



# **GENDER EQUALITY AT WORK PLACE FOR IMPROVING BUSINESS PERFORMANCE**

*A publication by  
Multi-Stakeholder Initiative Tamil Nadu (MSI-TN)*

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# Abbreviations

<b>Abbreviation</b>	<b>Full Form</b>
AGT	Agreement on Sustainable Garments and Textile
BSR	Business for Social Responsibility
BW	Better Work
CEDAW	The Convention on the Elimination of all Forms of Discrimination Against Women
CoC	Code of Conduct
CSR	Corporate Social Responsibility
DISH	Directorate of Industrial safety and health
EPF	Employee Provident Fund
ESI	Employee State Insurance
ETI	Ethical Trading Initiative
FLA	Fair Labour Association
FWF	Fair Wear Foundation
GBV	Gender Based Violence
GRC	Grievance Redressal Committee
ICC	Internal Complaints Committee
IFC	International Finance Corporation
ILO	International Labour Organisation
ITCILO	International Training Centre of the ILO
LFLRA	Lowell Female Labor Reform Association
MSI	Multi-Stakeholder Initiative
MSI-TN	Multi-Stakeholder Initiative Tamil Nadu
NFLMV	National Floor Level Minimum Wage
NGO	Non-Governmental Organisation
P.A.C.E.	Personal Advancement & Career Enhancement
PiC	Partners in Chance
PPE	Personal Protective Equipment
PST	Partnership for Sustainable Textiles
READ	Rights Education and Development Center
ROI	Return on Investment
SDGs	Sustainable Development Goals
SOMO	The Centre for Research on Multinational Corporations

<b>Abbreviation</b>	<b>Full Form</b>
SST	Supervisory Skills Training
T&A	Textile and Apparel
UN	United Nations
UNIDO	United Nations Industrial Development Organization

## *About this report*

In recent times, compliance has become an indispensable parameter for assessment of competitiveness of textile and apparel (T&A) industry. Global focus is shifting towards sustainable and ethical supply chains, and the onus lies with the brands to ensure compliance throughout their value chain. Brands are now looking to engage with suppliers who are conforming to statutory regulations as well as complying with internationally recognized standards. Conducting compliance audits of suppliers has become a common practice for all global buyers.

Women constitute a significant part of the T&A industry workforce, especially in the T&A manufacturing sector, and it is crucial to ensure safe, inclusive and compliant workplace for them. This report has been developed by Multi-Stakeholder Initiative Tamil Nadu (MSI-TN) to build a case for improvement of working conditions for women working in the T&A industry.

MSI-TN is a Tiruppur based initiative comprising of members from key stakeholder groups from Tamil Nadu. The initiative strives to capture the improvements in the textile supply chain of Tamil Nadu and demonstrate it in the global market. One of the focus areas of MSI-TN is to improve working conditions in the Tamil Nadu textile industry, especially in spinning mills, through in-factory trainings and social dialogue among the stakeholders of the industry.

MSI-TN is supported by the Partnership for Sustainable Textiles, a German multi-stakeholder initiative, which was initiated by the German Federal Ministry for Economic Cooperation and Development. Today, members of the Textiles Partnership cover about half of the German textile market. Under the umbrella of the MSI-TN, The Partnership for Sustainable Textiles aims to ensure fair, ethical and sustainable labour practices in the garment and textile industry across Tamil Nadu.

The practice of social dialogue is being used by MSI-TN to bring all stakeholders of Tamil Nadu T&A industry viz. government officials, trade unions, NGOs, trade bodies and industry players on a common platform. This has helped build trust among industry stakeholders, and they are working together for collective action to resolve challenges faced by the industry.

This report is based on secondary research, as well as the primary findings from social dialogue activities<sup>1</sup> carried out by MSI-TN. It aims at creating awareness about the various issues faced by women in the T&A industry, and their detrimental impact on key performance indicators of a factory. It further outlines, through various examples and best practices, how the workplace can be made safe and inclusive for women workforce, and summarizes business benefits of doing so.

<sup>1</sup> MSI-TN has been carrying out Theme Based District and State Level Dialogue Forum meetings. More than 20 such meetings have been conducted till July 2019, having participation from all major stakeholder groups of Tamil Nadu T&A industry.

# 1. Evolution of women at work

Women have been engaged in work outside their households long before the modern times. Apart from agricultural activities, prehistoric women were known to contribute to household activities such as gathering wood, fetching water and converting wool as well as animal hides into textiles. This nature of work however, has changed considerably during the course of time.

The industrial revolution, which started in Britain in the 18<sup>th</sup> century, was a turning point in changing the nature of women's participation in the workforce. Before the advent of industrial revolution, women were majorly employed in cottage industry set-ups, providing services such as weaving, knitting and sewing to supplement their family income. The industrial revolution saw a major shift in production from cottage industries to factory set-ups. One of the major outcomes of the industrial revolution was the induction of women into industrial workforce<sup>2</sup>.

Historically, the Textile and Apparel (T&A) industry has played a significant role in empowering women through their induction into formal workforce. The industrial revolution era saw the mechanization of T&A manufacturing machinery, which paved the way for mass manufacturing. This led to the expansion of this industry throughout Europe and United States, where more and more women began working in T&A manufacturing factories.

In the 19<sup>th</sup> century, women started getting involved in social reform. They started organizing themselves into organizations and associations to champion for equal rights. One of the earliest and widely documented examples of this phenomenon is the Lowell Female Labor Reform Association (LFLRA). In 1844, women from the textile mills of Lowell, Massachusetts formed themselves into the LFLRA to promote labour reforms in the areas of fair wages, working hours and working conditions.

By the 20<sup>th</sup> century, Europe and United States had become T&A production hubs. However, increase in cost of manufacturing in the developed economies led to a shift in T&A production to low cost developing regions such as South Asia and South East Asia, in search of cost advantages. This industry has since been contributing to the socio-economic development of these regions through multiple factors including employment opportunities for a major part of the population, including women.

Up until the 19<sup>th</sup> and 20<sup>th</sup> centuries, the participation of women in the workforce was mostly limited to low-skilled and low-paying jobs. However today, this participation varies to a great extent across regions and even countries, depending on factors such as economic development, educational attainment, gains in the household technology, access to childcare services, and the social and cultural norms.

The 20<sup>th</sup> century saw a shift in the job roles that men and women were traditionally confined into. During this period, many colleges in United States and Europe, which originally admitted only male students, opened their gates for women. Oxford University started admitting women to degrees and full status in 1921, and Cambridge followed suit in 1947<sup>3</sup>. Increasing number of women acquiring higher education, coupled with the advent of technological innovations and growth of service industry, contributed to the expansion of women's presence in white-collar jobs.

However, even though the global gender gaps in education are closing<sup>4</sup>, this trend is not necessarily translating into more women entering and staying in the workforce by occupying skilled roles and leadership positions.<sup>5</sup> Across industries, women have a lower representation at the management level than they do in the workforce. It has also been established through various studies that all around the world, women are paid less than men even when they are employed in the same job roles. It is said that globally, the gender wage gap is estimated to be 23%, which means that women earn 77% of what men earn.<sup>6</sup>

<sup>2</sup> *ReFresh 12 - Recent Findings of Research in Economic & Social History*, 1991, Available at : <https://www.ehs.org.uk/dotAsset/03e09441-1fde-4aac-812a-79f18507fcc4.pdf>, Accessed on 28<sup>th</sup> July 2019

<sup>3</sup> [https://www.newworldencyclopedia.org/entry/University\\_of\\_Cambridge](https://www.newworldencyclopedia.org/entry/University_of_Cambridge), Accessed on 13<sup>th</sup> August 2019

<sup>4</sup> *Women, Work, and the Economy: Macroeconomic Gains from Gender Equity*, IMF, 2013, Available at : <https://www.imf.org/external/pubs/ft/sdn/2013/sdn1310.pdf>

<sup>5</sup> *SheWorks: Putting Gender-Smart Commitments into Practice at the workplace*, IFC, 2016

<sup>6</sup> *Towards a better future for women and work: Voices of women and men*, ILO and Gallup, 2017

Apart from the gender wage gap, some pervasive challenges faced by women participating in the workforce<sup>7</sup> include unfair treatment at work (including abuse, harassment and discrimination), lack of good-paying jobs, lack of career progression, low retention and work-life balance. However, the intensity of these challenges tends to shift with the level of development in that region. For example, balancing work and family is the major challenge in developed and emerging economies, while unfair treatment at work is the most frequently mentioned concern in developing economies.

The key challenges faced by women at work also depend on their circumstances, comprising of factors such as their age, education, work experience and children. For instance, young women aged between 15 and 29 are more vulnerable to unfair treatment/abuse/harassment at work than older women.<sup>8</sup>

Women and girls continue to disproportionately suffer discrimination, violence and harassment in every part of the world, based on their employment status, sector they work in or the type of work they carry out.

ILO's 2019 *Handbook on Addressing Violence and Harassment against Women in the World of Work* highlights that women working at the bottom of global supply chains of apparel and agriculture are more exposed to violence and harassment in the world of work, especially in the lower tiers of these supply chains. It also states that these women are too often subject to discrimination, sexual harassment and other forms of workplace violence and harassment. This has serious implications on the women workers, their families and communities, as well as on the reputation and performance of their employer organizations.

*Source: Handbook on Addressing Violence and Harassment against Women in the World of Work, ILO, 2019, Available at: <http://www.unwomen.org/en/digital-library/publications/2019/03/handbook-addressing-violence-and-harassment-against-women-in-the-world-of-work>*

Closing gender gaps in the world of work is one of the most crucial challenges faced by the labour market today. In the recent times, awareness about gainful impacts of women empowerment on alleviation of poverty and fueling sustainable economic growth has been increasing. The adoption of Goal 5 of the UNs Sustainable Development Goals for the year 2030, which resolves to 'Achieve gender equality and empower all women and girls' and Goal 8, which resolves to 'promote full and productive employment and decent work for all' is a testament to this awareness. The past decade has witnessed progress for women in the world of work in terms of equal rights and opportunities. Governments, employers, NGOs, development bodies and trade unions have been actively addressing the issues faced by women at work. Several global movements and initiatives<sup>9</sup> have been started which call for a change to ensure safe, healthy, inclusive and progressive workplace for women.

<sup>7</sup> Based on results of based on interviews with nearly 149,000 adults in 142 countries and territories, published in 'Towards a better future for women and work: Voices of women and men' report by ILO and Gallup, 2017

<sup>8</sup> Towards a better future for women and work: Voices of women and men, ILO and Gallup, 2017

<sup>9</sup> Examples include ILO-IFC's Better Work Programme, BSR's HERproject, Inditex's Sakhi and Sowbhagyam project and Gap Inc.'s Personal Advancement and Career Enhancement (P.A.C.E).

## 2. Women's representation in the T&A industry

Women workforce form an integral part of the T&A industry. As per United Nations Industrial Development Organization (UNIDO)<sup>10</sup>, in 2013, women represented an average of 68% of the global apparel manufacturing workforce and 45% of the global textile manufacturing workforce. In developing countries, the share of women employed in this industry is higher than the global average.

According to the Better Work Program being carried out by ILO and IFC, the share of women in apparel manufacturing units in different Asian countries who are participating in the program is as given:

*Table 1 Employment of women in apparel manufacturing industry*

	<b>Cambodia</b>	<b>Indonesia</b>	<b>Vietnam</b>	<b>Haiti</b>	<b>India*</b>	<b>Bangladesh</b>
Employment of women (%)	~90%	~81%	~80%	74%	70%	~55%

Source: *Better Work Programme, 2018*

\*Source: <http://employmentnews.gov.in/NewEmp/MoreContentNew.aspx?n=Editorial&k=70>, accessed on 24<sup>th</sup> July 2019

T&A industry is attributed to the empowerment of women who are less educated and skilled, through provision of employment opportunities.

Women in several regions of the world, especially in developing countries, have limited access to education. For example, in India, the female literacy rate is ~65% whereas the male literacy rate is over 80%. These women have a limited chance at formal employment and they would traditionally be confined to occupations such as agriculture and domestic work. The T&A industry provides job opportunities to a large proportion of such women, which has great potential to impact their lives, and consequently lives of their families and communities. A 2012 World Bank study titled *Sewing Success? Employment, Wages, and Poverty following the End of the Multi-fibre Arrangement*, gave evidence that apparel wages usually lie above the wages for agricultural jobs and are comparable to those in the service industry. It concluded that apparel industry seems to be more associated with lowering poverty than other low-skilled and labour intensive industries.

Sources: Indian Census 2011 data; *Sewing Success? Employment, Wages, and Poverty following the End of the Multi-fibre Arrangement*, World Bank, 2012

Women's role in the T&A industry has been in the lower tiers of the value chain, predominantly in manufacturing units. A large proportion in T&A manufacturing industry workforce are young women, often rural migrants with limited or no skills. Traditionally, these women used to return to their village after a couple of years to get married and look after their households. However, this trend is now changing. A 2016 Business for Social Responsibility (BSR) report<sup>11</sup> titled *Empowering Female Workers in the Apparel Industry* highlights that in recent times, growing proportion of women workers are marrying, having children, and remaining in urban areas to continue working within the apparel supply chain.

The working conditions of T&A industry workers in some manufacturing units have been described by ILO<sup>12</sup> as 'unacceptable forms of work', i.e. which fail to meet international labour standards. Apart from poor and unsafe working conditions, low and unequal wages, long working hours, harassment and gender discrimination are some of the social issues which have been plaguing this industry. Many studies have been conducted which establish that these issues can be particularly challenging for female workers. The high percentage of informal employment in the T&A industry in developing countries, especially in case of women, contributes to this problem. These women miss out on the benefits of formal employment and are more susceptible to harassment, exploitation and abuse.

Yet another pressing issue is the gender segregation when it comes to the job allocation in the T&A industry. Women are mostly employed in low-paying and low-skilled jobs. Men are often in roles of supervisors and in managerial positions, where exercise of authority is required. This creates barriers for the career progression of women and also makes them more susceptible to harassment and abuse.

<sup>10</sup> UNIDO: *International Yearbook of Industrial Statistics*, Vienna, 2013, Data does not include important producers, such as Bangladesh, Pakistan, Viet Nam, Cambodia and Thailand.

<sup>11</sup> *Empowering Female Workers in the Apparel Industry Three Areas for Business Action*, BSR, June 2017

<sup>12</sup> *Part A: Gender-Based Violence In Global Supply Chains*, ITCILO Report, 2016

### 3. Challenges faced by women in T&A industry

Looking at the global T&A supply chain, we find that margin is becoming thinner and lead time is reducing for major apparel products. In many such cases, overcapacity is one of the major reasons and thus the bargaining power of manufacturers have reduced. To lower production costs and fast track the supply, suppliers often end up neglecting safety and compliance in their factories.

In South Asian countries and other developing countries where low-cost labour is a major competitive advantage, the T&A industry is often faced with allegations of poor working condition and exploitation of workforce. Pressure to meet deadlines and manufacturing cost targets, often results in fixing unrealistic targets and thus the cases of unsafe working environment and exploitation increase.

Although several brands are now becoming proactive in terms of their suppliers' compliance to laws and international standards, unauthorized subcontracting is still rampant in the industry. Work, especially in the garment manufacturing industry, is frequently subcontracted from regulated factories to unregulated fabricators, where operators work longer hours for lower wages in unsafe and hazardous working conditions.

Although a large number of women are employed in the T&A industry, equity issues persist far and wide. This happens as the role of women is often limited to performing 'low-skilled' tasks, where they are exposed to low wages and other gender gaps in the industry. Women workers face harassment, abuse and exploitation on a daily basis in these factories and they have to constantly juggle their household responsibilities with long working hours. Unsupportive norms and power dynamics place women at a position of disadvantage, which results issues such as gender based violence and poor working environment. These issues have been elaborated in the section below.

#### 3.1. Gender based violence

Gender Based Violence (GBV) is a pervasive form of violence and harassment rooted in unequal power relations between women and men, and it both reflects and reinforces the subordinate status of women in many societies.<sup>13</sup>

Although in many T&A supplier factories, especially in the developing countries, gender based violence usually refers to physical harm and abuse, its definition is much wider. UN defines violence against women as –

*'Any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or in private life'.*

*Source: <https://www.un.org/womenwatch/daw/vaw/v-overview.htm>, Accessed on 11th July 2019*

Various studies have been carried out which document the widespread instances of gender based violence and harassment against women in the T&A industry. A 2017 study by BSR<sup>14</sup> says that women workers become so habituated to exploitation that anything less than physical violence and rape is not viewed as harassment.

A 2018 report published by Global Labour Justice highlights cases of gender-based violence in leading global brands' garment supply chains includes interviews and focus group discussions with 569 workers employed in 55 supplier factories across Bangladesh, Cambodia, India, Indonesia, and Sri Lanka. This report provides an empirical account of the spectrum of gender based violence faced by women workers in those factories. The forms of GBV reported include acts that inflict physical harm, mental harm, sexual harm or suffering (including sexual harassment, abuse, assault, and rape), coercion, threats, retaliation and deprivations of liberty. During interviews, it was also reported by women working in some Indian supplier factories that they were fired from their jobs during their pregnancy and permanent workers were forced to take leaves without pay for the period of their pregnancy.

*Source: Gender Based Violence in the H&M and GAP Garment Supply Chain Workers Voices from the Global Supply Chain: A Report to the ILO 2018*

<sup>13</sup> Handbook Addressing violence and harassment against women in the world of work, ILO and UN Women, 2019

<sup>14</sup> Empowering Female Workers in the Apparel Industry Three Areas for Business Action, BSR, June 2017

In the T&A supplier factories, including spinning mills, authoritative roles such as of supervisors and managers are mostly held by men. Therefore, as per the hierarchical structure, they have more power than factory floor workers, who are predominantly women. In most cases, these men exploit their power to harass women workers on a regular basis.

### 3.1.1. Sexual harassment and exploitation

A lot harassment faced by women in the T&A supplier factors is sexual in nature. Sexual harassment, which is a form of gender based violence, includes unwelcome sexually determined behavior such as physical contact and advances, sexually colored remarks, showing pornography and sexual demands, whether through words or actions. Such conduct can be humiliating and may constitute a health and safety problem; it is discriminatory when the woman has reasonable ground to believe that her objection would put her at a disadvantage in connection with her employment, including recruitment or promotion, or when it creates a hostile working environment.<sup>15</sup>

According to the ILO –

*There are two kinds of sexual harassment at work: quid pro quo sexual harassment (demand for something in return for sexual favors) and hostile environment sexual harassment.*

*Source: Gender-Based Violence in Global Supply Chains, ITCILO Report (Part A), Available on: <https://gbv.itcilo.org/index.php/module/show/id/1.html>*

Cases of sexual harassment are common in T&A supplier factories. In Fair Wear Foundation's survey<sup>16</sup> of 658 women in 35 Indian and Bangladeshi factories, 75% reported that regular verbal abuse occurred in their factory, most of which was sexually explicit.

Data from the ILO/IFC Better Work (BW) program in garment factories shows that in Indonesia, 82% of workers report concerns of sexual harassment and it is 34% in Jordan and 38% in Haiti. It was reported that the results are highly sensitive to how the question is asked and the language used. The report further says that the primary reason for these high rates is that the industry often comprises women workers under the age of 30, many of whom migrate from rural areas or abroad and occupy low power positions, which increases the risk of sexual harassment.

*Source: Thematic Brief: Progress and Potential: A Focus on Gender, Better Work, 2016*

In T&A manufacturing factories, power dynamics come into play which put the women in a position where they are more vulnerable to harassment. In several factories, women workers are exposed to abusive disciplinary practices which amount to sexual harassment. A 2018 report<sup>17</sup> published by Global Labour Justice about the gender-based violence in leading global brands' garment supplier factories across Bangladesh, Cambodia, India, Indonesia, and Sri Lanka documented the cases of sexual harassment which included sexual comments and advances, inappropriate touching, pinching, pulling hair, and bodily contact initiated by both managers and male co-workers.

Instances of sexual harassment often go unreported due to lack of functional complaint redressal mechanisms, stigma attached to this issue as well as the tendency in select regions to view these acts as a part of normal behavior.

Cases of sexual harassment create an unhealthy and negative working environment. Evidence from the impact assessment<sup>18</sup> of ILO-IFC's Better Work programme in Vietnam and Jordan, which surveyed over 8,000 factory

<sup>15</sup> United Nations Committee on the Elimination of All Forms of Discrimination against Women (CEDAW), General Recommendation No. 19, Violence against Women, paragraph 18, XI session, 1992

<sup>16</sup> *Violence and harassment against women and men in the global garment supply chain*, Fair Wear Foundation, 2018

<sup>17</sup> *Gender Based Violence in the H&M and GAP Garment Supply Chain Workers Voices from the Global Supply Chain : A Report to the ILO*, Global Labour Justice, 2018

<sup>18</sup> *Progress and potential: How Better Work is improving garment workers' lives and boosting factory competitiveness: A summary of an independent assessment of the Better Work programme/ International Labour Office*. ILO, 2016.

workers, indicates that where sexual harassment is more prevalent, indicators of business success are negatively affected. There is a strong negative correlation between the average profits reported by managers and the average level of concern with sexual harassment in the workplace.

A study<sup>19</sup> carried by ITCILO highlights the severe impact gender based violence has on women's mental, physical, sexual and reproductive health. It states that gender based violence affects mental stability and restricts choices and decision-making of those who experience it. This can be seen in the following two insights<sup>20</sup> provided in the report:

1. Around the world, ~37% of deaths of women aged 15-44 are due to suicide and this percentage continues to increase
2. GBV or sexual abuse is a particular cause of suicide among young women who suffer irreversible reputational damage.

For most women, their factory jobs are an important source of income for their families which forces them to continue working, despite being exposed to frequent gender based violence.

### **3.2. Low and unequal wages**

In India, minimum wages vary according to the state and category of the worker. Although the National Floor Level Minimum Wage (NFLMW) has been fixed to INR 176 / day with effect from 2017<sup>21</sup>, it is not mandatory yet for the state governments to fix a wage higher than the NFLMW. Asia Floor Wage reports<sup>22</sup> that many T&A supplier firms in India pay the workers below the minimum wages fixed in the States, which itself is abysmally low in many cases.

Wages earned by workers in the T&A industry are not always sufficient to meet their basic needs. It is a noticeable trend that many workers, especially the migrant workforce, voluntarily take overtime work to increase their total wages. Since operator wages have a significant contribution to the cost of manufacturing of apparel, suppliers often lower their manufacturing cost at the expense of the workers' wages.

Various studies report that there are differential economic gains for women and men working in the lower tiers of the T&A manufacturing sector. Although factors such as education can be attributed to the pay gap, the inherent discrimination against women is also a major factor contributing to this pay gap.

A 2016 publication by ILO titled 'Assessing the gender pay gap in Asia's garment sector' presented the gender pay gap in the apparel, textile and footwear industry in nine developing Asian economies – Bangladesh, Cambodia, India, Indonesia, the Lao People's Democratic Republic, Pakistan, the Philippines, Thailand and Viet Nam. It found that women earn less than men in eight of the nine countries, with the imbalance particularly sizeable in India and Pakistan.

*Source: Assessing the gender pay gap in Asia's garment sector by Phu Huynh, March 2016, ILO*

There are also instances where women workers report that they do not receive their wages regularly, as mandated by the law. For instance, women workers employed in factories in the leading global brands' garment supply chains reported that they did not always receive regular wages.<sup>23</sup>

Non-payment of wages creates problems for workers since they are either the sole breadwinners or significant contributors to their family incomes. Low wages and lack of equal pay for the same job roles have the potential to make the woman more vulnerable to harassment and exploitation both inside and outside the workplace.

<sup>19</sup> Part A: Gender-Based Violence In Global Supply Chains, ITCILO Report, 2016

<sup>20</sup> International Centre for Migration, Health and Development Data, Cited in Part A: Gender-Based Violence In Global Supply Chains, ITCILO Report

<sup>21</sup> Data by Ministry of Labour and Employment, Government of India, Available at: <https://labour.gov.in/gazette-notification>, Accessed on 26<sup>th</sup> July 2019

<sup>22</sup> Towards An Asia Floor Wage A Global South Labour Initiative for Garment Workers, Asia Floor Wage, 2015

<sup>23</sup> Gender Based Violence in H&M and GAP Garment Supply Chain Workers Voices from the Global Supply Chain : A Report to the ILO, Global Labour Justice, 2018

### 3.3. Lack of career progression

In most of the T&A supplier factories, there is limited focus on skilling and up-skilling of women workforce, and they are often not trained how to use new technologies. It is a common industry practice that mostly men are promoted to supervisory and manager levels. There are very few studies that have gathered quantitative data to establish the deep rooted nature of this problem faced by the T&A industry.

UN Women reports that while women comprise four out of five workers on the production lines of Bangladesh's apparel manufacturing factories, only 1 in 20 supervisors is a woman.

Source: <http://progress.unwomen.org/en/2015/kalpona/>, Accessed on 25th July 2019

The effect of technological advancements and automation is further expected to enhance this problem. A 2017 BSR report<sup>24</sup> titled *Empowering Female Workers in the Apparel Industry: Three Areas for Business Action* reveals that as new technologies become available and larger firms invest in more automated production processes, more men are being hired. It further goes on to add that while the opportunity for greater skills development and occupational growth exists for women workers, it appears that these opportunities may be going to a larger proportion of male workers and supervisors.

Research shows that internal appointments and promotion of women workforce can lead to a higher return on investment (ROI) in human capital and deliver in terms of better financial results, more effective employee performance and stronger engagement across the company. With women in the supervisory and managerial positions, the female workers tend to feel more comfortable to report the issues they are facing at work. This improves the overall working environment of the factory, which further translates into quantifiable business benefits.

### 3.4. Occupational safety and health

Unsafe working environment compromises the safety and health of the workers, and may lead to work related accidents, injuries and diseases. Some examples of hazards in the T&A manufacturing factories include physical hazards from heat and dust, chemical hazards, ergonomic hazards from nature of work, psychological hazards from harassment and abuse, and biological hazards from poor nutrition.

In many supplier factories, water and sanitation facilities for workers are often inadequate, badly designed, poorly maintained and sometimes completely non-existent. The lack of clean and hygienic private toilets has a detrimental effect of women's health, especially when they are menstruating. Inadequate water and sanitation facilities are a health hazard for the workers, and consequently, an impediment to labour productivity.

Occupational safety and health of women workers is a pressing issue for Tamil Nadu T&A industry and a lot of media attention has been focused on the poor living conditions of working women hostels for women and young girls working in the spinning mills. The conditions of several hostels were found to be endangering the safety and health of women. These issues have been elaborated in the further sections.

In the 2018 report published by Global Labor Justice about gender-based violence in leading global brands' supplier factories, it was reported that many women faced work related health issues. In India, women workers employed as machine operators reported ulcers and piles due to sitting hunched over machines for long hours. Women working as checkers reported getting varicose veins as a result of long hours standing and checking garments.

In supplier factories across Bangladesh, Cambodia, India, Indonesia, and Sri Lanka, severe cases of workplace accidents were reported. These included electric shocks, breathing toxic fumes, poor ventilation and excessive heat.

Source: *Gender Based Violence in the H&M and GAP Garment Supply Chain Workers Voices from the Global Supply Chain: A Report to the ILO 2018*

<sup>24</sup> *Empowering Female Workers in the Apparel Industry Three Areas for Business Action*, BSR, June 2017

One of the deadliest accidents to have occurred in the T&A industry - The Rana Plaza building collapse which killed 1,132 workers and injured 2,500 more, is a grim reminder of the grave consequences of neglecting occupational safety and health. Apart from losses due to payment of compensations, workplace accidents, which are a result of neglecting occupational worker safety and health, cause irreparable reputational damage to the supplier. This may consequently lead to a loss of orders from global buyers.

### **3.5. Excessive working hours and night shifts**

Excessive working hours in factories are a result of unrealistic production targets and deadlines, which may arise due to last minute changes in the order, tight production deadlines or simply a result of the supplier's strategy to remain competitive. For workers, excessive and frequent overtimes mean that they would be earning some extra income apart from their wages, which are often lower than the statutory minimum wages. Mostly, workers cannot refuse overtime as it may result in punishments and penalties by factory managers.

The 1948 Factories Act mandates a 48-hour workweek, and various standards for working conditions. It also states that for overtime work, the worker is entitled to receive wages at the rate of twice the ordinary wage rate and piece rate workers are entitled to double their time rate.

*Source: The Factory Act, 1948, Chapter VI*

*Available at: [https://pblabour.gov.in/Content/documents/pdf/acts\\_rules/factories\\_act\\_1948.pdf](https://pblabour.gov.in/Content/documents/pdf/acts_rules/factories_act_1948.pdf)*

Overtime and in many cases, nightshifts, are a regular practice in the T&A manufacturing industry, especially in developing countries. In the apparel manufacturing factories where piece rate system is prevalent, the operators' wages are dependent on meeting the production targets. In many cases, unrealistic production targets are set by the factory management and managers force workers to put in hours of unpaid overtime on the pretext of completing production targets.

In its 2016 India Country Study, Fair Wear Foundation, after gathering information from several stakeholder interviews, reported that migrant workers are keener to earn extra money to send back to their families, even though overtime is often paid at single and not double rate. It also highlighted that if workers do not reach the production targets within the eight hours of work, they often stay overtime without being paid.

*Source: India Country Study 2016, Fair Wear Foundation (Stakeholder interviews conducted with NGOs)*

In its 2018 report on gender-based violence in global leading brand's garment supplier factories across Bangladesh, Cambodia, India, Indonesia, and Sri Lanka, Global Labor Justice reported that most workers had to work overtime on a daily basis, which routinely stretched till late at night. It was also reported that workers were not adequately compensated for the overtime.

Similar findings were reported after a survey carried out by *War on Want* on 1,000 women workers from 41 garment factories in Bangladesh. 90% of women workers reported that they were only notified about overtime a few hours before it was needed, and 82% stated that they could not refuse overtime for fear of losing their jobs.

*Source: Gender Based Violence in the H&M and GAP Garment Supply Chain Workers Voices from the Global Supply Chain: A Report to the ILO 2018; Stitched Up-Women in Bangladeshi Garment Sector Report by War on Want, 2011*

This issue can be particularly challenging for women, who are traditionally bestowed upon with the responsibility of taking care of the household. The issue of safety and security also arises here, especially when the women have to travel late at night either by walking or using some modes of public transportation.

## Case in Point - Women in Tamil Nadu T&A industry

Tamil Nadu is one of India's T&A manufacturing hubs, accounting for ~19% of the country's T&A output. The state has 46% of India's spinning capacity, 60% of yarn export, 20% of power loom capacity, 12% of handloom capacity and 70% of cotton fabric knitting capacity.<sup>25</sup>

Women and young girls form a major part of workforce employed in the Tamil Nadu T&A industry and they comprise of around 80% of workforce in spinning mills located in the state. Although official figures are not present, several studies have highlighted the high percentage of young girls working in the Tamil Nadu T&A industry. The Fair Wear Foundation, India Country Study 2019 reports that there is mainly young female low-caste workforce in several parts of Tamil Nadu, with an average age range from 16 to 25 and workers are mostly from the rural areas of the state, although the inter-state migrant workforce is on the rise.<sup>26</sup> A 2012 survey<sup>27</sup> carried out by The Centre for Research on Multinational Corporations (SOMO) on 1,638 spinning mill workers in Tamil Nadu found that 18% of the women workers were younger than 15 years when they entered the factory and 60% of the women workers were aged between 15-18 years.

Lately, many studies have also been signaling towards the growing number of female migrant laborers in the Tamil Nadu T&A industry.

A survey conducted by Tamil Nadu Labour Department in 2016 revealed that better wages and employment opportunities in Tamil Nadu draw workers from West Bengal, Odisha, Bihar, Jharkhand and Assam. Data collected from the survey revealed that the second maximum number of jobs in the state are offered by T&A and allied industries.

After stakeholder consultations with ILO and ETI, Fair Wear Foundation reported in its 2019 India Country Study that increased employment of inter-state migrant workers and increased percentage of contract workers were trends observed in the Indian T&A industry. The rise of migrant workforce in several regions of the Indian T&A industry, including Tamil Nadu has been emphasized in various reports. In a report published in 2017 by ILO titled *Working conditions of migrant garment workers in India: A literature review*, it is highlighted that recruitment by contractors is fairly common in several parts of Tamil Nadu, and contractors mostly recruit distant inter-state migrants.

Migrant workers, many of them women, are often part of the informal economy, and are not protected by the legal frameworks. They do not get employee benefits such as social security and maternity benefits. In its 2018 report titled *Gender Based Violence in the H&M and GAP Garment Supply Chain Workers Voices from the Global Supply Chain: A Report to the ILO*, Global Labor Justice highlighted that a large proportion of migrant women come from marginalized communities. Due to entrenched structures of discrimination, their intersecting status as migrants, women, and members of marginalized communities, increases the risk of exploitation and exclusion from decent work, and undermines the ability to seek accountability through formal legal mechanisms.

A 2019 report by Rights Education and Development Center (READ) in association with Partners in Chance (PiC) titled *Business Reinvent Servitude* published the results of a survey carried out on 200 female migrant workers from Odisha who are working in the Tamil Nadu T&A industry. It was reported that around two third respondents were working more than 12 hours a day. This is not in accordance with the Factories Act 1948, which mandates that workers should not work for more than 48 hours in a week and not more than 9 hours in a day. Most workers did not have any formal employment contract, and it was found that they were being paid less than the statutory minimum wages. 75% respondents reported to be living in an employer-provided hostel at the time of the survey, and although the respondents described the living conditions as "good", they were found to be living in congested conditions.

Sources: Fair Wear Foundation Country Study 2019; *Working conditions of migrant garment workers in India: A literature review* / International Labour Office, *Fundamental Principles and Rights at Work Branch*. - Geneva: ILO, 2017; <https://timesofindia.indiatimes.com/city/chennai/Tamil-Nadu-now-home-to-1-million-migrant-workers-Study/articleshow/50861647.cms>, Accessed on 29th July 2019; *Business Reinvent Servitude Report* by READ, 2019

<sup>25</sup> Tamil Nadu New Integrated Textile Policy 2019, Available at: [http://cms.tn.gov.in/sites/default/files/documents/TN\\_Textile\\_Policy\\_2019.pdf](http://cms.tn.gov.in/sites/default/files/documents/TN_Textile_Policy_2019.pdf)

<sup>26</sup> Fair Wear Foundation, *India Country Study 2019*, Fair Wear Foundation, 2019

<sup>27</sup> SOMO and ICN, 'Maid in India – Young Dalit Women Continue to Suffer Exploitative Conditions in India's Garment Industry', April 2012

Cases of harassment, abuse and exploitation of women are prevalent both at the workplace and in the working women hostels that accommodate these women. Over the past decade, there have been several media reports highlighting the issues faced by women in Tamil Nadu T&A industry, which includes reports by Reuters<sup>28</sup>, The Hindu<sup>29</sup> and Hindustan Times<sup>30</sup>. This issue has been highlighted globally in studies conducted by Homeworkers Worldwide<sup>31</sup>, Centre for Research on Multinational Corporations (SOMO)<sup>32</sup>, Fair Wear Foundation<sup>33</sup>, Fair Labour Association<sup>34</sup>, India Committee of the Netherlands<sup>35</sup> and Global Labour Justice<sup>36</sup>. Cases of sexual harassment, physical violence, abusive language, low wages and excessive working hours including regular night shifts have been highlighted in these reports. In 13 audits carried out by the Fair Wear Foundation in January 2016 to December 2018 in a major T&A hub in Tamil Nadu<sup>37</sup>, the highest percentage of non-compliance was found to be excessive overtime (four hours daily), which was not compensated as required by the law.

Yet another issue that has caught the attention of brands, NGOs, development bodies, national and international media is the 'Sumangali' scheme of Tamil Nadu.

Sumangali Scheme is a form of illegal bonded labour practice that still persists in parts of the state of Tamil Nadu. Young girls are sent by their families to work in factories, including cotton spinning mills, under the promise of the payment of wages after three or five years, to be used for their marriage purpose. But they often endure poor working conditions, violence, harassment, low pay, and don't see their wages at the end of it in many cases.

Source: <https://www.inditex.com/our-commitment-to-people/our-suppliers/workers-at-the-center/sumangali-in-india>, Accessed on 25th July 2019

In a study<sup>38</sup> conducted by India Committee of the Netherlands in 2016, it was reported that Sumangali scheme was found active in 351 out of 743 spinning mills. However, in stakeholder interviews carried out by Fair Wear Foundation in 2019<sup>39</sup>, Tamil Nadu based NGOs reported that following international global attention on this issue, girls are no longer paid a lump sum at the end of the contract period and are instead paid monthly; although, their pay remains below the statutory minimum wage.

Even though there are laws in place for the protection of women's rights, there is a lack of enforcement. As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, Internal Complaints Committees (ICCs) are required to be present in an organization which has 10 or more employees. In its 2019 India Country Study<sup>40</sup>, Fair Wear Foundation, after consultation with various industry stakeholders, reported that the ICCs are either not present or not functioning properly in most of the T&A factories and mills.

The aforementioned issues of discrimination, harassment and exploitation faced by the women workers in the T&A industry have a negative impact on their physical as well as psychological health and well-being. For workers, it can lead to anxiety, stress, decreased job satisfaction and demotivation. It can also have negative effects on workplace communications, environment and ultimately, the performance of the workers, which would have negative consequence on the business.

In Indian supplier factories, the functioning of the grievance mechanisms may be improved to make it more approachable for women workers.

<sup>28</sup> <https://in.reuters.com/article/uk-india-textiles-women-abuse/indian-factories-found-endangering-seamstresses-health-with-illegal-pill-idINKCN1TD013> , Accessed on 29<sup>th</sup> July 2019

<sup>29</sup> <https://www.thehindu.com/news/national/tamil-nadu/exploitation-continues-at-garment-hub/article2971420.ece> , Accessed on 29<sup>th</sup> July 2019

<sup>30</sup> <https://www.hindustantimes.com/india-news/he-squeezes-our-breasts-tn-woman-workers-letter-exposes-textile-industry/story-romBdKlfGhKai4IujXl4cO.html> , Accessed on 29<sup>th</sup> July 2019

<sup>31</sup> <http://www.homeworkersww.org.uk/assets/uploads/files/forcedlabourbriefingforwebsite.pdf> , accessed on 29<sup>th</sup> July 2019

<sup>32</sup> <https://www.somo.nl/flawed-fabrics/> , Accessed on 29<sup>th</sup> July 2019

<sup>33</sup> <https://www.fairwear.org/resource/india-country-study-2016/> , Accessed on 29<sup>th</sup> July 2019

<sup>34</sup> [https://www.solidaridadnetwork.org/sites/solidaridadnetwork.org/files/publications/Understanding\\_Sumangali\\_Scheme\\_in\\_Tamil\\_Nadu.pdf](https://www.solidaridadnetwork.org/sites/solidaridadnetwork.org/files/publications/Understanding_Sumangali_Scheme_in_Tamil_Nadu.pdf) , Accessed on 29<sup>th</sup> July 2019

<sup>35</sup> <http://www.indianet.nl/pdf/FabricOfSlavery.pdf>, Accessed on 29<sup>th</sup> July 2019

<sup>36</sup> *Gender Based Violence in H&M and GAP Garment Supply Chain Workers Voices from the Global Supply Chain : A Report to the ILO*, Global Labour Justice, 2018

<sup>37</sup> *India Country Study 2019*, Fair Wear Foundation, 2019

<sup>38</sup> *Fabric of Slavery*, India Committee of the Netherlands, December 2016

<sup>39</sup> Stakeholder interviews with SAVE and READ on 5 December 2018

<sup>40</sup> *India Country Study, 2019* (Information collected through Stakeholder interviews), Fair Wear Foundation, 2019

## 4. Legal Frameworks

Global buyers and retailers are looking to ensure ethical manufacturing practices and sustainability throughout their supply chains. For this purpose, most of them have their Codes of Conduct which the suppliers need to adhere to, in order to do business with the buyer. Compliance with the applicable laws of respective supplier countries are mandated by most buyers in their Code of Conduct.

The Code of Vendor Conduct of global retailer Gap Incorporated, begins with the condition that -

*The facilities that produce goods for Gap Inc. shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules and regulations as a condition of doing business with Gap Inc.*

*Source: Available at: [https://www.gapinc.com/content/dam/gapincsite/documents/CodeofVendorConduct\\_FINAL.pdf](https://www.gapinc.com/content/dam/gapincsite/documents/CodeofVendorConduct_FINAL.pdf), Accessed on 29<sup>th</sup> July 2019*

Buyers' Codes of Conduct are based on internationally accepted labour standards including the Universal Declaration of Human Rights, United Nations (UN) Guiding Principles for Business and Human Rights and International Labour Organization (ILO)'s core conventions. ILO aims to promote decent work in the textiles, clothing, leather and footwear through social dialogue, knowledge creation, capacity building, multi-stakeholder partnerships and by supporting in implementation of international labour standards and conventions.

India is a founder member of the ILO, which came into existence in 1919. The ILO Governing Body has identified eight "fundamental" Conventions, covering subjects that are considered to be fundamental principles and rights at work. India has ratified six out of the eight fundamental ILO Conventions. These are:

- Forced Labour Convention, 1930 (No. 29)
- Equal Remuneration Convention, 1951 (No. 100)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- Minimum Age Convention, 1973 (No. 138) (Minimum age specified: 14 years)
- Worst Forms of Child Labour Convention, 1999 (No. 182)

These conventions are legally binding and India is mandated to take effective measures to implement them.

*Source: [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200\\_COUNTRY\\_ID:102691](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:102691), Accessed on 25<sup>th</sup> July 2019*

### 4.1. Indian Legislation

Under the Constitution of India, labour is a subject in the concurrent list where both the Central & State Governments are competent to enact legislation subject to certain matters being reserved for the Centre.<sup>41</sup> The cost of non-compliance of the aforementioned Indian Legislation by supplier factories can be penalties, heavy fines as well as legal ramifications.

Laws are put in place to establish minimum standards that all companies must adhere to in order to perform business legally in India. In India, mandatory legislations are spread across three tiers: Central, State and Local regulations.

*Source: The Ministry of Labour & Employment, Govt. of India, <https://labour.gov.in/constitutional-provision>, Accessed on 31st July 2019*

<sup>41</sup> Ministry of Labour and Employment, Government of India, <https://labour.gov.in/constitutional-provision>, accessed on 26<sup>th</sup> July 2019

ILO-IFC Better Work Program, which focuses on improving worker-management cooperation, working conditions and social dialogue, has strategies and action points which may prove useful for Indian T&A industry. Apart from mandatory compliance points, several industry best practices relating to women’s health and well-being are covered. An overview of this program and its impact has been given in Chapter 5. A list of Indian Legislation relevant to the T&A industry, mapped against social compliance points laid out under Better Work Program is given in the table below:

*Table 2 Indian Legislation relevant to the T&A industry*

<b>Compliance Category</b>	<b>Compliance Clusters</b>	<b>Compliance Points</b>	<b>Indian Laws</b>
<b>Labour Standards</b>	Child Labor	Child Labourers Documentation and Protection of Young Workers Hazardous Work and Other Worst Forms	<ul style="list-style-type: none"> <li>• Child Labour (Prohibition &amp; Regulation) Act, 1986</li> <li>• The Children (Pledging of Labor) Act, 1933</li> </ul>
	Discrimination	Race and Origin Religion and Political Opinion Gender Other Grounds	<ul style="list-style-type: none"> <li>• Equal Remuneration Act, 1976</li> <li>• The sexual harassment of women at workplace (Prevention, Prohibition, and Redressal) Act, 2013*</li> <li>• Persons With Disability Act, 1995</li> <li>• The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979</li> </ul>
	Forced Labour	Coercion Bonded Labour Forced Labour and Overtime Prison Labour	<ul style="list-style-type: none"> <li>• Bonded Labour System (Abolition) Act, 1976</li> </ul>
	Freedom of association and collective bargaining	Freedom to Associate Union Operations Interference and Discrimination Collective Bargaining Strikes	<ul style="list-style-type: none"> <li>• The Industrial Disputes Act</li> <li>• The Trade Union Act, 1926</li> </ul>
<b>Working Conditions</b>	Compensation	Minimum wages/Piece rate wages Overtime wages Premium Pay Method of Payment Wage Information, Use and Deduction Paid Leave Social Security and Other Benefits	<ul style="list-style-type: none"> <li>• The Minimum Wages Act, 1948</li> <li>• Minimum Wages (Central) Rules, 1950</li> <li>• The Payment of Bonus Act, 1965</li> <li>• The Payment of Gratuity Act, 1972</li> <li>• The Payment of Wages Act, 1936</li> <li>• The Employees Provident Funds and Misc. Provisions Act, 1952</li> <li>• Employees State Insurance Act, 1948</li> <li>• Workmen’s Compensation Act, 1923</li> <li>• Employers Liability Act, 1938</li> </ul>
	Contracts and Human Resources	Employment Contracts Contracting Procedures Termination Dialogue, Discipline and Disputes	<ul style="list-style-type: none"> <li>• The Industrial Employment (Standing Orders) Act, 1946</li> <li>• Apprentices Act, 1961</li> <li>• Industrial Employment (Standing Orders) Act, 1946</li> </ul>

Compliance Category	Compliance Clusters	Compliance Points	Indian Laws
			<ul style="list-style-type: none"> <li>The Contract Labour (Regulation &amp; Abolition) Act, 1970</li> </ul>
	Occupational Safety and Health	OSH Management Systems Chemicals and Hazardous Substances Worker Protection Working Environment Health Services and First Aid Welfare Facilities Worker Accommodation Emergency Preparedness	<ul style="list-style-type: none"> <li>The Factories Act, 1948</li> <li>Maternity Benefit (Amendment) Act, 2017*</li> <li>The Tamil Nadu Hostels and Homes for Women and Children (Regulation) Act, 2014*</li> </ul>
	Working Time	Regular Hours Overtime Leave	<ul style="list-style-type: none"> <li>Weekly Holidays Act, 1942</li> </ul>

\*Acts specific to women workers

A brief description of acts specific to women workers has been given below:

- **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**<sup>42</sup> provides for the establishment of Internal Complaints Committees (ICC) in factories with more than 10 employees, where victims of sexual harassment can file complaints. It mandates that at least half of the ICC members must be women and one member must be from an NGO. It also states that the ICC must submit a yearly report to the employer and the District Officer.
- **The Maternity Benefit (Amendment) Act, 2017**<sup>43</sup> states that women are entitled to 26 weeks of paid maternity leave (up to eight weeks before the expected delivery date and the remaining 18 weeks can be availed post childbirth). It also makes crèche facilities mandatory for every establishment employing 50 or more employees.
- **The Tamil Nadu Hostels and Homes for Women and Children (Regulation) Act, 2014**<sup>44</sup> regulates the living conditions in the hostels where mostly women workers working in T&A industry find accommodation in Tamil Nadu. The Act states that adolescent workers living in hostels must register their in-and-out times and are not allowed to leave without being accompanied by a family member or guardian.

It is important to note here that workers in the informal and unorganized economy do not fall under the scope of protection by these laws.

<sup>42</sup> Available at: <http://www.iitbbs.ac.in/notice/sexual-harrassment-of-women-act-and-rules-2013.pdf>, Accessed on 30<sup>th</sup> July 2019

<sup>43</sup> Available at : [https://labour.gov.in/sites/default/files/Maternity%20Benefit\(Amendment\)%20Act,2017.pdf](https://labour.gov.in/sites/default/files/Maternity%20Benefit(Amendment)%20Act,2017.pdf), Accessed on 30<sup>th</sup> July 2019

<sup>44</sup> Available at: <http://www.stationeryprinting.tn.gov.in/extraordinary/2014/154-Ex-IV-I-E.pdf>, Accessed on 30<sup>th</sup> July 2019

## 5. Actions to improve working conditions for women workforce

In the past couple of years, several media investigations and reports have highlighted instances of sexual harassment, gender based violence, abuse and exploitation of women working in the T&A industry, especially in supplier factories located in developing countries. This has led to many initiatives by industry stakeholders to improve working conditions, focus on skill development and promote the health, safety and well-being of women workforce.

Several such partnerships and initiatives focus on social dialogue to bring about improvements that create impact. According to ILO<sup>45</sup>, social dialogue has played a key role in transforming the Textiles, Clothing, Leather and Footwear Industries profoundly by addressing the negative impacts of accelerating globalization, shifting employment patterns, increased insecurity, and ongoing financial pressures.

The ILO defines social dialogue as ‘*All types of negotiation, consultation or information sharing among representatives of governments, employers and workers, or between those employers and workers on issues of common interest relating to economic and social policy*’.

Social dialogue has been shown to be an effective tool for both workers and employers, in preventing minor disagreements from escalating into major disputes, in helping enterprises to become more efficient and competitive, in increasing labour productivity, in reducing employee turnover and in developing trust and confidence in the workplace and subsequently more mature, effective forms of interaction.

*Sources: International Labour Office: Governance and Tripartism Dept., 2013; Good Practice Guide, Social Dialogue and Workplace Cooperation, ILO*

Growing global awareness and concern about labour right issues has brought government, development bodies, brands, suppliers and workers’ representative groups together in innovative partnerships to drive initiatives that focus on creating meaningful improvements for the workers. Examples of some such multi-stakeholder initiatives and industry best practices are given in the section below.

### 5.1. Multi-stakeholder initiatives

Several stakeholders have come together to use their collective influence to improve the working conditions for the women working in the T&A industry. Snapshots of the following multi-stakeholder initiatives, which have successfully created a positive impact on the lives of women workers, are provided in this section:

- Fair Wear Foundation - Setting up Anti-harassment committees and violence prevention systems
- BSR’s HERproject
- ILO-IFC Better Work Programme
- Multi-Stakeholder Initiative Tamil Nadu (MSI-TN)

#### Fair Wear Foundation - Setting up anti-harassment committees and violence prevention systems<sup>46</sup>

**About the initiative:** Fair Wear Foundation’s (FWF) violence prevention programme in export-oriented garment factories in India and Bangladesh supports the setting up of anti-harassment committees in the factories and help-lines. The 3-year project was funded by the UN Trust Fund to End Violence against Women.

<sup>45</sup> ILO: *Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Industries, Issues Paper for discussion at the Global Dialogue Forum on Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Industries*, ILO Sectoral Activities Department (Geneva 2014).

<sup>46</sup> *Setting up Anti-harassment committees and violence prevention systems: The experience of Fair Wear Foundation, 2015* Available at: <https://www.fairwear.org/wp-content/uploads/2016/06/Settingupahcs2015.pdf>

## Fair Wear Foundation - Setting up anti-harassment committees and violence prevention systems<sup>46</sup>

As a result of the success of this project, FWF has gained further funding to extend and expand its work on the elimination of violence against women.

**Activities:** The FWF programme operates at three strategic levels:

- **At factory level:** Management, supervisors and workers receive training and support to prevent sexual harassment. Practical support is provided to set up and train the anti-harassment committees required by national legislation.
- **At community level:** The project builds networks to provide a supportive environment to workers and new anti-harassment committees, through locally provided training, workers' helplines and support from local workers' organizations and NGOs.
- **At international level:** The project uses the influence of FWF member brands with factories to introduce the programme, coach management, train supervisors and workers and support anti-harassment committees.

**Impact:** An important outcome is that workers are beginning to speak out about problems and to suggest solutions to factory problems. FWF conducts factory audits, regularly engages with local stakeholders (SAVE, Civepe and MARG) and operates complaint hotlines in five languages: Hindi, Tamil, Kannada, Bangla and English. FWF received 56 complaints in India from 2016-2018, and action was taken to resolve these complaints. Participation in the project has led to a shift in managers' attitudes towards sexual harassment in the factory. As a result of the success of the FWF violence prevention programme, some European clothing brand members have included participation in the programme as part of their business negotiations with factories.

**Learnings and recommendations:** Sharing the learnings of this project, FWF suggested that workers' training should not rely on conventional classroom training, and they need to develop peer education to cover more workers and be more sustainable. It has also been suggested that training alone is not enough for top management. The project needs to build their capacity and change their attitudes through continuous coaching in complaints handling and Anti-Harassment Committee follow up sessions.

## BSR's HERproject<sup>47</sup>

**About the initiative:** Business for Social Responsibility (BSR) has brought together global brands, their suppliers, and local NGOs as a part of HERproject. This project aims create to impact for women and business via workplace-based interventions on health, financial inclusion, and gender equality. Since its inception in 2007, HERproject has worked in more than 700 workplaces across 14 countries and has increased the well-being, confidence, and economic potential of more than 850,000 women.

**Activities:** BSR develops and coordinates workplace training sessions for women workers. It also provides expert guidance to brands and their suppliers on improving workplace systems and policies and to build connections to key products and services, such as health clinics and formal bank accounts so that these facilities can be availed by women workers. The activities of the different stakeholders involved in the project are given below:

- **Companies** commit to implementing workplace-based programs to empower women workers in global supply chains.
- **BSR** develops curricula, tools, and guidance for workplace-based interventions, connects companies with local partners, and provides technical support for implementation of HERproject.
- **Local Partners**, mainly NGOs, use their expertise to adapt the curricula to the specific context and provide qualified trainers to deliver programs.
- **Factories** allocate time for trainings for workers on health, financial inclusion, and gender equality, and work with BSR and local partners to build inclusive workplaces related to these areas.

<sup>47</sup> <https://herproject.org/about/what-we-do>, Accessed on 29<sup>th</sup> July 2019

## BSR's HERproject<sup>47</sup>

- **Women Workers** participate in trainings, become peer educators, and share information with colleagues, friends, family, and members of their communities.

### Impact : For Women

- Through HERproject, women acquire the information and ability to access products and services necessary to improve health, finance, and gender equality outcomes. For instance, 91% of both women and men across 11 factories in India said they saved a greater portion of their salary. Another impact is the 11% increase in the number of women using family planning products across 26 factories in five countries.
- Through HERproject, communication and interaction between workers and management has become better and more effective. For example, 95% of female workers across 11 factories in India felt that management showed more concern for their well-being after going through the HERfinance training.

### Impact : For Business

- Through HERproject, factories adopt policies and practices that create inclusive workplaces. For example, 40 factories enrolled in the HERfinance payroll digitization program, reaching nearly 100,000 women.
- Through HERproject, workplaces become more productive and businesses more profitable. An example of this is the 93% decrease in payroll costs following wage digitization in five factories in Bangladesh and 22% decrease in the number of products requiring rework across 37 factories in six countries.

**Learnings and recommendations:** Sharing the lessons learnt from the project, BSR advocates the following points to establish fruitful partnerships with industry stakeholders:

- **Identify what each partner can uniquely contribute:** When multiple partners are involved in a collaboration, the unique role of each partner should be identified and leveraged accordingly.
- **Context:** Materials for workers would only be effective if they are developed and tested locally.
- **Deepen the partnership to scale:** A long time horizon and resource plan is necessary to enable expansion of the scope and allow the collaboration to reach scale.

Taking forward the project learnings, BSR has also emphasized that it is crucial to start with a common goal and model. Throughout the course of the project, apart from having a strong focus, it is important to maintain a flexible approach to benefit from the different resources and expertise within partnerships. To ensure growth, partnership projects should focus on demonstrating results and impact through robust data, which is critical for both public and private-sector organizations.

## ILO-IFC Better Work Programme<sup>48</sup>

**About the initiative:** The ILO/IFC Better Work Program aims at making a difference for female factory workers in the global garment industry. Since 2007, BW has reached more than 3 million garment workers in Bangladesh, Cambodia, Haiti, Indonesia, Jordan, Lesotho, Nicaragua, and Vietnam. Women are the key beneficiaries of BW's programs since they make up about three-fourths of the global garment industry workforce and 80% of all workers in BW participating facilities. The ILO/IFC Better Work (BW) program has been partnering with 30 international clothing brands in eight countries to improve and monitor legal compliance and create safe, clean, and equitable working environments.

**Activities:** Better Work implements a two-fold strategy to promote compliance with national law and international core labour standards in global garment and footwear supply chains:

### Encouraging factories to improve working conditions by:

<sup>48</sup> <https://betterwork.org/>, Accessed on 20<sup>th</sup> July 2019

## ILO-IFC Better Work Programme<sup>48</sup>

- Providing assistance to factories to self-diagnose and to fix problems themselves and financial incentives in the form of preferential interest rates to factories making improvements.
- Harnessing the commercial influence of leading brands and retailers to make them commit to use their commercial influence to encourage needed improvements in their supplier factories.
- Publicly disclosing serious non-compliances after fair notice is given to the firms to make the required improvements.
- Demonstrating the business benefits of decent work through independent research based on Better Works data-sets.

### **Helping national stakeholders play a stronger role in governing the labour market by:**

- Establishing programmes in countries where impact is most likely.
- Working with a critical mass of employers across the sector to create a “tipping point” in business attitudes towards compliance, which reward good compliance.
- Collaborating within the ILO to build the capacity of national institutions, supporting constituents’ requests for assistance in strengthening the labour inspectorate, reducing workplace accident and illness rates, reforming laws and strengthening industrial relations and social protection systems that can have a spill-over effect beyond the garment export sector.
- Accumulating evidence of positive impacts of good employment practices and compliance with labour laws and core labour standards on development, growth and firm success.
- Influencing international buyers and encouraging more responsible sourcing practices.

**Impact:** An independent impact assessment of ILO-IFC’s Better Work Program carried out by gathering and analyzing nearly 15,000 survey responses from garment workers and 2,000 responses from factory managers in Haiti, Indonesia, Jordan, Nicaragua and Vietnam found improvement in the firm performance from multiple angles: productivity, profitability, position in the supply chain and order sizes. It was reported that Better Work’s Productivity Supervisory Skills Training (SST), particularly among female supervisors, increased productivity by 22%. Profitability Factories experienced a rise in profitability (measured as the ratio of total revenue versus total costs) due to their participation in the programme.

A detailed summary of country wise-results can be found in the Better work’s 2016 *Progress and Potential: How Better Work is improving garment workers’ lives and boosting factory competitiveness* report available at [https://betterwork.org/dev/wp-content/uploads/2016/09/BW-Progress-and-Potential\\_Web-final.pdf](https://betterwork.org/dev/wp-content/uploads/2016/09/BW-Progress-and-Potential_Web-final.pdf)

**Conclusion and future actions:** During its next phase from 2018-2022, Better Work Program is aiming to significantly scale and deepen its impact. This will be done by leveraging existing and new partnerships to expand its impact by 50% from 2 to 3 million workers. In addition to focusing on women’s empowerment and rights, ILO and IFC will support garment producing countries to strengthen the policy and enabling environment for decent work and competitiveness to drive positive outcomes on a much larger scale.

## Multi-Stakeholder Initiative Tamil Nadu (MSI-TN)<sup>49</sup>

**About the initiative:** Multi-Stakeholder Initiative Tamil Nadu (MSI-TN), supported by Partnership for Sustainable Textiles (PST) aims to improve the working conditions in textile and apparel supplier factories located in Tamil Nadu, India and, in particular, to bring about positive changes in the working condition of the women and girls in spinning mills.

**Activities:** MSI-TN is currently active in four districts of Tamil Nadu Viz. Coimbatore, Dindigul, Erode and Tiruppur. It brings Tamil Nadu T&A industry stakeholders such as government officials, trade unions, trade bodies, NGOs and industry players on a common platform. Together, the partners introduce change at two levels as elaborated below:

<sup>49</sup> [https://www.textilbuendnis.com/wp-content/uploads/2019/02/190221\\_TB\\_Factsheet\\_TamilNadu\\_Web.pdf](https://www.textilbuendnis.com/wp-content/uploads/2019/02/190221_TB_Factsheet_TamilNadu_Web.pdf) ; <http://msi-tn.com/> , accessed on 22<sup>nd</sup> July 2019

### **Module A: Dialogue**

Regular dialogues with the government, industry (factories and associations), NGOs and trade unions both at the state level and at the district level to initiate measures for social improvements in the textile sector. A dialogue between the main stakeholder groups in the local textile industry helps to raise awareness about workers' rights.

### **Module B: In-Factory Trainings**

Comprehensive training programmes are to be carried out in 300 factories (mainly spinning mills), where management and workers are informed about complaint mechanisms, labour rights and standards. In addition to that, statutory complaints committees (Internal Complaints Committee - ICC), Grievance Redressal Committee (GRC)) are being established and staffed. Additional capacity building for the members who are elected by secret ballot is planned to be done as a part of the initiative in order to ensure the continuous functionality and effectivity of the newly formed committees.

**Impact:** MSI-TN has been conducting working group meetings on four themes covering Labour laws, Working women hostels, Harassment of women at workplace, and Social security and other benefits for workers. As of July 2019, more than 20 such meetings have been conducted engaging multiple types of stakeholders. Action points have been set for each theme in each of the four districts and social dialogue is being used effectively to realize their outcomes. These action points focus on registration of working women hostels, formation of ICC committees, ESI and EPF facilities, awareness programmes and in-factory trainings. The themes & action points have been appreciated by the participating stakeholders and many of them have shown interest to support its implementation. Support of relevant government departments such as Directorate of Industrial safety and health (DISH), The Social Welfare and Nutritious Meal Programme Department, Tamil Nadu State Commission for Women, Employees' State Insurance Corporation and Employees' Provident Fund Organization is being used to implement the set action points.

MSI-TN team has also carried out In-Factory Trainings in more than 100 spinning mills<sup>50</sup> spread over Coimbatore, Dindigul, Erode and Tiruppur. These trainings have sensitized the women workers in the spinning mills as well as factory management about labour rights, standards and complaint mechanisms including Internal Complaints Committee (ICC). Factory level training program is still going on and the factories of those four districts may still join this program and be benefited.

## **5.2. Industry Best practices**

As the technology, systems, processes, rules and regulations and workplace dynamics change with time, industry players must evolve to adopt ethical and sustainable manufacturing practices. In this section, evidence based best practices for ensuring a safe, healthy, inclusive and progressive workplace for women have been provided, which can be broadly clubbed under following two sections:

- Best Practices for Suppliers
- Best practices for Buyers

### **5.2.1. Best Practices for Suppliers**

Some factory floor interventions and management practices for T&A suppliers are given below.

#### **Improving working conditions for women workforce**

- **Controlled working hours:** The regular working hours and overtime should be compliant with Indian Factories Act 1948, i.e. maximum 48 hours per week and 9 hours a day. Industry best practice for spinning mills is to have three 8 hour shifts daily.
- **No forced overtime:** Overtimes should be planned well in advance and workers should be informed accordingly. No worker should be forced to put in extra hours of overtime against his or her will.
- **Building trust between workers and management:** Workshops, team-building activities and awareness sessions may be organized on a periodic basis to create awareness about workers' rights.

<sup>50</sup> List of the spinning mills is available at: <http://msi-tn.com/factories>

This helps in improving the working environment as the workers are more open to discussing challenges with their co-workers.

- **Being sensitive to different backgrounds of migrant workers:** In many parts of India, the T&A manufacturing units employ large number of migrant workers coming from different states. All workers, supervisors and managers may be made aware about the language barriers and socio-cultural differences of the migrant workers and the ways to respect the diversity.
- **Formation of Internal Complaints Committee (ICC):** The factories should ensure the protection of workers from sexual harassment, abuse and violence by the establishment of ICCs. They should ensure the active functioning of the ICC as per the guidelines laid out in The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- **Training and awareness programs:** Trainings, workshops and awareness sessions may be conducted for workers at all levels, including the middle and higher management, to educate them about workplace harassment and how can they seek support against it. Such programmes may also be customized for women workforce.
- **Building adequate water and sanitation facilities:** All employees should have access to clean water inside the factory premises. Adequate number of separate toilets for men and women should be present in the factory. There should be proper maintenance and cleaning of these facilities.
- **Crèche facility:** Crèche facilities should be provided by factories. Provision of crèche facility is a statutory obligation for establishments employing 50 or more women under the Maternity Benefit (Amendment) Act, 2017.
- **Transportation facilities for workers** - Factories may provide transportation facilities for workers. This initiative will ensure the safety and security of women, especially when they have to travel at late evening / night time owing to overtimes / night shift duty.
- **Maternity protection:** According to a study carried out by ILO, some best practices on maternity protection in factories are mentioned below<sup>51</sup>:
  - Allowing pregnant workers to rest for half-an-hour every four hours of work.
  - Allowing pregnant women to work overtime only if they want and can.
  - Provision of lighter work, not pushing for higher production targets, not requiring to work in areas with bad smells, and not forcing them to sit or stand all day.
  - Allowing one day leave every month for the prenatal health check.
  - Hiring a doctor by the manufacturing units for one day per month to carry out prenatal health checks so that workers do not spend too much time on transportation to reach a health center.
  - Pay for maternity leave before the worker begins her leave.
- **Career progression for women:**
  - Factories may also ensure that equal wages are paid to men and women for same job roles, and wages should at least be equal to the minimum wages mandated by law. The factories may provide living wages to their workforce, which cover the minimum income necessary for a worker to meet their basic needs.
  - Factories may focus on skilling and upskilling of women workforce in the in-house training centers. Management may promote the eligible women candidates and handhold them in the initial period of the new job roles.
  - Companies may run special program for women empowerment and set target for increasing women workforce participation at each level of management.

### Ensuring occupational safety and health

- **Use of personal protective equipment (PPE):** The workers should be provided PPE such as masks, head gear, ear plugs and overcoats. They should be sensitized about the need to use PPEs and its use should be ensured by the factory management. The use of PPEs should be promoted by sufficient ventilation and air conditioning.
- **Access to first-aid:** First-aid toolkits should be available in the factories, and they should be replenished on a timely basis. The factories should have health clinics, having a qualified nurse and a doctor. Periodic health check-ups may be carried out for the workers.
- **Provision of good quality and nutritious food:** Factories may have canteens providing

<sup>51</sup> Action-oriented research on gender equality and the working and living conditions of garment factory workers in Cambodia, ILO Regional Office for Asia and the Pacific, 2012

- nutritious meals at subsidized rates.
- **Worker Training:** Health & safety as well as first aid training should be provided to the workers periodically. Mock fire drill should also be conducted on a periodic basis.

#### Ensuring social and economic security

- **Elimination of bonded labour:** Workers should not be employed under job-bonds. They should be registered formally on the factory payroll, and their salaries should be credited on a monthly basis directly at their bank account. Apart from casual and sick leaves, employees should be provided earned leaves too.
- **Inclusion under EPF & ESI schemes from onboarding:** The factories should, in a timely and regular manner, fulfil procedural requirements under the legislation governing the social security of workers in India, including the Provident Fund Scheme, Employee State Insurance etc. They should maintain continuous records of the EPF & ESI for their workers from their onboarding day. Factories may switch to digital payment methods to ensure transparency.

#### Improving living conditions inside working women hostels

- **Maintenance of working women hostels:** Many spinning mills in Tamil Nadu provide hostel facilities for the female workers. These hostels should be registered and licensed under The Tamil Nadu Hostels and Homes for Women and Children (Regulation) Act, 2014. The facilities and maintenance in the hostels should be as per guidelines laid down in this act.
- **Financial and teaching assistance for education of workers and their children:** Industries may help the young female workers in improving their educational qualifications by providing the education facilities. Education support may also be provided for the children of the workers.

### 5.2.2. Best Practices for Brands

Global buyers have a lot of influence over their suppliers, and consequently, have an opportunity as well as responsibility to act as drivers of change. Some best practices that brands are following to ensure compliance and ethical manufacturing practices throughout their supply chains are given in the section below.

#### Buyers' Code of Conduct

*A Code of Conduct (CoC) refers to a set of guidelines, values, rules and principles that have been laid down as a vision for one's business.*

To ensure ethical and sustainable manufacturing practices, many global buyers such as Levi's, Walmart, GAP and Nike have developed Codes of Conduct (CoCs) for their suppliers. These CoCs are mostly been developed around Human Rights norms laid out by International Labour Organization Conventions, UN Guiding Principles on Business and Human Rights, and Universal Declaration of Human Rights. These brands demand supplier's compliance with their Code of Conduct before placing order. Most global brands and retailers use auditing or monitoring systems to assess the compliance of their suppliers with their CoCs.

*Some brands have been known to revise their CoCs based on inputs from industry stakeholders, which may also be regarded as an industry best practice. An example of this is Levi Strauss & Co., which found many problems with compliance, monitoring and reporting on its original Code of Conduct. It carried out a stakeholder consultation process on human rights standards as part of its global supply chain strategy. This led to a new Code of Conduct with a focus on gender equality and prevention to sexual harassment across global supply chain. The new approach focuses on five priority areas: economic empowerment; health and family well-being; equality and acceptance; education and professional development; and access to a safe and healthy environment.*

#### Multi-Stakeholder Initiatives

Multi-Stakeholder Initiatives seek to bring different industry stakeholders on a common platform to participate in dialogue, decision making and implementation of solutions to tackle challenges. In the T&A industry government, brands, NGOs, industry associations and trade unions are the major stakeholders. Brands play a key role in driving change through MSIs, and often, they are the main sources of finance.

Germany based Partnership for Sustainable Textiles, Netherlands based Agreement on Sustainable Garments and Textile (AGT), US based Fair Labour Association (FLA) and UK based Ethical Trading Initiative (ETI) are examples of MSIs focusing on improving working conditions for women workers in T&A industry, beside the other objectives.

Several global brands are often important partners in MSIs. An example of this is Partnership for Sustainable Textiles (PST).

The goals of Partnership for Sustainable Textiles (PST) is to achieve social, ecological and economic improvements alongside the entire textile supply chain. It has around 130 representatives from five different actor groups (German Federal Government, businesses (including brands), non-governmental organizations, unions, standards organizations). Adidas, Brands Fashion, H&M, Hugo Boss, Otto, Primark and Tchibo are some of the brands which are a part of PST.

### Brand led initiatives

Several global brands and retailers lead projects to improve transparency and sustainability in their supply chains as a part of their Corporate Social Responsibility (CSR). Many such projects focus on ensuring social compliance and improving working conditions for women working in their supplier factories. These projects act as source of mutual benefit for the buyer and the supplier.

Examples of brand led initiatives in Tamil Nadu are Inditex's Sowbhagyam project to address the Sumangali scheme, and H&M's project with SAVE (Social Awareness and Voluntary Education) to promote social dialogue in the T&A manufacturing units.

Another example of this best practice is GAP's P.A.C.E. (Personal Advancement & Career Enhancement) programme, as elaborated below:

#### GAP's P.A.C.E. (Personal Advancement & Career Enhancement)

**About the Initiative:** Gap Inc. launched its P.A.C.E. (Personal Advancement & Career Enhancement) program for women employees along its value chain. Launched in 2007 in partnership with vendors and global and local NGOs, P.A.C.E. leverages Gap Inc.'s resources, expertise, and partnerships to provide life skills, education, and technical training to female garment workers to enable them to advance in work and in life. GAP Inc. has expanded this program to community settings in 2013. As of April 2019, 300,000 women in 18 countries had participated in P.A.C.E.

**Activities:** Women who participate in the program go through two phases of training over two years. The first phase training gives them a foundation and focuses on such life skills as communication, time management, and health. The second phase training offers technical training and aligns with each woman's professional aspirations. In 2017, GAP Inc. implemented a new strategy by forming new partnerships, improving the efficiency and effectiveness of their program management and developing a new learning management program. It formed partnerships with groups in several countries including India's Self-Employed Women's Association – one of the country's largest organizations focused on women engaged in entrepreneurial activities.

**Impact:** The findings of the impact study were compiled from evaluations conducted from 2009 – 2013 at six factory sites where P.A.C.E. was implemented – two in India and one each in Cambodia, Vietnam, Bangladesh and China.

- Across all program sites only 35% of P.A.C.E. participants had a high level of self-esteem at baseline. This rose to 52% at the end of the program.
- Across the sites, about one and a half times as many P.A.C.E. participants had a high level of self-efficacy by the end of the program compared to baseline (65% vs. 26%). This means that women became more confident in their own ability to accomplish goals or tasks at home and at work.

- On average, the proportion of women across all sites demonstrating a high level of influence on their workplace environment doubled, increasing from 32% to 64%.
- Increase in retention rate and worker advancement (demonstrating new skills, promotion, wage increase (other than usual annual or stipulated increase), and progression to a more difficult role) was observed in P.A.C.E. graduates. For instance, in India, there was 49% greater retention among P.A.C.E. participants and 58% increase in advancement among P.A.C.E. participants compared to non-participants.

*Source: <https://www.gapincustainability.com/people/pace-changing-one-million-lives>, Accessed on 29th July 2019; <https://www.icrw.org/publications/advancing-women-changing-lives/>, accessed on 29th July 2019*

## 6. Reasons for businesses to focus on improving working conditions for women workforce

Improving working conditions for women workers and addressing cases of violence, harassment, abuse and exploitation is an investment, and not a cost.

For T&A supplier factories, impact of this investment leads to improvement in business performance indicators. Quantifiable business benefits mentioned as the impact of multi-stakeholder initiatives in Chapter 5 (Section 5.1) are a testament of the same.

Several studies<sup>52</sup> have reported that better working conditions lead to increased revenue and profit margins as a result of optimization of manufacturing costs, improvement in labour productivity and product quality. In a safe and compliant workplace, additional costs arising as a result of non-compliance, such as compensatory costs after accidents, cost incurred as a result of defected goods, etc. would also get reduced.

A study to assess the business returns of BSR's HERproject in four apparel manufacturing factories located in Egypt and Pakistan reported quantifiable business benefits in the form of reduced worker absenteeism and reduced early leave requests, reduced staff attrition, and reduced defective pieces or mistakes made in manufactured garments.

Several non-quantifiable benefits such as enhanced utilization of existing resources; improved worker satisfaction with management; improved worker health behavior; and improved reputation with factory clients were also found.

*Source: HERproject: Health Enables Returns the Business Returns from Women's Health Programs, Racheal Yeager, BSR, 2011*

With growing awareness among consumers, there is increasing focus on transparency and traceability in the supply chain. Buyers are under pressure to ensure social compliance and sustainability, and most of them are pushing the comply-or-die model, where they perform consistent audits and investigate their potential suppliers to ensure that their products come from a compliant supply chain. Nowadays, basic compliance of factories is considered mandatory, although not sufficient for selection of suppliers by global buyers. Many international buyers are demanding compliance with their 'code of conduct' before placing order, where as some are accepting some fixed general standards established by globally recognized institutions.

It is therefore in the best interest of the suppliers to have a proactive approach towards compliance and enact policies that will improve working environment. Taking initiatives to ensure a safe, healthy, inclusive and respectful workplace for women will enhance the reputation of the supplier among global buyers and help in building of long-term relationships, thereby ensuring growth of business.

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<sup>52</sup> Examples of studies include *HERproject: Health Enables Returns The Business Returns from Women's Health Programs; Better Work Progress and Potential Report; Fair Wear Foundation India Country Study 2016, 2019; and Empowering Female Workers in the Apparel Industry - Three Areas for Business Action*

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## 7. Conclusion

Although the T&A industry is attributed to empowerment of women through employment, there are several challenges faced by these women, especially those employed in the lower tiers of the T&A supply chain. Cases of gender based violence, abuse and exploitation are pervasive in the industry, and they are known to have severe negative impacts on women's mental, physical, sexual and reproductive health. Consequently, this affects the productivity and output of the workers, causing a negative impact on the supplier's business performance indicators.

The benefits of improving working conditions for women and focusing on their career progression go beyond the factory floor. Economic empowerment of women goes a long way in impacting their families and communities in a positive way. Several reports have given evidence to substantiate that women workers transfer their workplace learnings on topics such as health and safety to their households, thereby improving the health and well-being of their families. Economic empowerment of women contributes to better living conditions, and consequently, to the upliftment of the society.

India, being the second largest T&A exporter in the world after China, should play a pivotal role in acting as a workplace trendsetter for the industry, especially for developing countries. Investment in ensuring a better working environment for women would directly support the achievement of four of the 17 Sustainable Development Goals set by United Nations for the year 2030 viz. Goal 1: No Poverty, Goal 5: Gender Equality, Goal 8: Decent Work and Economic Growth and Goal 10: Reduced Inequalities.

With the global shift towards ethical and sustainable supply chains and growing consumer awareness, it has become imperative for industry stakeholders to focus on the actions points which can be undertaken to ensure a safe, healthy, inclusive and progressive workplace for female workforce. Several initiatives are leading change in this direction, and the way forward is to create and support programs that are scalable and sustainable.