COUNTRY CONTEXT

Of all the factories submitted by company affiliates to the FLA for potential assessment visits, 210 (or 4.4 percent) are located in India. A country of nearly 1.2 billion people, India has experienced rapid growth and development since 1947. Export-oriented industrialization bolstered the economy, which currently ranks as the fourth largest in the world. Recently, migration from rural areas to urban centers has become a prominent trend, with nearly ten million people moving to towns and cities seeking jobs each year. Many of these migrant workers find work in the apparel industry, a large urban employment sector comprising around 18 percent of the total industrial workforce. While recent improvements in infrastructure, healthcare, and industry have catalyzed the emergence of a sizable middle class, more than 21 percent of people in India were living in poverty in 2011, with workers in the informal sector particularly vulnerable. Although the informal sector comprises 90 percent of India’s total labor force, these workers are not protected under national laws regarding wages, hours, and health and safety. In July 2016, India passed a new labor law, which critics fear may lead to increased instances of child labor in the garment and footwear industries.

TOP FINDINGS IN 2015

Emergency preparedness, chemical management, and reproductive health
Assessors reported that seven out of the nine factories lacked sufficient evacuation procedures and required improvement in their preparedness for emergency situations. Examples of noncompliance with fire safety requirements included malfunctioning fire alarm systems, obstructed emergency exits, unmarked evacuation routes, and inadequate firefighting equipment. In six factories, assessors cited instances of improper chemical management and training, such as insufficient labeling of hazardous waste containers. In addition, assessors found that five factories did not provide effective measures to protect female workers, violating the FLA benchmark requiring “employers to ensure that women are not engaged in work that constitutes risk to their reproductive health.”

Unions and worker representation
Six of the nine assessed factories violated the FLA benchmark requiring employers to refrain from interfering with the formation or operation of workers’ organizations. Assessors cited specific examples of noncompliance, including representatives on the workers’ committee nominated by the management instead of being elected by the workers, and insufficient or absent written industrial relations procedures. In four of these factories, employers did not provide designated space for worker representative structures to operate.

Probation
In India, it is common for employers to place new workers on probation, a trial period during which the employer can assess the worker’s suitability for the job prior to appointing permanent employment. While India’s labor law does not stipulate a maximum length of a probation period, the FLA benchmark on probationary wages states that “where probationary or training employment is legally allowed, the wage shall not be below the legal minimum and no workers shall work more than three months cumulatively in those employment categories.” Assessors found six factories with probation periods exceeding three months; one factory’s probationary period reached a maximum of 18 months.

Excessive overtime, inaccurate time-keeping systems, and insufficient annual leave
Assessors reported that six factories did not comply with all national laws, regulations, and procedures concerning hours of work, public holidays and leave. Assessors highlighted one factory with a particularly egregious violation, at which employees worked 22 hours per day for two straight days, with only short breaks for meals and tea. In addition, assessors found that five factories did not accurately record and report their employees’ hours of work. For example, one factory failed to maintain any records on hours of work for work on rest days and holidays in order to avoid being legally penalized for not paying overtime compensation for work done on these days. Assessors also found that workers in four factories were deprived of annual leave due to them.

Termination payouts
Assessors found that six of the assessed factories violated the FLA benchmark requiring compliance with national laws governing the administration of termination payouts. Violations ranged from insufficient documentation of termination records, to insufficient methods for calculating proper payouts, to the untimely distribution of payouts. India’s 1936 Payment of Wages Act requires that wages for unused leave should be paid within 48 hours of resignation or termination. Assessors reported that one factory does not administer payouts to workers until one month after receiving the workers’ resignation letters.

Child labor
Globally, FLA assessors found no confirmed instances of child labor in 2015; however, one instance of possible child labor was found in one factory in India. Assessors found inconsistencies in age-verification documents provided by factory management, which could indicate that employees who were of working age at the time of the assessment had been hired when they were still underage.

REMEDIATION
As part of the assessment process, companies craft action plans to address findings of noncompliance and work with factories to implement them. For example, one factory established a separate badge system to properly identify and protect pregnant workers in the facility from being exposed to hazardous working conditions. This factory’s management also communicated freedom of association policies to workers, and designated space at the dining hall for worker committee meetings to be held once every two months. Another factory with numerous fire safety violations reported that they installed backup batteries in the emergency exit lights, relocated a hot pressing machine to provide more aisle space for easy evacuation, and posted enlarged evacuation maps at each factory entrance. Find the latest progress on all remediation activity in the “Workplace Monitoring Reports” section of the FLA website.

2. Ibid
3. Ibid