employed in garment factories across Karnataka

Sl. No	Districts	No. of factories in the district	No. of women employed	No. of men employed	Total workforce
1	Bagalkot	1	10	465	475
2	Bengaluru Rural	35	17824	7996	25820
3	Bengaluru Urban	766	202273	79992	282265
4	Belagavi	7	480	276	756
5	Bellary	4	119	187	306
6	Chamarajanagar	1	811	89	900
7	Chikkaballapur	12	5650	683	6333
8	Chitradurga	4	3340	180	3520
9	Dakshina Kannada	2	85	12	97

⁸ Note on methodology: We obtained a list of currently operational factories in the state from the Department of Factories and Boilers (List 1). We also obtained, separately, a list of closed factories across the state (List 2) and in some divisions catering to Bengaluru Urban (List 3). But we found that some factories which were listed as operational in List 1 were also listed as closed in Lists 2 and 3. We have removed such factories from the list of operational factories to arrive at the total number of operational factories. This is most likely subject to revision as: 1) factories do not apply for closure and let it run through the period of the license; 2) the data has not been updated by different divisions of the department in the state-level database.

Sl. No	Districts	No. of factories in the district	No. of women employed	No. of men employed	Total workforce
10	Davangere	14	1353	207	1560
11	Dharwad	1	1250	750	2000
12	Hassan	8	8011	2468	10479
13	Haveri	3	753	800	1553
14	Hubli	4	626	212	838
15	Kolar	11	8635	1880	10515
16	Mandya	9	6793	1584	8377
17	Mangalore	4	91	72	163
18	Mysore	17	13297	4376	17673
19	Ramanagara	16	6682	2951	9633
20	Shivamogga	9	4374	2244	6618
21	Tumkur	15	8130	2005	10135
22	Udupi	6	1118	771	1889
23	Vijayapura	2	235	15	250
	Total	951	291940	110215	402155

Out of this, nearly 80 percent of the factories are located in Bengaluru Urban district. The total workforce in the district is about 2.8 lakh. Women account for nearly 72 percent of the workforce in the state.

Table 5: Number of factories in Bengaluru Urban and in other districts of the state

	No. of factories	Total workforce	Women	Men
State	951	402155	291940	110215
Bengaluru Urban district	766	282265	202273	79992
Rest of Karnataka	185	119890	89667	30223

In terms of the number of garment factories, the industry in Bengaluru Urban is dominated by very small factories, with 48 percent of factories operating with less than 100 workers. This puts them out of the purview of key provisions of the Industrial Disputes Act, 1947.

When the new labour codes are made operational in April 2020, this minimum threshold of workers will increase to 300. This will put nearly 60 percent of garment factories in Bengaluru Urban out of the purview of regulations in Chapter V(B) where permission is to be sought to close down undertakings or retrench workers.

Export-oriented factories typically employ 400 or more workers. Available data shows that about 178 factories in Bengaluru Urban district have a workforce upwards of 400 workers. These factories employ about 77 percent of the total workforce in the garment industry in the district. Export-oriented factories are thus the mainstay of garment industry in Bengaluru Urban.

Even within the export-oriented garment industry, some garment manufacturing companies dominate the landscape. In Bengaluru Urban, Shahi Exports has the most number of units and employs over 60000 workers. Out of its 42 units across the state, 27 are located in Bengaluru.

Table 6: Showing some export-oriented garment manufacturing companies in Bengaluru Urban and the total number of workers employed

Sl.No.	Name of company	No. of units	Total no. of workers
1	Shahi Exports	27	62681
2	Texport (Apparels, Garments, Industries, International, Syndicate, Overseas, Nisha Designs)	21	20893
3	Page Industriesv	8	13292
4	Gokaldas Exports (and related units)	8	11077
5	Arvind Limited	9	11003
6	Indian Designs (including NJK Enterprises)	9	7889
7	Aditya Birla (including Madura garments)	7	5528
8	AKR Textiles	5	4370

Data on closures obtained through the Department of Factories and Boilers also reveals that 65 factories have been recorded as closed down during the period of the pandemic starting April 1, 2020 in Bengaluru Urban. At least 10000 workers, if not more, are recorded to have lost jobs in this period. More workers than these numbers indicate have, of course, been laid off or forced to resign.⁹

Important to note is that nearly 60 percent of the factories that closed down employed less than

100 workers. These factories did not need to seek prior permission from the state government before closing down permanently. About 89 percent of factories that closed down had workforce less than 300 workers. These figures attain crucial significance in the context of the new labour codes which raise the threshold of workforce limit from 100 to 300 workers for factories who need not seek permission for closure. This will leave a larger number of workers without possibility for challenging closures of factories.

⁹ Akram Mohammed, "One Lakh Women Lost Jobs Due to Covid-19 Pandemic: Karnataka Labour Minister," *Deccan Herald*, March 18, 2021, Online edition, <https://www.deccanherald.com/state/top-karnataka-stories/one-lakh-women-lost-jobs-due-to-covid-19-pandemic-karnataka-labour-minister-963448.html>.

NOTE I**Trajectory of the law on closure and compensation in the Industrial Disputes Act, 1947**

This note traces the different amendments to the Industrial Disputes Act, 1947 with regard to closure, retrenchment and compensation.¹⁰ These amendments have been introduced in response to court judgements, to situations on ground and recommendations of various committees and the Indian Labour Conference.

- In 1956, the Supreme Court delivered a judgment in which it held that no retrenchment compensation was payable under section 25(F) of the Industrial Disputes Act, 1947, to workmen whose services were terminated by an employer on a real and bona fide closure of business, or when termination occurred as a result of transfer of ownership from one employer to another.
 - The Industrial Disputes Ordinance, 1957 was introduced soon after (later replaced by an Act of the Parliament) because the judgement had the potential to leave a large number of workmen unemployed and without any compensation. Sections 25(F) and 25(FFF) were introduced as part of the amendment to provide workers with compensation in the event that a workman's services are terminated due to closure or transfer of industrial undertakings.
- In 1972, the central government enacted an amendment to the Industrial Disputes Act, 1947 making it mandatory for industrial undertakings to serve notice, sixty days before the intended closure of a unit. The notice period was deemed to be essential so that prompt remedial measures could be undertaken to prevent such closure.

On the rationale for introducing the amendment, the statement of objects and reasons for the amendment stated as follows: 'The problem of closure of industrial undertakings resulting in the loss of production and employment of large numbers of workmen has of late become very serious. Employers have declared sudden closures of industrial establishments without any notice or advance intimation to the government.'

- In 1976, the central government introduced Chapter V(B) into the Industrial

Disputes Act, 1947. Evidence was mounting that merely introducing the provision of a mandatory sixty days' notice had not prevented employers with 50 or more workers from closing down their establishments. 'Prior scrutiny' of the reasons for such closure was needed.

The statement of objects and reasons for this amendment stated as follows: 'There have been many cases of large scale lay-offs, particularly by large companies and undertakings. Cases of large-scale retrenchment as well as closures have also been reported time and again. This action on the part of the management has resulted in all-round demoralising effect on the workmen. In order to prevent avoidable hardship to the employees and to maintain higher tempo of production and productivity, it has become now necessary to put some reasonable restrictions on the employer's right to lay-off, retrenchment, and closure.'

The amendment thus introduced 'prior approval' of the appropriate government as mandatory before closure is effected in undertakings that employed 300 or more workers. In the year 1982, this number was brought down to 100 by an amendment.

- In 1979, a Supreme Court decision in the *Excel Wear Case* held that an employer cannot be compelled to carry on production and his application for closure cannot be refused. The judgement stated that nothing in Chapter V(B) suggests that the objective of maintaining production can be met by simply refusing the application for closure.
- Following this judgement which could pose enormous difficulties to workers, the central government introduced an amendment in 1982.
 1. Key aspects include:
 2. Permission for closure will have to be applied 90 days before the intended date of closure;
 3. This copy will have to be supplied to the workmen;
 4. The government will have to give a 'reasonable opportunity' to both the applicant and the representatives of the workmen;
 5. After this, it can refuse or grant permission for closure;
 6. Where permission is granted, the workmen are entitled to closure compensation equivalent to 15 days' average pay for every completed year of continuous service.

¹⁰ Compiled from Labour and Industrial Law Manual, Professional Book Publishers, 2010.

Findings from the Survey: Why Workers Resigned

The Industrial Disputes Act, 1947, clearly states that a factory with workforce between 50 and 100 has to serve notice to the government of the intention to close down 60 days prior to the date of closure. For such factories, no permission is needed from the state government to close down.¹¹ On the other hand, factories with more than 100 workers have to apply for permission for closure from the appropriate government 90 days before the date of intended closure.¹² A copy of this application is to be served onto representatives of workers as well. If no application has been made or the permission for closure is refused, then the closure is deemed illegal and workers are entitled to all legal benefits as if the undertaking had not closed down, from the date of closure.¹³

In both classes of factories (those with less than or more than 100 workers), the law allows for ‘exceptional’ or ‘unavoidable’ circumstances when these

WORKERS' ENTITLEMENTS IN THE EVENT OF CLOSURE

Workers in factories with less than 100 workers are entitled to one month's notice before closure and retrenchment compensation of 15 days' average pay for every completed year of service (Sec 25F (a) & (b)).

If the closure is due to unavoidable circumstances, then the compensation is not to exceed average pay for three months (Sec 25FFF (1)).

Workers in factories with more than 100 workers are entitled to three months' notice in writing or to be paid in lieu of the notice period (Sec 25(N)(1)(a)).

The worker is also entitled to 15 days' average pay for every year of completed service (Sec 25(O)(8)).

processes can be waived off. Accident in the enterprise or death of the employer belong to these categories of exceptional and unavoidable circumstances.¹⁴ According to Sec 25FFF (1) reasons such as financial difficulties

(including financial losses), accumulation of undisposed stocks, expiry of the period of the lease or license granted to it are not deemed as ‘unavoidable circumstances beyond the control of the employer’. The COVID-19 pandemic may have resulted in financial difficulties or accumulation of stocks but it clearly does not constitute an exception, as defined under the Industrial Disputes Act, 1947.

Not only should legal procedures for retrenchment and closure not be bypassed, the determination

of whether a factory's situation is to be deemed exceptional or unavoidable can be done only by the state government. It is highly unlikely that any factory applied for the COVID-19 pandemic to be classified as ‘unavoidable’ or ‘exceptional’. Instead what factories did deploy was a narrative that had gained widespread social legitimacy—a narrative of ‘loss’ faced by enterprises due to the pandemic-induced economic disruptions. They deployed this narrative to convince workers and force them to resign.

Table 7: Details of surveyed factories by location, client brands, licensed strength, workers' estimates on total workforce and workforce asked to resign¹⁵

Sl. No	Unit	Brands produced	Licensed maximum strength ¹⁶	Workers' estimates		
				Workforce	No. of workers who resigned	%
1	AKR Exports (Sarjapura Road)	Tommy Hilfiger, GAP Jerkins	900	450	300	66.7
2	Arvind Limited (Naganathpura)	Denim, Levi's, Old Navy, H&M, Jerkins, Masks	850	750	750	100
3	Dress Master Apparels (Peenya Industrial Area)	Raymond, Park Avenue, JC Penny	1750	2000	2000	100
4	Gokaldas Limited (Peenya Industrial Area)	Jerkins, Mask and Kits, Marks and Spencer	1000	1000	300	30

¹⁵ In this table, we have provided both the number of workers a unit can employ (licensed maximum strength) and workers' estimates of what the workforce was and how many workers resigned in the period when resignations were forcibly solicited.

¹⁶ Licensed maximum strength refers to the maximum number of workers a unit can employ as per the conditions of license.

¹¹ Section 25FFA, The Industrial Disputes Act, 1947, Ministry of Labour and Employment, Government of India

¹² Section 25(O) (1), The Industrial Disputes Act, 1947.

¹³ Section 25(O)(6), The Industrial Disputes Act, 1947.

¹⁴ Section 25(O)(7) and Sec 25FFF (1), The Industrial Disputes Act, 1947.

Sl.No	Unit	Brands produced	Licensed maximum strength	Workers' estimates		
				Workforce	No. of workers who resigned	%
5	K. Mohan and company (Begur Road, Bommanahalli)	Quarter	2690	2000	2000	100
6	Magnum (Peenya Industrial Area)	Reliance and Taco	495	700	300	43
7	Nisha Design (Peenya Industrial Area)	Coles, GAP, US Polo	1460	1500	1000	67
8	Panchmukhi Apparels (Uttarahalli)	Tommy Hilfiger and H&M	95	150	150	100
9	Pearl Global Private Limited (Peenya Industrial Area)	Levi's	1450	800	400	50
10	Punit Creations (Hosur Main Road)	US Polo, Arrow, IZOD, Flying Machine (boys), Colors Plus	955	1200	800	67
11	Shahi Exports, Unit 3 (Hongasandra, Begur Road)	H&M	1995	800	300	38
12	Shahi Exports, Unit 7 (Sarjapura Main road)	Old Navy	4500	1000	200	20
13	Shahi Exports, Unit 9 (Peenya Industrial Area)	Walmart, Tommy Hilfiger	3195	4000	3300	83
14	Shahi Exports, Unit 10 (Kudlu Main Gate)	Tommy Hilfiger	1500	1100	750	68

Sl.No	Unit	Brands produced	Licensed maximum strength	Workers' estimates		
				Workforce	No. of workers who resigned	%
15	Shahi Exports, Unit 14 (Begur Hobli, Bommanahalli)	Puma, P.K.Knits	1450	3000	1500	50
16	Shahi Exports, Unit 20 (Peenya Industrial Area)	Tommy Hilfiger, Coles, U.S.Polo	2730	3000	300	10
17	Shahi Exports, Unit 23, (Hosur Main Road)	Tommy Hilfiger, GAP	3280	1500	200	13
18	Shahi Exports, Unit 24 (Hongasandra)	Tommy Hilfiger	280	700	700	100
19	Shahi Exports, Unit 31 (Peenya Industrial Area)	Tommy, Coles	1300	1000	900	90
20	Shalini Creations (Timberyard Layout)	GAP, Old Navy	658	700	700	100
21	SLV (Jalahalli west)	Local Brands	150	350	100	29
22	Sonal Apparels (Peenya Industrial Area)		2000	1200	500	42
23	Supreme Overseas (Yelachenahalli)	Harley Davidson, APLP, Quarter	120	120	120	100
24	Texport Creations (Kenchanahalli)	GAP, Old Navy	950	600	600	100
25	The Shirt Company (Yelachenahalli)	Story	140	120	120	100
		Total	36013	29740	18290	61

FORCED RESIGNATIONS

A predominant unfair labour practice in the garment industry is that of forced resignations. Workers are forced to resign so that factory managements can reduce workforce or even close down, without having to take on the financial burden of compensation.

In our survey, 81 percent of workers we spoke to said they had resigned. The rest were protesting the closure (for eg. Supreme Overseas) or were yet to resign (Nisha Designs, Magnum, Arvind Limited, K. Mohan and company, AKR Exports).

Asked to resign

Of those who had resigned, 85 percent said they had been asked to resign by factory managements. When we asked workers why they resigned, many told us that they did so because they wanted to get their provident fund and other dues. However, this is only a partial answer and masks the forced nature of workers' resignation. Workers did resign because they wanted their dues. *But they did so out of fear that not resigning will result in the loss of these dues.*

Fifteen percent of workers who resigned said they did so 'voluntarily'. Women said they resigned because they wanted to withdraw accumulated PF and/or

gratuity to pay for children's school fees or weddings or to pay off debts built up during the lockdown, or because they did not have child-care since schools and anganwadis were not functioning. One worker cited torture faced in the factory as reason for her resignation, another said that she was afraid she may lose out on her dues if the factory closed suddenly and some cited ill-health as reason to resign.

Lockdown induced economic desperation

The context of the lockdown when workers did not have any income since at least April 2020 was an important factor in their decision to resign. As mentioned earlier, the threat issued by factory managements that dues would be lost if workers did not resign immediately was one aspect as to why workers resigned. The other aspect was the promise managements made to workers that dues would be settled immediately. Workers 'chose' this option not only because it would mean receiving some income immediately but because they had little to no money during the months of the lockdown.

Pressure to resign

Many workers reported that when their factory announced that it was closing, they were presented with two options: resigning and getting

their dues; or to not resign and delay/lose out on their dues. *This fear pushed a majority to resign without protest.*

Moreover, the decision to resign had to be taken immediately or at very short notice, giving workers very little scope to discuss amongst themselves and with family members, find other employment and explore options to contest the demand for resignation. This is clear evidence of a situation constructed by factory managements in which a worker has no choice but to resign.

Strategies used to create coercive situations

In our survey, some of the common constructed coercive situations that forced workers to resign included:

1. Telling workers that the factory is shutting down and if they did not resign, they would not get their settlement (for e.g. at Shalini Creations, Texport, Punit Creations, DMS, K. Mohan and company). In some cases, workers were told that if the factory closed down completely and they had not resigned, there would be no HR department to go to submit their resignation.

2. Stopping bus transport that was previously provided by the factory management (for e.g. at Nisha Design, Sonal Apparels). Workers who were dependent on the transport had no option but to resign because continuing to work entailed paying for transport and/or being dependent on public transport. During a pandemic, this is both unreliable and a potential source of infection.

3. Transferring workers to other units within the company without providing adequate means of transport (for e.g. at Texport, Arvind, Shahi Exports 24, AKR Exports,¹⁷ Punit Creations). Some factories did offer transport from the old factory to the new unit. However, this would entail spending more time on travel, without any assurance that the management would continue to provide transport permanently.

4. Some factories managed to get workers to resign by promising that they will take them back when the situation stabilises (Shalini Creations, Aditya Birla, Gokaldas Limited). This acted as an incentive for workers in

¹⁷ In the second phase, we found that AKR Exports offered workers the option of transport from its old unit to the new unit in Bommanahalli. Workers we spoke to went back to working with the company at the new unit.

some factories to resign—they could avail of the settlement while being assured of a job at a later point in time. Such promises also meant that workers would not protest or contest sudden closures.

5. Some factories simply told workers not to come to work (The Shirt Company, Supreme Overseas, SLV and Magnum). In the case of at least one factory, one worker told us that she had been asked to resign and rejoin, with a salary cut of Rs.1000 (Shahi Exports). In some other factories, higher grade wage workers such as tailors had been reassigned to work in lower grade positions as helpers (Magnum).

Immense pressure to resign immediately, different strategies adopted by managements to force workers to resigning, financial desperation induced by a sudden lockdown, the absence of systemic child-care support for women and torture are external conditions imposed by the state and industry. None of these reasons can be considered as a voluntary exercise of will, a necessary component of voluntary resignations.

Resignations, as understood in Indian law

Indian courts have defined what constitutes both resignation and forced resignation. In *Moti Ram vs Param Dev And Anr, 1993*,¹⁸ the court defined resignation as the “spontaneous relinquishment of one’s own right and in relation to an office, it connotes the act of giving up or relinquishing the office.” If spontaneous, i.e. voluntariness, is a key dimension in the concept of resignation, courts have also delved into the context in which the resignation is tendered. In *Dr. Prabha Atri Vs. The State of U.P. and Ors*, the court observed that “to constitute a ‘resignation’, it must be unconditional and with an intention to operate as such”.¹⁹

In this case, the court held that the petitioner had felt exasperated and frustrated that she was being harassed unnecessarily. Her offer to resign did not amount to “a resignation, actual and simple”. The court thus highlighted that for resignations to be lawful, it must not be subject to external conditions such as harassment and/ or frustration.

If voluntariness or unconditionality are key aspects for resignations to

be considered lawful, courts have ruled that the absence of these factors are central to determining whether a resignation is forced or not. In the case of *Southern Roadways Ltd. v. K. Padmanabhan, 1979*, the court ruled that if a worker had been terminated from his services after he tendered his resignation, and that his resignation had been “secured under threat or coercion”, then “it could be treated as termination of services by the Management.”²⁰ In yet another case of *Shiram Swami Shikshan Sanstha vs Education Officer, Zilla, 1983*, the court stated:

*“We feel that it is a well settled proposition of law that a forced resignation, which means a resignation not voluntarily given by the employee but is brought about by force, duress or in any other manner by the employer is by the act of the employer. In substance the contract of service comes to an end in such case by the action on the part of the employer. It, therefore, amounts to termination of service by the employer.”*²¹

Further, since forced resignations have been held to be termination of service, workers are entitled to retrenchment or closure compensation as well as wages for the notice period (one month in factories with less than 100 workers and three months in factories with more than 100 workers).

Other judgements have interpreted provisions within the Industrial Disputes Act, 1947 to argue that forced resignation is covered by certain provisions. In *Southern Roadways Ltd. v. K. Padmanabhan, 1979*, the court interpreted the words ‘otherwise terminates the services’ in Section 2-A of the Industrial Disputes Act, 1947 as covering cases of forced resignation as well.²² In *R.D. Surve, Bombay vs Tata Iron & Steel Co. Ltd., Bombay (1988)*, the court was considering whether the terms ‘discharge and dismissal’ can be interpreted to construe forced resignation as well.²³ Ruling on Item No. 1 in Schedule IV of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971,²⁴ the court said:

²⁰ (1979) Lab. I.C. 234

²¹ (1983) 85 BOMLR 288

²² (1979) Lab. I.C. 234

²³ (1988 (3) BomCR 709)

²⁴ This item is found also in Schedule V of the Industrial Disputes Act, 1947, which was included into the Act in 1982 and came into effect in 1984.

¹⁸ 1993 AIR 1662

¹⁹ AIR 2003 SC 53

The words “discharge and dismissal” are not defined in the Act. Therefore, they will have to be construed not in their technical sense but as understood in common parlance, or in industrial adjudication. So construed, the expression “discharge or dismissal” will include in its import forced resignation. To construe it otherwise will defeat the very purpose and object of the legislation.”

Such judicial interpretations of existing provisions take into account the fact that forced resignation as an unfair labour practice does exist and that workers need to be protected against it. Given this jurisprudence on forced resignation exists, the labour department should take cognisance and institute inquiries into cases of mass resignations in factories.

CITING ‘LOSSES’

Workers at 17 of 25 factories surveyed reported that they had been asked to resign by the company due to ‘losses’ suffered by the latter. Factory managements had cited ‘losses’, our survey showed, to justify shutting down factories entirely, reducing their workforce, withdrawing transport facilities or merging units and transferring workers. These factories include Shalini Creations, Texport, The Shirt Company, Dress

Master Apparels, Aditya Birla, Supreme Overseas, K. Mohan and Company, Arvind Limited, AKR Exports, Punit Creations, Magnum, Panchmukhi, Sonal Apparels, Shahi Exports 24, Shahi Exports 14, Nisha Design, SLV Garments (See Table 7). For brief details of select factories, see Appendix 5: Notes on select factories.

No verification of losses

It is important to note here that this claim of ‘loss’ made by garment factory managements during the pandemic—and have been making for decades—to undertake closure of their manufacturing units are hardly ever subject to verification. Managements do not provide workers or unions with any documentary evidence of these losses. In the history of the garment industry, there has never been any systematic practice of presenting the status of orders in the company, its profits and losses to workers. Without being able to verify these claims of losses, workers end up having to believe claims of losses made by the managements and ‘choosing’ the path of resignations.

Loss of employment

In our survey of 25 factories in three garment clusters in Bengaluru, we found that nine factories had closed down entirely, resulting in anywhere between 5600 and 7200 workers

losing their jobs during a pandemic. These factories include Arvind Limited, Dress Master Apparels, K. Mohan and Company, Panchmukhi Apparels, Shahi Exports-24, Shalini Creations, Supreme Overseas, Texport, The Shirt Company (See Table 7).

The other 16 factories in our survey had reduced their workforce, and according to estimates provided by workers, about 11000 workers losing their jobs (See Table 7).

Given that between 30000 to 35000 workers were employed in the 25 factories, it can be estimated that on an average, about 50 to 62 percent of the workforce in the surveyed factories had been forced to resign during the initial months of the pandemic.

While these figures may have some variations, they are a broad and useful indicator about the approximate proportion of workforce in the garment industry in Bengaluru that struggled at the height of the pandemic with loss of incomes and social security measures.

No intervention by apparel brands

It is to be noted that most factories produced for transnational apparel

brands that includes H&M, Coles, Tommy Hilfiger, GAP, Old Navy, US Polo, Levi’s among others. No intervention by the brands to stem these job losses were known to workers. Instead, as it has been documented in other apparel-producing countries, it is quite likely that in India brands simply exited the factory at the height of the pandemic with little care about how workers were going to cope with sudden unemployment.

Closures and retrenchment in Indian law

When employers choose to close down manufacturing units or retrench workers, they do have the right to do so. But this is not an absolute right and the application for closure can be examined for malafide intent, such as to punish workers. This has been made clear in the court judgement on *General Labour Union (Red Flag) vs B. V. Chavan And Ors (1984)*.²⁵ The court ruled:

...the true test is that when it is claimed that the employer has resorted to closure of industrial activity, the industrial court in order to determine whether the employer is guilty of unfair labour practice must ascertain

²⁵ 1985 AIR 297

on evidence produced before it whether the closure was a device or pretence to terminate services of workmen or whether it is bonafide and for reasons beyond the control of the employer.

This judgement is important for it recognises that closures can be undertaken with malafide intent and that an application for closure can be examined. In the course of our study, we came across no instances where the closure of the factory, or the retrenchment of workers, had been examined for malafide intent. When a factory follows the legally mandated procedures for closure or retrenchment of workers, i.e. it applies for permission from the appropriate government to undertake these actions, it becomes possible for worker/s to contest the closure²⁶ or retrenchment.²⁷ The state government is bound to offer opportunity to workers to be heard.

Indian courts have also upheld the necessity of these provisions in their judgements. In the case of *Workmen of Meenakshi Mills Ltd. and Anr v. Meenakshi Mills Ltd. (1994)*, the constitutional validity

of Section 25(N) of the Industrial Disputes Act was called into question.²⁸ This section prescribes the conditions precedent for retrenchment of workmen in an industrial establishment. The bench of the Supreme Court held the section to be constitutional and cited various provisions of the Directive Principles of State Policy that calls on the state to protect and enable the right to an adequate means of livelihood for all its citizens. It also held that employee's right to terminate the service of an employee is not absolute and that an opportunity should be provided to both parties to make their submissions for/ against retrenchment or closure.

The opportunity to contest the decision of the employer to close or retrench flows from the principles of natural justice. In the case of the *National Textile Workers' Union and Ors. V. P.R. Ramakrishnan and Ors. (1982)*, the question was raised whether workmen employed in a company have the right to appear and oppose a petition for winding up of the company.²⁹ Workers argued that it would go against principles of natural justice if they

were not heard before an order concerning the company is passed, since their interest was likely to be prejudicially affected as well. A bench of the Supreme Court ruled in favour of the petitioners and stated that workers did indeed have a right to be heard in the closure proceedings. Citing Article 43 of the Constitution, Justice Bhagwati stated that since the company was a product of the workers' labour and capital as well. i.e. that they have contributed to the enterprise, workers should have a right to be heard.

Similarly, in the case of *Triveni Glass Ltd. v. State of Uttar Pradesh (2008)*, the Allahabad High Court ruled in favour of workers when it held that the employer was obligated to seek permission to close down a plant.³⁰ In it, the court noted that although the industry maybe 'in deep financial doldrum or has factually closed down', the law was clear that unless permission for layoff or closure was given, workers would continue to be treated as if they were employed. 'The theoretical foundation for this seemingly inequitable benefit to the workmen as also of the requirement of the consideration of the workmen's

interest in grant of permission for closure lies in the fact that the industry produces profits and builds up its assets with the combined participation of labour and capital. The benefits which the statute provides to the workmen have therefore to be provided to them.'

These judgements flow from the need to balance the inequitable power relations between the employer and the worker as well as in adherence to the principles laid down in the Indian Constitution. In the garment industry however, these procedures are entirely bypassed when workers are forced to resign by creating situations of fear. The state by not enquiring into these mass resignations of workers that precedes closure further exacerbates the systemic helplessness workers feel when confronted by pressure from managements to resign.

LACK OF COMPENSATION

Although most workers referred to the bulk money they received at the time of their resignation as 'settlement', this was not a settlement. The money workers received was neither arrived as part of collective negotiations between workers and management nor was it the result of a formal closure or retrenchment when workers receive compensation and notice period or salary in lieu of the mandatory

²⁶ Section 25(O)(2), The Industrial Disputes Act, 1947, Ministry of Labour and Employment, Government of India

²⁷ Section 25(N)(3), The Industrial Disputes Act, 1947

²⁸ [1994] AIR 2696

²⁹ 1983 AIR 750

³⁰ SCC ONLINE ALL 154

³¹ With factories with less than 100 workers, the notice period to workers is one month (25(F)(b)). In factories with more than 300 workers, the notice period to workers is three months. Compensation is to the effect of 15 days' average pay for every year of completed service (Sections 25(F)(a) and 25(O)(8).

notice period.³¹ In the first phase of the survey, about 35 percent of the workers reported that they had not received their ‘settlement’ yet.

Non-transparency in ‘settlement’ dues

Most workers were unclear about the total amount due to them as part of their ‘settlement’ and if they had received the full due amount. Many said they had received a month’s salary, provident fund dues, pro-rata bonus,³² gratuity and earned leave (where applicable). It was not clear from most workers’ responses if the month’s salary was for the work they had already done or if it was to be considered in lieu of the notice period. All these items are part of what any worker receives when she resigns. What is starkly absent is retrenchment/closure compensation. This amounts to 15 days’ wages for every year that the worker has been employed in the factory.

Indian Courts on the need for compensation

Factory managements may resort to forced resignations to avoid paying closure or retrenchment compensation. But Indian courts

have deliberated on the practical and ethical considerations of such compensation. In *M/S. Hatisingh Mfg. Co. Ltd. And Another vs Union Of India And Others*, the court considered the question of the constitutional validity of Section 25(FFF)(1) of the Industrial Disputes Act, 1947.³³ The petitioners argued that it imposed ‘unreasonable restrictions’ on the freedom to carry on business guaranteed by Article 19 (1)(g), which included the right to close business. The court held that:

“Loss of service due to closure stands on the same footing as loss of service due to retrenchment, for in both cases, the employee is thrown out of employment suddenly and for no fault of his and the hardships which he has to face are, whether unemployment is the result of retrenchment or closure of business, the same...Wages in lieu of notice are normally inadequate compensation for loss of employment in an industrial undertaking. Having regard to the prevailing conditions in the employment market, it would be difficult for the workman thrown out of employment to secure

employment similar to the one terminated within one month, and therefore the Parliament has thought it proper to provide for payment of additional compensation besides wages in lieu of notice. The provision for payment of such compensation in addition to wages in lieu of notice cannot therefore be characterised as unreasonable.”

The court further argued that a standard compensation set under the section (15 days’ wages for every year of continuous service) ‘cannot be said to be unreasonable’. It also stated that gratuity is a ‘retiral benefit’ and ‘essentially different from statutory compensation for termination of employment due to closure of an undertaking.’

Despite such judgements that speak of the necessity of compensation to avoid the social impact of sudden unemployment, garment factory managements ensured that they kept their costs of retrenchment and closure at the minimum by forcing workers to resign. Since resignations are considered voluntary, unless proved otherwise, this loss of compensation has remained unnoticed by the state government.

Low levels of ‘settlement’ due to periodic resignations

The amount workers in garment factories receive when forced to resign are dependent on what the length of continuous service is at the moment of resignation. If it is five years and above, they are eligible for gratuity. This is calculated on the last drawn wages of the worker, and is a total of 15 days per year, for every year of continuous service.³⁴ It is a common practice among garment workers to resign periodically to collect these gratuity dues or withdraw from their PF corpus.

In our survey, although 71 percent of the workers in our survey reported that the total years of work in the garment industry ranged between 5 and 15 years (Table 8), about 60 percent of the surveyed workers reported that their tenure before resignation extended from a few months to less than five years (Table 8). This phenomenon of periodic resignations is important to note in the context of this study because it essentially means that this proportion—i.e. 60 percent—of workers were not eligible for any gratuity dues during the period of resignation.

³² “Where an employee has not worked for all the working days in an accounting year, the minimum bonus of one hundred rupees or, as the case may be, of sixty rupees, if such bonus is higher than 8.33 per cent of his salary or wage for the days he has worked in that accounting year, shall be proportionately reduced;” Section 13, The Payment of Bonus Act, 1965.

³³ 1960 AIR 923

³⁴ Closure/Retrenchment compensation is also calculated in the same way as gratuity and is paid in addition to gratuity earned, irrespective of whether they completed five years continuous service or not.

Table 8: Showing the tenure range of surveyed workers

Sl.No	Total years of work	No. of workers	Percentage of workers
1	Less than 5	6	7
2	5-10	43	48
3	11-15	20	22
4	16-20	11	12
5	21-25	7	8
6	Above 25	2	2

Table 9: Showing continuous tenure of surveyed worker

Sl.No	Uninterrupted years of work in the factory previously employed	No. of workers	Percentage of workers
1	Less than one year	5	6
2	One year to less than 5 years	48	54
3	Between 5 and 10 years	34	38
4	Above 10 years	2	2

In our survey, among workers who were able or willing to state the 'settlement' they received, with five or more years of continuous tenure received anywhere between Rs.35000 and Rs. two lakhs. Those with less than five years reported receiving only 1-1.5 months of salary and pro-rata bonus, which amounted to below Rs.20000. This fact is important to note because it highlights the importance of continuous tenure for workers. When workers are forced to resign

suddenly, those with short periods of continuous tenure are left with very little money to tide over the period of unemployment. This was especially so during the height of the pandemic when jobs were hard to come by.

Periodic resignations are a common practice among workers also because the industry is structured to provide no incentive to workers to have an unbroken tenure. For instance, wages for both entry-level

workers and experienced workers do not differ much. With experience not counting towards higher wages, workers utilise employment in the garment sector to enhance their credit-worthiness among acquaintances and relatives, banks and micro-finance institutions as well as to withdraw accumulated PF and avail of gratuity periodically. Periodic resignations works to the advantage of the garment factory who can employ the services of experienced workers, even as the burden of gratuity or PF dues are significantly reduced due to periodic resignations.

Resignations are also a risk-mitigation strategy given that garment factories in Bengaluru have a history of sudden closures that leaves workers cheated of their dues (See Note II).

Periodic resignation is a strategy that a garment worker adopts to be able to undertake minimal levels of accumulation at the household level. Accumulation is not possible on wages alone because garment workers are one of the least-paid skilled workers in the state with their minimum wages between Rs.7800 and Rs.10000 on an average

When compared against the fact that the minimum liveable income for a worker was estimated to be between Rs.18000 and Rs.20000 per month,³⁵ the poorness of the wages for garment workers stands is starkly evident. Workers seek to mitigate the impact of this gap between need-based minimum wage and actual minimum wages by resorting to loans and periodic withdrawals of PF.

Money received after resignation are thus used to fund expenses on constructing a house in the village, household items or jewellery, settling loans, taking on a house for lease, weddings of children among others.

NON-PROVISION OF WAGES FOR THE PERIOD OF THE LOCKDOWN

Although the central government had issued an order making it mandatory for companies to pay their workers for the period of the nation-wide lockdown, 63 percent of the workers surveyed reported that they had not received any wages for this period.³⁶ In some factories, we received varying responses with some workers reporting that they did get full or

³⁵ Mohan Mani, Babu Matthew, and Dithhi Bhattacharya, "Critiquing the Statutory Minimum Wage: A Case of the Export Garment Sector in India" (Institute of Public Policy, National Law School of India University, May 2018).

³⁶ These factories include AKR Exports, K.Mohan and company, Panchmukhi, Pearl Global, Punit Creations, Shahi Exports 14, SLV, Sonal, Supreme Overseas, Texport, The Shirt Company.

partial wages for the period of the lockdown while other workers from the same factory said they had not.³⁷ This is a likely scenario because factories often paid partial wages to workers who reported for work as soon as the factory reopened and not for others who joined later.³⁸

This is an important fact to note because when faced with the

closure of the factory, the worker who had already seen massive erosion in her incomes and increasing indebtedness, was not in a position to contest the closure. With little to no money during the months of the lockdown and after, dues from 'settlement' offered some respite from destitution. Workers' resignations need to be seen in this context.

³⁷ These factories include DMS, Magnum, Nisha Design, Shahi Exports 20, Shahi Exports 9, Shahi Exports 24

³⁸ As we noted in our earlier report, workers were handicapped by the lack of affordable public and private transport and were unable to report to work in the days soon after the nation-wide lockdown. Garments Mahila Karmikara Munnade and Alternative Law Forum, "Garment Workers, COVID-19 Pandemic and the Lockdown: A Report from South Karnataka."

NOTE II

How conditions of work in the garment industry have remained unchanged: A note on GATWU's decades-long experience of working with garment workers

Forced resignations and sudden closures has been the norm in the garment industry for the last 40 years. The history of garment industry in Karnataka is replete with closures that leave workers without compensation and violate several provisions in labour and industrial laws. Below are some examples that GATWU has encountered during its work in the last 20 years.

1. Soas Apparels (2006)

This factory was run by an American citizen of Bangladeshi origins. By all accounts, the company was running profitably. But on one day in 2006, the company locked up its premises. The management handed over the keys to Canara Bank and left without a trace. Only when workers reported to work on a Monday did they get to know that the factory had shut down. They were deprived of all legal dues and were left with no one to claim these dues from.

2. Cuthbert Apparels Private Limited (2009)

With units in Bidadi, Mysore Road and Bommanahalli, Cuthbert Apparels was well-known for producing baby wear for reputed brands. It employed about 1800 workers. It was owned by a London-based individual Anupam Kothari. On May 9, 2009, when workers came to work, they found the factory premises locked. In this case too, the management had closed up the factory and handed over the keys to State Bank of Mysore and left without a trace. Workers, some with experience of 8 to 9 years, lost out on their legal dues.

3. Shahi Exports, Unit 29, Kaggalipura (2017)

Shahi Exports Private Limited is an important garment manufacturer in Karnataka and runs a large number of units in the state and outside. Unit 29 of this company had employed about 1600 workers and was producing for several well-known international brands. Workers came from not only areas nearby the factory but from as far as 80 km away. The company provided transport for such workers.

The management decided to shut down the factory because they believed it was not making enough profits. Rumours started circulating

through supervisors that the factory was going to close down. Hearing this, over a period of three months, nearly 800 workers resigned. When the remaining workers realised that the company was planning to shut down and was moving the production machinery, they began protesting day and night.

In order to end the protests, the company announced that workers are being transferred to its Bommanahalli unit, 15 km away. They did this knowing that workers will not take the transfer and will resign. It is important to mention here that workers cannot challenge their transfer to another unit unless it can be proven that such transfer is a form of punishment. As expected, no worker accepted the transfer and resigned. The company was able to successfully close down without paying any compensation to its workers.

4. L.T. Karle Exports

This company was functioning from Yeshwanthpur in Bengaluru. It had employed about 1200 workers. It withdrew transport that it had provided to its workers, making it impossible for them to travel to the factory. Workers had no option but to resign.

5. Gokaldas Exports Limited

Gokaldas is one of Bengaluru's oldest and well-known garment export companies. Its ownership has, over the years, changed hands a few times as well. Throughout its years of functioning, this company has closed several of its units without providing its workers any compensation. For instance, the company-owned Triangle Apparels in Yeshwanthpur used to provide its workers transportation to travel from as far as Nelamangala. However, when the company decided to suddenly stop its transportation services, scores of workers lost their jobs.

6. Garment International Private Limited (2004)

This company had been operational since the 1970s and had a unit each in Dairy Circle and Bommanahalli. It began to suffer losses due to mismanagement by the company administration. In 2004, it suddenly closed both its units. Not only did workers receive no compensation, they did not get their provident fund dues either because the management had not made any contribution to the social security fund.

7. Bombay Rayon Fashions Limited (2013)

Workers at Unit 5 of the Bombay Rayon Fashions Limited, located on Mysore Road-Nice Road, were a unionised workforce. In 2013, the company closed down the factory by claiming that the factory building was going to be demolished. This was part of a planned effort to target the workforce because they were unionised. About 1200 workers lost their jobs. From 2016 onwards, due to mismanagement of the company's affairs by the administration, the company started to suffer losses and was unable to pay its workers their monthly wages or deposit their PF dues. The company has now closed down several of its units now.

These above instances illustrate the ease with which garment factories can be opened and closed down, without any liability or responsibility for the company. One of the reasons for such a pattern of opening and closure of garment factories is due to the minimal investment required. Those wanting to start factories can simply buy several small stitching instruments, rent a building and start a factory. With similar ease, they can shift out the instruments and close the factory overnight.

For workers, this pattern of closure—where a factory is fully operational on Saturday and is completely closed down by Monday—has been a matter of abiding shock. This has led to erosion of confidence among workers that working in a garment factory can offer them some kind of job security. The garment industry, through such actions, has deliberately seen to it that workers remain perpetually insecure. This insecurity is the primary reason that workers resign periodically after five years when they become eligible for gratuity, so that they do not lose out on this money if the factory suddenly closes down. Withdrawing PF accumulated over years is yet another motivation for workers to resign. The garment industry is currently employing a second generation of workers now, the first having retired or resigned out of the workforce. However, the fears and anxieties over lack of job security have continued into this generation as well—a clear indication that anti-worker conditions of work in the garment industry have remain unchanged.

These strategies by garment factory managements—such as getting their workers to 'resign' by spreading rumours that the factory is shutting down, withdrawing transport provided by the company to its workers, transferring workers to another unit far away—are deployed primarily to escape the responsibility of having to pay workers

retrenchment or closure compensation, if factories go through the legal process of closure. Given this history and practice of forced resignations in garment factories, it is necessary that the concept of 'voluntary resignations' in existing labour laws be changed, atleast for garment industry workers.

While factory managements use the idea that resignations are by default considered to be voluntary, workers are unaware of the fact that these forced resignations and such closures by stealth are not legal. In our decades of work, GATWU has found that workers have little to no knowledge about their rights and the legal bases of their employment in the garment industry. We have met workers who cannot even clearly state the name of their company, who call the human resources department of their factory as the 'labour office', cannot tell the details of their salaries, and do not know whom to contact if they have been cheated by the factory. Even in this survey, we see that workers who had been working for less than a month during the second phase did not know what their gross and net salaries were; some did not know if their PF and ESI contributions were being deducted. When factories close and unions come offering help, they do not trust them—the lack of trust is because they have had no experience with a union, since unionising is extremely difficult in garment factories. For decades now, garment factory owners have used these fears and lack of knowledge about labour laws to their advantage. In the present situation of COVID-19 as well, they have deployed these long-standing practices, yet again, as we saw in the previous chapter.

Findings from Survey: How workers and households coped

The first phase of our survey revealed that job losses among garment workers had inevitably affected entire households. Conducted three months after the lockdown was lifted, the survey revealed that erratic, scarce, and non-availability of work opportunities for most spouses and other working members in a garment worker's household had exacerbated the difficulties of weathering the economic impacts of the pandemic.

This is because most work in the informal sector and/or are self-employed. Nearly 73 percent of the garment workers we spoke to reported that other working members in their family worked

in the informal sector. Common occupations included working as auto-drivers, construction workers, platform workers, store helpers, tailors among others (See Table 10).

IMPACT ON HOUSEHOLD INCOMES

- Ninety-six percent of the garment workers we surveyed reported household income reductions
- since lockdown restrictions were eased.
- 47 percent said their total household incomes had reduced between 30 and 50 percent;
- 18 percent said their income had reduced between 50 and 70 percent;
- 8 percent said their incomes had reduced between 70 and 90 percent.

Table 10: Nature of employment of working family members

Sector	Number	Kinds of employment
Formal sector	3	Garment factories
Self-employed/ Informal Sector	59	Auto-drivers, construction workers, platform workers, store helpers, tailors
Not certain of status ³⁹	18	Factory workers, working in private companies

³⁹ Uncertain whether contract or casual and if formal sector benefits such as PF and ESI are available

These figures acquire further significance when seen against the fact that a typical garment worker household with two working members had an average household income of about Rs.20000 and a typical family size of 3 or 4 members (Appendix 7: Profile of respondents). A reduction of income by even 30 percent had meant that a family of four were living with Rs.14000 per month in the latter half of 2020.

The importance of a garment worker's salary to the total household income was visible since in households where the worker had not found any other work, the average income reduction was 52 percent and ranged between 26

percent and 100 percent, i.e. a total loss of income.

At the time of the first phase of the survey, 53 percent of our surveyed respondents were managing household expenses with incomes varying between Rs.5000 and Rs.10000. For those with incomes above Rs.15000, it is to be noted that employed family members were working in private companies or factories. For those with incomes above Rs.20000, working family members were employed as engineers, worked in offices and were employed in government departments. Further, in the latter two categories, two or family members were employed.

Table 11: Nature of employment of working family members

Sl. No	Income range	Percentage
1	No income	5
2	2000-5000	8
3	5001-10000	48
4	10001-15000	19
5	15001-20000	16
6	Above 20000	4

LOSS OF TENURE AND SOCIAL SECURITY

In the immediate months after their factory shut down, 61 percent of the garment workers surveyed stated they had not found any employment after losing their jobs. This had changed by the time of the second phase in January-February 2021. Out of the 63 respondents in this phase of the survey, 84 percent were currently employed. About 74 percent were in regular employment, with most having found work in large apparel manufacturing companies. The rest were involved in working at piece rates, domestic workers or daily wage work. Their salaries were on average about Rs. 500-Rs.1000 lower or higher than in their previous employment

These figures may indicate a recovery of the sector and that workers are no longer at the receiving end of closures and forced resignations. But this conceals the several losses that workers have had to endure, some with long-lasting consequences.

1. Workers lost out on retrenchment/ closure compensation that they were rightfully entitled to if factories had followed legal

processes of declaring closure of their establishments or retrenchment of their workers.

2. Workers lost out on continuity of tenure when they were forced to resign. Continuous tenure enables women to become eligible for gratuity after five years, adds to the tenure requirement of 10 years to become eligible for pension from their PF.
3. The loss of tenure also adversely affects the possibility of pension which workers can avail from the Employees Provident Fund, which requires a total tenure of ten years and a corpus that has not been emptied out. When resignations are forced and come soon after months of a pandemic when working-class families have barely had any income, it is inevitable that they turn to the corpus of the PF and empty it out.⁴⁰
4. Workers above 55 years that we spoke to have not been able to find new regular employment because of their advanced age. Forced resignations have thus put such women permanently out of the workforce or forced them to resort to working at piece rates.

⁴⁰ If a worker withdraws from her corpus of PF, the service period is set to zero.

5. Those who were working at piece rates had mixed responses to their work. Many reported that their monthly earnings had increased with piece work and appreciated being able to work at their own pace, without 'torture'. However, they rued the lack of social security measures such as PF and ESI and of gratuity dues. These measures enabled workers to weather income losses and unforeseen expenses. It is remarkable that women spoke of lack of torture or regretted only the lack of PF/ESI and not of security of tenure. This is evidence of the fact that garment sector workers are only wage workers and not permanent workers with job security.

6. Due to lack of continuity in service, the workers lost out on regular bonus, promotions, and other consequential benefits arising from their employment.

When we spoke to 60-year-old Lalitha in the first phase, she said: "I live alone. Now I am surviving on the food given by neighbours around me. I haven't been able to pay rent on time either...With the company closed, single women like me have nowhere to go. I am not getting any work now because of my age.

Months later, Lalitha still had not found any work and she had not received her settlement either.

CONTINUING IN BENGALURU VS RETURN MIGRATION

In the first phase, most workers reported continuing to reside in Bengaluru. This was in keeping with the general profile of garment workers in the city who are middle-aged and permanently settled here (see Appendix 7 for age profile).

In the first phase, only about 15 percent had returned to their native villages. Given that they did not have work anymore, workers cited inability to pay rent or manage household expenses as primary reasons for returning to their villages. Some feared being unable to bear medical expenses if they became ill with COVID-19 and returned to the village. Notably, only those with a house in the village could afford to migrate back to their native village.

In the second phase of the survey, we resurveyed some of the workers who had returned to their villages. All, except one, had continued to stay on in their villages.

Those living in villages close to Mandya and Tumkur cities reported having found employment in apparel manufacturing companies in these cities. While there was not much significant difference in

salaries, workers reported having to spend on commuting between the village and the factory.

When corona happened, I moved back to my village and then export factory also closed down. When I worked there, they used to provide me with free transportation to and from the factory. Now I am having to spend about Rs.800 on travel to the factory in Maddur'

Vidya, M.K, 27, previously at Texpert

Some others were working as farm labour or at piece work rates in their villages. While some reported earning more than in the garment factory, their work was seasonal, dependent on their ability to work every day and provided no significant social security measures such as PF and ESI.

IMPACT ON CONSUMPTION AND DEBT REPAYMENT

In the first phase of the survey, workers reported rent as a major expense. With the end of the lockdown, workers were faced with the prospect of having to pay rent accumulated from the start of the lockdown. Some workers reported using part of their settlement money to pay part of this accumulated rent.

We haven't been able to meet our commitments after losing our job.

We have migrated here and we have had to take loans to survive.'

Devi, 41, previously at Magnum

As mentioned earlier, the months of lockdown and after had seen an erosion of household incomes in garment worker households. Sixty eight percent of the respondents reported that they had no savings even when they were working, which essentially meant that they had little to no means to survive the economic losses of the lockdown. Forty nine percent of our respondents also said that they had loans and interest on these loans to pay as well.⁴¹ Prior to the pandemic, workers had borrowed with the faith that they will be able to pay back from their monthly salaries. Without the means to pay back, some have used the money they received after resignation to pay interest or settle debts and a few others were considering selling land in the village to be able to repay loans. Some workers used the bulk amount they received after resignations to take on new leases on houses. Those who returned to the village reported spending money on building or repairing their village houses.

⁴¹ Most loans were borrowed from relatives or acquaintances, which gave them the leeway to postpone paying interest.

‘We used to buy vegetables weekly, now it’s everyday for some 10 rs-20 rs. We have also reduced consumption of milk to 0.25 litres that too for children. We are dependent on PDS more now where we get 20kg rice and 2kg wheat or ragi. We are eating twice a day instead of thrice.’

Parvathi, 36, previously employed at Shalini Creations

In the first phase, 86 percent of the surveyed workers responded by stating that they had attempted to reduce expenses. But as some workers pointed out, it was not possible to reduce expenses substantially since a large part of their monthly expenses was on rent and food.

Deferring payment of rent and interest on loans were two ways to reduce expenditure for the period of the lockdown and after. The most serious impact of the loss of incomes for worker households was on nutrition. A major reduction in expenses had come in the form of expenditure on food. Workers reported primarily cutting down on meat, vegetables, fruits, snacks and beverages such as tea and coffee; in some cases, the number of meals were cut from thrice to twice or even once a day. Another mode of reducing expenditure on

food included relying on monthly rations provided by the public distribution system. 87 percent of our respondents said that they were dependent on rations from the public distribution system; however most reported receiving only rice and a kilogram or two of pulses.

Without adequate income at hand, workers reduced the quantum of purchase of groceries and vegetables. This shift in pattern from bulk purchases for a week or a month to intermittent, small purchases could potentially increase household expenses on food; it however could not be avoided because disposable income at hand is very low such that spending Rs.10-20 a day on vegetables and groceries is what most households can afford. Expenses on clothing and transport (to native villages) had become nearly non-existent.

Workers with continuing ties with the village reported reducing visits to their native place. Those with school-going children reported shifting them from private to government schools either in the city or at their native villages; in some cases, workers reported enrolling one child in school while leaving the other out of school or college for this academic year.

Families are having to take such calls regarding education because they are unable to afford fees, smartphones and other accessories required for schools.

‘We have only one mobile so we have not enrolled one of our sons into school. Without earnings, we have severe money crunch.’

Ajanta.S.,35, previously at Texport

WHAT WORKERS WANT FROM THE STATE

In the first phase, we asked workers what they wanted from the state. Many asked that the state step in to stop the closure of factories and flight of factories from the state. The most common demand was for increase in salaries of workers and employer contribution to provident fund.

‘Our company owner must be taken to task. What will happen to workers if they close the factory like this without notice?’

Mangala, 58, previously at Supreme Overseas

Workers also asked that the state step in to prevent dismissals for reasons such as taking sick leave. Given the massive reduction in disposable incomes, workers also asked that the state help with transportation through offering

free or subsidised travel. This is important because one of the reasons workers are unable to travel to garment factories located further away from their homes is because of the expenses involved (the other reason is the time spent on travel).

Given that a significant expenditure of working-class households is on food, rent and education, workers also sought help from the government for subsidised food grains, control of prices of essential commodities, income assistance and waivers/assistance for paying school fees. Some pointed to the financial assistance provided to other categories of workers during and after the lockdown and sought similar assistance for garment workers as well.

MEANINGS OF WORK

Employment in a garment factory is not devoid of exploitation but for women employed in the factory, it remains both a means of survival and offers a modicum of independence. Some women workers we spoke to pointed to the meanings that employment in the garment industry held for them. ‘It was better when I had work. I was independent and I could meet my basic needs by working in garment factory. I cannot work anywhere else other than the garment factory,’

37-year-old Muthulakshmi who lost her job at Gokaldas Exports had told us. When we spoke next, she had returned to the same company and started on a new tenure.

The predominance of women in the garment industry has also been made possible because of the low barriers into the industry. 'In garment factories, you can join with no education also. But in other places they will ask that we be educated. In garment factories, they will take you in without any discrimination,' said 36-year-old Madhu who used to work at Texport creations and was working in a unit at Shahi Exports. When we spoke to her next, she had moved on to a unit of Arvind Limited where she was working with a batch of women on piece rates. 'I could not stand the torture at Shahi exports and left it. I can now earn about Rs.500-600 per day. But there is no PF or ESI,' she said.

Other workers pointed to how the economic independence of lakhs of women in the state was dependent on the functioning of the garment industry. This economic independence was a matter of self-worth as well. As 54-year-old Neelamma told us, 'I used to work. I used to be able to earn my own money. I used to be able to save.' Having lost jobs, women found

themselves being dependent on spouses and other family members, leaving them bereft of dignity. Neelamma was one of the few workers above 50 years in our survey who had managed to find regular employment in a factory in Bengaluru.

In a conversation with us, Sudha told us of how she had a fight with her husband and he had chastised her for not finding work. 'He told me that I am not doing anything for the house, and I am just sitting around. I felt really bad and I have decided to look for jobs once my dues in the factory are settled,' she had said. Sudha, along with her other colleagues from Shalini Creations, had managed to find regular employment in a nearby factory a few weeks after resignation.

To our question on what difficulties she was facing after losing work, 38-year old Manjamma said, 'I am having severe money crunch. For everything, I have to be dependent on my husband and he doesn't respond properly to my requests for money.' Some others pointed to how the long hours they are spending at home now had meant more friction with parents-in-law and husbands. In December, Manjamma began working at piece rates and now earns more than what she did at Pearl Global where

she previously worked. She rues that she is not entitled to PF or ESI in this job.

We present these excerpts from conversations with workers not to present garment work employment as unequivocally empowering. 'Production torture' still reigns supreme and in a COVID-19 world, such forms of torture have only intensified for those still employed in the industry.⁴² The pandemic has also pushed greater number of women, particularly older

women, into more insecure forms of work within the industry, such as working for piece rates or outside the industry such as domestic and farm labour.

However, a job at the garment factory did provide respite from the crutches of dependence on spouses, ability to spend more on children's education and the capacity to take loans and clear them. It is to these possibilities of fulfilling some aspirations that we have gestured to in these excerpts.

⁴² That the profits of the global garment industry are based on exploitation of its workers has been documented extensively. In the case of Bengaluru, a detailed exposition is provided in People's Union for Civil Liberties-(PUCL) Karnataka et al., "Production Torture: A Study of the Working Conditions, Including Workplace Harassment, Faced by Women Garment Workers in Bengaluru and Other Districts" (Bengaluru, April 2019).

Conclusion

This study documents the phenomenon of ‘forced resignations’ in the garment industry. While this unfair labour practice has been the norm for decades in the industry, it became starkly manifest during the COVID-19 pandemic. In this period, several apparel manufacturing companies closed down their units or reduced the strength of their workforce citing losses and lack of orders. While it is difficult to examine the veracity of these claims by companies, it is indisputable, as this study shows, that factory managements forced workers to resign. The study lists various situations of force constructed by factory managements where workers feel trapped into resigning.

The COVID-19 pandemic did wreak havoc in the apparel supply chain and, as studies have shown, garment workers were often at the receiving end of these losses. But in the face of the crisis generated by the COVID-19 pandemic, garment factory managements resorted to time-tested strategies of forced

resignations. This is evidence that the COVID-19 pandemic has only forcefully foregrounded—not introduced anew—existing anti-labour practices that engender precarity among working classes.

Given that worker resignations by default are considered voluntary in Indian law, unless proved otherwise, these mass resignations go unnoticed by the state and unchallenged by workers. The labour department, whose mandate it is to inspect factories regularly and hold managements responsible for violations, do not conduct suo-moto enquiries into mass resignations and whether they were forced or voluntary. Such inaction by the state reproduces precarity systemically in the lives of garment workers and encourages extra-legal practices by garment manufacturing companies.

The study shows that there are indications of recovery in the garment industry in the city, with most workers finding employment by the time of the second phase of

the study. However, workers have borne losses that far exceed the interim period of unemployment and consequent income losses. Even though workers have no job security in the garment industry, the most cherished aspects of this job are social security measures such as provident fund and ESI healthcare and statutory benefits such as gratuity. When factories force workers to resign suddenly without notice, leaving workers with no time to find another job, they are forced to empty out their provident fund corpus as well as lose access to ESI facilities. If at this point of forced resignation, their tenure was less than five years, they were ineligible for gratuity. Forced resignations also cut short tenures that workers build towards for at least five years, if not more. Such unfair labour practices thus destabilise workers’ efforts at creating financial stability for themselves.

The study documents the impact of job losses on the nutritional security

of worker households, the debts they have had to incur to pay rent and meet household expenses, the compromises that they have had to make with regard to children’s education. This is a direct fallout of the extremely low wages a garment worker receives despite years of work in the industry. These wages leave her unable to undertake any meaningful savings. Successive state governments in Karnataka are to be held squarely responsible for not undertaking the mandatory upward revision of minimum wages for garment workers. Unions and workers have been demanding increase in minimum wages for several years now. Instead of heeding to this demand, the state has allowed garment factories to close down or retrench workers without giving workers their due settlement. Given that 72 percent of the workforce in the industry are women, this is a clear abdication from the state of its responsibility towards its working-class women citizens.

Appendix 5: Notes on select factories

1. TEXPORT CREATIONS

The Texport Creations factory in Kenchanhalli in Bengaluru, part of the larger Texport Industries Private Limited company, closed in June. Before the announcement of the closure, there were rumours that the factory would be shifted elsewhere since it operated out of a rented building. But the management unexpectedly announced the closure of the factory to its workers and offered them the option of transferring to Shalini Creations or resigning. Workers protested for two days to pressurise the company to continue its operations, until the management convinced them that the closure was due to issues within the family that owns the company and was unlikely to open. Those who chose to go to Shalini Creations were under the assumption that this would continue to be operational, given that the company owned the building.

2. SHALINI CREATIONS

However, in July, workers in Shalini creations were also told that the factory would be shut down for the next three months. This factory

had reopened after the lockdown, in May and operated till the end of June by making masks. In a meeting called by the general manager, workers were informed that the factory would resume operations in December; those who wanted settlement could resign. According to workers, in a couple of days, they began to feel pressure from officials in the human resources department who asked them to resign. They were told that resignations offered at a later date would not be accepted, that they would have to travel to the main company office if they wanted to tender resignations later; and that they would all be hired back once the factory resumes operations. In a matter of two weeks, nearly all workers resigned fearing that they would not receive their PF dues if they did not.

In a letter dated 14 July 2020, on a letterhead of Texport creations – II said that the company would give two months' salary and 14 days for work for July. The factory will reopen in December once the COVID-19 situation abates,

the notice said. Workers however reported that the factory building is now up for sale and maybe demolished.

3. SUPREME OVERSEAS

Supreme Overseas closed their factory about four days before the nation-wide lockdown on March 23. They told most workers that they will call them once the lockdown is lifted and retained some workers to manufacture personal protection equipment (PPE) kits. The company manufactured leather-based apparels. This meant that workers here develop specific skill sets and could not easily transfer to other ready-made apparel units. Workers in this factory thus have had long tenures, ranging anywhere between 15 and 35 years. Workers reported to us that the company had not paid its share of the PF contribution for the last two-three years. Workers who had resigned two years ago had not had their dues cleared.

In May, when the factory reopened, workers were asked to prepare PPE kits. Some workers said they were told that they would receive no settlement at all while some others were told by the company that it needed some time because their was no work yet in the factory.

Workers who had their dues pending for the last two years submitted a complaint with the labour department and sought the help of GATWU in initiating conciliation proceedings. The company representatives wavered during the different hearings, stating once that workers would be paid layoff wages and the factory would reopen in 45 days and finally stating that the factory would be permanently closed. GATWU filed a complaint citing refusal of employment on behalf of those who had not resigned and non-payment of wages as well. The company eventually decided to pay all remaining arrears of bonus for two years, gratuity and earned leave. During the period of conciliation in June and July, the company paid wages to the workers who had not resigned. It did not pay workers wages for the period of the lockdown.

4. DMS

Workers reported that when the company announced that its unit at TVS Cross, Peenya was closing down in July, it came as a shock since they had not seen any signs of financial distress in the company—there was no paucity of orders and primarily produced for the famous brand Raymond. When they heard

of the closure, workers asked the management to continue to keep the factory open even if they did not pay workers their full salaries for the next couple of months. But workers were told that the orders were being transferred for production to their unit in Doddaballapur and that the factory building was being demolished to make way for a mall.

5. THE SHIRT COMPANY

The Shirt Company at Yelachenahalli had been in operation for less than five years. Workers told us that the company closed because they would otherwise have to pay their workers gratuity if they exceeded five years. The management, workers said, closed down the factory in order to escape from having to pay gratuity dues to workers. The company ran five units in Bengaluru but closed two before the lockdown, two a few days after the lockdown was lifted and the final unit, also their headquarters, was closed in July.

6. ARVIND EXPORTS

The Naganathapura unit of Arvind exports told its workers in July that it was shutting down and workers had the option of shifting to the unit near Electronic City, about six kilometres away. Most workers resigned, choosing not to transfer

since this additional time and money spent on travel was not something they could afford. The management also did not offer any transportation to these workers to travel the additional distance.

7. MAGNUM

The unit at NTT Circle, Peenya is continuing to operate. During the period of the lockdown, the management told workers that there was no work to be had so those who wanted to resign could do so and those who did not want to could stay on. Some workers, especially those who had worked less than a year, resigned; of them a few returned to their villages. Those with slightly longer tenures were retained. Now, those who had resigned have been re-employed but at lower positions; for instance, tailors have now been employed as helpers.

8. AKR EXPORTS

The unit closed down in September and the management offered its workers the options of transferring to its unit in Bommanahalli, about 10 km away. The company offered transport services from the unit here in Sarjapura road to the factory they were being transferred to, according to workers. Several workers resigned, not choosing

to take up the option of transfer. In the second phase of the survey, workers told us that they took up the company's offer of transportation to the new unit and rejoined.

9. NISHA DESIGN

Soon after the nation-wide lockdown was lifted, Nisha Designs announced that it was withdrawing transportation that it had been providing to workers who came from taluks outside Bengaluru city. With public transport not being reliable then, scores of workers resigned unable to travel to work.

Appendix 6: Profile of respondents

First phase

1	Name
2	Age
3	Phone number
4	Address
5	Number of members in the household
6	How many members are employed
7	What work do they do?
8	Are they still employed?
9	What is the total income of the household?
10	Total income of the household before the lockdowns
11	Total income of the household after the lockdown
12	Name of the factory that you were working in?
13	Total number of years working in the factory?
14	Number of years of unbroken tenure?
15	Address of factory
16	What work do you do in the factory?
17	Which brands do you produce for?
18	How much salary did you earn?
19	What work do you do now?
20	(If working) where are you working?
21	(If working) what is your salary?
22	(If not working) are you still living in Bangalore?
23	If you have returned to village, why did you decide to do so?
24	Did your factory reopen after lockdown?
25	If yes, how many days did it remain open?

26	If yes, how much salary did you get?
26	Did you receive salary for the months of the lockdown?
27	If yes, how much salary did you get?
28	Why did the factory close?
29	Did you resign from the factory or were you retrenched?
30	(If resignation) did the factory ask you to resign?
31	(If resignation), why did you resign?
32	Once you resigned, did they give you the following benefits? 1. Gratuity 2. Salary 3. Notice period wages 4. Other benefits?
33	How much total compensation did you get upon resignation?
34	Were you able to save while working?
35	If yes, how were you saving?
36	If yes, how much were you able to save?
37	Do you have to repay loans?
38	If yes, 5. Where have you taken the loans? 6. How much loan have you taken? 7. How much interest are you paying? 8. How do you hope to repay the loans?
39	Have you reduced your monthly expenses?
40	If yes, in what ways have you managed to reduce expenses?
41	Are you dependent on public distribution shops?
42	What kinds of difficulties are you facing after losing job or after beginning new work?
43	What are your demands from the government?

Second Phase

1	Where are you working now/Are you working in the same place as before?
2	When did you start working?
3	How much salary are you getting?
4	What did you do with the settlement compensation you received?
5	If not working, what do you plan to do now?

Appendix 7: Profile of respondents

Age group	Number of respondents
20-30	11
31-40	46
41-50	25
51-60	8
Total	90

Gender	Number of respondents
Female	86
Male	4

Family size	Number of respondents
1	4
2	9
3	28
4	29
5	17
6	3

Family size	Number of working members in surveyed households before the lockdown				
	1	2	3	4	5
1	4	NA	NA	NA	NA
2	1	8	NA	NA	NA
3	2	25	1	NA	NA
4	1	27	1	0	NA
5	1	13	2	0	1
6	0	2	0	1	0

Sl.no	Salary range	No. of respondents
1	6500-8000	11
2	8000-9000	19
3	9000-10000	28
4	10000-12000	20

Nature of work of surveyed respondents

Sl. No	Nature of work	Number of respondents
1	Checker	9
2	Darner	1
3	Gummer	1
4	Helper	11
5	Ironer	1
6	KB Operator	1
7	Packer	2
8	Store Assistant	1
9	Supervisor	1
10	Tailor	61
11	Team leader	1

Appendix 8: Sample of email sent to factories

Madam/Sir,

We are writing this email from the Alternative Law Forum, a lawyers' collective that undertakes critical research and legal interventions especially in favour of marginalised communities. We have undertaken a survey to understand what difficulties garment workers are facing in these times of the pandemic with factories shutting down or reducing workforce. We understand that this is a world-wide phenomenon in the global apparel industry with supplier factories and workers being badly hit due to withdrawal, cancellation and non-payment of dues by transnational apparel corporations.

In our survey, we have spoken to workers from ___ garment factory who were asked to resign from your unit. Workers told us that the management informed them that the unit was shutting down and being transferred elsewhere. We were told that the entire workforce of about _____ resigned because the management told workers that they had to agree for the transfer or resign.

In order to provide for your, i.e. the management's, perspective, we are writing you this email with the following questions. We hope you can please provide us these details and any other statements that you wish to make from your end. We will certainly incorporate them in our report.

1. How many workers resigned?
2. How many workers were retrenched?
3. How many workers opted for transfer?
4. Please provide break up of dues provided to
 - a. Workers who resigned
 - b. Workers who were retrenched
5. Why did you shut down your unit?

6. On what date was production halted?
7. Was notice of closure provided to the labour department?
 - a. If yes, what date was the notice of closure provided?
 - b. If no, have you informed the labour department about the closure of the unit?
8. Which brands were you manufacturing for?
9. What was your annual net revenue for the year 2019-2020?
10. Apart from this unit at _____, how many units have you closed down?
11. Please provide details (i.e. address and number of workers) in the units closed or proposed to be closed.

Please respond to this email address by November 24, 2020 so that we can incorporate your responses in the report.

Looking forward to your responses,

Regards,

Recommendations

I. LABOUR DEPARTMENT

1. *Forced resignations:*

Although several factories are laying off workers and closing factories, they are doing so without reference to legal procedures laid out under the Industrial Disputes Act, 1947. The Labour department are not being notified of any of these de-facto closures.

The phenomenon of forced resignations in the garment industry is a direct result of an inactive labour department that has refused to take notice of mass resignations in garment factories. The labour department must undertake suo-moto inspections of factories, examine resignations to assess whether they were voluntary or forced and ensure that retrenchment or closure compensation was provided to workers at the time of 'resignation'.

All labour disputes pertaining to lay-off, retrenchment, closure, payment of lockdown wages, etc. must be expedited in the interest of justice and equity.

2. *Awareness about rights:*

Garment factory managements are able to get away with such unfair labour practices because workers do not know their rights and do not have basic information regarding whom to approach and what to do when they are faced with such situations. The labour department must undertake large-scale, periodic and intense awareness programmes among workers to disseminate such information. Publicity can take the form of advertisements in newspapers, radio and public service announcements on social media platforms.

3. *Awareness about sexual and gender-based harassment:*

Sexual and gender-based harassment has been widely documented in the garment industry. With job insecurity increasing manifold in this period of the COVID-19 pandemic, these forms of harassment are only going to increase further. Unfair labour practices such as increasing working hours without commensurate compensation, little to no compensation when

laid off or retrenched are already taking place.

Wide publicity on rights of workers against factory management exploitation must be undertaken by the Labour Department. Training on labour laws and anti-sexual harassment laws must be undertaken for all garment workers through the Department of Women and Child Development. These measures should be evolved and implemented with the help of existing trade unions.

4. *Strengthening Labour department:*

The infrastructure and personnel strength of the labour department must be enhanced to meet the needs of the current situation where violations are widespread. In particular, labour inspectors must ensure that factories are COVID-compliant and that workers do not lose out on wages because they get infected.

II. WAGES

5. *Minimum Wages:*

The state government is mandated to undertake periodic upward revision of minimum wages. This is especially important in the garment industry because

workers are not paid more than the minimum wages. The last revision of wages took place in 2019 when wages were increased only by nine percent. Minimum wages need to be revised upwards urgently.

6. *Living Wage Tribunal:*

A Living Wage Tribunal must be immediately constituted for the garment industry by the State, especially given that reports of exploitative financial practices of the management are flowing in. This is also the appropriate moment to ensure that the provision of profit-sharing bonus to all workers provided for in the Factories Act is implemented.

III. COVID-19 RELATED ASSISTANCE

7. *Housing loans:* The COVID-19 pandemic has destabilised financial security of garment worker households, especially given that months of accumulated rent had to be paid once the lockdown was lifted. The state government must consider issuing zero-interest housing loans to workers.

8. *Monthly pensions:*

Garment workers above the age of 50 onwards have been

pushed out of the workforce or have had to resort to work at piece rates. The state government must undertake a survey to identify such workers and ensure access to food and healthcare and assist through monthly pensions.

9. *Survey on nutritional deficiencies:*

The study has highlighted how worker households had to drastically cut down on expenses on food and reduce the quantum consumed during the period of unemployment. The women's commission must undertake a baseline study of the state of nutrition and health among garment workers and suggest interventions necessary within existing public food and healthcare delivery systems.

10. *Making Mental Health a Public Health Priority:*

Sudden closure of factories, illegal lay-offs, reduction in overtime hours, pressure to resign or be transferred, the inability to meet household expenses and debt are bearing down on women workers across the state. This is particularly so in the garment industry which employ women. During our case study, we came across several

women who expressed suicidal thoughts. Counselling services for workers' mental health must be made a public health priority. Among other measures, the state government must setup a helpline to address the desperation and distress of women workers.

IV. STATE GOVERNMENTS

11. *Reimagining the factory and the position of the worker:*

Sudden lay-offs and closures within the garment industry, such as in the case of Srirangapatna workers at Gokaldas Exports, point to a dominant vision of the factory as one which belongs only to the employer and workers have no say in the operations and existence of the factory.

The state needs to work towards actualising the vision of the Indian constitution. Article 43A asks that the state should work towards securing participation of workers in the management of undertakings. Article 39 asks the state take steps to ensure that wealth and means of production are not concentrated, that men and women have the right to an adequate means of livelihood, that there is equal pay for equal

work among all genders. A state government that seeks to encourage industries in non-metropolitan areas needs to undertake this exercise of reimagining the factory and the position of the worker such that exploitative practices do not travel along with industrial expansion.

12. *Strengthening existing labour laws:*

The existing labour laws need to be strengthened and effectively implemented; instead the new labour codes on the anvil are seeking to dilute regulatory mechanisms, including provisions that mandate regular inspections.

13. *Regular meetings with workers and unions:*

The pandemic and subsequent lockdowns have highlighted the lack of consultative processes between the government and workers, leading to the framing of policies that do not speak to workers' realities. The state government needs to evolve mechanisms to hold regular meetings with workers and unions, such that workers are part of policy-making processes. In the case of garment workers, this needs to involve departments such

as Department of Women and Child Development.

14. *Universal Income and Food Support must be provided to workers:*

Workers—employed and unemployed—are facing a major crisis in making ends meet, in meeting their nutritional requirements and in fulfilling their financial commitments. Spouses and other family members of garment workers are ordinarily self-employed or working in the unorganised sector. Working class households are struggling, with those unemployed in more precarious conditions. The state government must undertake an urgent survey of working-class households, identify key issues around income, health and food security and implement measures to address the same.

15. *Introducing structural reforms to make agriculture sustainable:*

Underlying the exploitation and harassment of women in the garment industry is the fact that rural distress and decreasing of agricultural work is driving more and more women in rural areas to exploitative work in urban areas. As our case study showed, ECC-2 factory grew

to be a sole lifeline for many of the workers employed in the factory because agriculture had become completely unsustainable.

issue and create conditions for women workers to make a dignified choice regarding where they want to take up employment.

The state needs to address this fundamental economic

'This series of reports does a commendable job of chronicling very micro dimensions of women workers lives and work, while at the same time critically pointing to broader features of the Indian political economy, particularly export-oriented industrialization via the model of global supply chain...(they) enable the reader to use the specific context of the pandemic to reflect more broadly on the nature of the Indian state and the state-capital relationship.'

-- **Supriya RoyChowdhury**, Author of *City of Shadows: Slums and Informal Work in Bangalore*

Over the course of the pandemic-struck years of 2020 and 2021, the Alternative Law Forum (ALF), in association with the Garment and Textile Workers Union (GATWU), have been engaged in documenting the impact of the COVID-19 pandemic and the lockdown on garment workers in Karnataka. The unprecedented nation-wide lockdown in May 2020 wreaked havoc on working class households and migrant workers across the country. Garment workers, were at the receiving end of the illegal actions of transnational apparel corporations who reneged on their commitments to their suppliers; factory employers who defaulted on the monthly salaries that the central government had declared needed to be paid mandatorily to workers; and by the state which refused to enforce this order and whose ration subsidies and distribution of essential items were at best patchy and at worst completely absent. The three studies presented here offer a chronological account of the distress faced by garment workers during the period of the first wave of the pandemic and after. We hope this offers insights not only into the distressed conditions of one of Karnataka's significant class of workers but also into the structurally oppressive conditions which the pandemic has only exacerbated.

Alternative Law Forum, Bangalore, India