



Labouring for global markets: CSR lessons from a south Indian textile export cluster

Summary

This briefing explores the ways in which Corporate Social Responsibility (CSR) policies affect labour regimes and the lives of workers at manufacturing sites in the Global South. It describes workers' reactions to these policies, and the choices they make when faced with different regimes of work. The briefing calls for a recognition by labour standard interventions of the variety of employment regimes and the diversity of the workforce, and it addresses some possible ways to improve the particular conditions of women workers and migrant workers employed in large export industries in the Global South. In particular, it points to the importance of addressing workers' needs and vulnerabilities outside the factories and in the urban neighbourhoods where they reside.



Corporate social interventions: an overview

Corporate codes of conduct and international voluntary labour standards have begun to transform the world of production and to affect workers employed in export industries across the globe. In sectors such as food and garment production, such codes and standards form the primary tool through which buying companies and chain stores seek to influence the social and environmental conditions of employment in their supply chains, especially among producer firms in developing countries. Social Accountability 8000 standard (SA 8000) and the Worldwide Responsible Apparel Production Certification (WRAP) are standards that ever more suppliers are required to comply with. Relatively little is known, however, of the ways in which such corporate interventions shape labour regimes in supply firms or how they are perceived by firms, contractors and workers in the Global South. Nevertheless, some recent work on CSR has recognised the need for more detailed studies of the impacts of such policy initiatives on workers and their communities.

Field research for the DFID-ESRC funded research project described

here was conducted in 2008-2009 in Tiruppur, one of India's largest garment export clusters, in Tamil Nadu, south India. It sought to investigate how CSR policies shape firm-level labour regimes and how workers perceive such interventions and react to them. The aim was not just to assess the actual impacts of the policies but also to understand how workers respond to them and what choices they make in the light of new regulations and different regimes of work. Given the huge diversity of the garment workforce, the study paid special attention to the differences between men and women, people at different stages in the life cycle, and 'locals', commuters and migrants.

Fieldwork was carried out in the Tiruppur garment cluster as well as in its rural hinterland and in some migrant sourcing villages. It involved a mixture of research methods, including extensive formal and informal interviewing, factory and household questionnaires, and participant observation. Research participants in Tiruppur ranged from company owners and managers to supervisors, contractors and workers, while in the villages they included landowners, agricultural labourers, and commuters and migrants to town.

Compliant versus non-compliant firms in south India

In Tiruppur, companies of different size, type and activity can be found. However, only the largest export firms, who benefit from regular orders from major buyers and who produce bulk orders using a Fordist 'line system', have been able to comply with corporate codes and labour standards. They are the companies who are able to make the necessary investments in factory buildings, canteens, workers' hostels, toilet facilities, and so on, and who have brought their labour management systems in line with those of the standards. These include adherence to 8-hour shifts, regulation of overtime and regular contracts, with social provisions made available for the entire workforce.

The majority of manufacturers in Tiruppur, however, and especially the smaller subcontractors and jobworkers, produce with fluctuating orders, unpredictable schedules and a variable labour force. As flexibility is their comparative advantage within the industry, they require a workforce whose numbers they can increase or decrease as needed. Such smaller companies find it difficult to comply with the codes and standards requested by western buyers and thus continue to produce garments under non-compliant and flexible regimes. Here, 12-hour shifts, unregulated overtime and contract-based work remain the norm. The result is a two-tier system, in which two types of company exist side by side: the larger (Fordist) export companies try to comply with corporate social and environmental standards, while smaller (Flexible) companies and subcontractors remain unable and/or unwilling to comply.

Workers' choices and life cycles

What do garment workers make of such corporate labour interventions? From a worker's



perspective, Tiruppur's industrial landscape offers two options: employment in a large, compliant export house as a 'company employee' or in a smaller and flexible, non-compliant firm as a casual 'contract labourer' (often employed through a contractor). What do workers prefer? What do they get out of these different labour regimes? Our study found – against usual assumptions about so-called 'sweat-shops' – that many workers in Tiruppur actively prefer to work in smaller workshops (despite variable working conditions) as these give them much valued flexibility, autonomy and freedom. The study also revealed that workers prefer different labour regimes and employment contracts depending on their gender, age, life cycle and migratory status.

Young men, for example, are attracted to the Tiruppur export industry by the opportunities it offers to earn. They often prefer to work for a contractor in a smaller non-compliant firm, where they have the potential to earn more through piece-rates and with overtime than in a compliant firm where shift wages are lower and overtime is restricted. They similarly value the flexibility and freedom that employment under a labour contractor entails: with piece rates they can turn up late or take a day off as they wish, and being able to work as fast or slow as they want, they feel they are their own boss (see Box 1). Work in large export houses and compliant firms, by contrast, is dictated by fixed shifts, a lack of spatial mobility and constant supervision on the line.

Precarious position of migrant workers

Tiruppur, like most large industrial clusters, attracts not only local residents but also large numbers of daily commuters from nearby villages and long-distance migrants from across south India. The position of migrants in Tiruppur differs markedly from that of the

Inbaraj, a migrant tailor

When asked why they are working for a contractor in a small unit rather than as a regular company employee in a compliant firm, the response was often: 'we just can't work there!' Inbaraj, a migrant tailor with several years of work experience in Tiruppur, clarified what he meant: 'In those [large, compliant] companies, there are too many rules and regulations! We have to be in our seat by 8.30am, we can only leave at 10.30am for the tea break and then for lunch and we can only go home at 8.30pm. If we are not feeling well or there is a family function, we cannot get any leave. We can't work there. Those companies are like a jail; you can't escape! You are like a bird in a cage! Here we are free and we can go and come as we like; you see if I suddenly have some urgent [domestic] work, I can tell the contractor and go; we haven't got those problems here!'



so-called 'locals' or long-term residents.

First, the garment cluster attracts different flows of migrants, some are short-term while others are long-term, while their skill levels vary considerably. Unless they arrive in Tiruppur as skilled tailors – that is a minority – most migrants start off in the lowest paid and least attractive jobs, such as a helper to a tailor or as a dyeing machine operator. For migrants, choices are fewer and constraints are more numerous, including dependency on contractors and mediators. Secondly, migrants may come alone or as a family, which affects whether they seek flexibility or security. Young men, both married and unmarried, typically arrive on their own and seek to earn as much money in as short a time as possible before returning home. Many of them therefore seek out flexible workshops where they can work long days. Unmarried women migrants, on the other hand, tend to be primarily concerned about their safety and respectability, and as a result are mainly attracted by large, compliant firms that provide them with hostel accommodation on site.

The issues that concern migrants most acutely are the lack of adequate housing, the lack of

water and the overall cost of living in town. Tiruppur's massive boom over the last decades has resulted in a perennial shortage of decent housing, only partly addressed by the emergence of 'workers' lines' that consist of one-room houses rented by migrant households. Migrant workers have no option but to rent, while rents are exorbitant and both space and basic facilities remain inadequate. Many of these 'workers' lines' are located near major roads, swamps and riversides where air and water pollution make living hardly bearable. With the astronomical rise in land prices in the region, most migrants today have lost the hope of buying a plot of land or building their own house.

Water supplies are a continuous problem too, with municipality taps only running a few erratic hours each week, and private water being sold at high charges. Moreover, food and other provisions are considerably more expensive in Tiruppur than elsewhere in south India, which seriously compromises workers' diets. No corporate codes of conduct or labour standards appear to address these issues, which seriously affect all workers in Tiruppur and add to the already precarious position of the migrants in particular.

Policy implications

Policy interventions, both corporate and state-led, around labour standards in export-oriented industries need to recognise the wider social and economic contexts of the workers whose conditions they seek to protect and improve. These include:

- Recognising the particular position of migrant workers, especially their diverse backgrounds and migration trajectories, their poverty and vulnerability at destination, and their more constrained choices in the labour market.
- Recognising the gendered constraints of women workers in export labour markets, particularly their concerns about security and respectability, and their domestic and child-related responsibilities. These factors not only limit women's choices in the labour market but they also shape their demand for flexible and part-time employment opportunities.
- Recognising the wider physical, economic and social environment that impacts on the labouring lives of the urban poor and that contain severe risks and threats to the health and well-being of workers. Currently, neither corporate codes of conduct nor voluntary labour standards appear to consider this wider environment as part of their intervention policies. This wider environment includes:

1. A lack of sufficient and affordable housing within the industrial cluster;
2. A lack of adequate and safe supplies of water within the city;

Jansi (24), a woman factory worker

One day, while Jansi was at home in her native village 100km south of Tiruppur, a van from Global Textiles, a large accredited garment company in Tiruppur, came along to recruit workers from the villages. Having failed her 10th class exams but with some training in tailoring, Jansi managed to convince her parents to let her go and got herself a job in Global Textiles, where she became a powerloom tailor within two months of arriving. She got regular work, company accommodation, and earned about Rs 3500 (£45) per month, from which a fixed sum was deducted for food and hostel fees. Jansi emphasised that she enjoys the company of fellow migrant women, and praised the safety of the factory environment and the quality of the food served. Jansi said she was determined to stay in Tiruppur until the day of her marriage.



3. High levels of air, water and general environmental pollution;
 4. A high cost of living in the city, which warrants a living wage that exceeds official minimum wage levels.
- Recognising the need to integrate factory-focused interventions with city- and state-wide policies (such as housing and infrastructure) and to attune generic codes and standards to the specific gendered, age-related and migrant needs of garment workers.

How to contact us

This policy briefing was written by Geert De Neve and Grace Carswell and is one of the outputs of a DFID-ESRC funded research project entitled 'Transforming Livelihoods: work, migration and poverty in the Tiruppur garment cluster, India'. For further information on this research please contact Geert De Neve, Department of Anthropology, School of Global Studies, University of Sussex, Falmer, Brighton BN1 9SJ, UK.

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This research was funded by the joint ECRC/DFID scheme for research on international poverty reduction. However, the findings, views and recommendations contained in the document are those of the authors and do not necessarily represent those of either DFID, ESRC or other collaborating partners.