



# LAID-OFF DURING THE PANDEMIC

*A case study of the closure of a garment factory*

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Alternative Law Forum

# **Laid off during the Pandemic**

## **A Case Study of the Closure of a Garment Factory**

**Alternative Law Forum**

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## Introduction

On June 6, 2020, the Euro Clothing Company-2 Unit (ECC-2) of Gokaldas Exports Limited (hereafter Gokaldas Exports) in Srirangapatna<sup>1</sup> declared a ‘lay-off’.<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> 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

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<sup>1</sup> A town in Mandya district in the southern state of Karnataka, India

<sup>2</sup> 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>.

<sup>3</sup> 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.

<sup>4</sup> 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 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.<sup>5</sup>

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



Source: GATWU

### 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.<sup>6</sup> 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

<sup>5</sup> R. Prathibha, Interview, July 8, 2020.

<sup>6</sup> 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>.

sloughing all costs onto suppliers and, in turn, workers'.<sup>7</sup> But, by all accounts, such calls by international watchdog organisations have not translated into any pro-worker action.<sup>8</sup>

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.<sup>9</sup>

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.<sup>10</sup> 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 funds 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.<sup>11</sup> 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.<sup>12</sup>

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

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<sup>7</sup> ibid, p.6

<sup>8</sup> 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>.

<sup>9</sup> Alysha Khambay and Thulsi Narayanaswamy, "Union Busting and Unfair Dismissals: Garment Workers during COVID-19" (Business and Human Rights Resource Centre, August 2020).

<sup>10</sup> 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>.

<sup>11</sup> 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>.

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

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 much *aase* 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.<sup>13</sup> 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—impoveryishment 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.

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

## **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.<sup>14</sup>

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 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.

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<sup>14</sup> 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>.

## Timeline of Events (May-August)

<b>May 30</b>	A worker informs GATWU union leaders Padma D. and Naveen Kumar 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.
<b>May 31</b>	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.
<b>June 1</b>	<p>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.</p> <p>GATWU sends an email to the National Monitoring Committee (NMC)<sup>15</sup> and initiates contact with Hennes and Mauritz (H&amp;M), the major transnational corporation, whose apparels the factory manufactured for atleast ten months every year.</p> <p>GATWU sends an email to Gokaldas Exports regarding unwarranted developments in the company</p>
<b>June 2</b>	Management begins to move out production material such as fabric.
<b>June 3</b>	<p>The production department at ECC-2 unit was fully emptied out.</p> <p>Gokaldas Exports responds to GATWU's email and proposes a meeting after June 6.</p>
<b>June 4</b>	<p>Material from finishing department, storeroom and other parts of the factory were packed up.</p> <p>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.</p>

<sup>15</sup> See Figure 3

	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.<sup>16</sup></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 Poornima 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>

<sup>16</sup> See footnote 3

	<p><b>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.</b></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>
<b>June 9</b>	<p>Conciliation proceedings begin in the office of the ALC in Mysore city.<sup>17</sup> 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>
<b>June 10</b>	<p>Second conciliation meeting with DLC-2 takes place in Bengaluru.</p> <p>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>
<b>June 11</b>	<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>
<b>June 12-14</b>	<b>Sit-in protests enter week 2</b>
<b>June 15</b>	Meeting with Mandya DC, representatives of GATWU and Gokaldas Exports. The DC tries to convince the management to continue

<sup>17</sup> 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.

	operating the factory and offers any form of help in terms of subsidies and waivers until the company tides over the supposed economic crisis.
<b>June 17</b>	<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&amp;M on June 18.</p>
<b>June 19</b>	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.
<b>June 21</b>	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.
<b>June 23</b>	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.
<b>June 24</b>	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.
<b>July 4</b>	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.
<b>July 8</b>	<p>First NMC meeting with representatives from Gokaldas Exports, H&amp;M, NTUI, IndustriAll, and GATWU. The issue of paying workers' wages for the month is brought up</p> <p><b>Protest enters one month.</b></p>
<b>July 9</b>	Factory representatives are again caught on video travelling to villages to get workers to resign
<b>July 10</b>	Workers receive lay-off wages

<b>July 14-22</b>	<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>
<b>July 22</b>	<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>
<b>July 24</b>	<p>Gokaldas Exports proposes a new compensation package for workers who want to resign,<sup>18</sup> and transfer to their Mysore unit—Carnival Clothing Company-I (CCC-I)—for those who want to continue to work.</p>
<b>July 27</b>	<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-I at Mysore.</p> <p><b>Sit-in protest ends after 50 days</b></p>
<b>July 28</b>	<p>Gokaldas Exports withdraw the petition for injunction at the JMFC court.</p>
<b>August 6</b>	<p>Second NMC meeting with representatives from Gokaldas Exports, H&amp;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>
<b>August 12</b>	<p>Third NMC meeting with representatives from Gokaldas Exports, H&amp;M, NTUI, IndustriAll, and GATWU. Discussion on GFA takes place.</p>
<b>August 22</b>	<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>
<b>August 24</b>	<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>

<sup>18</sup> See Table 3

## **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’.<sup>19</sup> 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’.<sup>20</sup> 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-

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

<sup>20</sup> Ibid, p.2

Powered Committee for Redressal of Regional Imbalances (HPRRI).<sup>21</sup> 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 I 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<sup>22</sup> that was in operation between 2013 and 2019. The targets for employment and 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 I.<sup>23</sup>

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 I. 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

<sup>21</sup> 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.

<sup>22</sup> 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>.

<sup>23</sup> 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.

have been moving out of Bangalore since 2010 to other towns and cities so that both labour and rental costs can be reduced.<sup>24</sup>

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.’<sup>25</sup> 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’.<sup>26</sup> 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.

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<sup>24</sup> 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.

<sup>25</sup> 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), 72.

<sup>26</sup> 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.<sup>27</sup> 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.<sup>28</sup> 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

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<sup>27</sup> 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.

<sup>28</sup> 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.

some of our units into smaller towns, like Mysore, Tumkur, etc.<sup>29</sup> 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, the Company set up factories/units in Chennai, Hyderabad, Mysore, Tumkur, Madanapalle etc, it stated.’<sup>30</sup>

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

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

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

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.<sup>31</sup> ‘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.<sup>32</sup> 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

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

<sup>30</sup> Ibid, p.34

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

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

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.<sup>33</sup> 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 agarbatti-making, a steady supply of cheap labour was assured for the factory.<sup>34</sup> Mandya's impoverishment, described in the next section, was an aspect the company could capitalise on.<sup>35</sup> 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.'<sup>36</sup>

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.<sup>37</sup>

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 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

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

<sup>34</sup> Poornima, Interview, July 13, 2020; Pavithra, Interview, June 26, 2020.

<sup>35</sup> 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.

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

<sup>37</sup> Gokaldas Exports, 10.

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.<sup>38</sup>

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.

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<sup>38</sup> Poornima, Interview.

## 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.<sup>39</sup>

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.<sup>40</sup>

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 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

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<sup>39</sup> These details were provided by K.R. Jayaram, legal advisor to GATWU.

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

Rights.<sup>41</sup> 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.<sup>42</sup>

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.’<sup>43</sup> 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;<sup>44</sup>
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.<sup>45</sup> 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’.<sup>46</sup>

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;

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

<sup>42</sup> Ibid.

<sup>43</sup> Action, Collaboration, Transformation, “ACT Members” (Action, Collaboration, Transformation), accessed August 23, 2020, <https://actionlivingwages.com/members/>.

<sup>44</sup> 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 hour limits.

<sup>45</sup> “Global Framework Agreement (GFA) Bewteen H&M Hennes & Mauritz GBC AB and IndustriALL Global Union and Industrifacket Metall: On Compliance and Implementation of International Labour Standards at the Suppliers of H&M Hennes & Mauritz GBC AB,” n.d.

<sup>46</sup> “Global Framework Agreement (GFA) Bewteen H&M Hennes & Mauritz GBC AB and IndustriALL Global Union and Industrifacket Metall: On Compliance and Implementation of International Labour Standards at the Suppliers of H&M Hennes & Mauritz GBC AB.”

- 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**



## Mandyā's Impoverished Economy

Almost all workers in the ECC-2 factory of Gokaldas Exports lived in villages in Mandyā 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.<sup>47</sup>

This fact of large-scale fragmentation bears out in the data on land holdings from agricultural censuses conducted over the years.<sup>48</sup> There has been a steady increase in marginal (less than one hectare) and small landholdings (between one and two hectares) in Mandyā district since atleast 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.

**Table 1: Percentage of operational holdings (in hectares) in Mandyā 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 <sup>49</sup>	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

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

<sup>47</sup> Mallige Sirimane, Interview, July 22, 2020.

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

<sup>49</sup> 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 Mandyā is not clear but it is possible that some consolidation through tenancy took place in this period.

use economies of scale for greater yield; and that an agriculturally predominant district is conducting its farming operations in unviable ways and cannot sustain its dependents.<sup>50</sup>

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

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

Source: Collated from Agricultural Census, 2001-2015

'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.<sup>52</sup> 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.<sup>53</sup>

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 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

<sup>50</sup> In an article on why agrarian capital did not develop in Mandya district, Narendra 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. Narendra Pani, "First Nature and the State: Non-Emergence of Regional Capital in Mandya," *Economic and Political Weekly* 52, no. 46 (November 18, 2017).

<sup>51</sup> See footnote 48

<sup>52</sup> Sirimane, Interview.

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

three as ‘more backward’ in the HPRRI report of 2002.<sup>54</sup> 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 price-loss’ circuit, making it the single most important source of agrarian distress and suicides.<sup>55</sup> 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,<sup>56</sup> 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.

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<sup>54</sup> Mandya Zilla Panchayat, “Mandya District: Human Development Report 2014” (Mandya: Government of Karnataka, 2014).

<sup>55</sup> A.R.Vasavi, “The Displaced Threshing Yard: Involutions of the Rural” (Malcolm Adiseshaiah Memorial Lecture, n.d.).

<sup>56</sup> 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.

## 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.<sup>57</sup> 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, 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 atleast 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,'

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



<sup>57</sup> Pavithra, Interview.

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.’<sup>58</sup>

### **‘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.<sup>59</sup> 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.<sup>60</sup> 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.<sup>61</sup> By working overtime on all Sundays and whenever else the factory called for overtime work, Poornima had been able to earn about

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<sup>58</sup> Ibid.

<sup>59</sup> Poornima, Interview.

<sup>60</sup> Sirimane, Interview.

<sup>61</sup> Poornima, Interview.

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, 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.'<sup>62</sup>

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?'<sup>63</sup>

Microfinance institutions have long played on this fear of humiliation, as several reports linked to indebted farmers' suicides have noted.<sup>64</sup> 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.<sup>65</sup> 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 entraptments, 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

<sup>62</sup> Sirimane, Interview.

<sup>63</sup> Poornima, Interview.

<sup>64</sup> 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>.

<sup>65</sup> Sirimane, Interview.

working of two differing sets of cultural logics, that of privileging or pressuring the individual to act for his or her own economic benefit and the continued pressure of having to subscribe to collective activities,’ Vasavi argues.<sup>66</sup>

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 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)<sup>67</sup> and access to subsidised health care through Employee State Insurance (ESI) dispensaries.<sup>68</sup> 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.

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<sup>66</sup> A.R.Vasavi, “Debt and Its Social Entrapments,” *WSQ: Women’s Studies Quarterly* 42, no. 1 & 2 (2014): 25.

<sup>67</sup> 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](http://puclkarnataka.org/wp-content/uploads/2018/12/GW_-Protest-Report-english-book.pdf).

<sup>68</sup> 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>.

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.<sup>69</sup>

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<sup>69</sup> Poornima, Interview.

## 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.<sup>70</sup> 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.<sup>71</sup>

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.’<sup>72</sup> In a meeting with local government 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

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<sup>70</sup> Padma, Interview.

<sup>71</sup> 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](https://www.mha.gov.in/sites/default/files/PR_MHAOrderrestrictingmovement_29032020.pdf).

<sup>72</sup> RM Cooperation-DE, H&M, “Full Wages, Trade Union Rights and Job Security Also with H&M’s Suppliers in Asia,” June 18, 2020.

“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.<sup>73</sup>

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.<sup>74</sup>

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.<sup>75</sup> 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.<sup>76</sup> 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

<sup>73</sup> R.Prathibha, Interview.

<sup>74</sup> ibid

<sup>75</sup> Pavithra, Interview.

<sup>76</sup> Geeta, Interview, July 13, 2020.

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.<sup>77</sup>

To prevent workers from protesting, the management even filed a 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.

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



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

<sup>77</sup> Manasa, Interview, July 11, 2020.

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.'<sup>78</sup>

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.<sup>79</sup> 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.'<sup>80</sup>

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.

...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.

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<sup>78</sup> Poornima, Interview.

<sup>79</sup> Manasa, Interview.

<sup>80</sup> These details have not been independently verified.

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.<sup>81</sup>

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. Infact, 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.<sup>82</sup> 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.’<sup>83</sup> 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 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 atleast cut their losses and pay off some debts.

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

<sup>82</sup> R.Prathibha, Interview.

<sup>83</sup> Extract from transcript of video recording from Mahadevapura village on 13 July 2020

## 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 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.

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

### Achievements, 2018-19

- People deployed increased from 23,003 in 2017-18 to 25,579
- Average employee age remained at 34 years
- Attrition has reduced by 0.8% per month.
- Average worker remuneration increased 5.46% to ₹1,04,064 per annum

### Outlook

- The Company intends to commission factories outside Karnataka.
- The Company intends to intensify training and workplace pride with the objective to reduce absenteeism and attrition
- The Company intends to commission touch-based kiosks across factories to empower employees and improve the employee experience through basic employee self-service in the vernacular language.



They told them that they should ask whichever management representative comes by what they (the representative) stands 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.<sup>84</sup> 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.

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



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

<sup>84</sup> ibid

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.<sup>85</sup>

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

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

must have such cheap mentality, going and asking for resignations,’ said Manasa in an interview.<sup>86</sup>

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.’<sup>87</sup>

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 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 share autos, the lack of transport, especially for their return journey, can become especially difficult.<sup>88</sup> The offer of transferring workers who insisted upon employment was then only a feeble one and 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-

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<sup>86</sup> Manasa, Interview.

<sup>87</sup> ibid

<sup>88</sup> 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.

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.<sup>89</sup>

#### **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*

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

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<sup>89</sup> 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).

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.<sup>90</sup>

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.<sup>91</sup> 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

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<sup>90</sup> Poornima, Interview.

<sup>91</sup> R.Prathibha, Interview.

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 a 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 worker is entitled to full wages,’ Maitreyi Krishnan, lawyer for GATWU explained.<sup>92</sup> 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

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<sup>92</sup> Maitreyi Krishnan, Interview, July 22, 2020.

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.<sup>93</sup> 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,' said Gautam Mody, general secretary of NTUI, in an interview.<sup>94</sup>

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.<sup>95</sup>

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.

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<sup>93</sup> R. Prathibha and K.R. Jayaram, Interview.

<sup>94</sup> Gautam Mody, Interview, August 21, 2020.

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

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 to 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.<sup>96</sup> 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.<sup>97</sup> 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

<sup>96</sup> 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.

<sup>97</sup> 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. 72727, 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.<sup>98</sup>

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.

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<sup>98</sup> These details of settlement have been provided by GATWU. See Appendix 2 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 atleast 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.<sup>99</sup> 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.

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<sup>99</sup> Thanks to Mohan Mani for pointing this pattern in investment by garment factories.

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 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 ‘impoorerised Global South’ that corporations are drawing profits from. As worker consciousnesses 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.

## Recommendations

It is clear from our case study that the business-as-usual attitude with regard to labour practices and the global supply chain and its governance regimes are no longer viable in a COVID-19 world. We address our recommendations towards the two powerful stakeholders in the garment industry—the state and transnational apparel corporations.

### State Government

#### I. Making Mental Health a Public Health Priority

**Context:** 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.

**Recommendation:** 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.

#### II. Empowering Workers through greater awareness of their rights

**Context:** 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.

**Recommendation:** 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.

#### III. Strengthening Labour departments

**Context:** 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.

**Recommendations:** The Labour Department in all its different divisions across the state need to become proactive in terms of undertaking inspections, examining terms

of agreement and compensation where factory closures have taken place and act in ways that increase the confidence of workers and unions that the state is protecting their rights.

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

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.

#### **IV. Universal Income and Food Support must be provided to workers**

**Context:** 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.

**Recommendations:** 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. With regard to garment sector workers, international brands can be roped in to provide funds as an urgent COVID-19 relief measure.

State must also ensure support for rent payment, loan waiver and payment of school/college fees.

#### **V. Increase in Minimum Wages**

**Context:** The garment industry does not pay its workers more than the minimum wages. With workers facing loss of income during the COVID-19 pandemic, their financial stressors have increased significantly. Further, workers are at increased risk of infection transmission on the shop floor and in travelling to work.

**Recommendation:** The state must ensure payment of minimum wages and also undertake an upward revision to reflect new uncertainties and risks being undertaken by the workers.

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.

## **VI. Strengthening Trade Unions**

**Context:** Our case study clearly shows how a strong union can withstand the immense pressure exerted by corrupt factory managements and direct collective bargaining efforts towards pro-worker ends.

**Recommendation:** Ethical and pro-worker unions are the need of the hour. The Industrial Disputes Act, 1947 should be amended to provide for compulsory registration of union representing a requisite percentage of the workforce. The provision should be kept low in the garment industry which has a high labour turnover as well as a growing proportion of migrant workers.

## **VII. Introducing structural reforms to make agriculture sustainable**

**Context:** 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.

**Recommendation:** The state needs to address this fundamental economic issue and create conditions for women workers to make a dignified choice regarding where they want to take up employment

## **VIII. Reimagining the factory and the position of the worker**

**Context:** Our case study has highlighted how women workers felt abandoned and shaken when the lay-off was announced; how Gokaldas Exports could declare an illegal lay-off suddenly without any concern regarding its impact on workers; how the labour department did nothing to hold the company for violating the law. These 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.

**Recommendation:** 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.

## **Transnational Apparel Corporations**

## **IX. Abandon Neutrality in favour of Trade Union positions**

**Context:** Our case study showed how H&M has refused to take responsibility for the workers employed in its factory during the NMC meetings. What was particularly egregious was H&M's initial position that the dispute was a result of 'different interpretations of the law' by union and management.

**Recommendation:** Brands such as H&M which have submitted themselves to voluntary codes of conduct to respect pro-worker practices need to abandon neutrality and treat both union and management as equal partners. Brands must act in favour of the union and its position at all costs and expeditiously.

## **X. Increasing inspections to ensure compliance of labour laws**

**Context:** Given the power wielded by brands over export-oriented garment companies, brands are one form of control over the impunity displayed by the latter towards their workforce. Companies such as Gokaldas Exports seem to be moving towards subcontracting and leasing practices to ensure reduction of permanent employment.

**Recommendation:** Brands needs to recognise that they have an additional responsibility to ensure international and national labour laws are being followed. In particular, where a manufacturing unit is being closed by one of its suppliers, brands have to take a proactive role, especially when union provide evidence of unfair labour practices. Brands also need to disincentivise supplier factories which are seeking to move towards contractual forms of employment.

## **XI. Working to Increase Wages across the Industry**

**Context:** As part of their voluntary commitments to fair labour practices, brands such as H&M have signed agreements with global trade unions such as IndustriALL to ensure that profitability of deals between itself and supplier factories are not based on driving wages downwards to such an extent that workers do not have enough to meet their needs and save.

**Recommendation:** Brands need to take the lead in calling for living wage tribunals across supplier countries. Given the massive hit to worker livelihoods and increased costs after the pandemic and its lockdowns of varying intensity in several countries, brands need to work towards actualising the concept of living wages and be implement across their global supply chain.

## **XII. Working with and Increasing Support to Trade Unions**

**Context:** Our case study shows the impact a strong trade union has in ensuring fair treatment to workers. It also shows how active trade unions can ensure less exploitative conditions of work for garment factory workers. But using the excuse of economic disruptions due to COVID-19 pandemic, supplier factories are clamping down on freedom of association and collective bargaining.

**Recommendation:** Brands need to increase engagement with trade unions in its supplier factories by reaching out to understand if there are any unfair labour practices supplier factory managements are indulging in. It needs to incentivise supplier companies to ensure that the latter do not undercut and harass trade union members and infact encourage the formation of independent trade unions.

## **Appendix – 1: Pamphlet distributed by GATWU**

# GATWU Garment and Textile Workers Union

ಗಾಟ್‌ಟಿವ್‌ ಅಯ್‌ ಪ್ರೆಸ್ಟ್‌ಶೈ ಪರ್ಕ್‌ಸ್‌ ಯೂನಿಯನ್  
(Affiliated to New Trade Union Initiative – NTUI)

ಆತ್ಮೀಯ ಶ್ರೀರಂಗಪಟ್ಟಣದ್ದ · ECC -2 ಕಾರ್ಮಿಕ ಸಂಸಾರಿಗಳೇ,

ನಿಮಗೆಲ್ಲಿರು ಭಯ ಮತ್ತು ಅರ್ಥ ಅಗ್ನಿಶಿಲವುದು ನಂಮಗೆ ತಿಳಿದಿದೆ. ಹನ್ನೊಂದು ವರ್ಷಗಳಿಂದ ಈ ಕಂಪನಿಯಲ್ಲಿ ಕೆಲಸ ಮಾಡಿಕೊಂಡು ಬರುತ್ತಿದ್ದೇವೆ. ಇನ್ನು ಮುಂದೆ ಈ ಕಂಪನಿಯು ಇರುತ್ತದೆಯೋ ಇಲ್ಲವೋ ಏನಾಗುತ್ತದೆಯೋ ಎಂಬ ಚರ್ಚಪಡಿಕೆ.

ಯಾವುದೇ ಕಾರಣಕ್ಕೂ ಹೆದರುವ ಅಗತ್ಯವಿಲ್ಲ ಆಡಳಿತಗಳನ್ನಾಗಿ ಬೇರೆ ಜನಗಳ ಯಾವುದೇ ಒತ್ತಡಕ್ಕೆ ಮನೆಯದ ನೀವೆಲ್ಲರೂ ಒಗ್ಗಬಾಗಿ ಯುನಿಯನ್‌ ಜೋತೆ ನಿಂತಿದ್ದೆ ಆದರೆ ಯಾವುದೇ ಕಾರಣಕ್ಕೂ ಕಂನಿಯನ್ನು ಯಾರಿಂದಲೂ ಮುಚ್ಚಲು ಸಾಧ್ಯವಿಲ್ಲ ಏಕೆಂದರೆ ಈ ಅಂಬೇಡ್ರ್ ಅವರು ಬರದಿರುವ ಸಂಪದಾನದಲ್ಲಿ ಮತ್ತು ಕಾನೂನುಗಳಲ್ಲಿ ಪಲವಾರು ನಿಬಂಧನೆಗಳನ್ನು ಹಾಕಿದ್ದಾರೆ ಮತ್ತು ಕೆಲಸವಿಲ್ಲವೆಂದು ರಚಿ ಘೋಷಣೆ ಮಾಡಬೇಕಾದರೂ 1 ತಿಂಗಳ ಮುಂಚೆ ಕಾರ್ಮಿಕ ಅಯ್ಯಿಕ್ರ ಅನುಮತಿಯನ್ನು ಪಡೆಯಬೇಕಾಗುತ್ತದೆ. (Industrial Dispute Act 1947, Chapter 5-B, Section 25-M) ಮತ್ತು ಅಧ್ಯಾತ್ಮ ನೀಡಬೇಕಾಗುತ್ತದೆ.

100 ಜನಕ್ಕಿಂತ ಹೆಚ್ಚಾಗಿ ಕಾರ್ಮಿಕರಿರುವ ಯಾವುದೇ ಕಂಪನಿಯನ್ನು ಮುಚ್ಚಬೇಕಾದರೆ ಆ ಕಂಪನಿಯು ಸರ್ಕಾರದ ಅನುಮತಿಯನ್ನು ಪಡೆಯಬೇಕಾಗುತ್ತದೆ. (Industrial Dispute Act 1947, Chapter 5-B, Section 25-O) ಅನುಮತಿಯನ್ನು ಕನಾಕ್ಟಿಕ ತನಿಖೆ ನಡೆಸುತ್ತದೆ. ಕಂಪನಿಯನ್ನು ಮುಚ್ಚಲು ಕಾರ್ಯಾವೇಸು ಮತ್ತು ಕಂಪನಿಯಲ್ಲಿ ದುಡಿಯತ್ತಿರುವ ಕಾರ್ಮಿಕರಿಗೆ ಎಲ್ಲ ರೀತಿಯ ಪರಿಹಾರ ತನಿಖೆ ನಡೆಸುತ್ತದೆ. ಕಂಪನಿಯನ್ನು ಮುಚ್ಚಲು ಕಾರ್ಯಾವೇಸು ಮತ್ತು ಕಂಪನಿಯಲ್ಲಿ ದುಡಿಯತ್ತಿರುವ ಕಾರ್ಮಿಕರಿಗೆ ಎಲ್ಲ ರೀತಿಯ ಪರಿಹಾರ ತನಿಖೆ ನಡೆಸುತ್ತದೆ. ಕಂಪನಿಯನ್ನು ಮುಚ್ಚಲು ಕಾರ್ಯಾವೇಸು ಮತ್ತು ಕಂಪನಿಯಲ್ಲಿ ದುಡಿಯತ್ತಿರುವ ಕಾರ್ಮಿಕರಿಗೆ ಎಲ್ಲ ರೀತಿಯ ಪರಿಹಾರ ತನಿಖೆ ನಡೆಸುತ್ತದೆ. ಕಂಪನಿಯನ್ನು ಮುಚ್ಚಲು ಕಾರ್ಯಾವೇಸು ಮತ್ತು ಕಂಪನಿಯಲ್ಲಿ ದುಡಿಯತ್ತಿರುವ ಕಾರ್ಮಿಕರಿಗೆ ಎಲ್ಲ ರೀತಿಯ ಪರಿಹಾರ ತನಿಖೆ ನಡೆಸುತ್ತದೆ. ಕಂಪನಿಯನ್ನು ಮುಚ್ಚಲು ಕಾರ್ಯಾವೇಸು ಮತ್ತು ಕಂಪನಿಯಲ್ಲಿ ದುಡಿಯತ್ತಿರುವ ಕಾರ್ಮಿಕರಿಗೆ ಎಲ್ಲ ರೀತಿಯ ಪರಿಹಾರ ತನಿಖೆ ನಡೆಸುತ್ತದೆ.

ಇವೆಲ್ಲ ಅನುಮತಿಯನ್ನು ಪಡೆಯಲು ಕನಿಕೆ ಮೂರಾರಿಂದ ಆರು ತಿಂಗಳಗಳ ಕಾಲ ಸಮಯ ತೆಗೆದುಕೊಳ್ಳುತ್ತದೆ. ಆದುದ್ದರಿಂದ ಯಾವುದೇ ಕಾರ್ಮಿಕರು ಹಡರುವ ಅಗತ್ಯವಿಲ್ಲ. ಗೋಕರ್ಣದಾಸ್ ಎಕ್ಸ್ಪೋಫ್ಸ್ ಒಂದು ಸಾರ್ವಜನಿಕ ಹೂಡಿಕೆಯ ಕಂಪಿಯಾಗಿದ್ದು, ಸಾವಿರಾರು ಕೋಟಿ ವರ್ಷಿವಾಟು ನಡೆಸುತ್ತಿದೆ ಮತ್ತು ವಿಶ್ವದ ಅತ್ಯಂತ ಹೆಸರಾಂತ ದೂರ್ದಾರಿಗಳಾದ್ದರಿಂದಿನ್ನು ಸಿದ್ಧಪಡಿಸಿ ರಥ್ಮು ಮಾಡುತ್ತಿದೆ ಮತ್ತು ಕಂಪನಿಯ ಅಪ್ಪು ಸುಲಭವಾಗಿ ಬಾಗಿಲನ್ನು ಮುಚ್ಚೆ ಹೋಗಲು ಸಾಧ್ಯವಿಲ್ಲ. ಗೋಕರ್ಣದಾಸ್ ಎಕ್ಸ್ಪೋಫ್ಸ್ ನಿಂದ ಬರಬೇಕಾಗಿರುವ 1 ರೂ. ಬಾಕಿಯನ್ನು ಕೊಡದೆ ಖೋಸ ಮಾಡಲು ಸಾಧ್ಯವಿಲ್ಲ. ಗೋಕರ್ಣದಾಸ್ ಎಕ್ಸ್ಪೋಫ್ಸ್ ನಲ್ಲಿ ನಿಮ್ಮ ಬಾಕಿ ಏನಾದರೂ ಇದ್ದರೆ ಅದು ನಿಮ್ಮ ಬ್ಯಾಂಕ್‌ನ ಹಾತೆಯಲ್ಲಿ ಇದ್ದಂತೆ ಎಂದು ತಿಳಿಯಿರಿ.

ఈ ఛిందె మృసూరిన బన్నిమంచపద బాటిలుయిప సిసి-1 కంపనియు ఇదే రీతి ముచ్చలు నిధిరిసిద్దరు. అల్లి GATWU ఎల్లా కావిచ్చర బెంబలదింద 15 దినగళ కాల హోరాటి నడేసి ముచ్చద కంపనియన్న పునః తరేయిపంకె మాడితు. ఇందు ఈ కంపనియు ఒందు ఉత్తమవాద కంపనియాగి కేలస నివ్ఫిషిస్చోండు బరుకిడె.

ಆದ್ದರಿಂದ ಯಾವುದೇ ಕಾರಣಕ್ಕೆ ಭಯಗೊಳ್ಳದ GATWU ಜೊತೆ ನಲ್ಲಿರಿ, ಕಂಪನಿಯನ್ನು ಸಾಧ್ಯವಾದವ್ಯತ್ಯಾಸ ಮಟ್ಟಿಗೆ ಇಲ್ಲೇ ಮುಂದುವರೆಸಲು ಹೋರಾಡೋಣ, ನಿಮಗೆ ಸಿಗಬೇಕಾಗಿರುವ ಎಲ್ಲಾ ಸವಲತ್ತುಗಳನ್ನು ಕೊಡಿಸಲು ಯೂನಿಯನ್ ಹೋರಾಟ ನಡೆಸುತ್ತದೆ.

## Appendix 2: 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)	One month notice pay	Compensation at the rate of one month per year	One-time compensation	Total	Grand Total
Statutory Benefits						Additional benefits					
10 years	348	52254	7316	9115	4042	<b>72727</b>	9057	90574	4000	103631	<b>176358</b>
5 years	348	26127	7664	9023	4042	<b>46856</b>	9057	45287	4000	58344	<b>105200</b>
1 year	348		3047	6602	3928	<b>13577</b>	8802	8802	4000	21604	<b>35181</b>
6 months	348		697	1713	4042	<b>6452</b>	9057	-	4000	13057	<b>19509</b>